

City of Royal Oak

Request For Proposal

The Removal of Existing Signage
And Manufacture & Installation of New Signage

RFP-SBP-RO-PR1403



City of Royal Oak
Request For Proposal

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RFP-SBP-RO-PR1403

Items Required To Be Submitted In Bid Response Delivered to the Finance Department, third floor of City Hall (211 Williams St Royal Oak MI 48067), By No Later Than 1:00p.m. April 16, 2015.

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City of Royal Oak, Michigan
Advertisement

The Removal of Existing Signage And Manufacture & Installation of New Signage
RFP-SBP-RO-PR1403

Notice To Contractors

Sealed proposals for the removal of existing signage and manufacture & installation of new signage will be received by the City of Royal Oak, Michigan, up to **1:00 p.m.** on the **16th day of April 2015**, at which time all proposals will be publicly opened and read aloud at the City Hall, Room 315, 211 Williams St, Royal Oak MI 48067.

Please mark sealed envelopes: "RFP-SBP-RO-PR1403 – Proposal Documents Enclosed DO NOT OPEN" and deliver to the Finance Department, 3rd Floor, City Hall, 211 Williams St, Royal Oak MI 48067.

The specifications under which the work is to be done are available on Friday, March 20, 2015 at the city's website www.romi.gov/general-information/bids-and-rfps and the website of the Michigan Intergovernmental Trade Network (MITN) at www.govbids.com/scripts/MITN/public/home.asp MITN requires a fee for subscribing to this service.

This project is funded in part with Federal funds through the city's Community Development Block Grant (CDBG) program. Construction work that is financed with Federal funds must adhere to certain Federal labor standards requirements. Regulatory/statutory citations include: Section 110; §570.603; 40 USC, Chapter 3, Section 276a-276a-5; 29 CFR Part 1, 3, 5, 6 and 7; 40 USC, Chapter 3 Section 276c; 18 USC, Part 1, Chapter 41, Section 874; 29 CFR Part 3; 40 USC Chapter 5, Sections 326-332; 29 CFR Part 4, 5, 6 and 8; 29 CFR Part 70 to 240, and Section 3 of the Housing and Community Development Act of 1968. The project requires that workers receive no less than the prevailing wages being paid for similar work in the same area. Minority, female, and Section 3 contractors are specifically invited to bid on this Contract. The city also requests general contractors to use minority, female, and Section 3 residents and subcontractors whenever possible.

The right to reject any or all proposals and the right to waive defects in proposals, to waive any informality in the proposal received, and to accept any proposal or part thereof, which it shall deem to be most favorable to the interests of the city. In case of error in the extension of prices in the proposal or other arithmetical error, the unit prices will govern.

By order of the Commission of the City of Royal Oak, Michigan

Melanie Halas, City Clerk

To be advertised in:

The Daily Tribune	03/20/15	The Michigan Chronicle	03/25/15
City of Royal Oak website	03/20/15	MITN	03/20/15

Special Instructions To Bidders

The Removal of Existing Signage And Manufacture & Installation of New Signage RFP-SBP-RO-PR1403

Contact

Greg Rassel
Director of Recreation & Public Service
City of Royal Oak
1600 N Campbell Rd, Royal Oak MI 48067
C (248) 885-1767
O (248) 246-3313
E GregR@romi.gov

Location

54 public-owned parks located throughout the city. Refer to the list on the Form Of Proposal.
3 “gateway” locations located within the Michigan Department of Transportation’s right-of-way
Woodward Ave / 14 Mile Rd
Woodward Ave / E. Lincoln Ave.
S Main St / I-696 service drive

Scope Of Work

The work under this contract consists of, but is not limited to, the following:

- **removal** of existing park identification signs and “gateway” signs
- **manufacturing** of new park identification signs and “gateway” signs based on “detailed proofs” provided by the city
- **installation** of the newly manufactured signs

In late 2013, the city unveiled its new brand. This project continues the city’s efforts to implement the brand with new signage.

Removal

Most of the city’s public parks contain wood signs that identify the park by name. The selected contractor will be responsible for the removal, demolition, and disposal of all existing park signs.

The selected contractor shall work directly with the Director of Recreation & Public Service to arrange an appropriate removal schedule in light of park activities such as schedule recreation games. The removal schedule will be arranged further by the Director of Recreation & Public Service once the selected contractor has manufactured signs and is ready to install the new signs. The Director of Recreation & Public Service shall appropriately “flag” all signs to be removed.

This project also involves the removal, demolition, and disposal of the 2 “gateway” signs located within the Woodward Avenue median near the corner of Lincoln Ave. and near the corner of 14 Mile Road. Woodward Avenue is governed by the Michigan Department of Transportation’s (MDOT). The selected contractor will be responsible for obtaining all permits from MDOT: Stacey Gough, Permit & Drainage Engineer, MDOT, 800 Vanguard

Dr, Pontiac MI 48341 P 248-451-0001 E goughs@michigan.gov All costs related to obtaining the permit must be included in the per unit price. The selected contractor shall not be provided a separate allowance / expense item. The Director of Recreation & Public Service shall be on-site during all site work.

An additional "gateway" sign is located along S. Main Street at the I-696 service drive. The selected contractor shall alter, not demolish, this existing sign in accordance with the "detailed proof".

Manufacture

The city has developed "detailed proofs" for new park and "gateway" signs. The "detailed proofs" are attached to this Contract. The selected contractor shall manufacture all signage according to the "detailed proofs".

Installation

The selected contractor shall work directly with the Director of Recreation & Public Service to arrange an appropriate installation schedule in light of anticipated manufacturing dates and scheduled park activities such as soccer games.

The selected contractor shall obtain all MDOT permits from the contact listed above. All costs related to obtaining the permit must be included in the per unit price. The selected contractor shall not be provided a separate allowance / expense item. The Director of Recreation & Public Service shall be on-site during all site work.

Project Funding

This is a locally and Federally-funded project. A budget amount has not been established. Therefore, the city may elect to fund all or portions of the project based on the response to the Form Of Proposal.

Form Of Proposal

The Form Of Proposal has been designed to prioritize the project (Lot 1, Lot 2, Lot 3, Lot 4). **Each prospective contractor must submit their bid on the Form Of Proposal.**

Bidder Information

Each proposal must be accompanied by the Bidder Information including the following information:

- a. Three (3) references of similar jobs. The references shall include a one sentence job description, year of work, and owner representative and phone number.
- b. List of contracts on which the bidder is currently engaged.
- c. An estimated timeframe to remove, manufacture, and install signs by Lot.
- d. List of names of proposed sub-contractors, if available, to be used on the project.

Section 3 Documentation Requirements

Each proposal must be accompanied by a signed and dated "Contractor Section 3 Certification Form" and "Contractor Estimated Work Force Breakdown Form".

Section 3 requires that, to the greatest extent feasible, training and employment opportunities arising out of a project assisted under a program providing direct federal financial assistance from the US Department of Housing and Urban Development (HUD) be given to low and very low income residents of the City of Royal Oak and, where appropriate, contracts for work in connection

with the project be awarded to business concerns (firm) which are located in or owned in substantial part by persons residing in the City of Royal Oak.

Further clarification regarding Section 3 may be found in "A Compliance Guide to Section 3 Requirements" which may be downloaded from the city' website (romi.gov/departments/planning/community-development-block-grant-cdbg).

The Guide provides a description of the requirements and a copy of the forms that must be completed for compliance with Section 3 requirements. It is also included in the attached draft Contract.

Rejection Of Proposals

The City of Royal Oak reserves the right to reject any and all proposals received and the right to waive defects in proposals as a result of this request or make an award deemed in the best interest of the city.

Change In Quantities

The city reserves the right to increase or decrease any quantity submitted in the Form Of Proposal which the city determines is in the best interest during the duration of the project. All quantity changes will have no effect on the per unit price as submitted on the Form of Proposal.

Estimated Award Schedule

Advertisement	March 20, 2015
Bid Opening	April 16, 2015
Contact Award	May 4, 2015

Award Of Contract

It is the intention of the city to award this Federally-funded Contract to a single lowest responsible bidder. City staff shall forward to the Contractor a written notice of award upon acceptance of the bid by the Royal Oak City Commission.

Execution of Contract

The selected contractor will be required to execute a Contract and to furnish certificates of insurance and an executed Hold Harmless Agreement within ten (10) days (Sundays and legal holidays excepted) after receiving written notice of the award, or within such extended period as may be approved by the city. The selected contractor's failure to do so may be considered by the city to have abandoned their interests in the Contract. The city may award the Contract to another bidder.

Time of Starting & Competition

The work to be done under the Contract is to begin within thirty (30) calendar days after the Contract has been awarded by the Royal Oak City Commission unless the city shall, in writing, authorize a later start. The work shall continue diligently thereafter and shall be completed in its entirety by no later than October 31, 2015.

Payment / Compensation

The Contract does provide the Director of Recreation & Public Service the opportunity for an advancement of funds to purchase the materials necessary for the manufacture of the signs in accordance with the detailed proofs. The Contract does not provide the opportunity for progress payments on the removal, installation, and any other labor necessary to commence or complete the work. An affidavit that all payrolls, material bills, and all other indebtedness incurred in connection with the project have been paid in full. Payment shall not be released until the Contractor has demonstrated and the City has verified complete compliance with Federal Labor Standards Provisions. Invoices shall be paid in accordance with the city's approved Accounts Payable Calendar.

Sales Tax Exemption

The City of Royal Oak is exempt from state sales tax.

The city's Michigan sales tax exemption number is: 0-21175742-2

The city's Federal tax identification number is: 38-6004646

Working Days

The definition of "working days" shall be Monday through Saturday, 7:00 a.m. to 9:00 p.m. Approval shall be obtained written permission from the Director of Recreation & Public Service in advance to work on Sundays or holidays. The written request must include reason why the work can not be completed during "working days".

Miscellaneous Debris & Materials - Clean-Up & Haul Away & Grading

The selected contractor is responsible for the removal and disposal of all identified signs. All removed signs and related debris shall be hauled away expeditiously from the project area to landfill or materials recovery facility. The empty posthole openings shall be back-filled with topsoil. All costs related to removal and disposal of materials and topsoil to back the postholes must be included in the per unit price. The selected contractor shall not be provided a separate allowance / expense item.

Underground Utilities / Miss Dig Notification

The selected contractor is responsible to notify utility companies seventy-two hours (72 hrs) prior to excavating by calling MISS DIG at 800-482-7171 or 811.

The selected contractor shall obtain all MDOT permits from the contact listed above. All costs related to obtaining the permit must be included in the per unit price. The selected contractor shall not be provided a separate allowance / expense item.

Traffic Control & Barricading

Any work conducted within the public right-of-way of the City of Royal Oak which necessitates the closure of a roadway, sidewalk, or driveway shall conform to traffic control and barricading standards established by the City Engineer (Matthew Callahan, City Engineer, 211 Williams St, Royal Oak MI 48067 E MattC@romi.gov P 248-246-3263). The Director of Recreation & Public Service and the City Engineer must be provided with an anticipated schedule of work to occur within the city's public right-of-way five (5) days in advance. The selected contractor shall be required to provide proof of an MDOT right-of-way permit for any work within MDOT's public right-of-way (Woodward Avenue). The selected contractor shall obtain all MDOT permits from the contact listed above. Any and all permits or bonds related to closure of any public right-of-way with traffic control and barricading shall be accommodated in the per unit price of the Form Of Proposal. The selected contractor shall not be provided a separate allowance / expense item.

Hydrant Usage

Water for performing work under the Contract will be provided by the Primary Contact at a hydrant location of the Director of Recreation & Public Service's choice. The selected contractor shall furnish and utilize a backflow preventer whenever accessing a water hydrant. The selected contractor shall operate water hydrants only in the presence of the Director of Recreation & Public Service. Water hydrant wrenches shall be provided by the selected contractor and shall be used to open and close water hydrants. Hydrants shall be opened and closed slowly to prevent disturbances in the water system. The selected contractor shall be held responsible for the care of the water hydrants that are utilized.

