

MICHIGAN
DEPARTMENT OF TRANSPORTATION

SPECIAL PROVISION
FOR
LABOR COMPLIANCE

CFS:AS

1 of 3

APPR:JJG:RJC:06-27-18
FHWA:APPR:06-28-18

a. Description. Ensure all levels of contracting (prime, sub, sub-sub, etc.) comply with all labor compliance requirements in this contract. The Contractor is responsible for subcontractors and lower tier subcontractor labor compliance. Job site poster requirements apply to state and federally funded projects. All Contractors must insert this special provision in each subcontract and further require its inclusion in lower tier subcontracts for federal prevailing wage projects.

b. Requirements.

1. Jobsite Posters. All jobsite posters and employment notices required by State and Federal regulations and the contract documents are to be posted on the jobsite in a conspicuous area prior to the commencement of work. Ensure jobsite postings are accessible at all times.

2. 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 where the total construction contract price is in excess of \$2,000. Contractors and subcontractors are required to comply with *29 Code of Federal Regulations Parts 1, 3, and 5*.

The Contractor must advise 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.

A. Certified Payroll Submittal Requirements. Contractors (all tiers) must submit their certified payrolls to the prime Contractor. The submitted payrolls must accurately and completely include all information required on MDOT Form CP-347, Certified Payroll. The required weekly payroll information may be submitted on a contractor generated form but must contain all information required on Form CP-347. The first certified payroll is to be received by the Engineer within 3 weeks from the week ending in which work is performed. The 3 week period is to allow for the processing and review of the certified payrolls by the prime Contractor. The review must ensure the certified payroll is complete and contains all information required on Form CP-347. Form CP-347 is available on the MDOT forms webpage. Certified payroll information must meet the requirements of this special provision unless the contract requires payroll to be submitted through the prevailing wage and labor compliance (PWLC) system. Payroll submitted via the PWLC system must be entered into the system, certified, and approved by the prime Contractor to be considered received by the Department.

Labor compliance issues must be resolved within 60 calendar days of receiving the Departments first documented notice. The 60-day requirement may be extended based

on documented mutual agreement between the Department and the Contractor.

(1) Fringe Benefit Statements. Contractors making payments or incurring cost to provide bona fide benefits must submit an hourly breakdown of fringe benefits paid each worker, or work classification where applicable, that must accompany the first certified payroll where fringe benefits are credited towards the prevailing wage. The Contractor must update these documents as necessary to ensure they are current throughout the working life of the contract. Failure to submit or maintain the required fringe benefit statement will constitute a payroll deficiency.

(2) Delinquent Payroll. Certified payrolls not submitted per subsection b.2.A of this special provision will be considered delinquent.

(3) Deficient Payroll. Certified payrolls that are found to be incomplete, inaccurate, or inconsistent with other project records are considered deficient.

(4) Non-compliance Damages. A Contractor found to be in non-compliance with the requirements of this special provision will be assessed non-compliance damages listed in Table 1, proportional to the value of their work on the contract (including subcontract, purchase order (P.O.) or invoice amount).

Table 1: Schedule of Non-Compliance Damages

Contract/Subcontract/P.O./Invoice Amount (a)	Non-compliance damages per calendar day
\$0 to 49,999	\$200
50,000 to 99,999	400
100,000 to 499,999	600
500,000 to 999,999	900
1,000,000 to 1,999,999	1,300
2,000,000 to 4,999,999	1,550
5,000,000 to 9,999,999	2,650
10,000,000 and above	3,000
Trucker	\$200
a. "Contract" amount if offending contractor is the prime contractor. "Subcontract/P.O./Invoice" amount if offending contractor is a subcontractor/vendor.	

B. Record Keeping. Maintain payrolls and basic records relating thereto (i.e. employee names, occupation, hours worked, W2, canceled checks, bank statements, etc.) by all levels of contractors during the course of work and retain for a 3-year period from the date of final estimate for all employees working on the site of work. Make these records available for inspection, copying, or transcription by the Department or its representative.

C. Short Duration Projects. The following modifications apply if the project is less than 75 calendar days in duration.

(1) Submittal Requirements. On short duration projects the first certified payroll is

to be received by the Engineer within 2 weeks from the week ending in which work is performed. The 2-week period is to allow for the processing and review of the certified payrolls by the Contractor. The 2-week period allows the first estimate to be paid assuming the Contractor will 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.

Labor compliance issues are to be resolved within 30 days after receiving the Department's first documented notice. The 30-day requirement may be extended based on documented mutual agreement between the Department and the Contractor.

- c. Materials.** None specified.
- d. Construction.** None specified.
- e. 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.