

# Compliance Requirements

## Section 3



Kathleen Vaughn  
Office Director, Community Development  
October 26, 2022



**YAY**



**COMPLIANCE**



# Section 3



Jobs



Training



Contracts



“ To ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons ”

## Section 3 of the Housing and Urban Development Act of 1968

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provided under section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

Service area means the geographical area in which the persons benefitting from the section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the section 3 covered assistance is expended. In HUD's Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe's sovereign power, is limited to the area of tribal jurisdiction.

Subcontractor means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work

section 3 shall include a provision in the NOFA that notifies applicants that section 3 and the regulations in part 135 are applicable to funding awards made under the NOFA. Additionally the NOFA shall require as an application submission requirement (which may be specified in the NOFA or application kit) a certification by the applicant that the applicant will comply with the regulations in part 135. (For PHAs, this requirement will be met where a PHA Resolution in Support of the Application is submitted.) With respect to application evaluation, HUD will accept an applicant's certification unless there is evidence substantially challenging the certification.

(b) *Statement of purpose in NOFAs.* (1) For competitively awarded assistance in which the grants are for activities

**Law is supported by regulation.**



Legacy Projects

# Final Rule Timeline

**Legacy Projects:** Contracts executed or projects for which assistance or funds were committed prior to November 30, 2020

## Requirement:

- Adhere to the old rule (24 CFR Part 135)
- Expected to maintain records but will no longer be required to report Section 3 compliance to HUD in SPEARS.

# Final Rule Timeline

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Transition Period

**Transition Period:** Projects for which assistance or funds are committed between November 30, 2020 and July 1, 2021

## Requirement:

- Adhere to requirements of the new Final Rule (Part 75)
- Expected to maintain records but will not be required to report to HUD on the 24 CFR Part 75 requirements





# Applicability

Section 3 requirements apply to **all** housing rehabilitation, housing construction or other public construction projects

- Threshold is met if the total amount of CDBG assistance exceeds \$200,000
- Applies to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

A Project is defined as a site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.



# Procedures promoting outreach to Section 3 workers & Business Concerns

When *hiring, contracting or job training opportunities arise* in connection with housing rehabilitation, housing construction or other public construction.

- Recruitment of  
Section 3 Workers &  
**Business Concerns**



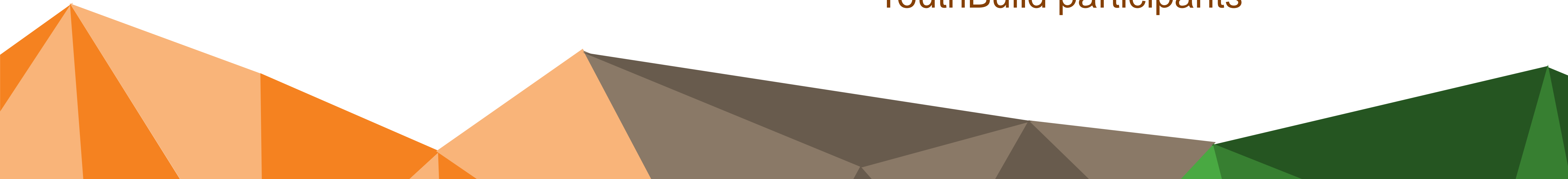
# Definitions

## Section 3 Worker §75.5

- Any worker who currently fits or when hired within the past five years fit at least one of the following criteria:
  - Low- or very low-income, as established by HUD's income limits;
  - Employed by a Section 3 business concern
  - YouthBuild participant

## Targeted Section 3 Worker (§75.21)

- Worker employed by a Section 3 business concern
- low and very low-income workers residing within **neighborhood or service area of the project**
  - Neighborhood service area – one-mile radius of project site, or if fewer than 5,000 people, radius on project containing 5,000 people.
- YouthBuild participants