Cost To Correct Deficiencies

The selected contractor shall bear all costs to repair or replace any damages as a result of their negligence. Damages shall be reported to the Director of Recreation & Public Service as soon as possible. The Director of Recreation & Public Service will investigate all complaints received regarding work done by the selected contractor and shall also have the right to make investigations on his/her own initiative. If, in the opinion of the Director of Recreation & Public Service, any work has not been done in accordance with the Contract, the Director of Recreation & Public Service shall immediately notify the selected contractor in writing of the nature of the defect, location, remedies desired, and the time limit within which the defect shall be remedied. Should the selected contractor fail to remedy the defect within the time limit allowed, the Director of Recreation & Public Service may do so with city forces and deduct the cost thereof from the amount due the selected contractor at the time of final estimate; or the Director of Recreation & Public Service may, in the alternative, notify the selected contractor to stop all other work under the Contract until the defect has been remedied. The city shall not be required to pay for any work done by the selected contractor in violation of any such stop order, and the amount due for any such work shall be regarded as liquidated damages due the city as a result of such breach of the Contract.

Federal Labor Standards Provisions

All applicable portions of the Contract shall meet the Federal Labor Standards requirements. All labor rates shall conform to the current U.S. Department of Labor Wage Decision. Attached to this draft Contract is the most current wage determination at the time of bid notice. The Wage Determination at the time of the bid notice is included:
No. MI20140069, Heavy, Modification Number 1, dated 02/20/2015.

The project will receive Federal funds. The project must comply with the Davis Bacon Act as described in Federal Labor Standards Provisions and predetermined minimum wage rates to be paid by the selected contractor and/or subcontractors as contained in wage decision. In addition, the selected contractor must display the poster found Federal Labor Standards Provisions with the applicable positions and prevailing wages. The selected contractor shall provide a payroll report on a bi-weekly basis to the city in compliance with the Davis Bacon Act and Fair Labor Standards Provisions.

Title VI Compliance

The City of Royal Oak in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 USC 2000d-d4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of Department of Transportation, and all requirements issued pursuant to such Act, hereby notifies all bidders that minority business enterprises will be afforded full opportunity to submit bids in

response to this invitation and will not be discriminated against on the grounds of gender, disability, race, color, sex or national origin in consideration for an award.

During the performance of the Contract, the selected contractor, for itself, its assignees, and successors in interest, (hereinafter referred to as the "Contractor") agrees as follows:

1. Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter referred to as DOT), Title 49, Code of Federal Regulations, part 21 (hereinafter referred to as the Regulations), as they may be amended from time to time, herein incorporated by reference and made a part of this Contract.

2. Nondiscrimination

The Contractor, with regard to the work performed during the Contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the Regulations.

3. Solicitations for Subcontracts, including Procurement of Materials and Equipment

In all solicitations either by competitive bidding or negotiations made by the Contractor for work to be performed under a subcontract, including procurement of material for leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the ground of race, color, sex, or national origin.

4. Information and Reports

The Contractor shall provide all information and reports required by the Regulation or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City of Royal Oak, Michigan Department of Transportation or appropriate Federal Agency to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a Contractor is in exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the Michigan Department of Transportation or the appropriate Federal Agency as needed, and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the City of Royal Oak shall impose such Contract sanctions as the Michigan Department of Transportation may determine to be appropriate, including, but not limited to:

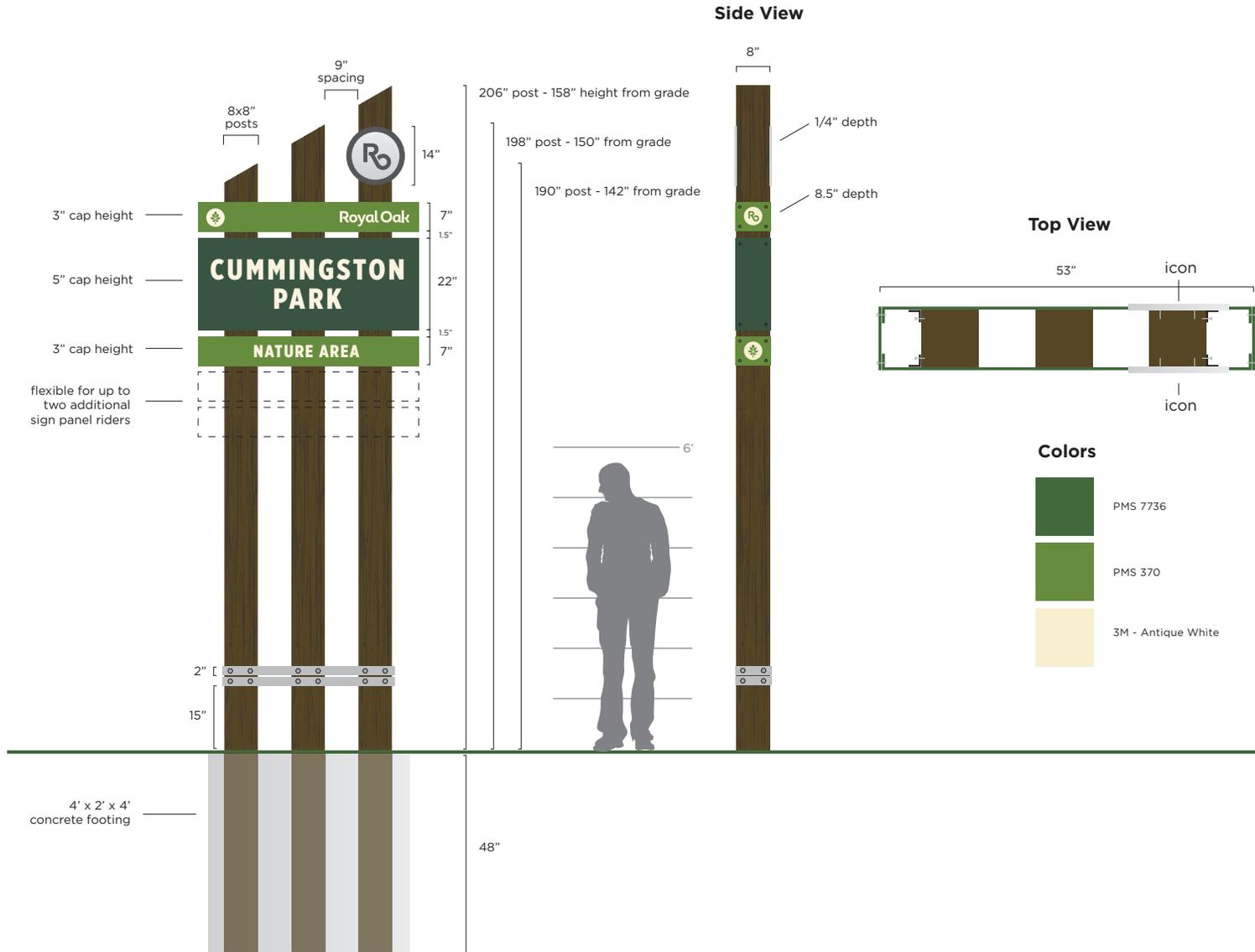
- A. Withholding of payments to the Contractor under Contract until the Contractor complies, and/or
- B. Cancellation, termination, or suspension of the Contract, in whole or in part.

6. Incorporations and Provisions

The Contractor shall include the provisions of paragraphs (1) through (5) in every subcontract, including procurement of materials and leases of equipment, unless exempt by Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontractor or procurement as the City of Royal Oak, Michigan Department of Transportation, or appropriate Federal Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

DETAILED PROOF

Royal Oak Park Identification Signs



Sign Faces

- 1/8" thick aluminum sign panels
- Painted to match PMS 370 + 7736 matthews paint - satin finish
- Vinyl lettering applied to faces and sides - 3M antique white - series 7125
- Price option for 5" high park name lettering - 1/4" thick aluminum painted Matthews color - Snowflake satin finish - stud mounted to faces
- Aluminum angles for mounting welded to back of sign face panels
- Side panel covers anchored into side flanges of front faces

Posts

- 8"x8" wood posts - southern yellow pine #1 grade treated w/ ACQ ground contact chemical retention
- 30 degree angle cuts at top
- Prime + top coat wood posts w/ Pittsburgh - Sun Proof® Solid Color Latex Stain - Color: Coffee
- 1/8" thick decorative stainless steel bracing at base of posts attached w/ 1" dia hex bolts - Single piece construction

Ro Icon

- 14" diameter - 1/4" thick cast plaque
- Light grey = Anodized aluminum brushed finish
- Dark grey = PMS 425 matthews paint - satin finish
- Anchored into posts w/ threaded studs

Installation

- Removal of existing signs required
- Signs to be installed in existing sign locations unless otherwise noted
- 4' x 2' x 4' below grade concrete footing
- Posts set into concrete footing
- Panels, icons & braces anchored into posts

Notes

Client's Approval / Date



405 E Fourth St Royal Oak, MI
P: 248.399.4332 F: 248.399.4333
www.ideationorange.com

SIGN LOCATIONS

696 + Main



Lincoln + Woodward



14 Mile + Woodward

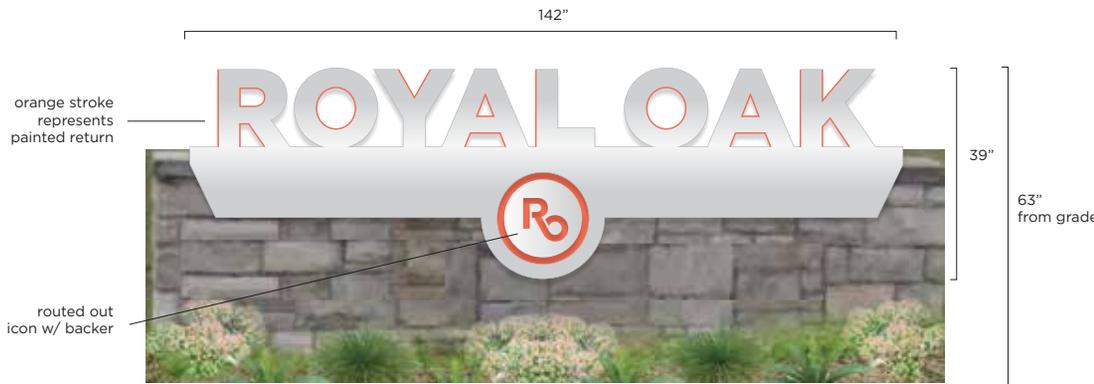


DETAILED PROOF

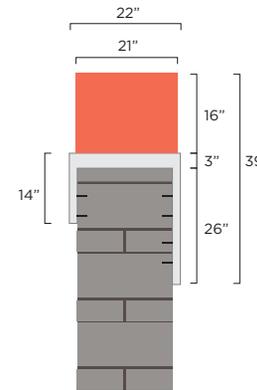
696 & Main St. Location

Royal Oak
Gateway Signs

Front View



Side View



Colors



SPECS

Sign Cabinet/Letters

1/8" thick welded aluminum construction

Painted brushed silver + PMS 7416 w/ matthews paint - satin finish

17" diameter Ro icon routed out of 1" aluminum, flush mounted to 1/2" painted aluminum backer

Illumination

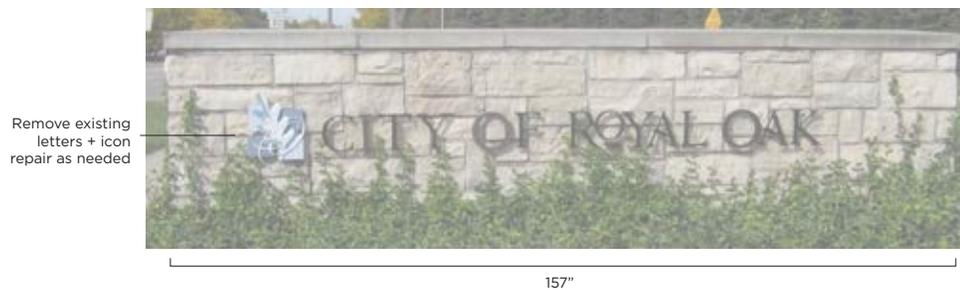
Qty 3 - 4' - Cree OL Series™ Flood Luminaire - Sign Optic - Direct Rotatable

