



WHAT IS PREVAILING WAGE?

All workers employed on public works projects must be paid the prevailing wage determined by the Director of the California Department of Industrial Relations (DIR), according to the type of work and location of the project. California's prevailing wage laws ensure that the ability to get a public works contract is not based on paying lower wage rates than a competitor. All bidders are required to use the same wage rates when bidding on a public works project. Contractors/Consultants and subcontractors/subconsultants and vendors/suppliers must comply with the prevailing wage requirements. A project must meet state prevailing wage requirements when it is twenty-five thousand dollars (\$25,000) or more when the project is for NEW construction work, or fifteen thousand dollars (\$15,000) or more when the project is for alteration, demolition, repair, or maintenance work.

NOTE! For federally funded or assisted projects, Davis-Bacon requirements apply to contracts (including purchase orders) in excess of two thousand dollars (\$2,000) for the construction, alteration, or repair (including painting and decorating) of public buildings or public works.

WHAT MUST CONTRACTORS/CONSULTANTS/VENDORS DO TO FOLLOW THE LAW?

Contractors/Consultants and subcontractors/subconsultants and vendors/suppliers which bid on and are awarded City of Santa Monica prevailing wage project must comply with four general labor compliance obligations:

1. Register as a Public Works Contractor with the Division of Labor Standards Enforcement (DIR)
2. Pay Prevailing Rates
3. Comply with Apprenticeship Standards
4. Submit electronic certified payroll records and ancillary documents to the City's prevailing wage consultant, GCAP Services, Inc. via LCP Tracker©, a third-party, cloud-based prevailing wage and workforce compliance and management software (www.lcptracker.com/solutions/lcptracker) and upload payrolls electronically to DIR on a Weekly Basis

CONTRACTOR REGISTRATION

To submit a bid or work on a Prevailing Wage project, contractors and subcontractors are required to register with the Division of Labor Standards Enforcement *even if you don't have a contractor license*. Registration cost is \$400 and covers fiscal year July 1st through June 30th. Failure to register will result in a \$2,000 penalty if the unregistered contractor:

- Bid on a public works project on or after March 1, 2015
- Was awarded a public works contract on or after April 1, 2015 or
- Intentionally allowed registration to lapse while bidding or working on a public works project

Contractors must meet the following requirements to register:

- Have workers compensation coverage for any employees and only use subcontractors who are registered public works contractors.
- Have a Contractors State License Board license if applicable to trade.
- Have no delinquent unpaid wage or penalty assessments owed to any employee or enforcement agency.
- Not be under federal or state debarment.
- Not be in prior violation of this registration requirement once it became effective. However, for the first violation in a 12-month period, a contractor may still qualify for registration by paying an

additional penalty.

PAY PREVAILING WAGES

California law requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on a public works project. The prevailing wage rate is issued by the Office of Policy, Research and Legislation twice a year, February 22nd and August 22nd. In determining what wage determination for the life of the project, the contractor shall refer to the advertised bid date the Awarding Body published the first "Notice Inviting Bids" or RFP Advertise Date which resulted in a contract being awarded. If the City did not advertise the public works project for bid, other benchmark events, including the first written memorialization of the agreement concerning public works elements of the project or contract governing the award of public funds will be utilized instead. Current and Superseded prevailing wage determinations can be found at the following website: <http://www.dir.ca.gov/DLSR/PWD>

- ✓ Contractors/Consultants must have required labor posters posted on the job site (or break area), where signs are made clearly available for employees to review.
- ✓ Drivers performing both on-site and off-site hauling of materials either to or from a public works construction project must be paid the prevailing wage. Bona fide material suppliers *are exempt* from prevailing wage requirements.
- ✓ Workers who are required to report to the contractor's office, yard, or other designated areas at the beginning and/or end of their shift shall be paid at the worker's prevailing wage rate of pay for any travel time to and from the job site. This drive time shall be included when calculating any overtime due to the worker.
- ✓ Workers hauling and delivering ready-mixed concrete for a public works contract shall be paid the current prevailing wage rate from the time they set out from the batch plant until they return to the batch plant. (California Labor Code § 1720.9)
- ✓ Fringe Benefits (Health & Welfare, Pension, & Vacation) must either be paid to the worker, or to the appropriate third-party trust fund as part of a non-union employee's hourly wage rate. A completed Fringe Benefit Statement must be provided for each contractor/consultant & subcontractor/subconsultant employed on the project.
- ✓ Pay the corresponding "training" rate that appears on the Director's Wage Determination for each craft or trade to the California Apprenticeship Council (CAC) or an approved DAS program.
- ✓ Prime Contractors/Consultants are responsible for the proper insurance and compliance of ALL subcontractors, owner operators, vendors and suppliers who provide personnel to work at the job site.
- ✓ Representatives from the City of Santa Monica will monitor the job site and perform on-site interviews with employees performing labor at any time during construction except during rest periods or meal breaks.