# Service Area as Defined in 24 CFR 75.5

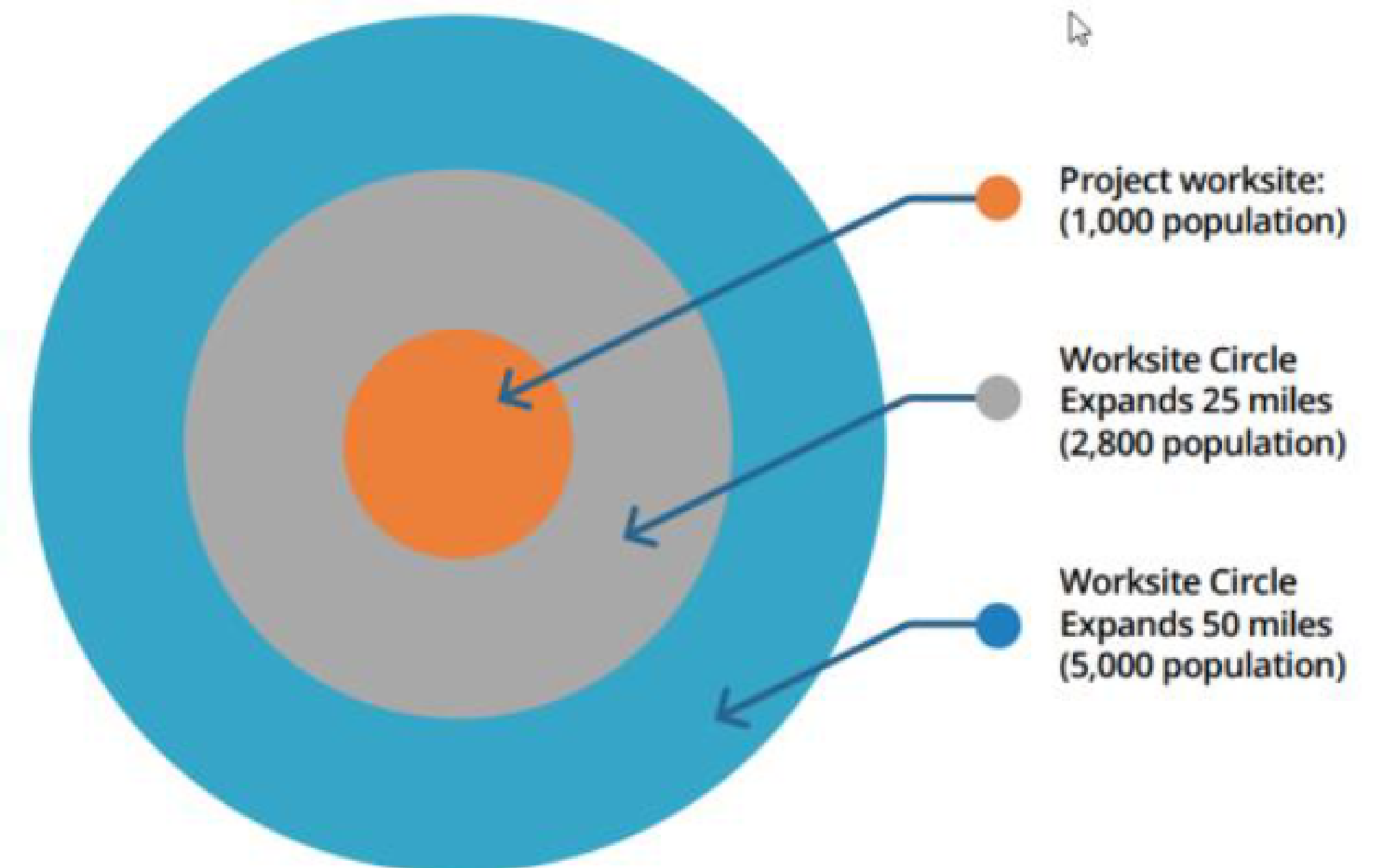
A. *Service Area* = an area within one mile of the Section 3 project

OR

B. If < 5,000 people live within one mile of Section 3 project,

Then, *Service Area* = an area within a circle centered around the Section 3 project site that encompasses 5,000 people.

\*According to the most recent U.S. Census

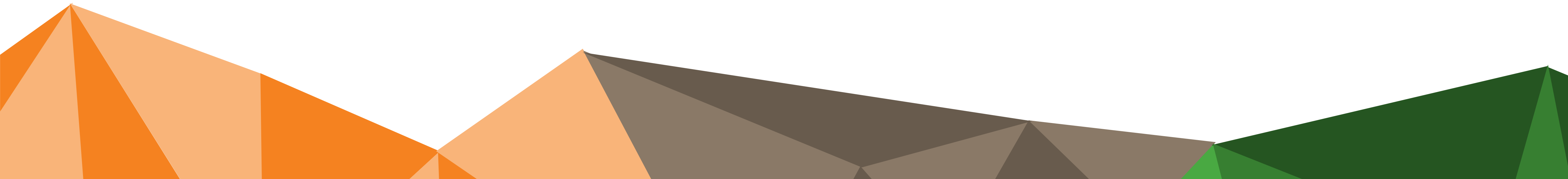




# Definitions

## **Section 3 Business Concern** (meets criteria within the past 6 months)

1. 51% or more owned by low- or very low-income persons  
OR
2. 75% or more labor hours are performed by Section 3 workers who are low or very low-income persons or YouthBuild participants  
OR
3. 51% or more owned by current residents of public housing





# Benchmarks

Safe Harbor §75.23

Certify met or exceeded two benchmarks and considered in compliance

## **Initial Section 3 Benchmarks:**

- 25% of total labor hours worked by Section 3 workers
- 5% of total labor hours worked by “Targeted Section 3 workers”

## **Benchmarks set by separate Federal Register notice**

- Will be updated periodically

<https://www.govinfo.gov/content/pkg/FR-2020-09-29/pdf/2020-19183>



# How are benchmarks achieved?

- ✓ Outreach to Section 3 workers and businesses
- ✓ Documentation of Outreach
- ✓ Give a Preference in hiring and contracting to Section 3 workers and businesses





# Recipient Responsibilities

## Employment & Training

- Ensure employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) where project is located
- Priority of opportunities
  - Section 3 workers residing within the service area or the neighborhood of the project, and
  - Participants in YouthBuild programs.

