

# Prevailing Wage Compliance 2016

Prevailing Wage Components  
 Contract Documents  
 Wage Decisions  
**Wage Rate Interviews**  
 Overtime  
 Certified Payrolls  
 Truck Drivers

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## Form 1156-T1

Michigan Department of Transportation  
 1156-T1 (01/14) **Minimum Wage Rate Interview Sheet** Tier 1 Form 401  
 DISTRIBUTION: ORIGINAL/PROJECT FILE

This Form will meet the **WHR** requirements of the Prevailing Wage Procedures.

CONTRACTOR NAME <input type="checkbox"/> Prime Contractor <input type="checkbox"/> Subcontractor		PAYROLL PERIOD ENDING	
CONTRACT ID	REGION/TOC	INTERVIEW DATE	INTERVIEWER
PROJECT ENGINEER	PROJECT LOCATION	POSTINGS AND WAGE RATES POSTED IN CON-SPONSOR'S PLACE ONLY: <input type="checkbox"/> YES <input type="checkbox"/> NO	
EMPLOYEE NAME	EMPLOYEE REPLY	BASE HOURLY RATE PER CONTRACT	PAYROLL RECORDS
SSN (LAST FOUR DIGITS)	WHO PAYS YOU?	WAGE RATE DECISION # AND DATE	PAY BY:
CELL	HOURLY RATE	HOURLY RATE	HOURLY RATE
HOME	Reg. \$	Reg. \$	Reg. \$
ARE YOU A UNION EMPLOYEE <input type="checkbox"/> YES <input type="checkbox"/> NO	O.T. \$	F.B. \$	F.B. \$
TREATMENT OF FRINGES: As Wages <input type="checkbox"/> Approved Fring. <input type="checkbox"/> None <input type="checkbox"/>	O.T. \$	TWK. \$	TWK. \$
	O.T. \$	O.T. \$	O.T. \$

WORK DESCRIPTION

ADDITIONAL INFORMATION (NARRATIVE FOR USE IN COMMENTS)

COMMENTS

DATE CERTIFIED PAYROLL EXAMINED & CONFIRMED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

Approved By (Project Engineer Signature) \_\_\_\_\_ DATE: \_\_\_\_\_

Sign of \_\_\_\_\_

[Click Form](#)

### MDOT 1156-T1 (06/10) Instructions for MDOT form 1156 Page 2 of 2

The form is to be filled out completely. The following procedures are to be used when conducting wage rate interviews.

- The interviewer will complete form 1156, not the worker.
- Complete wage rate interviews each season for multi-season projects.
- Interview a representative sample of the work force for each contractor and subcontractor on the project during each construction season.
- Include each classification and group in the interview process. Operators of equipment and trucks whose ownership is not clearly identified should be interviewed.
- To ensure the privacy of the workers, coworkers and supervisors are not allowed to be present during the interview or allowed to hear the interview.
- Give the worker a business card with contact information or the FRAUD AND ABUSE HOTLINE toll free number in the event that they would like to discuss the interview issues further, supply additional documentation or information, or to continue the interview in a more private and confidential setting.
- Conduct interviews in the early part of the project to verify prevailing wage compliance. Check the certified payroll against the wage rate interview in a timely manner. If issues are found, deal with them immediately.

#### Consider the following when completing form 1156

**WORK DESCRIPTION:** Work being performed at time of interview (e.g., laying pipe, raking asphalt, placing sod, operating backhoe, bulldozer, crane)

**EMPLOYEE REPLY:** WHO PAYS YOU? The response should be the name of the contractor or sub contractor they work for.

**HOURLY RATE:** Ask the worker what their hourly rate of pay is, and what the overtime rate of pay is. If the worker does not know or says "I think I make \$77.77, but I'm not sure", be sure to include the response in the comments section of form 1156. Ask the worker if they know where the wage rates are posted. Also, ask them to provide a check stub so that you can confirm their wages.

**BASE HOURLY RATES:** When the certified payroll indicates that fringe benefits are paid as part of the hourly rate, use base benefits in computing the base hourly rate.

Employees of the contractor are not to assist in language interpreting. MDOT has contracted telephonic interpretation services from Brenneberg & Associates for these situations. A speaker phone (cell phone with speaker on) will be needed in order to use this service. Note: Construction Field Services (CFS) will cover the cost of this service. Brenneberg and Associates will submit invoices directly to CFS.

#### Instructions for over the phone interpreting services

1. Dial 1-866-908-6137
2. When the operator answers, tell them:
  - a) That you are calling from MDOT
  - b) Your customer code is MDOTHDY
  - c) The language that you need interpreted
  - d) Your name & phone number
  - e) The name of your TSC, local agency or consulting engineer
3. The operator will connect you with an interpreter promptly.

# Form 1156-T1

MDOT 1156 (06/10)

## Instructions for MDOT form 1156

Page 2 of 2

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- To ensure the privacy of the workers, coworkers and supervisors are not allowed to be present during the interview or allowed to hear the interview.
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# Form 1156-T1

## Consider the following when completing form 1156

### WORK DESCRIPTION:

Work being performed at time of interview (e.g., laying pipe, raking asphalt, placing sod, operating backhoe, bulldozer, crane)

### EMPLOYEE REPLY:

**WHO PAYS YOU?** The response should be the name of the contractor or sub contractor they work for.

**HOURLY RATE:** Ask the worker what their hourly rate of pay is, and what the overtime rate of pay is. If the worker does not know or says "I think I make \$??.??, but I'm not sure", be sure to include the response in the comments section of form 1156. Ask the worker if they know where the wage rates are posted. Also, ask them to provide a check stub so that you can confirm their wages.