APPRENTICESHIP STANDARDS

Apprentices are required on Public Works projects greater than \$30,000 for any “apprenticeable craft”. This is required under State Labor Code, California Labor Code §§ 1777.5.

Contractor's/Consultant's Responsibilities:

- ✓ **Submit contract award information for each apprenticeable craft required on the project using the DAS 140 form prior to performing work.** If you are approved to train apprentices, you must send the contract award information to your apprenticeship committee.
- ✓ All apprentices working on City projects must be registered in either a State and/or Federally Approved Apprenticeship Program. See: <https://www.dir.ca.gov/das/publicworks.html>
- ✓ If your company is not approved to train apprentices, you must send the DAS 140 to all of the applicable apprenticeship committees whose geographical area (County) of operation includes the area of the public works projects. DAS approved Apprenticeship programs can be found by using the search engine on the DAS website. Those programs that are the result of that search may or *may not be in the County in which the job is located* but they have been approved by the DAS to receive the DAS140. In some cases, a program will have statewide approval or approval of a certain number of counties i.e. 12 Southern California Counties and DAS approval is based on County not a City.
- ✓ Contractors/consultants who employ journeyman or apprentices in any “apprenticeable craft” must contribute to the California Apprenticeship Council (CAC) the amount reflected as the hourly “training” rate that appears on the Director’s wage determination, for each hour worked. A contractor is also entitled to take credit for such contributions made to a DAS approved apprenticeship program that can supply apprentices to the site of the public work. The training contribution is a distinct obligation of the contractor under the Labor Code and cannot be satisfied by paying the required hourly contribution directly to the employee.
- ✓ **Contact the applicable apprenticeship committee to request apprentices for each apprenticeable craft or trade on your project using the DAS 142 form.** The form must be submitted at least three business days before the apprentice is to report to the jobsite and it must be sent to the apprenticeship committees providing training in the applicable craft or trade whose geographical area of operation includes the site of the public work. If the apprenticeship committee does not dispatch apprentices, the contractor must request apprentice dispatch from another committee in the geographical area of the site of the public work and must request dispatch from each committee either consecutively or simultaneously until the contractor has requested dispatches from each such committee in the geographical area. (www.dir.ca.gov/das/publicworks.html)
- ✓ Employ apprentices in the correct ratio to journeyman of no less than one hour of apprentices work for every five hours of labor performed by a journeyman. If the contractor agrees to be bound by the standards of an apprenticeship program, the ratio may be no higher than the ratio stipulated by the apprenticeship program. (California Labor Code §§ 1777.5 (d) and (g))
- ✓ Provide worker’s compensation benefits to apprentices.
- ✓ Proof of registration from California’s State Division of Apprenticeship Standards (DAS) for each apprentice must be maintained.

APPRENTICESHIP STANDARDS (CONTINUED)

In the event Contractors/Consultants or Subcontractor/Subconsultant fails to comply with the obligation to hire apprentices or employ apprentices in the correct ratio, the City of Santa Monica will prepare an Apprenticeship complaint that will be filed with the DIR. The City will apply a withhold that is to be applied until the DIR's ruling is received.

CERTIFIED PAYROLL REQUIREMENTS

Certified Payroll Records shall be submitted electronically through the DIR's Online Certified Payroll System AND Contractor shall submit electronic payrolls via LCP Tracker after the contractor's public works project has been setup in the LCP Tracker system by GCAP Services. Contractor payroll records are subject to review by the City of Santa Monica as outlined in California Labor Code §§ 1776 and 1812.