## Contracting

- Ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.
- Priority of contracts awarded
  - Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
  - Youthbuild programs.

## Document actions taken to comply

## Reporting



## **Recipients also must implement at least one (1) of the following actions:**

- ❖ Facilitating an opportunity fair annually for contractors to meet interested low-income & very-low-income residents for possible employment.
- ❖ When employment opportunities arise or are anticipated, posting all job sites funded by DCA with a location or phone number of whom and how to apply for any opportunities for employment, training or contracting. The sign should be no smaller than 24" x 24" in Black ink and specifically read:

“This project is covered under Section 3 of the HUD Act of 1968 which requires that any new hiring opportunities first be directed to low- and very low-income persons in this community. Please contact (list the contact person name and number) for information on any employment, contracting and sub-contracting opportunities.”

# Operating Procedures

- Post positions in at least three community sources
  - local community newspaper; widely distributed newspaper; local housing authority, or homeless agency, or/local low-income housing community; local workforce board; the local DFCS office; and the local GA Public Health County office
- Use of temporary agencies
  - Placements must self-certify and be offered Preference
- Post contracting opportunities in at least three community sources
- Contractor must convey history of compliance
- Contract language regarding compliance for those that claim a Preference
  - Preference must be maintained or subject to penalties
  - Contractors may be banned from future participation



# **Solicitation Package**

## **Section 3 Self-Certification and Action Plan**

- Allows a contractor to claim preference  
or
- Allows a contractor to decline preference

## **Previous Section 3 Compliance Certification**

- Allows a contractor to certify compliance on previous work

## **Assurance of Compliance Certification/Action Plan**

- List subcontractors (if known)
- List of workforce
  - Changes will constitute NEW hires
  - Provides “Before and After” picture for compliance documentation
  - Provides record keeping requirements

## **Self-Certifications – Business & Resident**



# Solicitation Package

## Contract award exceeding \$200,000 & Claiming Preference

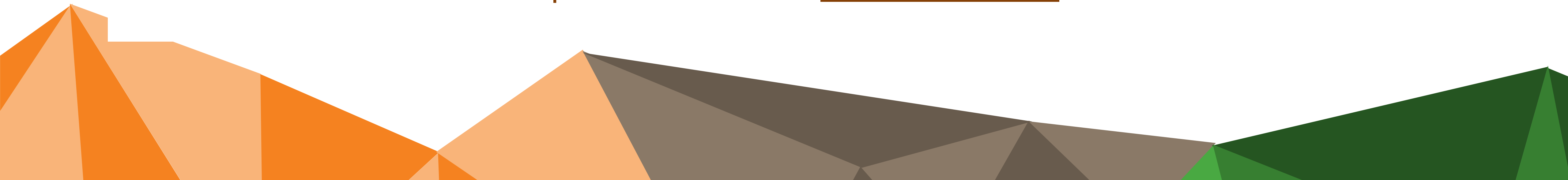
- Section 3 Self-Certification and Action Plan and the Section 3 Business Concern Self Certification portions at time of BID

## Contract award exceeding \$200,000

- Entire package completed and submitted prior to AWARD

## Contract award less than \$200,000

- Package is made available and submitted prior to AWARD
- If claiming a preference
  - Section 3 Self-Certification and Action Plan and the Section 3 Business Concern Self Certification portions at time of BID/PROPOSAL





# Reporting Requirements

## QUARTERLY EXPENDITURES AND PROGRESS REPORT

**Section 3 – Labor Hours** - Please enter unreported hours. If submitting the 2nd Quarter report (ending 6/30) enter the cumulative hours as well. The cumulative reporting period is 7/01 - 6/30.

	Quarterly Hours	Annual Report - Quarter ending 6/30
Total Labor Hours		
Section 3 Target Worker		
Section 3 Worker Hours		

**A Section 3 Target Worker is:** Employed by a Section 3 business concern, OR Living within the service area or the neighborhood of the project, as defined in 24 CFR 75.5, OR a YouthBuild Participant.

**A section 3 worker is:** A low or very low-income worker, OR employed by a Section 3 business concern, OR a YouthBuild participant.

Please enter unreported hours. If submitting the 2nd Quarter report (ending 6/30) enter the cumulative hours as well. The cumulative reporting period is 7/01 - 6/30.