Installation

Sign cabinet anchored into existing wall

Fabricator responsible for survey of location

Existing Stone Wall



Notes

Client's Approval / Date

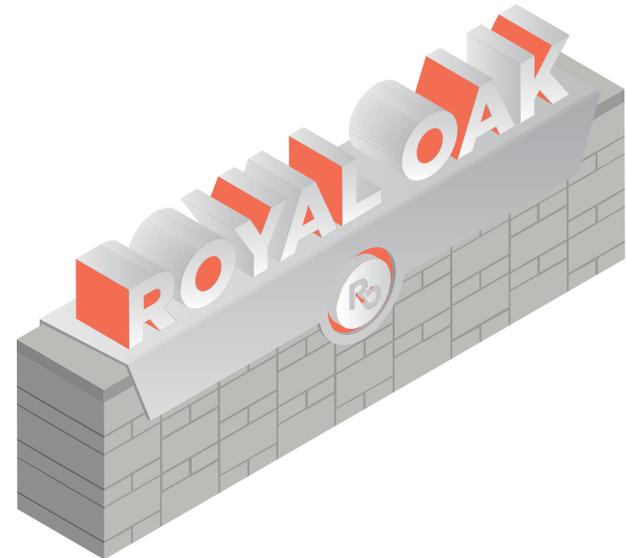


405 E Fourth St Royal Oak, MI
P: 248.399.4332 F: 248.399.4333
www.ideationorange.com

Photo Rendering



Isometric View



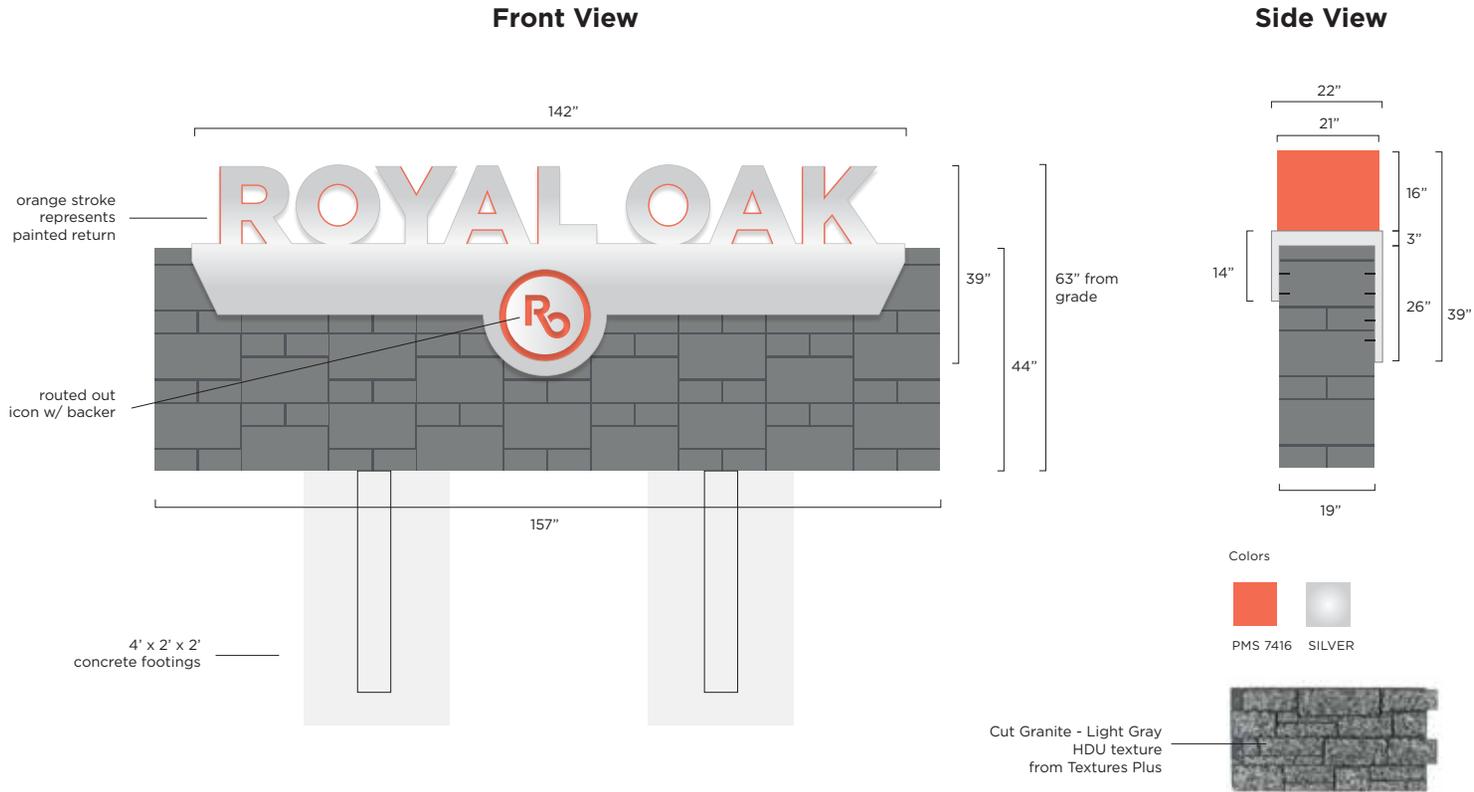
Notes

Client's Approval / Date

DETAILED PROOF

- Woodward & Lincoln Location
- Woodward & 14 Mile Location

Royal Oak
Gateway Signs



SPECS

Sign/Letters

1/8" thick welded aluminum construction

Painted brushed silver + PMS 7416 w/ matthews paint - satin finish

17" diameter Ro icon routed out of 1" aluminum, flush mounted to 1/2" painted aluminum backer

Wall

Treated wood base w/ Tyvek cover

4' x 2' x 2' below grade concrete footings

4"x 6" treated wood breakaway posts set into concrete footing

High-density molded polymer - Faux stone cladding manufactured by Textures Plus - Cut Granite, Light Gray

Illumination

Qty 3 - 4' - Cree OL Series™ Flood Luminaire - Sign Optic - Direct Rotatable

Installation

Wall to adhere to M-DOT regulations

Sign cabinet anchored into wall

Fabricator responsible for survey of location

Notes

Client's Approval / Date

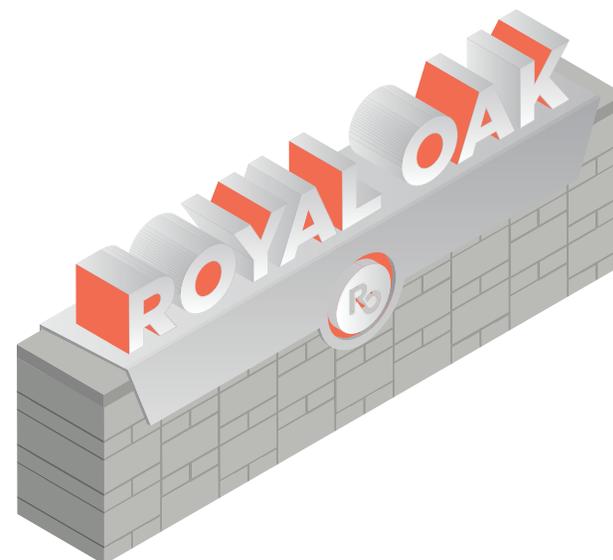


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Photo Rendering



Isometric View



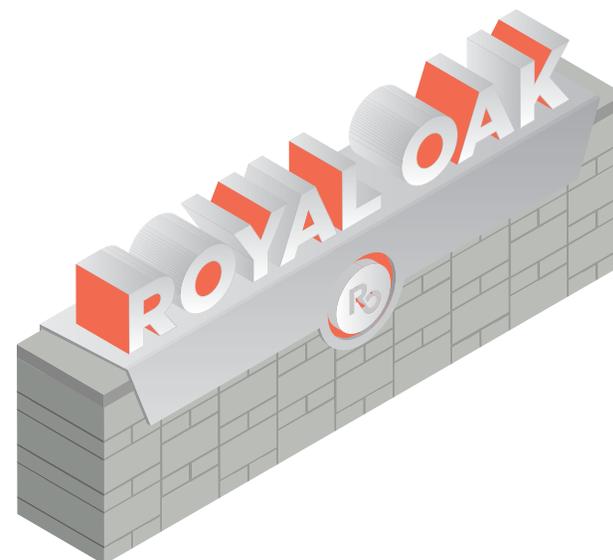
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Photo Rendering



Isometric View



Notes

Client's Approval / Date

The Removal of Existing Signage And Manufacture & Installation of New Signage
RFP-SBP-RO-PR1403

Form Of Proposal

The undersigned hereby offers to furnish to the City of Royal Oak all materials and/or services at the prices quoted in conformance with the city's Specifications and Special Instructions To Bidders described herein:

Bid Valid Date/Timeframe

The Bidder certifies that this Bid is valid for the following length of time from the date of the bid opening (April 16, 2015).

Builder's License Number: _____

Firm Tax Identification Number: _____

Firm Name: _____

Firm Mailing Address: _____

Firm Phone #: _____ Firm Fax #: _____

Firm Representative, Print Name & Title:

E-Mail Address of Firm Representative: _____

Signature of Firm Representative: _____

Form of Proposal – Continued

A separate bid amount shall be provided for each individual sign (unit price) & total price for each lot:

Lot 1

Park	Location	2-Sided	1-Sided	Banner	CDBG	P1	Unit Price	
Cummingston Park	Torquay & Leafdale, N of 13 Mile between Crooks/Coolidge	1			X			
Dickinson Park	Springer & Amherst, N of 13 Mile E of Greenfield	1			X			
Grant Park	Fifth & Kaiser, S of Fourth, W of Campbell	1			X			
Lockman Park	Conecticut & Derby, S of 12 Mile, W of Campbell	1			X			
Marks Park	Second & Blair, S of 11 Mile, W of Campbell	1			X			
Maudlin Park	Cooper Ave & Samoset, S of 14 Mile, E of Woodward	1			X			
Meininger Park	Maxwell & Farnum, S of Catalpa, W of Washington	1			X			
Miller Park	Garden, N of Webste, W of Beaumont	1			X			
Pioneer Park	Parkway Dr & Normandy Rd, W of Woodward	1			X			
Wagner Park	On Detroit between Rochester & Main, N of 12 Mile	1			X			
Waterworks Park	Marywood & Lloyd, E of Crooks, N of 12 Mile	1			X			
Westwood Park	Between Parker & Warrick, Woodward & Coolidge	1			X			
Whittier Park	Farnum & Alexander, N of 11 Mile	1		Pat Sullivan Pickleball Courts / Ed Beimel Playgound	X			
Worden Park	Lexington & Crooks, N of 13 Mile	1			X			
Total Price For Lot 1								

Form of Proposal – Continued

Lot 2

Park	Location	2-Sided	1-Sided	Banner	CDBG	P1	Unit Price	
Cody Park	Cody & 12 Mile, E of Rochester	1				X		
Dondero Park	Dondero & Hoffman, N of 10 Mile E of Main	1				X		
Gunn Dyer	Chester & Hampton, between Woodward & Coolidge	1				X		
Huntington Woods Park	Corner of Harrison & Dundee, W of Woodward	1				X		
Kenwood Park	Kenwood & Forest, E of Campbell, S of Gardenia	1				X		
Lawson Park	Irving & Parent, N of 10 Mile, E of Main	1				X		
Mark Twain Park	Campbell Road, S of 14 Mile	1		Dog Park		X		
Memorial Park	Woodward & 13 Mile, N of 13 Mile	1	1			X		
Quickstad Park	Marais, between Normandy & Lexington	1	1	Hessel W. Tenhave Woods		X		
Red Run Park	Girard & Vermont, W of Campbell, between 12 & 13 Mile	1	1	(ADA)		X		
Starr-JC Park	Corner of 13 Mile & Marais, W of Marais	1		Home of Tom Farley Field		X		
Sullivan Park	Greenfield Rd & Samoset, W of Woodward	1				X		
Upton Park	Nakota & Mandalay, S of 14 Mile, W of Cooper	1				X		
VFW Park	NWC Campbell & Lincoln	1		ADA		X		
Lions Club Park	Hillsdale & Woodsboro, S of 12 Mile	1				X		
Total Price For Lot 2								

Form of Proposal – Continued

Lot 3

Park	Location	2-Sided	1-Sided	Banner	CDBG	P1	Unit Price
Bassett Park	Campbell Road & N 11 Mile	1					
Barton Park North - no direction	Troy & Pingree	1					
Barton Park South - no direction	Troy & Pingree	none	none				
Beechwood Park	Crooks & Walnut, N of 12 Mile	none	none				
Clawson Park	Woodland & Essex, S of 13 Mile near train tracks	1					
Elks Park	Normandy & Rosewood, W of Crooks	1					
Exchange Park	Campbell & Montrose, between 13 & 14 Mile	2		Ronald C. Parent Memorial Playground			
Fernwood Park	Fernwood bet Austin & Farnum, S of Catalpa	1					
Fries Park	Normandy Rd at Greenfield	1					
Franklin Park	Harrison & Mohawk, between 10 Mile & Lincoln	1					
Fulton Park	Fulton & Verona Circle, N of Normandy, W of Woodward	1					
Milt Hey Hudson Park	Hudson between Knowles & Batavia, S of Lincoln	1					
Maddock Park	Lincoln & Stephenson, W of Chrysler Dr	1					
Marais Park	SE corner of Mt.Vernon & Marais, S of Lexington	none	none				
Realtor Park	Main & Sunnybrook, N of 13 Mile	1					
Rotary Park	Between Bembridge & Shenandoah, on 13 Mile Rd	1					
Fred Pieper/Optimist Park	Sunnybrook & Rochester, N of 13 Mile Rd	1					
13 Mile/Main Park	SEC 13 Mile & Main	none	none				
Frank Wendland Park	Rhode Island & Delaware, E of Main, N of 10 Mile	1					
Worden Park East	Lexington @ Mt Vernon, E of Marais	1					
Total Price For Lot 3							

Lot 4

Gateway Signs	Location		Unit Price
	Woodward Ave. & Lincoln Ave.	1	
	Woodward Ave. & 14 Mile Rd.	1	
	S. Main St. & I-696 Service Dr.	1	
Total Price For Lot 4			

CONTRACTOR WORK FORCE FORM

This form shall be completed by contractors in their bid packet regardless of bid price. It will determine the applicability of Section 3 requirements.