- ✓ Public Works Small Project Exemption is for contractors who work exclusively on small projects and are not required to be registered as public works contractors or file electronic certified payroll reports through the DIR's online system. However, prevailing wages must still be paid on projects and contractors are still required to submit electronic payrolls via LCP Tracker. Small project exemption is based on the contract amount of the entire project, not a contractor's subcontracted amount of the project. Small project exemption applies for all public works projects that do not exceed:
 - \$25,000 for new construction.
 - \$15,000 for maintenance, alteration, installation, demolition, or repair.
- ✓ Payrolls shall be due weekly from the Prime Contractor/Consultants and ALL subcontractors/subconsultants, owner-operators, vendors and suppliers who provide personnel to work at the job site.
- ✓ The payroll must be completed in its entirety, including the employee's home address and social security number. Incomplete payrolls will not be accepted, and a progress payment withheld will be applied until acceptable payrolls are submitted.
- ✓ Statement of Non-Performance is submitted in lieu of a certified payroll any/all weeks a contractor remains on the job but no work is performed, including on-call/as-needed contracts – see example **Attachment 4**.
- ✓ A Statement of Compliance must be completed and signed with each certified payroll record.
- ✓ Authorized Signatory is to be completed and signed by an Owner, Officer or other person(s) with authority under penalty of perjury to so affirm, that the records for certified payroll are originals which truly depict fully and correctly the craft or type of work performed, hours and days worked and the amounts disbursed by way of check
- ✓ Fringe Benefit Statement for each trade utilized on the project must be updated prior to completing the first payroll by each contractor/consultant and each time fringe benefit rates change.
- ✓ "OTHER" deductions, if any, including deductions for 401K, must be fully explained in writing and an authorization for the deductions must be signed by the employee and submitted with the first payroll on which the deduction is shown.
- ✓ Daily Reports are to be submitted for all days worked on site. The reports should contain names of employees, total hours worked and description of work performed on that given day.
- ✓ Employee Itemized Check Stubs will be requested at random but no more than one employee per each month worked if no issues are discovered.

CERTIFIED PAYROLL REQUIREMENTS (CONTINUED)

- ✓ The City conducts on-going audits of certified payrolls and ancillary documents by requesting payroll records and ancillary documents during the course of the project. If these documents are not submitted to the City with the requested time frames, a withhold will be applied to your contract.
- ✓ The City will email a monthly request for information via a “Issues List” (**Attachment 1**) to Prime Contractor/Consultants. The Prime Consultant has 10 days to submit requested information.
- ✓ Owner/operators, sole proprietors, or business owners, *must also submit certified payroll reports.*
- ✓ If your firm will use LCP Tracker© a CD of the entire payrolls must be submitted to the City upon project completion.
- ✓ Password and Login to LCP Tracker© must be provided to the City’s Prevailing Wage Consultant.

REQUIRED PRE-CONSTRUCTION CONFERENCE

The City of Santa Monica requires a mandatory pre-construction conference with the Prime AND Sub-Contractors (Prime Consultants/Subconsultants) prior to the job start. This meeting can be conducted telephonically or in person. At this meeting the City’s Labor Compliance consultant will discuss federal and/or state labor law requirements applicable to the contract and will provide a packet of information containing templates for contractors use. The Prime Contractor/Consultant will be required to sign the ***Check List of Labor Law Requirements*** at the end of the conference, acknowledging that the City has provided the contractor with information regarding each federal and state requirement per **Attachment 2**.

SANCTIONS

- ✓ The City may withhold funds on progress payments due to the Prime for the failure to submit required reports and/or documents by the Prime or ANY of the subs on the job. The City’s Withhold Policy is **Attachment 3**.
- ✓ Contractors/Consultants violating the prevailing wage requirements are subject to a penalty of up to \$200 per day for each worker paid less than the prevailing wage rate, in addition to having to restore the differences in wages paid. (California Labor Code § 1775)
- ✓ Contractors/Consultants are also subject to a penalty of an additional \$25 per day for each worker paid less than the prevailing wage rate for overtime work -- over 8 hours per day or more than 40 hours per week. (California Labor Code § 1813)
- ✓ In the event of an underpayment of wages, the Contractor/Consultant has 60 days to restitution those wages to the worker(s). If the Contractor/Consultant fails to pay the restitution within 60 days, liquidated damages in an amount equal to the unpaid wages will be assessed. Liquidated damages will be due the worker. (California Labor Code § 1742.1)
- ✓ Failure to utilize apprentices as specified, or to provide proof that apprentices were requested and denied, may subject the contractor to a penalty of up to \$100 for each calendar day that the contractor worked on the project. A contractor/consultant that commits a second or subsequent violation within a three-year period may be subject to a penalty of up to \$300 for each calendar day that the contractor/consultant worked on the project. (California Labor Code §1777.7)
- ✓ Failure to submit Certified Payroll Records within requested time receipt of a written request will be subject to a penalty of \$100 per calendar day per employee until strict compliance is effectuated. (California Labor Code §§ 1776 and 1777.1).