- **Reporting of labor hours**
- (i) The total number of labor hours worked;
- (ii) The total number of labor hours worked by Section 3 workers; and
- (iii) The total number of labor hours worked by Targeted Section 3 workers.
- Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to § 75.31

# Qualitative Reporting §75.25(b)

If unable to meet goals, must describe efforts taken to meet

- Examples include:
  - Held job fairs
  - Conducted on-the job training
  - Outreach efforts to public housing residents
  - Connected residents with supportive services
  - Helped residence apply for technical training
  - Provided technical assistance to Section 3 Businesses

## QUARTERLY EXPENDITURES AND PROGRESS REPORT

### Section 3 – Efforts

Please indicate which efforts the Recipient has executed to recruit or provide training and opportunities to Section 3 Businesses and Workers by checking all that apply.	
<input type="checkbox"/>	<b>Outreach efforts to generate job applicants who are CDBG Funded workers</b>
<input type="checkbox"/>	Direct, on-the-job training (including apprenticeships)
<input type="checkbox"/>	Indirect training such as arranging for, or paying tuition for, off-site training
<input type="checkbox"/>	Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching)
<input type="checkbox"/>	<b>Outreach efforts to identify and secure bids from Section 3 business concerns</b>
<input type="checkbox"/>	Technical assistance to help Section 3 business concerns understand and bid on contracts
<input type="checkbox"/>	Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns
<input type="checkbox"/>	Provided or connected residents with assistance in seeking employment including; drafting resumes, finding job opportunities, connecting residents to job placement services.
<input type="checkbox"/>	Held one or more job fairs
<input type="checkbox"/>	Provided or connected residents with supportive services that can provide direct services or referral services
<input type="checkbox"/>	Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation
<input type="checkbox"/>	Assisted residents with finding childcare
<input type="checkbox"/>	Assisted residents to apply for/or attend community college or a four-year educational institution
<input type="checkbox"/>	Assisted residents to apply for/ or attend vocational/technical training
<input type="checkbox"/>	Assisted residents to obtain financial literacy training and/or coaching
<input type="checkbox"/>	Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns
<input type="checkbox"/>	Provided or connected residents with training on computer use or online technologies
<input type="checkbox"/>	Other, specify: <input type="text"/>





# Resources

- Section 3 Solicitation Package

<https://www.dca.ga.gov/node/6088> & Appendix 2

- New Rule FAQs

<https://www.hud.gov/sites/documents/11SECFAQS.PDF>

- Section 3 New Rule

[Federal Register](#)

- HUD's Website

<https://www.hud.gov/section3>

- Income Limits

<https://www.huduser.gov/portal/datasets/il.html>

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# Compliance Requirements

Procurement

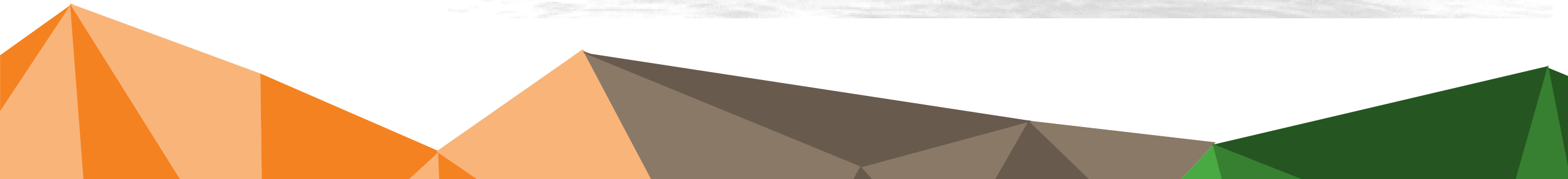


Brittney Hickom, Compliance Officer  
October 26, 2022



# Procurement

- ✓ Standards
- ✓ Methods
- ✓ Sole Source Requirements
- ✓ Contract Requirements



# Procurement Standards

DCA's procurement policies and procedures implement the requirements of 24 CFR 570.489 (g), which says the State shall establish requirements for procurement policies and procedures for units of general local government, based on full and open competition.

- Identification of Methods of Procurement and their applicability
- Prohibition of cost plus a percentage of cost
- Assurance that all purchase orders and contracts include any clauses required by Federal statutes, Executive orders, and implementing regulations
- Subrecipient and contractor determinations shall be made in accordance with the standards in 2 CFR 200.330.



# Procurement transactions will be provided in a manner providing full & open competition

Avoid:

- ✗ Unreasonable requirements
- ✗ Noncompetitive pricing practices
- ✗ Noncompetitive awards to consultants that are on retainer contracts
- ✗ Organizational conflicts of interest
- ✗ Specifying only a brand name product
- ✗ Any arbitrary action in the procurement process



## **Procurement Standards**

- Documented Conflict of Interest Policy, which states:

No employee, officer, or agent...

“May participate in the selection, award, or administration of a contract supported by a Federal award if a real or apparent conflict of interest is present.”