The below information is certified by the signature of the firm's representative.

Name of Firm Representative:	
Title of Firm Representative:	
Signature of Firm Representative:	
Date of signature:	
Firm Name:	
d.b.a. (if applicable):	
Street Address:	
City, State, Zip code:	
Telephone #:	
<p>new employees = full-time permanent, temporary, or seasonal positions</p>	
<p>The above signed representative hereby certifies that the above mentioned firm:</p> <p><input type="checkbox"/> DO NOT require new employees to complete any portion of the project (Also complete Contractor Section 3 Certification Form.)</p> <p><input type="checkbox"/> DO require new employees to complete any portion of the project (Also complete Contractor Section 3 Certification Form. Additionally, all of the requirements set forth under S3-5 through S3-18 will apply.)</p>	

CONTRACTOR SECTION 3 CERTIFICATION FORM

This form shall be completed by contractors in their bid packet regardless of bid price. It will further determine the applicability of Section 3 requirements.

Subcontractors may be required to submit this form upon request.

Name of Firm Representative:	
Title of Firm Representative:	
Signature of Firm Representative:	
Date of signature:	
Firm Name:	
d.b.a. (if applicable):	
Street Address:	
City, State, Zip code:	
Telephone #:	
Website:	

The above signed representative hereby certifies that the above mentioned firm:

- Does not meet the below definition of a Section 3 Business
(if you also checked that you DO NOT require new employees to complete any portion of the project, then no additional forms or data are required.)
- Meets the definition of a Section 3 Business under at least one of the following qualifying basis:
 - That is at least 51% or more owned by Section 3 residents,
 - Whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or
 - That provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to a Section 3 business concern.

Those that meet the definition must submit supporting documentation outlined in HUD's "Certification For Business Concerns Seeking Section 3 Preference In Contracting & Demonstration Of Capability" Form

APPENDIX - DEFINITIONS

Section 3 covered assistance

- public housing development assistance provided pursuant to Section 5 of the 1937 Act;
- public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
- assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 business is a firm / company that is:

- fifty-one percent (51%) or more owned by Section 3 residents; or
- employs Section 3 residents for at least thirty percent (30%) of its full-time, permanent staff; or
- provides evidence of a commitment to subcontract to Section 3 businesses, twenty-five percent (25%) or more of the dollar amount of the awarded contract.

Section 3 residents are:

- a public housing resident or recipient of housing choice voucher;
OR
- live in the Metropolitan Detroit area with a total household income that does not exceed 80% AMI (see the following chart).

Section 3 Income Limits			
Eligibility Guideline – Program Year 2015			
Number of Persons in Household	Extremely Low-Income	Very Low-Income	Low-Income
	30% MFI	50% MFI	80% MFI
1 individual	\$14,250	\$23,700	\$37,950
2 individuals	\$16,250	\$27,100	\$43,350
3 individuals	\$20,090	\$30,500	\$48,750
4 individuals	\$24,250	\$33,850	\$54,150
5 individuals	\$28,410	\$36,600	\$58,500
6 individuals	\$32,570	\$39,300	\$62,850
7 individuals	\$36,730	\$42,000	\$67,150
8 individuals	\$40,890	\$44,700	\$71,500

Detroit-Warren-Livonia, MI HUD Metro FMR Area Updated: 03-06-2015

New hire is a full-time employee for a new permanent, temporary or seasonal position that is generated from the expenditure of HUD funds covered by the Section 3 regulations.

Recipient. The City of Royal Oak is the direct recipient of federal funding from the US Department of Housing & Urban Development (HUD).

Subrecipient is an organization receiving HUD funds from the City of Royal Oak (recipient) for a housing and community development related project.

Contractor is a business with contracts / agreements to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Subcontractor is a business which has a contract / agreement with the contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Section 3 Clause is the contract provision set forth in 24 CFR Part 135.383.

Memorandum of Agreement / Contract

**The Removal of Existing Signage
And Manufacture & Installation of New Signage
PR1403**

THIS MEMORANDUM OF AGREEMENT, made this ____ day of _____, 2015,
BY AND BETWEEN THE CITY OF ROYAL OAK, MICHIGAN, party of the first part, commonly
referred to herein as the CITY, and _____ of _____, County of
_____, State of _____, party of the second part, commonly
referred to herein as the CONTRACTOR.

WITNESSETH, the parties to these presents, each in consideration of the agreements on
the other herein contained, have agreed and hereby agree to as follows:

Article 1: That the said CONTRACTOR has agreed and by these presents does agree with the
said CITY for the consideration set forth in Article 5 of this Contract to build and/or construct for the
said CITY the entire work as shown on the Detail Proofs and as described in the Instructions to
Bidders, Form Of Proposal, and other documents together with all appurtenances and appurtenant
work, in the manner and time prescribed including the furnishing of all materials, tools, equipment,
transportation, labor, supervision, and all else necessary therefor and incidental thereto. The short
title and description of this Contract shall be known and referred to as:

**The Removal of Existing Signage
And Manufacture & Installation of New Signage**

PR1403

Article 2: That the CONTRACTOR agrees that he will prosecute the work under this Contract so
as to bring it to full completion by October 31, 2015, and he further agrees that the CITY is hereby
authorized to deduct and retain out of monies that may be due or become due him under this
Contract the sum of one thousand dollars (\$100.00) for each and every working day that the work
remains uncompleted beyond the time limit named above, as amended by such extension of time
as may be as allowed under Article 3 of this Contract, and that, in view of the difficulty of
ascertaining the loss which the CITY will suffer by reason of delay in the performance of the work
hereunder, the deduction and retention of such sum is to be considered not a penalty but the
payment of liquidated damages stipulated beforehand by the parties hereto as representing the
cost of additional inspection and Director of Recreation & Public Service and the loss to the CITY of
the use of recreation facilities.

Article 3: That the parties hereto mutually agree that if the CONTRACTOR shall be obstructed or
delayed in the prosecution of completion of his work by disastrous storms, or by acts of Providence,
or by general strikes, or by Court Injunction, or by any neglect or delay on the part of the CITY, the
CONTRACTOR shall have no claim for damages for such causes or delay, but he shall in such
case be entitled to such extension of time limit specified herein for the completion of the work as the
Director of Recreation & Public Service shall adjudge to be just and reasonable provided, however,
that formal claim for such extension be made in writing by the CONTRACTOR within a week after
the time when such alleged cause of delay shall have occurred.

CONTRACT PR1403 - Continued

Article 4: That the parties hereto mutually agree to the following stipulations as setting forth certain conditions which shall be taken to exist between the said parties and the conditions under which the work is to be done:

1. Definition of Forms: Whenever in the Contract the following terms, or pronouns in place of them, are used, their intent and meaning shall be interpreted as follows:

"Contract" The agreement covering the performance of the work hereinafter defined and the payments therefor; including Advertisement, Instructions to Bidders, Form of Proposal, Executed Contract, Insurance, and Detailed Proofs, all of which documents are to be treated as one instrument whether or not set forth at length in the Form of Contract.

"City" The City of Royal Oak, Michigan, or the properly authorized agents or representatives.

"Director of Recreation & Public Service"

The DPS Director or designee of the City of Royal Oak, Michigan, or his duly authorized agents, assistants, or representatives, limited to the specific duties assigned or entrusted to them.

"Contractor" The party of the second part, contracting to perform the work covered by this Contract, or any part of it, his successor, assigns, or his duly authorized agents or legal representatives.

"City Clerk" The Clerk or Treasurer or Attorney of the City of Royal Oak,

"City Treasurer" Michigan

"City Attorney"

2. Detailed Proofs: The location, depth and dimensions, structural details, and construction requirements of the work to be done are shown in a set of drawings, known as "detailed proofs", adopted by the CITY and on file at the office of the Director of Recreation & Public Service.

When the figures or dimensions are given on the detailed proofs, they are to have precedence over dimensions taken by scaling. During the progress of the work, the CITY may furnish drawings explanatory of those mentioned herein, which shall thereupon become a part hereof.

The CITY shall have the right to make reasonable modifications of detailed proofs, if it is to its best interest to do so, and the CONTRACTOR shall be paid for the work as it is actually done.

The CONTRACTOR shall check all dimensions and quantities on the detailed proofs and he shall notify the Director of Recreation & Public Service or designee of all errors, which he may discover.

3. Supervision of Work: All work shall be done under the supervision of and subject to the approval of the Director of Recreation & Public Service or designee who shall have authority to make all inspections and direct it and determine the amount, quality, acceptability, and fitness of any labor, material, or construction which in his opinion does not fully meet the requirements of the detailed proofs.

CONTRACT PR1403 - Continued

4. Suitable Tools and Equipment: It is mutually understood that the workmanship furnished under this Contract shall be first class. To the end that a good substantial and workmanlike job may be produced, the CONTRACTOR shall furnish suitable tools and equipment. Any tools or equipment that shall not, in the judgment of the Director of Recreation & Public Service or designee, be suitable or sufficient to produce this result may be ordered from the work by him and such tools or equipment shall be substituted therefor by the CONTRACTOR as will meet with the approval of the Director of Recreation & Public Service or designee.

5. Requirements for Materials: It is mutually understood that all materials furnished by the CONTRACTOR to be used in this work shall be of first quality in every respect and material so furnished which may not, in the judgment of the Director of Recreation & Public Service or designee, be equal to the requirements of the detailed proofs may be rejected by the Director of Recreation & Public Service or designee, and such rejected materials must not be used and must immediately be removed by the CONTRACTOR from the site of the work.

The presence of the inspector or Director of Recreation & Public Service or designee on the project shall in no way relieve the CONTRACTOR of his obligations to both provide materials and perform the work in full conformity to the detailed proofs.

6. Trade Names and Patents: Whenever an article of any class or materials or equipment is specified by the trade name of any particular patentee, manufacturer, or dealer, or by reference to the catalog of any such manufacturer or dealer, it shall be taken to mean and specify the article or articles or materials described or equal thereto in quality, finish, and durability and equally serviceable for the purpose for which it is or they are intended. The Director of Recreation & Public Service or designee shall make the decision as to whether the materials or equipment offered are equal to those specified and his decision shall be final.

7. Patent and Patent Rights: The CONTRACTOR shall protect and save the CITY harmless against all claims and actions brought against the CITY by reason of any actual infringement upon patent rights in any material, process, machine, or appliances used by him in the work.

8. Right-of-Way: The necessary rights-of-way for any construction to be done across or in private property will be obtained by the CITY. The CONTRACTOR shall take due and proper precautions against any injury to adjacent structures and shall hold himself strictly within the rights secured to him by the CITY in prosecuting the work on private property.

9. Sanitary Regulations: The CONTRACTOR at all times shall provide for the employees an abundant supply of pure drinking water and shall give orders against the use for drinking purpose of any water in the neighborhood known to be injurious to the health of the workers.

The CONTRACTOR shall provide at convenient points approved by the Director of Recreation & Public Service or designee, properly secluded from public observations, necessary sanitary conveniences for the use of the employees. These shall be maintained in a manner which will meet with the approval of the Director of Recreation & Public Service or designee, and the CONTRACTOR shall vigorously enforce their use.

10. Assignment or Subletting of Contract: In the execution of the Contract it may be necessary for the CONTRACTOR to sublet part of the work to others; however, the CONTRACTOR shall not award any work to any subcontractor without prior written approval of the CITY, which approval shall not be given until the CONTRACTOR submits to the CITY a written

CONTRACT PR1403 - Continued

statement concerning the proposed award to the subcontractor, which statement shall contain such information as the CITY may require.