PREVAILING WAGE JOB ACKNOWLEDGMENT FORM

- ✓ A Prevailing Wage Job Notice and Acknowledgment Form (**Attachment 4**) must be submitted with each bid/proposal for work with the City of Santa Monica. The Prime and all subcontractors/consultants who will work on the job are required to submit the form.
- ✓ If any adjustments are made to the project including, but not limited to, the addition, substitution, or removal of Subcontractor(s) the City requires the submission of an updated Prevailing Wage Job Notice and Acknowledgement Form. Addition of any New Subcontractor(s) will be subject to approval by the City's Labor Compliance Consultant. New subcontractors/subconsultants cannot come onto City jobs unless a Prevailing Wage Job Notice and Acknowledgment Form has been submitted and approved. For the addition, substitution, or removal of any Subcontractor(s), the City may require a written request by the Prime Contractor, which will be subject to written approval by the Project Manager.

PREVAILING WAGE RESOURCES

Division of Labor Standards Enforcement (DLSE)- Laws and Regulations

<https://www.dir.ca.gov/dlse/dlseLaws.html>

Certified Payroll Reporting <https://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html>

Contractor Registration <https://www.dir.ca.gov/Public-Works/PublicWorksSB854FAQ.html>

DIR Contact Information <https://www.dir.ca.gov/Public-Works/ContactUs.htm>

Division of Apprenticeship Standards - Public Works Information

<https://www.dir.ca.gov/DAS/PublicWorksForms.htm>

State of California, Division of Labor Standards Enforcement, Public Works Manual
<http://www.dir.ca.gov/dlse/PWManualCombined.pdf>

Prevailing Wage Determinations

<https://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>

CITY OF SANTA MONICA PREVAILING WAGE STAFF

For questions on Prevailing Wage in the City of Santa Monica, please contact Kim Morales at (714) 406-5467, kmorales@gcapservices.com

ATTACHMENTS

Attachment 1: Check List of Labor Law Requirements

Attachment 2: City of Santa Monica's Labor Compliance Withhold Policy - Construction Contracts

Attachment 3: City of Santa Monica's Labor Compliance Withhold Policy - Professional Services

Attachment 4: City of Santa Monica Prevailing Wage Job Acknowledgment Form

Prevailing Wage - Attachment 1

CHECKLIST OF LABOR LAW REQUIREMENTS

Appendix A

The federal and state labor law requirements applicable to the contract are composed of, but not limited to, the following:

1. Payment of Prevailing Wage Rates

The award of a public works contract requires that all workers employed on the project be paid not less than the specified general prevailing wage rates by the contractor and its subcontractors pursuant to Labor Code section 1770 et seq.

The contractor is responsible for obtaining and complying with all applicable general prevailing wage rates for trades workers and any rate changes, which may occur during the term of the contract. Prevailing wage rates and rate changes are to be posted at the job site for workers to view.

2. Apprentices

It is the duty of the contractor and subcontractors to employ registered apprentices on public works projects pursuant to Labor Code section 1777.5.

3. Penalties

Penalties, including forfeitures and debarment, shall be imposed for contractor/subcontractor failure to pay prevailing wages, failure to maintain and submit accurate certified payroll records upon request, failure to employ apprentices, and for failure to pay employees for all hours worked at the correct prevailing wage rate, in accordance with Labor Code sections 1775, 1776, 1777.7, and 1813.

4. Certified Payroll Records

Pursuant to Labor Code section 1776, contractors and subcontractors are required to keep accurate payroll records which reflect the name, address, social security number, and work classification of each employee; the straight time and overtime hours worked each day and each week; the fringe benefits; and the actual per diem wages paid to each journeyperson, apprentice, worker, or other employee hired in connection with a public works

Employee payroll records shall be certified and shall be made available for inspection at all reasonable hours at the principal office of the contractor/subcontractor, or shall be furnished to any employee, or to his or her authorized representative on request.