# Prohibited Conflicts

Persons with CDBG responsibilities, decision-making power or information may **NOT**:

- Obtain a financial interest or benefit from CDBG activity
- Have any interest in contract or subcontract
- Applies to family members and business ties
- Applies during tenure and 1 year after

Example: Grant Administrator cannot assist grantee with drafting statements of work or RFPs for grant administration if they intend to submit proposal.

May explain process, discuss instructions/process publicly available on DCA website

# Standards – Selection Procedures

- ✓ Accurate description of the technical requirements for material, product, or service without restricting competition
- ✓ Clear requirements and evaluation factors
- ✓ The review of proposed procurement actions by Recipient officials to avoid purchasing unnecessary or duplicative items.
- ✓ A cost or price analysis for every procurement action
- ✓ Consideration of contractor integrity, compliance with public policy, record of past performance, and financial and technical resources in the selection process





# Methods of Procurement

- **Small purchase:** Procurements under \$100,000 (if allowed by local policy).
  - Require that price or rate quotations be obtained at least three (3) sources.
  - Not appropriate for procurement of administrative or professional services
- **Competitive Proposals:** Professional Services
- **Competitive Sealed Bids:** Public Works Construction
- **Sole Source:** Requires DCA Approval
  - ✓ The item or service is available from only one source;
  - ✓ Urgent public need will not allow for the delay caused by advertising;
  - ✓ Although a number of bids were solicited, only one response was received.

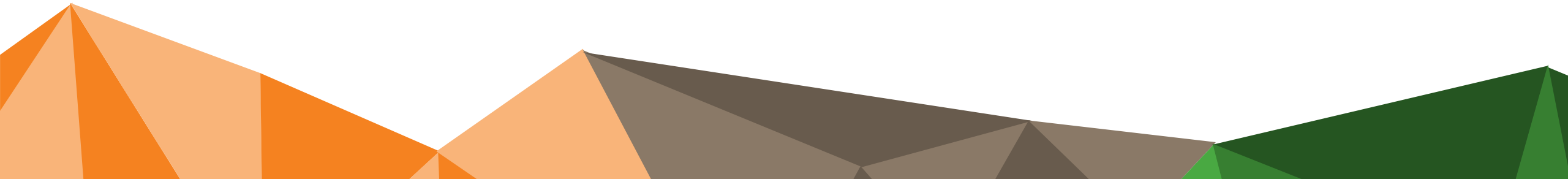
# Competitive Negotiation

Method of procurement for Professional Services using publicized RFPs or RFQs

- Private grant writers/administrators
- Engineers and Architects
- Not applicable if contracting with Regional Commissions

Maintain Complete Records

- RFP
- Proof of Publication
- Distribution List
- Copies of Proposals Received
- Scoring Sheets
- Meeting Minutes – Council/Board Approval
- Executed Contracts
- Correspondence with Section 3 businesses



# Competitive Sealed Bid

- DCA, under the authority of 24 CFR 570.489(g), has adopted Title 36, Chapter 91 of the Official Code of Georgia, Georgia Public Works Construction Law
  - Traditional design–bid–construct method
  - Alternative methods require DCA approval
  - Advertising Requirements (including Section 3)
  - Contract opportunity must be posted in the governing authority's office
  - Contract opportunity must be advertised in either the legal organ of the government, or on an Internet website of the government entity or one identified by the entity
  - Place on Georgia's Procurement Registry, (HB 322)



# Competitive Sealed Bid – Advertising Requirements

- If advertised in newspaper, opportunity must be advertised at least two times:
  - The first advertisement must be at least 4 weeks prior to the bid opening date; and
  - The second advertisement must follow at least 2 weeks after the first advertisement
- Advertisements placed on an Internet website should run continuously for at least four weeks.
- Each advertisement shall include such details and specifications as will enable the public to know the extent and character of the bid or proposal opportunity

## Section 3 Advertising Requirements

**HUD Section 3  
Business  
Registry**  
[https://hudapps.  
hud.gov/Opportu  
nityPortal/](https://hudapps.hud.gov/OpportunityPortal/)

Construction  
Contract  
Opportunities  
must be posted  
in at least  
**3 locations**

GPR, your website, Dodge  
Room, newspaper, DOL,  
DFCS

All ads must include this  
Section 3 language: “This is  
a Section 3 Covered  
Contract. Section 3 Business  
Concerns are encouraged to  
apply.”