The CONTRACTOR shall be fully responsible to the CITY for the acts and omissions of his subcontractors and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him. Nothing contained in this Contract shall create any contractual relation between any subcontractor and the CITY.

The CONTRACTOR shall not assign, transfer, convey, or otherwise dispose of this Contract, of any part thereof, or his right, title, or interest in the same or any part thereof, without the previous consent in writing of the CITY. The CONTRACTOR shall not assign by power-of-attorney or otherwise any of the monies due or to become due and payable under this Contract without the previous consent in writing of the CITY.

11. Indemnification and Hold Harmless

To the fullest extent permitted by law, the CONTRACTOR agrees to indemnify, pay on behalf of, and hold harmless the CITY, all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof working on behalf of the City of Royal Oak, against any and all claims, demands, suits, losses, including all costs connected therewith for any damages which may be asserted, claimed or recovered against or from the CITY, by reason of personal injury, including bodily injury and death, and/or property damage, including loss of use thereof, which arises out of, or is in any way connected or associated with, the activity authorized by this Contract. CONTRACTOR shall sign and submit the attached Hold Harmless Agreement prior to the commencement of any site work.

12. Contractor Insurance Requirements: The CONTRACTOR shall not commence work under this Contract until he has obtained the insurance required under this paragraph.

All coverages shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverages shall be with insurance carriers acceptable to the City of Royal Oak, Michigan.

- A. Worker's Compensation Insurance: The CONTRACTOR shall procure and maintain during the life of this Contract, Worker's Compensation Insurance, including Employer's Liability Coverage, in accordance with all applicable Statutes of the State of Michigan.
- B. Commercial General Liability Insurance: The CONTRACTOR shall procure, and maintain in effect during the life of this Contract, Commercial General Liability Insurance, on an "Occurrence Basis", with limits of liability not less than **\$1,000,000** per occurrence and/or aggregate combined single limit Personal Injury, Bodily Injury and Property Damage. Coverage shall include the following extensions: (a) Contractual Liability; (b) Products and Completed Operations; (c) Independent Contractor's Coverage; (d) Broad Form General Liability Extensions, or equivalent; and (e) Deletion of all Explosion, Collapse and Underground (XCU) Exclusions, if applicable.
- C. Motor Vehicle Liability: The CONTRACTOR shall procure and maintain during the life of this Contract, Motor Vehicle Liability Insurance, including Michigan No-Fault Coverage, with limits of liability not less than **\$1,000,000** per occurrence combined

CONTRACT PR1403 - Continued

single limit Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

- D. Additional Insured: Commercial General Liability Insurance and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following shall be "**Additional Insureds**": **The City of Royal Oak, Michigan, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof.**
- E. Cancellation Notice: Worker's Compensation Insurance, Commercial General Liability Insurance, and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following: "It is understood and agreed that thirty (30) days Advance Written Notice of Cancellation, Non-Renewal, and/or Material Change in Coverage will be sent to: Director of Recreation & Public Service, 1600 N. Campbell Rd., Royal Oak, Michigan 48067".
- F. Owner's & Contractor's Protective Liability: The CONTRACTOR shall procure and maintain during the life of this Contract, Owner's and Contractor's Protective Liability Insurance with the limits of liability not less than **\$1,000,000** per occurrence and/or aggregate, combined single limit, Bodily Injury and Property Damage. The City of Royal Oak, Michigan, shall be "Named Insured" on said coverage. Thirty (30) days notice of cancellation shall apply to this policy.
- G. Proof of Insurance Coverage: The CONTRACTOR shall provide the City of Royal Oak, Michigan, at the time contracts are returned by him for execution, certificates and policies as listed below:
1. Three (3) copies of Certificates of Insurance for Worker's Compensation Insurance;
 2. Three (3) copies of Certificates of Insurance for Commercial General Liability Insurance;
 3. Three (3) copies of Certificates of Insurance for Vehicle Liability Insurance;
 4. Original Policy, or Original Binder pending issuance of policy, for Owner's and Contractor's Protective Liability Insurance;
 5. If so requested, Certified copies of all policies mentioned above will be furnished.
- H. If any of the above coverages expire during the term of this Contract, the CONTRACTOR shall deliver renewal certificates and/or policies to the City of Royal Oak at least ten (10) days prior to expiration date.
- I. The Hold Harmless Agreement of this Contract shall be executed by the CONTRACTOR.
13. Service of Notice: The address given by the CONTRACTOR on the Form of Proposal is hereby designated as the place where all notices including letters and other communications shall be served, mailed, or delivered. This place may be changed at any time by the CONTRACTOR by written notice to the Director of Recreation & Public Service or designee. Nothing herein contained shall preclude or render inoperative service of any notice upon the CONTRACTOR by delivering it to him personally or by serving notice to the agents or representatives in charge of any part of the work. In addition, where the

CONTRACT PR1403 - Continued

CONTRACTOR is a corporation, such notice may be delivered to any of its officers or directors.

14. Default of Contract: When, in the opinion of the Director of Recreation & Public Service or designee, the work or any part of the work to be done under this Contract has been abandoned, is unnecessarily delayed, or cannot be completed at the rate of progress or within the time specified, or the CONTRACTOR is willfully violating any of the covenants of this Contract or is carrying it out in bad faith, or has been adjudged as bankrupt, or if he should make a general assignment for the benefit of his creditors, then the Director of Recreation & Public Service or designee shall so certify in writing to the CITY and the CITY, in writing, may declare the CONTRACTOR in default and so notify him to discontinue the work. The CITY may take over and use materials and equipment at the site of the work and other materials and equipment used elsewhere for the work at the time of default and may procure other materials, equipment, and all else necessary for the completion of the work. The CITY may recover the cost of completing the work by deducting the amount thereof from any monies due or which may become due the CONTRACTOR under this Contract.
15. Cost and Payment for Services: The CITY agrees to pay the CONTRACTOR a not to exceed amount of \$_____ to perform all work necessary under this Contract and as agreed to under the attached Form Of Proposal. This Contract does provide the opportunity for an advancement of funds to purchase the materials necessary for the manufacture of the signs in accordance with the detailed proofs. This contract does not provide for progress payments on removal, installation, and any other labor necessary to commence or complete the project. CONTRACTOR shall submit all invoices to the Director of Recreation & Public Service or designee. An affidavit that all payrolls, material bills, and all other indebtedness incurred by CONTRACTOR in connection with the project have been paid in full. The CITY shall pay CONTRACTOR according to the CITY approved Accounts Payable Calendar.
16. Section 3 Clause / Responsibilities
 - A. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
 - B. The parties to this CONTRACT will comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
 - C. The CONTRACTOR agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the CONTRACTOR's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each;

CONTRACT PR1403 - Continued

and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin. City of Royal Oak, Michigan Guide To Compliance with Section 3 Requirements.

- D. The CONTRACTOR agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The CONTRACTOR will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The CONTRACTOR will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

17. Labor Laws & Ordinances

The CONTRACTOR and subcontractors must abide by Federal, State and local regulations pertaining to equal employment, and shall obey and abide by all the laws of the State of Michigan relating to the employment of labor and public work and all ordinances and requirements of the City of Royal Oak regulating or applying to public improvements.

The CONTRACTOR shall comply with the Federal Labor Standards Provisions as described in Appendix. All laborers and mechanics employed or working upon the site of the work, shall be paid the full amount of wages and bona fide fringe benefits due at time of payment computed at rates not less than those contained in the wage determination for the classification of work actually performed by the Secretary of Labor as outlined in attached U.S. Department of Labor's current Wage Determination at the time of bid notice. The CITY shall verify compliance prior to payment under Article 4, Section 15 – Cost and Payment for Services of this CONTRACT.

The CONTRACTOR agrees not to discriminate against any employee or applicant for employment, to be employed in the performance of this Contract, with respect to hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of age or sex, except where based on a bona fide occupational qualification, or race, color, religion, national origin, or ancestry. *The CONTRACTOR further agrees that every subcontractor entered into for the performance of this Agreement will contain a provision requiring no-discrimination in employment, as herein specified, binding upon each subcontractor.* Breach of this covenant may be regarded as a material breach of this Agreement.

Article 5: That the said CITY, in consideration of the faithful and entire performance by the

CONTRACT PR1403 - Continued

CONTRACTOR of his obligations under this Contract, hereby agrees to pay to the said CONTRACTOR, at the time and in the manner stipulated in Article 4, the sum as determined by multiplying the actual quantities of authorized and approved work done under said item schedule in the Form Of Proposal by the respective unit prices bid therefor on the Form Of Proposal.

Article 6: It is mutually agreed to by the parties hereto that any extra work not specifically mentioned in the Contract but which is obviously necessary to the complete performance of the Contract and which may be fairly implied as included will be considered so included and will be performed by the CONTRACTOR without extra charge therefor.

It is further agreed that if the CONTRACTOR shall do any extra work for which no price has been agreed upon beforehand, the price to be paid shall be determined in advance by the Director of Recreation & Public Service and CONTRACTOR and agreed upon by execution of an addendum to this Contract.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals in triplicate this _____ day of _____, 2015.

CITY OF ROYAL OAK

James B. Ellison, Mayor

Melanie Halas, City Clerk

WITNESSES:

CONTRACTOR

APPROVED AS TO FORM:

Mark. O. Liss
Interim City Attorney

**The Removal of Existing Signage
And Manufacture & Installation of New Signage
PR1403**

Appendix

Detailed Proofs

Contractor's Submitted Form Of Proposal

Special Instructions To Bidders

Hold Harmless Agreement

Title VI Contract Requirements

Contractor's Affidavit

Federal Labor Standards Provisions (HUD 4010)

Applicable Wage Determination – U.S. Department of Labor

Davis Bacon Contractors Guide

Employee Rights under the Davis-Bacon Act

Royal Oak Section 3 Requirements and Forms

DETAILED PROOF

Royal Oak Park Identification Signs



Sign Faces

- 1/8" thick aluminum sign panels
- Painted to match PMS 370 + 7736 matthews paint - satin finish
- Vinyl lettering applied to faces and sides - 3M antique white - series 7125
- Price option for 5" high park name lettering - 1/4" thick aluminum painted Matthews color - Snowflake satin finish - stud mounted to faces
- Aluminum angles for mounting welded to back of sign face panels
- Side panel covers anchored into side flanges of front faces

Posts

- 8"x8" wood posts - southern yellow pine #1 grade treated w/ ACQ ground contact chemical retention
- 30 degree angle cuts at top
- Prime + top coat wood posts w/ Pittsburgh - Sun Proof® Solid Color Latex Stain - Color: Coffee
- 1/8" thick decorative stainless steel bracing at base of posts attached w/ 1" dia hex bolts - Single piece construction

Colors

- PMS 7736
- PMS 370
- 3M - Antique White

Ro Icon

- 14" diameter - 1/4" thick cast plaque
- Light grey = Anodized aluminum brushed finish
- Dark grey = PMS 425 matthews paint - satin finish
- Anchored into posts w/ threaded studs

Installation

- Removal of existing signs required
- Signs to be installed in existing sign locations unless otherwise noted
- 4' x 2' x 4' below grade concrete footing
- Posts set into concrete footing
- Panels, icons & braces anchored into posts

Notes

Client's Approval / Date



405 E Fourth St Royal Oak, MI
P: 248.399.4332 F: 248.399.4333
www.ideationorange.com

SIGN LOCATIONS

696 + Main



Lincoln + Woodward



14 Mile + Woodward



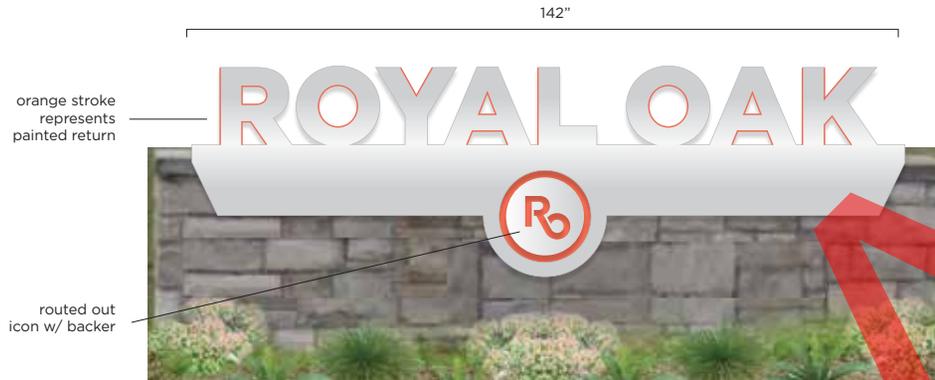
DRAFT

DETAILED PROOF

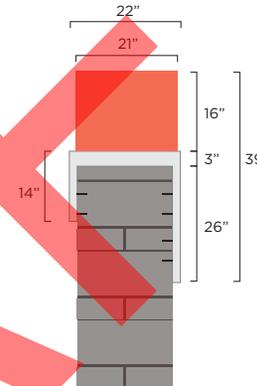
696 & Main St. Location

Royal Oak
Gateway Signs

Front View



Side View



SPECS

Sign Cabinet/Letters

1/8" thick welded aluminum construction

Painted brushed silver + PMS 7416 w/ matthews paint - satin finish

17" diameter Ro icon routed out of 1" aluminum, flush mounted to 1/2" painted aluminum backer