Contractors and subcontractors shall maintain their certified payrolls on a weekly basis and shall submit said payrolls weekly to the LCO. In the event that there has been no work performed during a given week, the certified payroll record shall be annotated "No Work" for that week. All non-redacted certified payrolls should be sent to:

GCAP Services Inc., Labor Compliance (City of Santa Monica)
3525 Hyland Avenue, Suite 140
Costa Mesa, CA 92626

5. Nondiscrimination in Employment

Prohibitions against employment discrimination are contained in Labor Code sections 1735 and 1777.6; the Government Code; the Public Contracts Code; and Title VII of the Civil Rights Act of 1964, as amended.

6. Kickback Prohibited

Pursuant to Labor Code section 1778, contractors and subcontractors are prohibited from accepting, taking wages illegally, or extracting “kickback” from employee wages.

7. Acceptance of Fees Prohibited

Contractors and subcontractors are prohibited from exacting any type of fee for registering individuals for public work (Labor Code section 1779); or for filling work orders on public works contracts (Labor Code section 1780).

8. Listing of Subcontractors

Contractors are required to list all subcontractors hired to perform work on a public works project when that work is equivalent to more than one-half of one percent of the total effort (Public Contract Code section 4104.).

9. Proper Licensing

Contractors and subcontractors are required to be properly licensed. Penalties will be imposed for employing workers while unlicensed (Labor Code section 1021 and Business and Professions Code section 7000, et seq. under California Contractors License Law).

10. Unfair Competition Prohibited

Contractors and subcontractors are prohibited from engaging in unfair competition (Business and Professions Code sections 17200-17208).

11. Workers' Compensation Insurance

All contractors and subcontractors are required to be insured against liability for workers' compensation, or to undertake self-insurance in accordance with the provisions of Labor Code sections 3700 and 1861.

12. OSHA

Contractors and subcontractors are required to comply with the Occupational Safety and Health laws and regulations applicable to the particular public works project.

13. Prohibition against hiring undocumented workers

Federal law prohibits contractors and subcontractors from hiring undocumented workers and requires all contractors and subcontractors to secure proof of eligibility/citizenship from all workers.

14. Itemized wage statements

Contractors and subcontractors are required to provide itemized wage statements to employees pursuant to Labor Code section 226.

The undersigned contractor hereby acknowledges that the City has provided the contractor with information regarding each item listed above. In accordance with federal and state laws, and with City's policy and contract documents, the undersigned contractor herein certifies that it will comply with the foregoing labor law requirements; and fully understands that failure to comply with these requirements will subject it to the penalties cited herein.

For the Contractor:

Signature

Date

Title

Organization

Project

E-Mail

Prevailing Wage- Attachment 2 (Page 1 of 2)

City of Santa Monica's Labor Compliance Withhold Policy Construction Contracts

City of Santa Monica, Department of Public Works Labor Compliance Withhold Procedures for Public Works Contracts



Withhold Amount for All Prevailing Wage Contracts: **\$2,500 monthly** (multiple months equal additional **\$2,500** withholds) *not to surpass contract amount.*

Reason for Withhold Applied: Payroll 30+ Days Delinquent Payrolls or missing Ancillary Payroll Documentation: Failure to Submit DAS 140/DAS142(Apprentice documents)/ Fringe Backup/Underpayment of Prevailing Wage/Missing Proof of Payment to Training Fund. There is not a separate withhold for ancillary and payroll docs, each withhold is a single withhold (of **\$2,500**).

Ancillary Payroll Documentation = DAS 140/DAS142(Apprentice documents)/ Fringe Backup/Underpayment of Prevailing Wage/Missing Proof of Payment to Training Fund
Certified Payrolls = Certified Payrolls with a Statement of Compliance signed by the Company's President, Payroll Administrator, or other Authorized staff person.