# Competitive Sealed Bid- Bonding Requirements

## **State requirements (contracts \$100,000+):**

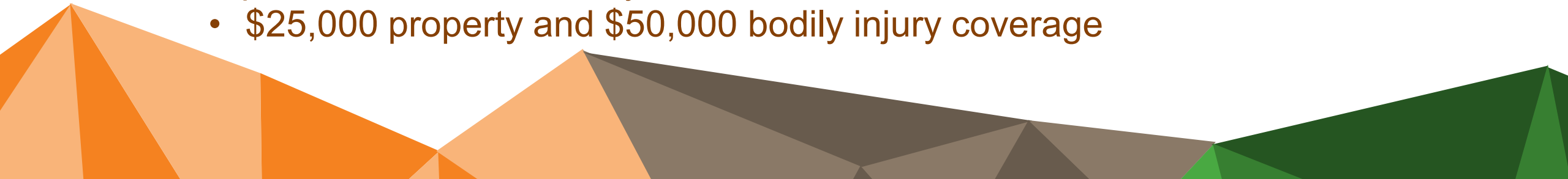
1. A performance bond from contractors executed in connection with each contract.
2. A payment bond on the part of the contractor for 100% of the contract price.

## **Federal requirements (contracts \$100,000+):**

1. A bid guarantee from each bidder equal to 5% of the bid price.
2. A performance bond from contractors for 100% of the contract shall be executed in connection with each contract.
3. A payment bond on the part of the contractor for 100% of the contract price.

## **DCA requirements:**

- adequate contractor's liability insurance from all contractors
  - \$25,000 property and \$50,000 bodily injury coverage





# Sole Source Requests

- Chief Elected or Authorized Official's request letter
- Description of Procurement Methodology
- Tear Sheet of the Bid Advertisement or RFP/RFQ
- Local Government's Attorney Opinion
- Professional Services Procurement
  - list of the active, qualified consultants or engineers/architects that were mailed the RFPs/RFQs (7 for grant administrators and 10 for engineers/architects)
  - certified return receipt documentation or adequate email documentation
- Sealed Bid Procurements
  - Local Government's Engineer/Architect states that the one bid response's prices were reasonable and appropriate based on independent cost estimates.

<input type="checkbox"/> Contractor/Subcontractor Affidavit	(Compliance with OCGA 13-10-91) Applicable to All Contracts and Subcontracts						
<input type="checkbox"/> Section 3 Clause	All Contracts						
<input type="checkbox"/> Provision for Remedies	All Contracts						
	ARCHITECTURAL & ENGINEERING SERVICES	HOUSING REHAB		CONSTRUCTION CONTRACTS			
		<input type="checkbox"/> Less than 8 Units	<input type="checkbox"/> 8 or More Units	<input type="checkbox"/> Over \$100,000	<input type="checkbox"/> Over \$40,000	<input type="checkbox"/> Over \$10,000	<input type="checkbox"/> Over \$2,000
<input type="checkbox"/> Provision for termination	✓ If over \$10,000	✓ If over \$10,000	✓ If over \$10,000	✓	✓	✓	
Executive Orders 11246/11375							
<input type="checkbox"/> EEO Clause				✓	✓	✓	
<input type="checkbox"/> EEO Specifications				✓	✓	✓	
<input type="checkbox"/> Affirmative Action				✓	✓	✓	
<input type="checkbox"/> Non-Segregated Facilities				✓	✓	✓	
Federal Labor Standards							
<input type="checkbox"/> Copeland Anti-Kickback			✓	✓	✓	✓	✓
<input type="checkbox"/> Davis-Bacon Clause			✓	✓	✓	✓	✓
<input type="checkbox"/> Wage Rate from DCA			✓	✓	✓	✓	✓
<input type="checkbox"/> Work Hours & Safety			✓ If over \$10,000	✓			
<input type="checkbox"/> Performance Bonds				✓	✓		
<input type="checkbox"/> 5% Bid Bond				✓			
<input type="checkbox"/> Clean Air/ Water Clause				✓			
<input type="checkbox"/> Provision for Disability Accessibility (if a bldg.)	✓						
<input type="checkbox"/> Provision for GA Energy	✓						

# Resources

GMA's Public Works Construction Guidebook,

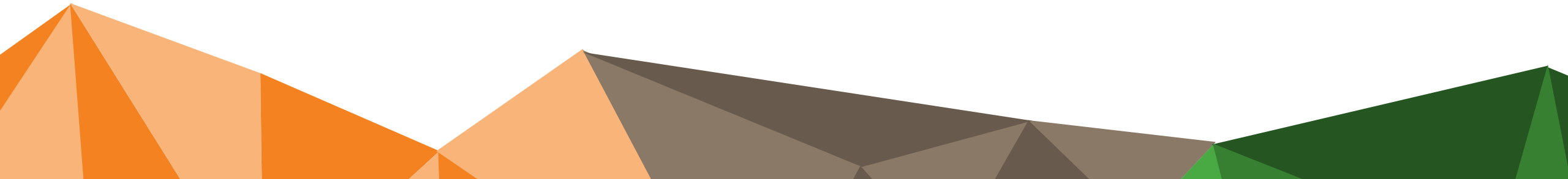
<https://www.gmanet.com/GMASite/media/PDF/publications/publicworks.pdf>