Illumination

Qty 3 - 4' - Cree OL Series™ Flood Luminaire - Sign Optic - Direct Rotatable

Installation

Sign cabinet anchored into existing wall

Fabricator responsible for survey of location

Existing Stone Wall



Remove existing crowned wall cap and replace with new cast flat concrete cap so sign face sits flush to wall

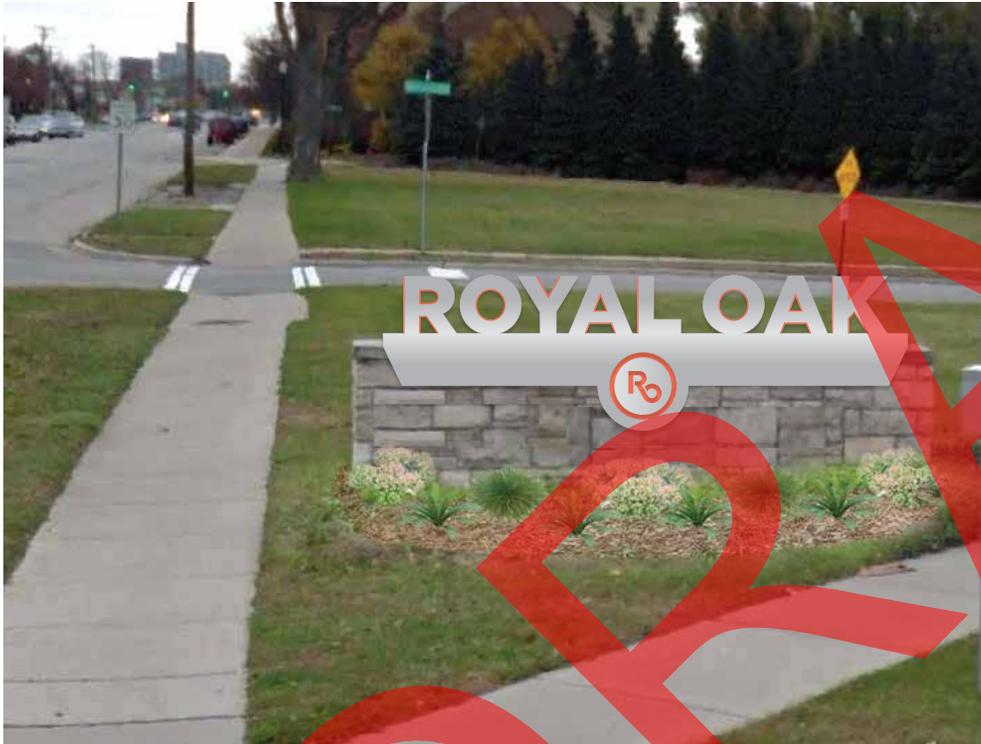
Notes

Client's Approval / Date

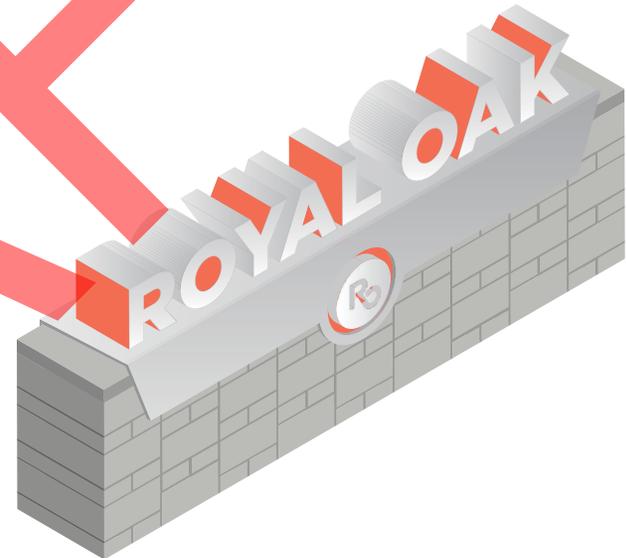


405 E Fourth St Royal Oak, MI
P: 248.399.4332 F: 248.399.4333
www.ideationorange.com

Photo Rendering



Isometric View



Notes

Client's Approval / Date

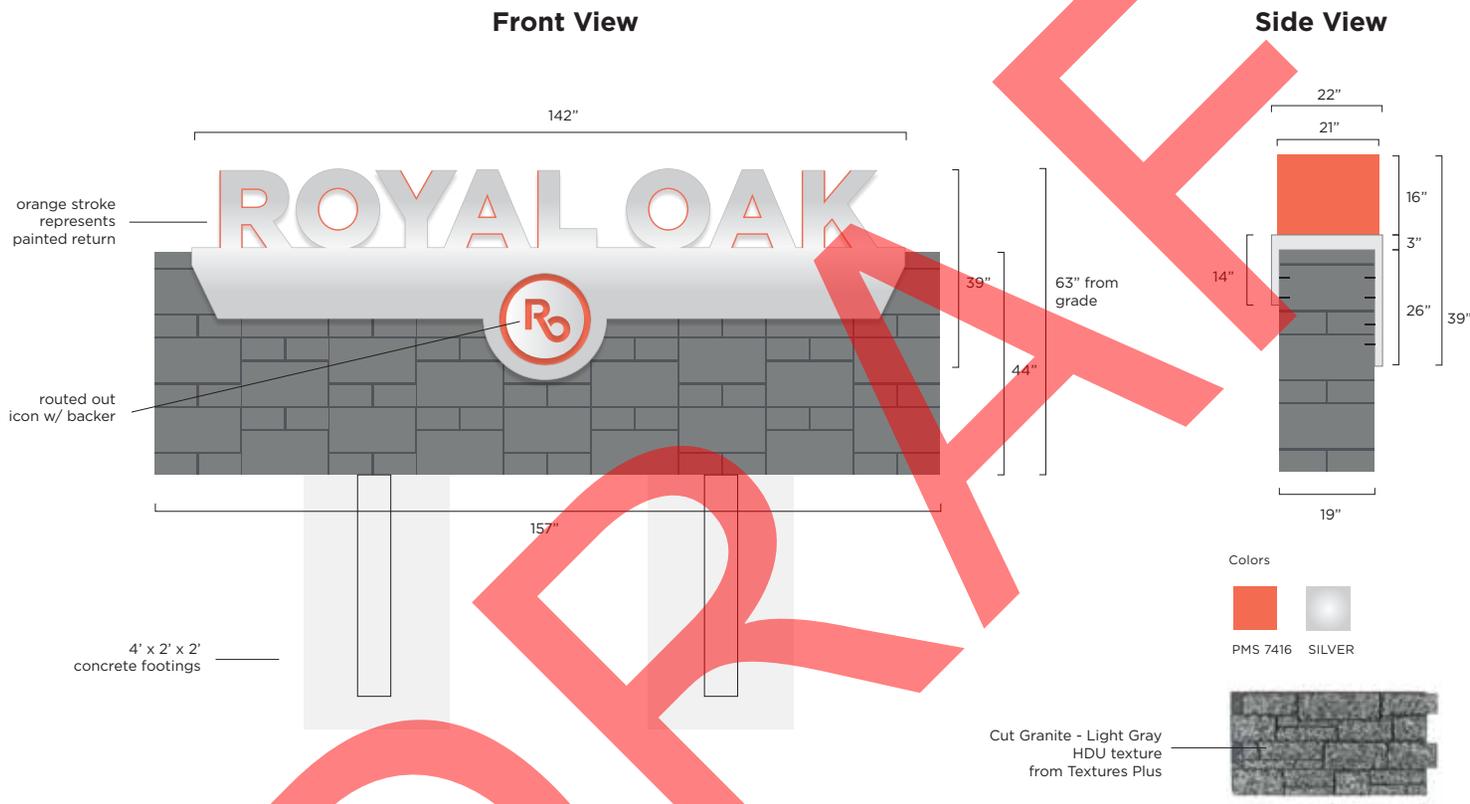


405 E Fourth St Royal Oak, MI
P: 248.399.4332 F: 248.399.4333
www.ideationorange.com

DETAILED PROOF

- Woodward & Lincoln Location
- Woodward & 14 Mile Location

Royal Oak
Gateway Signs



SPECS

Sign/Letters

1/8" thick welded aluminum construction

Painted brushed silver + PMS 7416 w/ matthews paint - satin finish

17" diameter Ro icon routed out of 1" aluminum, flush mounted to 1/2" painted aluminum backer

Wall

Treated wood base w/ Tyvek cover

4' x 2' x 2' below grade concrete footings

4"x 6" treated wood breakaway posts set into concrete footing

High-density molded polymer - Faux stone cladding manufactured by Textures Plus - Cut Granite, Light Gray

