

MICHIGAN  
DEPARTMENT OF TRANSPORTATION

SPECIAL PROVISION  
FOR  
**LABOR COMPLIANCE**

CFS:AS

1 of 2

APPR:JJG:RJC:07-01-14  
FHWA:APPR:07-09-14

**a. Description.** This special provision details the requirements for labor compliance. Ensure all levels of contracting (prime, sub, sub-sub, etc.) comply with all labor compliance requirements in this contract as well as with the current MDOT procedure for prevailing wage oversight. All contractors must insert this special provision in each subcontract and further require its inclusion in all lower tier subcontracts. The Contractor must advise all subcontractors of the requirement to pay the prevailing wage rates prior to commencement of work and that all employees must cooperate during wage rate interviews. The Contractor is responsible for all subcontractors and lower tier subcontractor labor compliance. Ensure labor compliance posters and the project specific prevailing wage rates are posted on the construction site, in a conspicuous place, prior to the commencement of work. Resolve all labor compliance issues within 60 days of receiving the Department's first documented notice. The 60 day requirement may be extended based on documented mutual agreement between the Department and the Contractor. A violation of state and/or federal prevailing wage rates or laws may result in the debarment of a Contractor from being awarded a contract or subcontract for a period of up to 8 years. Other actions, including but not limited to the reconciliation of records and restitution for employees, included in state and federal laws, may be required of the Contractor or subcontractor.

1. Record Keeping. Maintain payrolls and basic records relating thereto (i.e. W2, canceled checks, bank statements, payroll software etc.) by all levels of contractors during the course of work and preserved for a period of 3 years thereafter for all employees working on the site of work as outlined in 29 Code of Federal Regulations part 5.5 (29 CFR 5.5). Make these records available for inspection, copying, or transcription by the Department or its representative.

2. Certified Payroll Submittal Requirements. Subcontractors (all tiers) must submit their certified payrolls to the prime Contractor. The submitted payrolls must set out accurately and completely all of the information required on MDOT Form CP-347, Certified Payroll. The required weekly payroll information may be submitted on any contractor generated form, but must contain all information required on Form CP-347. Review all lower tier subcontractor certified payrolls prior to submission to the Engineer. The review must ensure the certified payroll complies with the submittal requirements as set forth in the current MDOT procedure for prevailing wage oversight. Complete Form 1955, Contractor's Certified Payroll Report, and submit to the Engineer along with the certified payrolls on a weekly basis. Forms 1955 and CP-347 are available on the MDOT forms webpage.

A. Federal Prevailing Wage Projects. The Davis-Bacon Related Acts apply to all contractors, and subcontractors (all tiers) performing work on federally funded or assisted construction contracts in excess of \$2,000. All contractors and subcontractors are required to comply with 29 Code of Federal Regulations Parts 1, 3, and 5.

B. State Prevailing Wage Projects. 1965 PA 166 applies to all contractors, and subcontractors (all tiers) performing work on contracts which are sponsored or financed in whole by the State of Michigan. On contracts involving two or more job numbers where the type of funding is mixed, and where one source of funding is federal, the Department inserts only the wage rates issued by the U.S. Department of Labor in the proposal and the federal requirements apply.

3. Short Duration Projects. The following modifications apply to the prevailing wage oversight procedure if the project is less than 75 calendar days in duration.

A. Submittal Requirements. The first certified payroll is to be received by the Engineer within 2 weeks from the end of the work week in which the work is started by the Contractor and/or subcontractors. The 2 week period is to allow for the processing and review of the certified payrolls by the Contractor. The first pay estimate can be made prior to the submission of the first certified payroll. The 2 week grace period allows the first estimate to be paid assuming the Contractor and subcontractor submit certified payrolls in a timely manner. Ensure subsequent certified payroll submissions are made weekly. Payroll submissions failing to meet the above requirements will be considered delinquent.

B. Contractor Notices. When certified payrolls are determined to be deficient or delinquent as defined in the current MDOT procedures for prevailing wage oversight the Engineer is to provide the prime Contractor with documented notice.

All labor compliance issues are to be resolved within 30 days after receiving the Department's first documented notice. The notification timeframe will be modified from 30 calendar days per notification to 15 calendar days per notification for short duration projects.

**b. Materials.** None specified.

**c. Construction.** None specified.

**d. Measurement and Payment.** Payment for compliance with this special provision will not be made separately. Payment will be considered as part of all other contract pay items.