



LABOR STANDARD ISSUES

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AUGUST 20, 2014

OVERVIEW

- Define Federal Labor Standards
- Instructions—Group Exercise
- Discuss RE-OCCURRING issues that we are seeing in our Compliance Reviews
- Tools for Compliance
- Keys To Success
- Resources

FEDERAL LABOR STANDARDS

- The Federal Labor Standards (FLS) for contracts utilizing CDBG funds are primarily set forth in the following three statutes:
 - ~The Davis-Bacon Act (40 USC 276(a-a5);
 - ~The Copeland “Anti-Kickback” Act (40 USC 276(c); and
 - ~The Contract Work Hours and Safety Standards Act (CWHSSA)(40 USC 32 -333).

INSTRUCTIONS



Group Exercise

At each table you will find a piece of paper in the center that has an example of a Federal Labor Standards Issue that needs to be corrected.

1. Each Table will take the next 10 minutes to:
 - ✓ Read the Issue
 - ✓ Discuss and Answer the accompanying questions
 - ✓ Identify a spokesperson to report out
2. Spokesperson will convey the results of the discussion as requested.

Group 1

- The worker, D. Moneymaker, did not appear on subcontractor's Register of Assigned Employees (RAE) although he was on several payroll reports. Also, only three Monthly Register's of Contractors, Subcontractors and Suppliers were submitted in a six month period.
 - What problems can you identify?
 - How do you resolve these problems?
 - Who is responsible?
 - What information is on the RAE?
 - Why is the RAE so important?
 - When do you submit the Monthly Register of Contractors, Subcontractors and Suppliers?



Group 2

- The Prime Contractor had submitted 16 weekly payrolls and the subcontractor had submitted 12 weekly payrolls for review. The Contract Compliance Officer (CCO) had interviewed at least one worker per trade and at least 25% of the total number of workers—all in one day.
 - Have the minimum requirements for Federal Labor Standards been met?
 - Why Not?
 - What should have been done?
 - Can this be corrected?
 - How?



Group 3

- The subcontractor's certified payrolls appeared to be signed by a person different than the Clerk/Secretary that was authorized to sign the payrolls. The signature appeared in several different formats on several different payrolls. Also, there are no Authorized Deduction Forms and some of the employees have non-standard deductions on their payrolls.
 - What problems can be identified?
 - What should have been done?
 - What are the possible repercussions?
 - What is the "Authorization of Payroll Deductions" form used for?



Group 4

- A subcontractor was not paying the plumber wage rate on the issued Wage Decision to workers listed on the payroll as a plumber. This could be because the subcontractor is also including a fringe benefit package to make up the total issued wage; however, that fringe benefit package has never been submitted to or reviewed by DHCD.



Why does DHCD need to review fringe benefit packages?

What happens if DHCD rejects the proposed fringe benefit package?

What are some allowable fringes?

Group 5

- The Notice-to-Proceed for several facades to be improved by the Town was issued in January of 2014. As of the date of this ICR (March 2014), no payrolls had been submitted by the contractor to the CCO for review. Also, it was noted that there were no records of employee interviews.

- Why problems can you identify?
- How do you fix these problems?
- What are the possible repercussions?



Group 6

- It was noted during the FCR that a façade renovation contractor performed work which may have required a trade for which there were no workers listed on the RAE or certified payrolls. Federal Labor Standards require that workers be paid according to specific job classifications. DHCD staff noted that on two façade renovation contracts, work was performed which may have required a certified electrician while the RAE and certified payrolls listed Laborer as the only job classification.
 - Is this a problem?
 - Why?
 - Are there any red flags?
 - How would you correct this?



Group 7

- Three workers were found to be underpaid when compared with the Wage Decision issued for this project. A subcontractor did not complete a statement of compliance to match each of payrolls. One job classification used on payrolls “glazer” was not listed in the Wage Decision.



- What are the problems here?
- How do you fix them?
- What do you do if the necessary job classification is not on the Wage Decision?

Group 8

- During the review it was noted that a sub-contractor's payrolls contained discrepancies related to pay calculations for several employees on Payrolls #9, 11, 12, 15 and 19. This included both gross and net pay inaccurate amounts, overtime pay rates not reflected, total work hours not listed, and payrolls numbered incorrectly. In addition, wage amounts for some employees did not match the Register of Assigned Employees.

Is there a problem here?

What's wrong?

How do you handle this?

What recourse do you have?

Group 9

- Employee Interview forms were incomplete and as such, they were not be accepted. Additionally, the current Record of Employee Interview form found in Appendix 51 of the CDBG Grant Management Manual was not used.
 - How do you conduct the employee interview?
 - How can you correct this problem?
 - How is the Record of Employee Interview form used?



Group 10

➤ A Wage Decision appeal has been requested but after several months the contractor has not heard anything from the Department of Labor & Industry (DOLI). Construction is underway and the employees are being paid the lower of the two amounts.

-Is this grantee in compliance?

-What are the repercussions?

-What happens if DOLI denies the request?

TOOLS FOR COMPLIANCE

- The Request for Wage Decision form
- The Construction and Federal Labor Standards steps and dates Checklist
- The Log of Payroll Reports
- The Log for Reviewing Employees on Payrolls
- The Register of Assigned Employees

TOOLS FOR COMPLIANCE

- The Monthly Register of Contractors, Subcontractors and Suppliers
- The Contract Awards Tracking Spreadsheet
- The Authorization of Payroll Deductions form
- The Labor Standards Compliance Review Checklist



TOOLS FOR COMPLIANCE

CONSTRUCTION AND LABOR STANDARDS CHECKLIST

PRIOR TO CONSTRUCTION	DATE COMPLETED
1. Erect DHCD-required Project Sign on suitable site within one month of the CDBG Agreement's execution regardless of activity's type.	___/___/___
2. Acquire all easements and properties needed for the construction project before the project is bid.	___/___/___
3. Request Wage Decision and Federal Construction Contract Inserts from CD Specialist about 14 days before the Advertisement of Bids is published.	___/___/___
4. Ensure Advertisement's language complies with DHCD's requirements.	___/___/___
5. Publish the Advertisement of Bids, giving all bidders at least 10 days to respond.	___/___/___
6. Include the following in the bid document: <ul style="list-style-type: none"> • The Federal Construction Contract Inserts received from DHCD <ul style="list-style-type: none"> ○ Insert the DBE goals, ○ Insert the Section 3 project area (County's name) in two places, and ○ Insert the Wage Decision. • The list of Minority- and/or Female-owned contractors and suppliers that responded to the advertisements and legal notices. 	___/___/___
7. Check with DHCD 10 days before the bids are to be opened to learn if the wage decision(s) has been modified.	___/___/___
<ul style="list-style-type: none"> • If yes, issue an addendum, issuing wage decision modification to everyone who requested the bid . 	___/___/___

KEYS TO SUCCESS

- Use your tools or their equivalent
- Monitor weekly
- Distribute *Davis-Bacon Labor Standards* to all payroll clerks
- Read Chapter 8 of the Grant Management Manual
- When in doubt, call your CD Specialist.

QUESTIONS



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RESOURCES

- <http://www.dhcd.virginia.gov/index.php/cdbg-training-archive.html>
- <http://www.dhcd.virginia.gov/images/TraningsArchives/1-FLS-Webinar-Overview-of-Federal-Labor-Standards.pdf>
- <http://www.dhcd.virginia.gov/images/TraningsArchives/Construction-FLS%20Steps-and-Dates-Checklist.docx>
- <http://www.dhcd.virginia.gov/images/TraningsArchives/10-Compliance-Labor-Standards.doc>