



CITY OF MOUNT VERNON

Compliance Procedures for Labor Standards Requirements

Applicable Requirements:

Federal:

1. Davis-Bacon Act (DBA) of 1931 which establishes the requirement for paying the local prevailing wages to laborers on public works projects that receive federal assistance, including HUD grants
2. Related Acts which are program statutes that contain a provision(s) requiring compliance with the wages found to be prevailing by the Secretary of Labor pursuant to the Davis-Bacon Act. These statutes, together with the Davis-Bacon Act are commonly referred to as the Davis-Bacon and Related Acts or (DBRA). HUD Related Acts include (but are not limited to):
 - the National Housing Act;
 - the U. S. Housing Act of 1937;
 - the Housing and Community Development Act of 1974 (CDBG);
 - the National Affordable Housing Act of 1990 (HOME); and
 - the Native American Housing Assistance and Self-determination Act of 1996, each as amended
3. HUD Handbook 1344.1, Federal Labor Standards Compliance in Housing and Community Development Programs which detail applicability and compliance actions for the above HUD funding sources. [View Resource](#)

HUD Guidance:

HUD's Handbook on Labor Standards Compliance in Housing and Community Development Programs offer specific guidance for the CDBG and HOME Programs. DBRA requires all contractors and subcontractors performing work on non-housing federally assisted construction contracts over \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area.

Non-housing activities include construction or rehabilitation of a public facility (e.g., a homeless shelter, senior center), or installation of public improvements to support affordable housing or provide benefit to low-income neighborhoods (e.g. streets, water/sewer lines).

Federal Davis-Bacon prevailing wage rate requirements may also apply to a federally-assisted housing project that either is:

- A CDBG-funded project that will involve rehabilitation of multifamily housing containing eight (8) or more assisted units; or
- a HOME-funded project that will build or rehabilitate twelve (12) or more assisted units.

Basic Labor Standards Procedures

These requirements present an impact to the cost of projects, and carry with them significant record keeping procedures, so project sponsors are encouraged to contact the Mount Vernon Urban Renewal Agency (MVURA) early in their project planning for further information if a proposed project will be subject to Davis-Bacon.

If a project sponsor expect that its project will be a covered project, any and all solicitation documentation will need to alert contractors that Davis-Bacon requirements will apply, and will need to include the appropriate federal wage decision and other required labor provisions.

The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. Federal wage decisions will be made available by MVURA staff for project cost feasibility determinations upon request.

Contractor Responsibilities

The following list has been prepared to assist Contractors in meeting contractual labor standards responsibilities. All major administrative and procedural activities are described in the sequence they will occur as the construction project progresses.

The term “employer,” as used below, refers to the Prime Contractor, each Subcontractor, or each Lower-tier Subcontractor.

Payrolls and documentary evidence of compliance is required to be sent in the delivery procedure as follows:

- Each Lower-tier Subcontractor, after careful review, submits required documents to the respective Subcontractor.
- Each Subcontractor, after checking his own and those of each Lower-tier Subcontractor he may have, submits required documents to the Prime Contractor.
- The Prime Contractor, after reviewing ALL payrolls and documentation, including his/her own, and correcting violations where necessary, submits all certified payroll reports to the City of Mount Vernon and/or MVURA staff.

NOTE: Working subcontractors are not exempt from receiving prevailing wage. Davis-Bacon Act regulations specifically stipulate that independent subcontractors are not exempt from receiving weekly prevailing wage for the classification of work which they perform. This is true regardless of any contractual relationship between the primary contractor and subcontractor. This means that it is the prime contractor’s responsibility to ensure that a prevailing wage rate is paid to subcontractors performing on-site work.

(Source documentation: Department of Labor Relations Letters dated January 13, 1993 and December 2, 1996.)

Before Construction Begins

The project sponsor must ensure that each employer has:

- Not been debarred or otherwise made ineligible to participate in any Federal or Federally-assisted project (search for excluded contractors at www.sam.gov)
- Received the appropriate contract provisions covering labor standards requirements
- Reviewed and understands all labor standards contract provisions
- Received the applicable wage decision as part of the contract
- Requested and received the minimum wage for each classification to be worked on the project which was not included on the wage decision by completing the additional wage classification process and before allowing any such trade(s) to work on the project
- If an apprentice is to be performing work on the project, the contractor has requested and received certification of his/her apprentice program from the State's Bureau of Apprenticeship and Training (recognized by USBAT) and submitted copy thereof to the recipient prior to employment on the project
- Likewise, "trainee" program certification from U.S. BAT, if applicable, must be submitted.