HB 322,

<https://gov.georgia.gov/document/signed-legislation/hb-322pdf/download>

Contact Info:

Brittney Hickom: (404) 679-1597 or [Brittney.Hickom@dca.ga.gov](mailto:Brittney.Hickom@dca.ga.gov)





# Federal Labor Standards

**Pam Truitt**

**October 26, 2022**



# Key Regulations & Statutes

## Copeland Act (Anti-kickback Act)

- Prohibits kickback of pay
- Requires certified weekly payrolls
- Regulates payroll deductions

## Contract Work Hours & Safety Act

- Overtime pay for working over 40 hours
- Applies to contracts over \$100,000
- Requires liquidated damages of \$10 per day/per violation

# Davis-Bacon Act

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- Outlines labor standards for federal projects
- Applicable to all contracts over \$2,000 involving federal funds
- Provides minimum wages by position
- Ensures minimum pay & other labor standards are enforced at work site
- Applies to all laborers and mechanics
- Applies to entire project, not just CDBG funded portion





# Steps to Complying with Davis- Bacon & Related Acts

- Request for Wage Rates (DCA Recipients Manual Appendix 1)
  - Request for Contractor Clearance (DCA Recipients Manual Appendix 1)
  - Provide Notice of Contract Action (DCA Recipients Manual Appendix 1)
  - Hold a Preconstruction Conference
  - Review Submitted Payrolls
  - Conduct Job Site Interviews
- 
- Forms can be emailed to [CDBG.Biz@dca.ga.gov](mailto:CDBG.Biz@dca.ga.gov)

# **Wage Decisions**

- Identifies worker classifications, hourly wage, and fringe benefits
- **Four Categories**
  - Heavy
  - Highway
  - Buildings
  - Residential

# Request for Wage Determination

- **Submit request to DCA**  
([cdbg.biz@dca.ga.gov](mailto:cdbg.biz@dca.ga.gov))
  - 30 days prior to advertising for contract bids
- **Check 10 days before bid opening**
  - 10- day wage check form (DCA Recipients Manual Appendix 1)
- Wage rates must be a part of the bid package and must be included in contracts



# Wage Decision Lock-in

- **Competitively Bid**
  - Lock in at bid opening if contract is executed within 90 days of bid opening
  - If contract is not executed within 90 days, resubmit 10-day wage check form 10 days prior to contract execution
- **Negotiated Contracts**
  - Lock in at contract execution



# Wage Decision & Posters

- Must be posted on the Job Site
- Employees must be able to view
- Protect from the weather

## EMPLOYEE RIGHTS

UNDER THE DAVIS-BACON ACT

**FOR LABORERS AND MECHANICS  
EMPLOYED ON FEDERAL OR  
FEDERALLY ASSISTED  
CONSTRUCTION PROJECTS**

### PREVAILING WAGES

You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

### OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

### ENFORCEMENT

Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

### APPRENTICES

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

### PROPER PAY

If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

or contact the U.S. Department of Labor's Wage and Hour Division.



WAGE AND HOUR DIVISION  
UNITED STATES DEPARTMENT OF LABOR

1-866-487-9243  
TTY: 1-877-889-5627  
[www.dol.gov/whd](http://www.dol.gov/whd)



WH320 401 5/17

## **Additional Classification Request**

- **Written Request**
  - Local government
  - Contractor – specify hourly rate and fringe benefits
- **DOL has 30 days to Respond**
- **Determination is based on wage decision issued**

# **Request for Contractor Clearance**

- Form can be e-mailed to DCA ([cdbg.biz@dca.ga.gov](mailto:cdbg.biz@dca.ga.gov))
- Ensures contractor is not on Federal Debarred list
- Must be cleared before entering into a contract

# Notice of Contract Action

- Must be submitted to DCA
- **Include certified and itemized bid tabulation with form**
- Construction drawdowns will be withheld if not submitted
- Field Reps will schedule formal labor review after submission of NOCA



# Pre-construction Conference

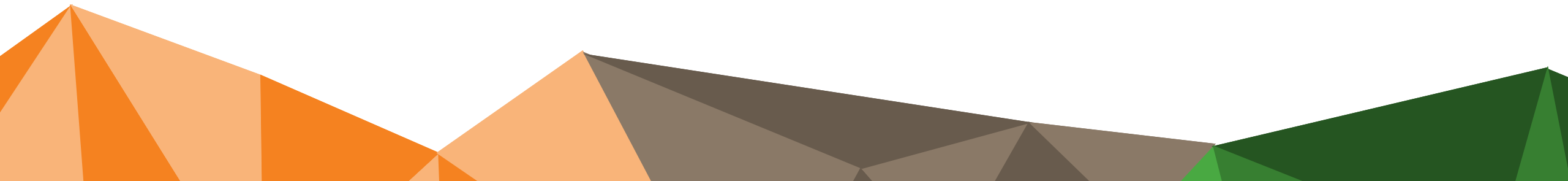
## Mandatory

- Attended by the architect/engineer, grant administrator, the contractor and representatives of the local government.
- Held prior to the start of construction
- Outlines contractor & subcontractor responsibilities, project timelines, logistics, etc.
- Explains Davis-Bacon, other applicable laws & contract provisions, Section 3
- Include your CDBG Field Rep when determining place and time



