RE: Davis Bacon Requirements and Submittal of Certified Payroll Transcripts

Date: December 15, 2014

The City of Des Moines Engineering Department is responsible for monitoring Davis-Bacon Wage Requirements for administered contracts funded with a variety of federal funding sources including FHWA, FAA, EPA, and HUD. Federal Davis-Bacon law requires the contractor and its subcontractors to submit certified payroll transcripts within seven days after the regular payment date of the payroll period. Effective October 3, 2007, as provided in the Notice to Contractors with contract including Davis Bacon Requirements, the Engineering Department Davis-Bacon monitoring policy is as follows:

If payrolls of the prime contractor are not received within two weeks of the period covered, Engineering Department Staff should advise the prime contractor, in writing, which payrolls have not been submitted and that progress payments for the work will be withheld. If payrolls of subcontractors are not received within three weeks of the period covered, Engineering Department Staff should advise the prime contractor, in writing, which payrolls have not been submitted and that progress payments for the subcontracted items will be withheld. In either case, communication with the contractor sooner than these time limits may be appropriate to inquire on the status of payrolls.

If prime contractor or subcontractor fails to submit required records or make them available, the City of Des Moines may, after written notice to contractor, take such actions as may be necessary to suspend further payments. Payment may be withheld on the prime contractor and subcontractor(s) who are in violation. Failure to submit required records upon request, or make such records available, may be grounds for disqualification of the contractor, or subcontractor, from participation in or bidding on future Des Moines construction contracts.

Engineering Department Staff will notify the prime contractor, and it is the prime contractor’s responsibility to notify its subcontractors of these requirements and any actions.
This policy was developed based on Section 2.24, Davis-Bacon Wage Requirements of the Iowa Department of Transportation Construction Manual. Future changes in the Department of Labor, Iowa Department of Transportation or other applicable agency policies or rules may necessitate consideration of changes to the City’s policy as provided above.

Davis Bacon payroll review criterion includes the following:

1. Under the Davis-Bacon and Related Acts (DBRA), covered contractors must maintain payrolls and basic records and submit certified weekly payrolls. Although use of Form WH-347 is optional, the form will satisfy the requirements of Regulations, Parts 3 and 5 (29 CFR, Subtitle A), as to payrolls submitted in connection with contracts subject to the DBRA. Records to be maintained include:
   - Name, address, and social security number of each employee
   - Each employee’s work classification(s)
   - Hourly rate(s) of pay (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof)
   - Daily and weekly numbers of hours worked
   - Deductions made
   - Actual wages paid

2. Each payroll shall include the project name and/or number, date for end of that work week, sequential payroll numbers, signature and date on contractor’s statement, all workers listed and their trade identified

3. Last payroll indicated as “Final”

4. Documentation from Project Inspector on which contractors are on project site each day of the week

5. Approved additional classifications for all workers’ trades not included in the wage decision

6. Employee interviews adequate to assure compliance with payroll verification sign-off

7. Project posting board inspections; initial and every six (6) months after

8. Apprenticeship program certification for any workers paid less than the wage decision

9. Correspondence, notes, other evidence of payroll review and approval

10. Explanatory documentation of any contractor working on the project, either not listed on an approved permission to sublet or who was on an approved permission to sublet but not used on the project

This policy will be distributed at the preconstruction conference on projects that include Davis-Bacon requirements. This policy will be referenced in consultant scope of services as applicable when performing construction phase services on projects where Davis Bacon requirements are in effect. Responsibilities for administration of Davis Bacon requirements include:
• Notify the contractor of this policy, and to distribute and discuss this policy at the preconstruction conference for the project.
• Monitor the submittal of Certified Payroll Transcripts in accordance with the policy, and to date stamp payroll transcripts when received.
• Notify the prime contractor of any policy violations by either the prime contractor or any of its subcontractors. A copy of the written violation notice should be sent to the project manager for his or her files.
• Partial payments to the prime contractor will be adjusted to withhold the amount that corresponds with the missing payroll(s) if the prime contractor or any of its subcontractors are in violation of this Policy.

If you have any questions regarding this policy, or the monitoring of the Davis-Bacon requirements as they apply to your contract with the City of Des Moines, please contact Engineering Administration at 515-283-4920.

Sincerely,

Pamela S. Cooksey, P. E.
Interim City Engineer