Days After NTP	Process	Document	Deadline
30 Days [1st Notice]	The "Issues List" identifies the outstanding/and or incorrect items, missing Ancillary Payroll. Documents or missing Certified Payrolls. Issues list will request documents for Prime + Subs. The Prime is responsible to collect and submit all requested documents (including all docs for subs).	A "Issues List" summarizing missing items is emailed from the City to the Contractor.	Contractor has <u>10 days</u> to provide requested documents.
60 Days [2nd Notice- Notice of Withhold]	a. If delinquent on repeat request pertaining to missing <i>Ancillary Payroll Documents</i> , the City will recommend a withhold amount and will attach back up to the progress payment summarizing withhold. b. If delinquent on repeat request pertaining to <i>missing Certified Payrolls</i> , the City will recommend a withhold amount and will attach back up to the progress payment summarizing withhold. c. If an underpayment is noted, an underpayment audit will be drafted and the amount indicated in the Issues list is identified as the Underpayment Recommended Withhold. Back up calculations will be presented to the Contractor.	"Issues List" submitted Via Email & Certified Mail by the City to the Prime Contractor.	Contractor has <u>10 days</u> to provide requested documents.

Prevailing Wage- Attachment 2 (Page 2 of 2)

City of Santa Monica's Labor Compliance Withhold Policy Construction Contracts

Days After NTP	Process	Document	Deadline
90 days [Withhold Applied]	<p>If 2nd Notice of Withhold– Withhold funds from current progress payment to the Contractor:</p> <ul style="list-style-type: none"> a. If delinquent on repeat requests pertaining to <i>Ancillary Payroll Documentation</i>, an additional withhold will be recommended by the City (\$2,500). b. If delinquent on repeat requests pertaining to <i>Certified Payrolls</i>, the City will recommend an additional withhold (\$2,500). c. If underpayment not paid to workers: Underpayment Withhold. A copy of the underpayment audit and back up calculations will be presented to the Contractor & withheld in current Progress Payment. d. During this review and upon issuance of the Issues List, if the Contractor has ongoing Payroll issues that have not been resolved for over two (2) months, the City will note this on the Issues Lists. Contractor will be notified with the intent of complaint to the DIR/DLSE if there is that failure to comply within 30 days. The City will complete draft complaint form and attach with the email and mailed correspondence. e. Release of Labor Withhold: If requested documents were returned & approved to the City, the withhold will be released on the following month's progress payment. 	“Issues List” submitted Via Email & Certified Mail by the City to the Prime Contractor.	Withhold Applied if requested documents not received.
120 Days [Public Works Complaint Submitted to DIR]	<ul style="list-style-type: none"> a. If requested information is not received for the 4 months after NTP or 3 months after original request, the City will submit a Public Works Complaint to the DIR under LC 1742. b. Release of Labor Withhold: If requested documents were returned to the City and approved, withhold to be released on the following month's progress payment. 	“Issues List” submitted Via Email & Certified Mail by the City to the Prime Contractor.	Withhold Applied if requested documents not received
150 Days to NOC [Monthly Basis]	<ul style="list-style-type: none"> ▪ If delinquent on repeat requests pertaining to <i>Ancillary Payroll Documentation</i>, the City will recommend an additional withhold monthly of \$2,500. ▪ If delinquent on repeat requests pertaining to <i>Certified Payrolls</i>, the City will apply an additional monthly withhold (\$2,500). 	“Issues List” submitted Via Email & Certified Mail by the City to the Prime Contractor.	Withhold Applied if requested documents not received
35 Days after NOC Filed	<ul style="list-style-type: none"> ▪ Prior to releasing retention and making final payment, the City will confirm that all labor compliance documents are submitted. If they are still missing, City will withhold funds from final progress payment or retention release to the contractor. ▪ If delinquent on each requests pertaining to <i>Ancillary Payroll Documentation</i>, the City will recommend an additional monthly withhold (\$2,500). ▪ If delinquent on repeat requests pertaining to <i>Certified Payrolls</i>, the City will recommend an additional monthly withheld (\$2,500). 	“Issues List” submitted Via Email & Certified Mail by the City to the Prime Contractor.	Withhold Applied if requested documents not received

[City of Santa Monica's Labor Compliance Withhold Policy Professional Services](#)
[/Construction Management Agreements \(Consultants\)](#)

City of Santa Monica, Labor Compliance Withhold Procedures for:

Professional Services Agreements and Construction Management Agreements



Withhold Amount for All Prevailing Wage Contracts: \$2,500 monthly (multiple months equal additional \$2,500 withholds) not to surpass contract amount.