Illumination

Qty 3 - 4' - Cree OL Series™ Flood Luminaire - Sign Optic - Direct Rotatable

Installation

Wall to adhere to M-DOT regulations

Sign cabinet anchored into wall

Fabricator responsible for survey of location

Notes

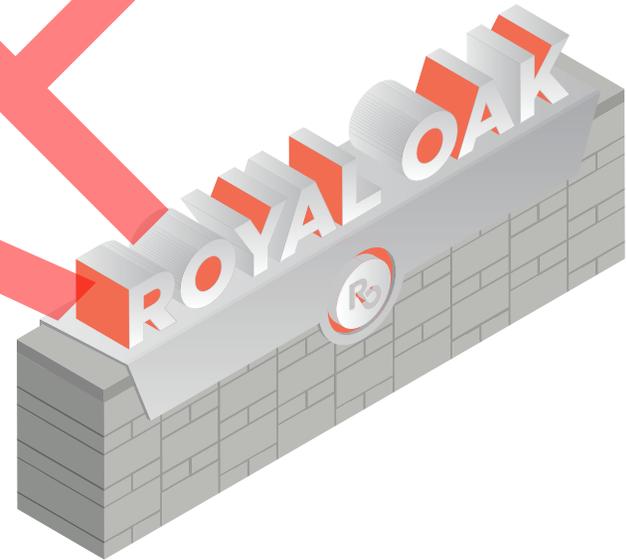
Client's Approval / Date


 405 E Fourth St Royal Oak, MI
 P: 248.399.4332 F: 248.399.4333
www.ideationorange.com

Photo Rendering



Isometric View



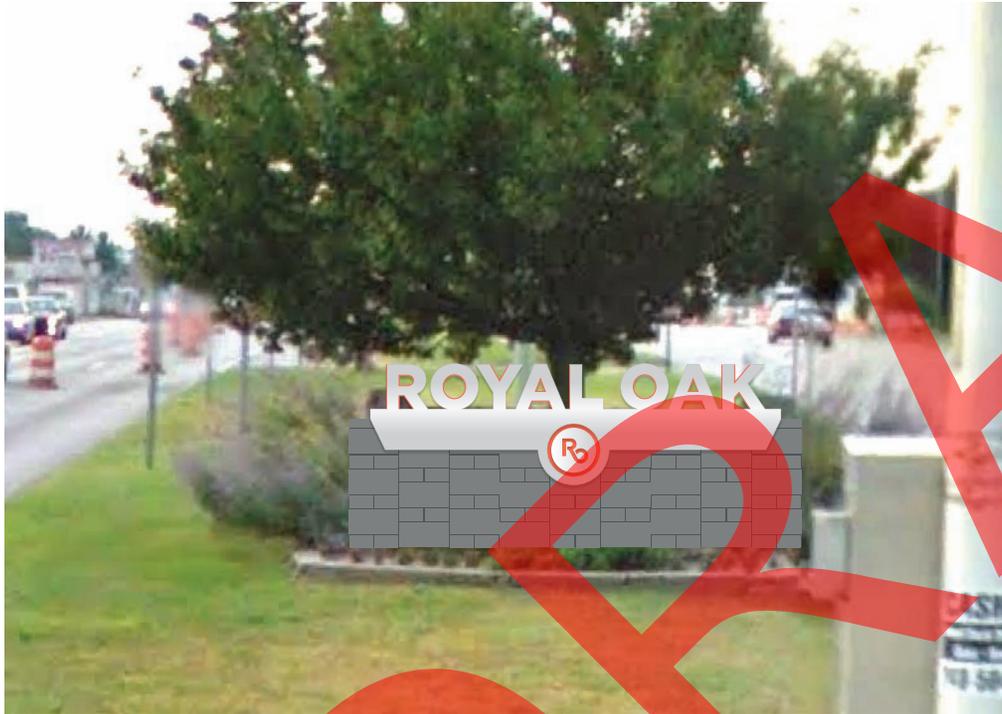
Notes

Client's Approval / Date

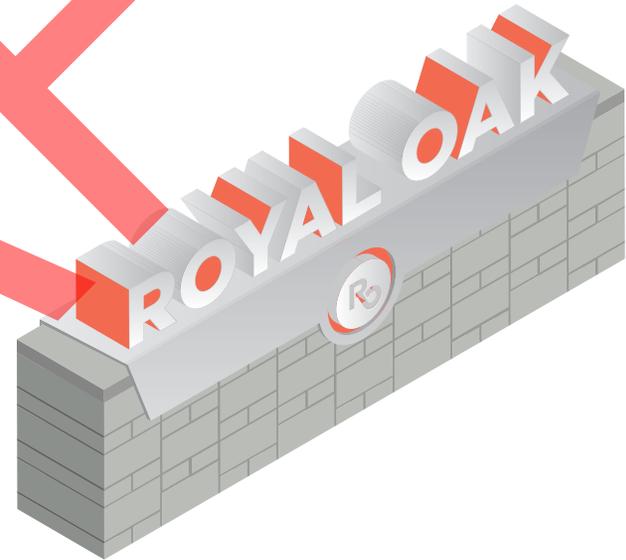


405 E Fourth St Royal Oak, MI
P: 248.399.4332 F: 248.399.4333
www.ideationorange.com

Photo Rendering



Isometric View



Notes

Client's Approval / Date



405 E Fourth St Royal Oak, MI
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www.ideationorange.com

**Contractor's Submitted
Form Of Proposal**

**The Removal of Existing Signage
And Manufacture & Installation of New Signage
RFP-SBP-RO-PR1403**

DRAFT

Special Instructions To Bidders

The Removal of Existing Signage And Manufacture & Installation of New Signage RFP-SBP-RO-PR1403

Contact

Greg Rassel
Director of Recreation & Public Service
City of Royal Oak
1600 N Campbell Rd, Royal Oak MI 48067
C (248) 885-1767
O (248) 246-3313
E GregR@romi.gov

Location

54 public-owned parks located throughout the city. Refer to the list on the Form Of Proposal.
3 “gateway” locations located within the Michigan Department of Transportation’s right-of-way
Woodward Ave / 14 Mile Rd
Woodward Ave / E. Lincoln Ave.
S Main St / I-696 service drive

Scope Of Work

The work under this contract consists of, but is not limited to, the following:

- **removal** of existing park identification signs and “gateway” signs
- **manufacturing** of new park identification signs and “gateway” signs based on “detailed proofs” provided by the city
- **installation** of the newly manufactured signs

In late 2013, the city unveiled its new brand. This project continues the city’s efforts to implement the brand with new signage.

Removal

Most of the city’s public parks contain wood signs that identify the park by name. The selected contractor will be responsible for the removal, demolition, and disposal of all existing park signs.

The selected contractor shall work directly with the Director of Recreation & Public Service to arrange an appropriate removal schedule in light of park activities such as schedule recreation games. The removal schedule will be arranged further by the Director of Recreation & Public Service once the selected contractor has manufactured signs and is ready to install the new signs. The Director of Recreation & Public Service shall appropriately “flag” all signs to be removed.

This project also involves the removal, demolition, and disposal of the 2 “gateway” signs located within the Woodward Avenue median near the corner of Lincoln Ave. and near the corner of 14 Mile Road. Woodward Avenue is governed by the Michigan Department of Transportation’s (MDOT). The selected contractor will be responsible for obtaining all permits from MDOT: Stacey Gough, Permit & Drainage Engineer, MDOT, 800 Vanguard

Dr, Pontiac MI 48341 P 248-451-0001 E goughs@michigan.gov All costs related to obtaining the permit must be included in the per unit price. The selected contractor shall not be provided a separate allowance / expense item. The Director of Recreation & Public Service shall be on-site during all site work.

An additional "gateway" sign is located along S. Main Street at the I-696 service drive. The selected contractor shall alter, not demolish, this existing sign in accordance with the "detailed proof".

Manufacture

The city has developed "detailed proofs" for new park and "gateway" signs. The "detailed proofs" are attached to this Contract. The selected contractor shall manufacture all signage according to the "detailed proofs".

Installation

The selected contractor shall work directly with the Director of Recreation & Public Service to arrange an appropriate installation schedule in light of anticipated manufacturing dates and scheduled park activities such as soccer games.

The selected contractor shall obtain all MDOT permits from the contact listed above. All costs related to obtaining the permit must be included in the per unit price. The selected contractor shall not be provided a separate allowance / expense item. The Director of Recreation & Public Service shall be on-site during all site work.

Project Funding

This is a locally and Federally-funded project. A budget amount has not been established. Therefore, the city may elect to fund all or portions of the project based on the response to the Form Of Proposal.

Form Of Proposal

The Form Of Proposal has been designed to prioritize the project (Lot 1, Lot 2, Lot 3, Lot 4). Each prospective contractor must submit their bid on the Form Of Proposal.

Bidder Information

Each proposal must be accompanied by the Bidder Information including the following information:

- a. Three (3) references of similar jobs. The references shall include a one sentence job description, year of work, and owner representative and phone number.
- b. List of contracts on which the bidder is currently engaged.
- c. An estimated timeframe to remove, manufacture, and install signs by Lot.
- d. List of names of proposed sub-contractors, if available, to be used on the project.

Section 3 Documentation Requirements

Each proposal must be accompanied by a signed and dated "Contractor Section 3 Certification Form" and "Contractor Estimated Work Force Breakdown Form".

Section 3 requires that, to the greatest extent feasible, training and employment opportunities arising out of a project assisted under a program providing direct federal financial assistance from the US Department of Housing and Urban Development (HUD) be given to low and very low income residents of the City of Royal Oak and, where appropriate, contracts for work in connection

with the project be awarded to business concerns (firm) which are located in or owned in substantial part by persons residing in the City of Royal Oak.

Further clarification regarding Section 3 may be found in "A Compliance Guide to Section 3 Requirements" which may be downloaded from the city' website (romi.gov/departments/planning/community-development-block-grant-cdbg).

The Guide provides a description of the requirements and a copy of the forms that must be completed for compliance with Section 3 requirements. It is also included in the attached draft Contract.

Rejection Of Proposals

The City of Royal Oak reserves the right to reject any and all proposals received and the right to waive defects in proposals as a result of this request or make an award deemed in the best interest of the city.

Change In Quantities

The city reserves the right to increase or decrease any quantity submitted in the Form Of Proposal which the city determines is in the best interest during the duration of the project. All quantity changes will have no effect on the per unit price as submitted on the Form of Proposal.

Estimated Award Schedule

Advertisement	March 20, 2015
Bid Opening	April 16, 2015
Contact Award	May 4, 2015

Award Of Contract

It is the intention of the city to award this Federally-funded Contract to a single lowest responsible bidder. City staff shall forward to the Contractor a written notice of award upon acceptance of the bid by the Royal Oak City Commission.

Execution of Contract

The selected contractor will be required to execute a Contract and to furnish certificates of insurance and an executed Hold Harmless Agreement within ten (10) days (Sundays and legal holidays excepted) after receiving written notice of the award, or within such extended period as may be approved by the city. The selected contractor's failure to do so may be considered by the city to have abandoned their interests in the Contract. The city may award the Contract to another bidder.

Time of Starting & Competition

The work to be done under the Contract is to begin within thirty (30) calendar days after the Contract has been awarded by the Royal Oak City Commission unless the city shall, in writing, authorize a later start. The work shall continue diligently thereafter and shall be completed in its entirety by no later than October 31, 2015.

Payment / Compensation

The Contract does provide the Director of Recreation & Public Service the opportunity for an advancement of funds to purchase the materials necessary for the manufacture of the signs in accordance with the detailed proofs. The Contract does not provide the opportunity for progress payments on the removal, installation, and any other labor necessary to commence or complete the work. An affidavit that all payrolls, material bills, and all other indebtedness incurred in connection with the project have been paid in full. Payment shall not be released until the Contractor has demonstrated and the City has verified complete compliance with Federal Labor Standards Provisions. Invoices shall be paid in accordance with the city's approved Accounts Payable Calendar.

Sales Tax Exemption

The City of Royal Oak is exempt from state sales tax.

The city's Michigan sales tax exemption number is: 0-21175742-2

The city's Federal tax identification number is: 38-6004646

Working Days

The definition of "working days" shall be Monday through Saturday, 7:00 a.m. to 9:00 p.m. Approval shall be obtained written permission from the Director of Recreation & Public Service in advance to work on Sundays or holidays. The written request must include reason why the work can not be completed during "working days".

Miscellaneous Debris & Materials - Clean-Up & Haul Away & Grading

The selected contractor is responsible for the removal and disposal of all identified signs. All removed signs and related debris shall be hauled away expeditiously from the project area to landfill or materials recovery facility. The empty posthole openings shall be back-filled with topsoil. All costs related to removal and disposal of materials and topsoil to back the postholes must be included in the per unit price. The selected contractor shall not be provided a separate allowance / expense item.

Underground Utilities / Miss Dig Notification

The selected contractor is responsible to notify utility companies seventy-two hours (72 hrs) prior to excavating by calling MISS DIG at 800-482-7171 or 811.

The selected contractor shall obtain all MDOT permits from the contact listed above. All costs related to obtaining the permit must be included in the per unit price. The selected contractor shall not be provided a separate allowance / expense item.

Traffic Control & Barricading

Any work conducted within the public right-of-way of the City of Royal Oak which necessitates the closure of a roadway, sidewalk, or driveway shall conform to traffic control and barricading standards established by the City Engineer (Matthew Callahan, City Engineer, 211 Williams St, Royal Oak MI 48067 E MattC@romi.gov P 248-246-3263). The Director of Recreation & Public Service and the City Engineer must be provided with an anticipated schedule of work to occur within the city's public right-of-way five (5) days in advance. The selected contractor shall be required to provide proof of an MDOT right-of-way permit for any work within MDOT's public right-of-way (Woodward Avenue). The selected contractor shall obtain all MDOT permits from the contact listed above. Any and all permits or bonds related to closure of any public right-of-way with traffic control and barricading shall be accommodated in the per unit price of the Form Of Proposal. The selected contractor shall not be provided a separate allowance / expense item.

Hydrant Usage

Water for performing work under the Contract will be provided by the Primary Contact at a hydrant location of the Director of Recreation & Public Service's choice. The selected contractor shall furnish and utilize a backflow preventer whenever accessing a water hydrant. The selected contractor shall operate water hydrants only in the presence of the Director of Recreation & Public Service. Water hydrant wrenches shall be provided by the selected contractor and shall be used to open and close water hydrants. Hydrants shall be opened and closed slowly to prevent disturbances in the water system. The selected contractor shall be held responsible for the care of the water hydrants that are utilized.

Cost To Correct Deficiencies

The selected contractor shall bear all costs to repair or replace any damages as a result of their negligence. Damages shall be reported to the Director of Recreation & Public Service as soon as possible. The Director of Recreation & Public Service will investigate all complaints received regarding work done by the selected contractor and shall also have the right to make investigations on his/her own initiative. If, in the opinion of the Director of Recreation & Public Service, any work has not been done in accordance with the Contract, the Director of Recreation & Public Service shall immediately notify the selected contractor in writing of the nature of the defect, location, remedies desired, and the time limit within which the defect shall be remedied. Should the selected contractor fail to remedy the defect within the time limit allowed, the Director of Recreation & Public Service may do so with city forces and deduct the cost thereof from the amount due the selected contractor at the time of final estimate; or the Director of Recreation & Public Service may, in the alternative, notify the selected contractor to stop all other work under the Contract until the defect has been remedied. The city shall not be required to pay for any work done by the selected contractor in violation of any such stop order, and the amount due for any such work shall be regarded as liquidated damages due the city as a result of such breach of the Contract.

