



Purpose

Communicate best practices and emphasize the importance of appropriate tracking tools and monitoring procedures for enforcement of prevailing wage laws, including the collection of certified payrolls on federally funded projects. The information in this bulletin provides guidance, in addition to the Construction Manual, that can be used to determine the methods and tracking mechanism best suited for each project office.

Background

The state Auditor's Office conducted an audit last year that included looking at certified payroll collection on construction contracts that resulted in a finding. This bulletin takes the information reported in the audit into consideration, and provides an opportunity to improve internal processes.

Prevailing wage laws dictate the minimum rate that laborers and mechanics will be paid while employed on a public works project. Regardless of funding type, each contract includes the prevailing wage rates that apply in the Contract Provisions. All contracts with federal funding will have both federal and state prevailing wage rates to consider, requiring payment at the higher rate.

All projects currently rely on a Statement of Intent and Affidavit of Wages Paid process, submitted by all contractors to the Washington State Department of Labor & Industries (LNI), to ensure proper rates were paid and compliance with state prevailing wage laws.

Projects with federal funds require certification, submission and contracting agency review of certified payrolls. Collection and verification of certified payrolls fulfills the federal prevailing wage law requirements ensuring workers are paid timely and at the appropriate wage. The Federal Highway Administration (FHWA) also provides guidance and suggests consequences if contractors submit payrolls that are either continually, or habitually late. The Standard Specifications require submittal of the certified payrolls within 10 calendar days of the preceding week.

Guidance

The Prime Contractor is ultimately responsible for compliance with the requirements of prevailing wage laws. It is recommended that certified payroll submission be a topic at the Construction Pre-Conference to include:

- Prime Contractor's plan for informing the Project Office which subcontractors are on-site every week.



- Actions that can be taken by the Project Office for untimely or non-submittal of certified payrolls
 - Standard Specification 1-07.9(5) - If these payrolls are not supplied within 10 calendar days of the end of the preceding weekly payroll period for Federal-aid projects or within 10 calendar days from the date of the written request on projects with only Contracting Agency funds, any or all payments may be withheld until compliance is achieved.
- Submitting “No Work Performed Statements” for weeks a contractor is not on-site clearly indicates when a certified payroll is not needed.
- All certified payroll must be received before the Project Office can issue Contract Completion.

Contracting agencies also have a responsibility for properly applying and enforcing prevailing wage rate requirements. Tracking mechanisms are necessary and should be used in conjunction with prime contractor supplied information to ensure all certified payroll are received. The tracking mechanism must show the following information:

- All subcontractors that have worked on the project to date
- Specify each work week, from the first working day until Physical Completion
- Indicate weeks certified payrolls have been received from each subcontractor
- The date each certified payroll was received
- Clearly indicate missing payrolls

If certified payrolls are submitted either continually or habitually late, the Project Engineer will need to decide the correct action to take. It is important to remember withholding payment cannot be punitive in nature, and delaying the contractor’s cash flow may damage their ability to do work. The State Construction Office is available for assistance if needed when determining appropriate corrective actions.

The Construction Manual provides guidance regarding enforcement of prevailing wage rate requirements including frequency and criteria to be used when reviewing certified payrolls. In addition to verifying that required information is included on each certified payroll submitted, Project Office staff must also verify that the specific wage rate identified for each worker complies with the prevailing wage rate or rates included in the contract.

The State Construction SharePoint site provides the following additional information and resources:



Washington State
Department of Transportation

CONSTRUCTION BULLETIN

State Construction Office
Multimodal Development & Delivery

Prevailing Wage Laws - Certified Payrolls

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- Fillable spreadsheet to determine the correct wage and calculating overtime rates
- Certified payroll tracking spreadsheet templates
- USDOL and Labor & Industries resource links
- State and Federal OT Calculations examples

Resources

Standard Specification 1-07.9(5) – Required Documents

Construction Manual 1-07.9(5) – Certified Payroll Inspection

[USDOL Prevailing Wage Resource Book](#)

[USDOL Field Operation Handbook – Chapter 15](#)

[Labor & Industries Prevailing Wage Website](#)

[State Construction Office SharePoint Site](#)

[FHWA - Davis Bacon & Related Acts – Questions and Answers](#)

Contact Information

Heidi Jensen

State Construction Office

(360) 705-7908

jensenh@wsdot.wa.gov