Reason for Withhold Applied: Payroll 30+ Days Delinquent Payrolls or missing Ancillary Payroll Documentation: Failure to Submit Division of Apprentice Standards: DAS140/DAS142 (Apprentice documents)/ Fringe Backup/Underpayment of Prevailing Wage/Missing Proof of Payment to Training Fund. There is not a separate withhold for ancillary and payroll docs, each withhold is a single withhold (of \$2,500).

Ancillary Payroll Documentation= DAS 140/DAS142(Apprentice documents)/ Fringe Backup/Underpayment of Prevailing Wage/Missing Proof of Payment to Training Fund

Certified Payrolls= Certified Payrolls with a Statement of Compliance signed by the Company's President, Payroll Administrator, or other Authorized staff person.

Number of Days After Prevailing Wage Covered Work Commences	Process	Document	Deadline
30 Days [1st Notice]	The "Issues List" identifies the outstanding/and or incorrect items, missing Ancillary Payroll. Documents or missing Certified Payrolls. Issues list will request documents for the Consultant + Sub Consultant. The Prime Consultant is responsible to collect and submit all requested documents (including all docs for subs).	A "Issues List" summarizing missing items is emailed from the City to the Consultant.	Consultant has <u>10 days</u> to provide requested documents.
60 Days [2nd Notice- Notice of Withhold]	<ul style="list-style-type: none"> a. If delinquent on repeat request pertaining to missing <i>Ancillary Payroll Documents</i>, the City will recommend a withhold \$2,500 and will attach back up to the invoice summarizing the withhold reason. b. If delinquent on repeat request pertaining to <i>missing Certified Payrolls</i>, the City will recommend a withhold amount and will attach back up to the invoice summarizing withhold. c. If an underpayment is noted, an underpayment audit will be drafted and the amount indicated in the Issues list is identified as the Underpayment Recommended Withhold. Back up calculations will be presented to the Consultant. 	"Issues List" submitted Via Email & Certified Mail by the City to the Prime Consultant.	Consultant has <u>10 days</u> to provide requested documents.

Prevailing Wage - Attachment 3 (Page 2 of 2)
City of Santa Monica's Labor Compliance Withhold Policy

Professional Services/Construction Management Agreements (Consultants)

Number of Days After Prevailing Wage Covered Work Commences	Process	Document	Deadline
90 days [Withhold Applied]	<p>If 2nd Notice of Withhold– Withhold funds from current payment to the Consultant:</p> <ul style="list-style-type: none"> a. If delinquent on repeat requests pertaining to <i>Ancillary Payroll Documentation</i>, an additional withhold will be recommended by the City (\$2,500). b. If delinquent on repeat requests pertaining to <i>Certified Payrolls</i>, the City will recommend an additional withhold (\$2,500). c. If underpayment not paid to workers: Underpayment Withhold. A copy of the underpayment audit and back up calculations will be presented to the Consultant & withheld in current payment. d. During this review and upon issuance of the Issues List, if the Consultant has ongoing Payroll issues that have not been resolved for over two (2) months, the City will note this on the Issues Lists. Consultant will be notified with the intent of complaint to the DIR/DLSE if there is that failure to comply within 30 days. The City will complete draft complaint form and attach with the email and mailed correspondence. e. Release of Labor Withhold: If requested documents were returned & approved to the City, the withhold will be released on the following payment to the Consultant. 	“Issues List” submitted Via Email & Certified Mail by the City to the Consultant.	Withhold Applied if requested documents not received.
120 Days [Public Works Complaint Submitted to DIR]	<ul style="list-style-type: none"> a. If requested information is not received for 3 months after original request, the City will submit a Public Works Complaint to the DIR under LC 1742. b. Release of Labor Withhold: If requested documents were returned to the City and approved, withhold to be released on the following month’s payment. 	“Issues List” submitted Via Email & Certified Mail by the City to the Consultant.	Withhold Applied if requested documents not received
150 Days to Project Acceptance [Monthly Basis]	<ul style="list-style-type: none"> ▪ If delinquent on repeat requests pertaining to <i>Ancillary Payroll Documentation</i>, the City will recommend an additional withhold monthly of \$2,500. ▪ If delinquent on repeat requests pertaining to <i>Certified Payrolls</i>, the City will apply an additional monthly withhold (\$2,500). 	“Issues List” submitted Via Email & Certified Mail by the City to the Prime Consultant.	Withhold Applied if requested documents not received
35 Days after Project Acceptance	<ul style="list-style-type: none"> ▪ Prior to making final payment, the City will confirm that all labor compliance documents are submitted. If they are still missing, City will withhold funds from final progress payment to the Consultant. ▪ If delinquent on each requests pertaining to <i>Ancillary Payroll Documentation</i>, the City will recommend an additional monthly withhold (\$2,500). ▪ If delinquent on repeat requests pertaining to <i>Certified Payrolls</i>, the City will recommend an additional monthly withheld (\$2,500). 	“Issues List” submitted Via Email & Certified Mail by the City to the Consultant.	Withhold Applied if requested documents not received