At Construction Start

The project sponsor must ensure that each employer has:

- Notified staff of the construction start date in writing
- Has placed each of the following on a bulletin board prominently located on the project site which can be seen easily by workers (and replaced if lost or unreadable at any time during construction):
 - A copy of the Wage Decision
 - "Notice to Employees" Poster
- Before assigning each project worker to work, has obtained the worker's name, job classification, and best mailing address. (Note: It is no longer necessary to report an employee's Social Security number on every certified payroll report, only the last four digits of the employee's SSN must be reported, and only on the first payroll report in which that employee worked on the Davis-Bacon covered project).
- Has informed each worker of:
 - His/her work classification (journeyman or job title) as it will appear on the payroll
 - His/her duties of work
 - The U.S. DOL's requirements on this project that he/she is either a journeyman, apprentice, or laborer:

- If a journeyman, he/she must be paid a journeyman's minimum wage rate or more.
 - If apprentice, he/she is to be paid not less than the apprentice's rate for the trade based on his year of apprenticeship.
 - If a laborer, he/she is to do laborer's work only—not use any tool or tools of the trade and not perform any part of the journeyman's work and is to be paid the laborer's minimum rate or more.
 - If applicable, has obtained a copy of each apprentice's certificate with the apprentice's registration number, percentage of wage to be paid and his year of apprenticeship from the State BAT.
- Understands the requirements that each laborer or mechanic who performs work on the project in more than one classification within the same work week shall be classified and paid at the highest wage rate applicable to any of the work which he performs unless certain requirements are met (refer to "Additional Guidance for filling in a Payroll Report"):
- Has informed each worker of:
- His/her hourly wages (not less than the minimum wage rate for his/her work as stated on the Wage Decision);
 - Payment of overtime at the rate of time and one half for all work over 40 hours per week;
 - Fringe benefits, if any (see wage decision for any required), paid in cash or into an approved third party trust;
 - Permissible deductions from his/her pay and/or any deductions voluntarily requested in writing from the employee.
- Has informed each worker that he is subject to being interviewed on the job by a representative of OCD to confirm that the employer is complying with all labor requirements.
- Has informed each foreman, journeyman, and apprentice that the proper journeyman-to-apprentice ratio must be observed on the job site at all times when an apprentice is working.

During Construction:

The project sponsor must ensure that each employer has:

- Has not selected, assigned, paid different pay rates to, transferred, upgraded, demoted, laid off, and not dismissed any project worker because of race, color, religion, sex, or national origin or other federal, state or local protected class.
- Has employed all registered apprentices referred to him through normal channels up to the applicable ratio of apprentices to journeyman in each trade used by the employer.
- Will maintain basic employment records for no less than three years, accessible to inspection by HUD, grant administration staff, or other U.S. government representatives.

- Must comply with all safety and health standards.
- Must pay all workers weekly
- Must submit weekly payroll reports prepared on either recommended form WH-347 (or on computerized printouts cleared by grant administration staff) and accompanied by the Statement of Compliance.
- HUD considers the following project workers exempt from labor requirements and does not require them to be shown on payrolls:
 - Project superintendent or Supervisory foreman (performing less than 20% in a classification)
 - Messenger
 - Clerical workers

Weekly Payroll Review:

The project sponsor must ensure that each employer has:

- Subcontractors and Lower-tier Subcontractors have promptly reviewed the weekly payroll for compliance with all labor standards requirements (using this checklist) and has made any necessary corrections.
- The Prime Contractor has received all weekly payrolls or reports that no work was performed (refer to “No Work Performed” Notice) from each Subcontractor or Lower-tier Subcontractor, has reviewed and requested necessary corrections and has submitted all payrolls, including his own, to grant administration staff within 7 work days of the last date of the respective work week.

After Project Completion:

The project sponsor must ensure that each employer has:

- Each employer is required to keep all weekly payroll reports on the project for no less than three years after the Prime Contractor’s project completion date.