**BASE HOURLY RATES:** When the certified payrolls indicate that fringe benefits are paid as part of the hourly rate, use like benefits in computing the base hourly rate.

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## Questions to Ask

- Determine the classification of the worker:
  - What type of work have they performed on the project
    - DO NOT classify as 'Laborer' or 'Operator' only
- Determine the worker's pay rate:
  - Project rate of pay
  - 'Open Shop' rate of pay (private work)
  - If the worker does not know their rate of pay:
    - A comment on the wage rate interview is required
    - The worker should be encouraged to review the required jobsite postings
    - Additional concerns can be directed to the Fraud & Abuse hotline if the worker is uncomfortable discussing with project staff.

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## Questions to Ask

- Determine the type of fringe benefits being paid to the worker:
  - Health, 401k, vacation, sick days etc.....
- Determine number of weekly hours worked:
  - Normal weekly hours paid on a weekly check from employer
  - Are they paid overtime for hours worked after 40 weekly hours
- Document contact information (cell or home phone):
  - This is not required
  - It is encouraged to conduct a follow up interview if there are certified payroll discrepancies

Information collected verifies the accuracy of the certified payroll.

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## Wage Rate Interview

- Conduct interviews in the early stages of the project to verify PW compliance.
- Check the certified payroll against the wage rate interview in a timely manner so the issues can be resolved in a timely manner.

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## Worker's Pay Rate

- **IT IS THE EMPLOYERS RESPONSIBILITY TO MAKE SURE THEIR EMPLOYEES ARE AWARE OF THE PROPER PW RATES.**
- Some workers are paid a salary rather than a hourly wage:
  - A WEEKLY SALARY IS **NOT** A WAY AROUND PAYING THE PROPER PW.
  - A worker must be paid a minimum hourly wage for all hours worked for the entire work week.

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## Field Operations Handbook – 10/25/2010 Chapter 15

### 15f Application of PW and Fringe Benefit Requirements

15f08

#### Salaried employees.

In many cases salaried employees perform work on DBRA covered projects and noncovered projects in the same w/w. To determine whether the employee has been properly paid for the time spent on the DBRA project, it is first necessary to determine the hourly rate of pay. For example, an employee who is working 40 hours per week and paid a salary of \$600.00 per week would be paid at the rate of \$15.00 per hour. If this same employee is entitled to a prevailing rate of \$19.50 per hour for DBRA covered work, he or she would be entitled to an additional \$4.50 per hour for work performed on the DBRA project. An employer may not arbitrarily allocate a greater portion of the employee's salary to DBRA work in order to achieve compliance with the Act. It should be kept in mind that a nonexempt (*i.e.*, 29 CFR Part 541) salaried employee is only due the applicable DBRA rate for those hours actually spent performing laborers' and mechanics' duties. (*See* 29 CFR § 5.2(m) and FOH 15e15(b).)

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## Field Operations Handbook Chapter 15

### 15e Interpretations – Applications of DBRA to Types of Employees

15e15

#### Managerial and professional employees.

- (a) An individual employed in a bona fide executive, administrative, or professional capacity, as defined in 29 CFR Part 541, is not a laborer or mechanic for purposes of DBRA.
- (b) A supervisory employee who is not exempt under 29 CFR Part 541 and who spends more than a substantial amount of time (20 percent) in a given w/w as a "laborer" or "mechanic" must be paid the applicable DBRA prevailing wage rate for the classification of work performed for all hours engaged in such work as a laborer or mechanic. For example, if a nonexempt working foreman spends 60 percent or 24 hours of a 40 hour w/w performing administrative functions such as preparing time cards, supervising the project work, and arranging for deliveries and the remaining 40 percent (16 hours) of the time performing the duties of an electrician, the individual must be paid the electrician's prevailing wage rate for the 16 hours. (*See* 29 CFR § 5.2(m).)

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# Exempt Executive Employees

## TITLE 29--Labor

### PART 541--DEFINING AND DELIMITING THE EXEMPTIONS FOR EXECUTIVE, ADMINISTRATIVE, PROFESSIONAL, COMPUTER AND OUTSIDE SALES EMPLOYEES

#### Subpart B--Executive Employees

##### § 541.100 General rule for executive employees.

(a) The term "employee employed in a bona fide executive capacity" in section 13(a)(1) of the Act shall mean any employee:

(1) Compensated on a salary basis at a rate of not less than \$455 per week (or \$380 per week, if employed in American Samoa by employers other than the Federal Government), exclusive of board, lodging or other facilities;

(2) Whose primary duty is management of the enterprise in which the employee is employed or of a customarily recognized department or subdivision thereof;

(3) Who customarily and regularly directs the work of two or more other employees; and

(4) Who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees are given particular weight.

(b) The phrase "salary basis" is defined at §541.602; "board, lodging or other facilities" is defined at §541.606; "primary duty" is defined at §541.700; and "customarily and regularly" is defined at §541.701.

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