Prevailing Wage - Attachment 4
Prevailing Wage Job Acknowledgment Form

First Page for **Prime Contractors/Consultants/Vendors**

Second page for **Subcontractors/Subconsultants**



Prevailing Wage Job Acknowledgement Form

Prime Contractor/Consultant/Vendor

A Prevailing Wage Job Notice and Acknowledgement Form must be submitted with each bid/proposal for work with the City of Santa Monica. The Prime and all subcontractors/consultants who will work on the job are required to submit the form. Prime Contractors/Consultants must list all subs they intend to use for the Project (Attach additional sheet for each subcontractor).

Project Name:	SP Number or Bid No:
Bid Advertised Date:	Federal Wage Determination:

The City will assist your firm in determining the most relevant classification given the information provided to the City's Prevailing Wage Consultant, but it is the sole responsibility of the Prime Contractor/Vendor to ensure that they are utilizing the correct classifications at all times on the project. At bid submittal, contractors must complete the Prevailing Wage Job Acknowledgement form, with classifications they anticipate will be working on the job. Should additional classifications be needed and/or utilized not indicated on the form, prior to the new classification working, onsite contractor must submit revised Prevailing Wage Job Acknowledgement form with updated classifications.

Please indicate **all classifications** your company plan to use:

#	Craft	Group Number/Trade Classification	Determination Number	Issue Date	Number of Staff	Apprenticeable? Y/N

By signing below the contractor attests that he/she has read and understands this document, that he/she is aware of the public work and prevailing wage requirements as set forth in the California Labor Code Sections 1720 et seq; that he/she is an owner, officer, or other duly authorized representative of the firm; that he/she and each of his/her subcontractors is registered with the California DIR; and that he/she is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and will comply with such provisions before commencing the performance of the work of this contract. Corrections or alterations to this form may trigger the escalation/de-escalation clause of your bid documents.

Company Name: _____

Address: _____

Email Address: _____ Phone Number: _____

Contractor State License Board Number (CSLB): _____ PWC Registration Number: _____

Name of Apprenticeship Program affiliated with (if any): _____

Officer/Prevailing Wage Contact: _____ Date: _____

Print Name and Title: _____

Email: _____

For City of Santa Monica Internal Use Only

Approved By: _____ Date: _____



Prevailing Wage Job Acknowledgement Form

Sub-Contractor/Sub-Consultant/Vendor

A Prevailing Wage Job Notice and Acknowledgement Form must be submitted with each bid/proposal for work with the City of Santa Monica. The Prime and all subcontractors/consultants who will work on the job are required to submit the form. Prime Contractors/Consultants must list all subs they intend to use for the Project (Attach additional sheet for each subcontractor).

Project Name:	SP Number or Bid No:
Name of Prime Contractors/Consultant Working For:	
Bid Advertised Date:	Federal Wage Determination:

The City will assist your firm in determining the most relevant classification given the information provided to the City's Prevailing Wage Consultant, but it is the sole responsibility of the Prime Contractor/Vendor to ensure that they are utilizing the correct classifications at all times on the project. At bid submittal, contractors must complete the Prevailing Wage Job Acknowledgement form, with classifications they anticipate will be working on the job. Should additional classifications be needed and/or utilized not indicated on the form, prior to the new classification working, onsite contractor must submit revised Prevailing Wage Job Acknowledgement form with updated classifications.

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Company Name: _____

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Name of Apprenticeship Program affiliated with (if any): _____

Officer/Prevailing Wage Contact: _____ Date: _____

Print Name and Title: _____

Email: _____

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Approved By: _____

Date: _____