# CDBG Rep Contact Information

- Cindy Alligood: (478) 290-1074, [Cindy.Alligood@dca.ga.gov](mailto:Cindy.Alligood@dca.ga.gov)
- Robert Compton: (229) 733-7021, [Robert.Compton@dca.ga.gov](mailto:Robert.Compton@dca.ga.gov)
- Cheryl Magby: (470) 783-4729, [Cheryl.Magby@dca.ga.gov](mailto:Cheryl.Magby@dca.ga.gov)
- Malisa Thompson: (404) 326-1048, [Malisa.Thompson@dca.ga.gov](mailto:Malisa.Thompson@dca.ga.gov)



# Payrolls

- Contractors must submit all payrolls to grant recipient
- Must include the name and identifying number of each worker the first time they appear
  - Contractor must provide address and social security number upon request
- Every payroll must
  - list the worker's classification, which must match the Wage Decision document
  - include the hourly rate of pay and the number of hours worked
  - indicate permissible deductions (see 29 CFR Part 3.5)
  - be numbered, with the last payroll labeled "Final Payroll"
  - be certified by the owner, officer or designee of the construction company

## Wage and Hour Division

(For Contractor's Optional Use; See Instructions at [www.dol.gov/whd/forms/wh347instr.htm](http://www.dol.gov/whd/forms/wh347instr.htm))

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.



Rev. Dec. 2008

OMB No.:1235-0008  
Expires: 04/30/2021

[illegible]

Date

I,

(Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by  on the  (Contractor or Subcontractor) ; that during the payroll period commencing on the  (Building or Work)  day of , , and ending the  day of , , all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said  from the full (Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

☐ — in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

☐ — Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE
<input type="text"/>	<input type="text"/>

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.



# Payrolls (Cont'd)

- Sole proprietors, self-employed mechanics
  - Cannot self-certify to wages without a crew
  - Must be reported on “responsible employer” payroll
  - Can certify to hours when working with a crew
  - (Only report hours worked and list owner as classification)

# Payroll Review

- Review for all trades
- Compare payrolls to wage decisions and interviews
- Follow up on discrepancies



# Exemptions

## Volunteers

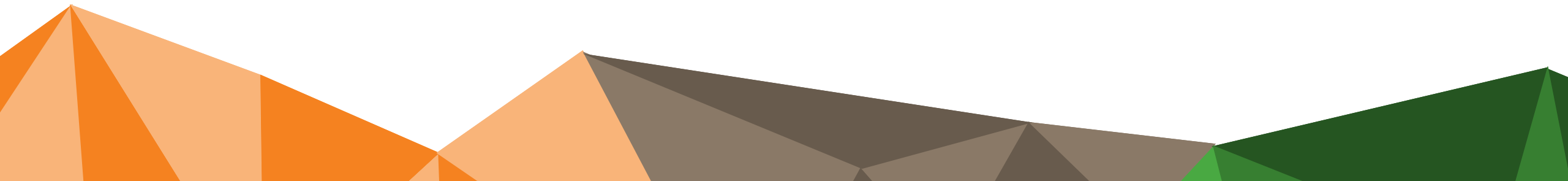
- Does not receive compensation for services performed
- Cannot be employed at any other time on the jobsite

## Prison Labor

- Must have a letter from the Department of Corrections
- Must be utilized directly by the grantee

# Job Site Interviews

- Have to be conducted on representative # of workers in each classification
- Interview responses should be checked against Wage Decision and payrolls
- Confidential – should not be overheard by contractors
- CONDUCT INTERVIEWS EARLY & OFTEN



# RECAP

- Request wage rates
- Request contractor clearance
- Ensure submission of weekly payrolls
- Conduct on-site interviews
- Review payrolls/compare to interviews
- Ensure correction of underpayments
- Maintain records



# Resources

- Davis-Bacon and Labor Standards, Contractor Guide Addendum
  - <https://files.hudexchange.info/resources/documents/Davis-Bacon-and-Labor-Standards-Contractor-Guide-Addendum.pdf/>
- Davis-Bacon and Labor Standards Agency/Contractor Guide
  - <https://files.hudexchange.info/resources/documents/Davis-Bacon-and-Labor-Standards-Agency-and-Contractor-Guide.pdf>
- Department of Labor, Davis-Bacon & Related Acts
  - <https://www.dol.gov/whd/govcontracts/dbra.htm>