Federal Labor Standards Provisions

All applicable portions of the Contract shall meet the Federal Labor Standards requirements. All labor rates shall conform to the current U.S. Department of Labor Wage Decision. Attached to this draft Contract is the most current wage determination at the time of bid notice. The Wage Determination at the time of the bid notice is included:
No. MI20140069, Heavy, Modification Number 1, dated 02/20/2015.

The project will receive Federal funds. The project must comply with the Davis Bacon Act as described in Federal Labor Standards Provisions and predetermined minimum wage rates to be paid by the selected contractor and/or subcontractors as contained in wage decision. In addition, the selected contractor must display the poster found Federal Labor Standards Provisions with the applicable positions and prevailing wages. The selected contractor shall provide a payroll report on a bi-weekly basis to the city in compliance with the Davis Bacon Act and Fair Labor Standards Provisions.

Title VI Compliance

The City of Royal Oak in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 USC 2000d-d4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of Department of Transportation, and all requirements issued pursuant to such Act, hereby notifies all bidders that minority business enterprises will be afforded full opportunity to submit bids in

response to this invitation and will not be discriminated against on the grounds of gender, disability, race, color, sex or national origin in consideration for an award.

During the performance of the Contract, the selected contractor, for itself, its assignees, and successors in interest, (hereinafter referred to as the "Contractor") agrees as follows:

1. Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter referred to as DOT), Title 49, Code of Federal Regulations, part 21 (hereinafter referred to as the Regulations), as they may be amended from time to time, herein incorporated by reference and made a part of this Contract.

2. Nondiscrimination

The Contractor, with regard to the work performed during the Contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the Regulations.

3. Solicitations for Subcontracts, including Procurement of Materials and Equipment

In all solicitations either by competitive bidding or negotiations made by the Contractor for work to be performed under a subcontract, including procurement of material for leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the ground of race, color, sex, or national origin.

4. Information and Reports

The Contractor shall provide all information and reports required by the Regulation or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City of Royal Oak, Michigan Department of Transportation or appropriate Federal Agency to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a Contractor is in exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the Michigan Department of Transportation or the appropriate Federal Agency as needed, and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the City of Royal Oak shall impose such Contract sanctions as the Michigan Department of Transportation may determine to be appropriate, including, but not limited to:

- A. Withholding of payments to the Contractor under Contract until the Contractor complies, and/or
- B. Cancellation, termination, or suspension of the Contract, in whole or in part.

6. Incorporations and Provisions

The Contractor shall include the provisions of paragraphs (1) through (5) in every subcontract, including procurement of materials and leases of equipment, unless exempt by Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontractor or procurement as the City of Royal Oak, Michigan Department of Transportation, or appropriate Federal Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

Hold Harmless Agreement

**The Removal of Existing Signage
And Manufacture & Installation of New Signage
PR1403**

"To the fullest extent permitted by law, _____,
(firm name)

agrees to defend, pay in behalf of, indemnify, and hold harmless the City of Royal Oak, its elected and appointed officials, employees and volunteers and others working for or in behalf of the City of Royal Oak, against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City of Royal Oak, its elected and appointed officials, employees, volunteers or others working in behalf of the City of Royal Oak, by reason of personal injury, including bodily injury and death; and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this Contract."

Firm Name: _____

Firm Representative, Print Name & Title:

Signature of Firm Representative: _____

Date: _____

Contractor's Affidavit

**The Removal of Existing Signage
And Manufacture & Installation of New Signage
PR1403**

State of _____)
County of _____)

The undersigned, _____, hereby represents that on the _____ day of _____, 2015, it was awarded Contract No.: PR1403 by the City of Royal Oak and the undersigned further represents that the subject work has now been accomplished and the said contract has now been complete.

The undersigned hereby warrants and certifies that all of its indebtedness arising by reason of the said contract has been fully paid or satisfactorily secured; and that all claims from subcontractors and other for labor and materials used in accomplishing the said project, as well as other claims arising from the performance of the said contract, having been fully paid or satisfactorily settled. The undersigned further agrees that, if any such claim should hereafter arise, it shall assume responsibility for the same immediately upon request to do so by the City of Royal Oak.

The undersigned, for a valuable consideration, the receipt of which is hereby acknowledged, does further hereby waive, release and relinquish any and all claims or right of lien which the undersigned now has or may hereafter acquire upon the subject premises for labor and materials used in accomplishing said project by the City of Royal Oak.

This affidavit is freely and voluntarily given with full knowledge of the fact,

on this _____ day of _____, 20_____.

Firm Name: _____

Firm Representative, Print Name & Title: _____

Signature of Firm Representative: _____

Date: _____

Subscribed and sworn to before me, a Notary Public

in and for _____ County.

On this _____ day of _____, _____

Notary Public

My Commission expires: _____

Title VI Contract Requirements

The City of Royal Oak in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 USC 2000d-d4 and Title 24, Code of Federal Regulations, Department of Housing and Urban Development, Community Development Block Grant Program, Part 570, and all requirements issued pursuant to such Act, hereby notifies all bidders that minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of gender, disability, race, color, sex or national origin in consideration for an award.

During the performance of this Agreement, the contractor, for itself, its assignees, and successors in interest, (hereinafter referred to as the "contractor") agrees as follows:

1. Compliance with Regulations

The contractor shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Department of Housing and Urban Development (HUD), Title 24, Code of Federal Regulations, part 570 (hereinafter referred to as the Regulations), as they may be amended from time to time, herein incorporated by reference and made a part of this contract.

2. Nondiscrimination

The contractor, with regard to the work performed during the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall not participate either directly or indirectly in discrimination prohibited by the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. Solicitations for Subcontracts, including Procurement of Materials and Equipment

In all solicitations either by competitive bidding or negotiations made by the contractor for work to be performed under a subcontract, including procurement of material for leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the ground of race, color, sex, or national origin.

4. Information and Reports

The contractor shall provide all information and reports required by the Regulation or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City of Royal Oak, or appropriate Federal Agency to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the City of Royal Oak and the appropriate Federal Agency as needed, and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance

In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the City of Royal Oak shall impose such contract sanctions as HUD may determine to be appropriate, including, but not limited to:

- A. Withholding of payments to the contractor under contract until the contractor complies, and/or
- B. Cancellation, termination, or suspension of the contract, in whole or in part.

6. Incorporations and Provisions

The contractor shall include the provisions of paragraphs (1) through (5) in every subcontract, including procurement of materials and leases of equipment, unless exempt by Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontractor or procurement as the City of Royal Oak or appropriate Federal Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

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Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

General Decision Number: MI150069 02/20/2015 MI69

Superseded General Decision Number: MI20140069

State: Michigan

Construction Type: Heavy

County: Oakland County in Michigan.

Heavy, Includes Water, Sewer Lines and Excavation (Excludes Hazardous Waste Removal; Coal, Oil, Gas, Duct and other similar Pipeline Construction)

Note: Executive Order (EO) 13658 establishes an hourly minimum wage of \$10.10 for 2015 that applies to all contracts subject to the Davis-Bacon Act for which the solicitation is issued on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.10 (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/02/2015
1	02/20/2015

BOIL0169-003 01/01/2012

	Rates	Fringes
BOILERMAKER.....	\$ 32.78	28.39

CARP0687-008 06/01/2014

	Rates	Fringes
CARPENTER, Includes Form Work....	\$ 29.91	25.38
PILEDRIVERMAN.....	\$ 29.91	25.26

ELEC0017-001 06/02/2014

Remainder of County

	Rates	Fringes
LINE CONSTRUCTION: Linemen/Cable Splicer.....	\$ 41.47	17.27

ELEC0058-007 06/30/2013

	Rates	Fringes
ELECTRICIAN.....	\$ 35.08	22.44

Township of Holly

	Rates	Fringes
LINE CONSTRUCTION		
Cable Splicer.....	\$ 38.48	15.38
Lineman.....	\$ 36.95	14.97

 ENGI0325-019 09/01/2014

POWER EQUIPMENT OPERATORS: Underground Construction (Including Sewer)

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
GROUP 1.....	\$ 30.48	21.15
GROUP 2.....	\$ 25.75	21.15
GROUP 3.....	\$ 25.02	21.15
GROUP 4.....	\$ 24.45	21.15

POWER EQUIPMENT OPERATOR CLASSIFICATIONS

GROUP 1: Backhoe/ Excavator, Boring Machine, Bulldozer, Crane, Grader/ Blade, Loader, Roller, Scraper, Trencher (over 8 ft. digging capacity)

GROUP 2: Trencher (8-ft digging capacity and smaller)

GROUP 3: Boom Truck (non-swinging, non-powered type boom)

GROUP 4: Broom/ Sweeper, Fork Truck, Tractor, Bobcat/ Skid Steer /Skid Loader

 ENGI0326-008 06/01/2014

EXCLUDES UNDERGROUND CONSTRUCTION

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 39.14	21.25
GROUP 2.....	\$ 37.64	21.25
GROUP 3.....	\$ 36.14	21.25
GROUP 4.....	\$ 35.84	21.25
GROUP 5.....	\$ 35.02	21.25
GROUP 6.....	\$ 34.16	21.25
GROUP 7.....	\$ 33.19	21.25
GROUP 8.....	\$ 31.48	21.25
GROUP 9.....	\$ 23.14	21.25

FOOTNOTES: Tower cranes: to be paid the crane operator rate determined by the combined length of the mast and the boom.

POWER EQUIPMENT OPERATOR CLASSIFICATIONS

- GROUP 1: Crane with boom & jib or leads 400' or longer
- GROUP 2: Crane with boom & jib or leads 300' or longer
- GROUP 3: Crane with boom & jib or leads 220' or longer
- GROUP 4: Crane with boom & jib or leads 140' or longer
- GROUP 5: Crane with boom & jib or leads 120' or longer
- GROUP 6: Regular crane operator

GROUP 7: Backhoe/Excavator, Bobcat/Skid Loader, Boring Machine, Broom/Sweeper, Bulldozer, Grader/Blade, Loader, Roller, Scraper, Tractor, Trencher

GROUP 8: Forklift

GROUP 9: Oiler

IRON0025-006 06/01/2014

	Rates	Fringes
IRONWORKER		
Reinforcing.....	\$ 28.30	24.60
Structural.....	\$ 33.78	26.97

LABO0334-009 06/01/2014

EXCLUDES OPEN CUT CONSTRUCTION

	Rates	Fringes
Landscape Laborer		
GROUP 1.....	\$ 21.81	6.75
GROUP 2.....	\$ 17.59	6.75

LANDSCAPE LABORER CLASSIFICATIONS

GROUP 1: Landscape specialist, including air, gas and diesel equipment operator, lawn sprinkler installer and skidsteer (or equivalent)

GROUP 2: Landscape laborer: small power tool operator, material mover, truck driver and lawn sprinkler installer tender

LABO0334-021 09/01/2014

SCOPE OF WORK:

OPEN CUT CONSTRUCTION: Excavation of earth and sewer, utilities, and improvements, including underground piping/conduit (including inspection, cleaning, restoration, and relining)

Rates Fringes

LABORER		
(1) Common or General.....	\$ 21.42	16.28
(2) Mason Tender- Cement/Concrete.....	\$ 21.53	16.28
(4) Grade Checker.....	\$ 21.66	16.28
(5) Pipelayer.....	\$ 21.72	16.28
(7) Landscape.....	\$ 15.79	16.28

LABO1076-008 06/01/2014

EXCLUDES OPEN CUT CONSTRUCTION

	Rates	Fringes
LABORER		
Common or General; Grade Checker; Mason Tender - Cement/Concrete; Pipelayer..	\$ 26.94	16.55

PAIN0022-005 07/01/2008

	Rates	Fringes
PAINTER		
Brush & Roller.....	\$ 25.06	14.75
Spray.....	\$ 25.86	14.75

PLAS0067-002 04/01/2014

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 30.63	14.07

* PLUM0098-005 06/01/2014

	Rates	Fringes
PLUMBER.....	\$ 32.84	24.44

PLUM0636-002 06/03/2014

	Rates	Fringes
PIPEFITTER.....	\$ 39.86	25.15

TEAM0007-006 06/01/2014

	Rates	Fringes
TRUCK DRIVER		
Dump Truck under 8 cu. yds.; Tractor Haul Truck....	\$ 24.90	.50 + a+b
Dump Truck, 8 cu. yds. and over.....	\$ 25.00	.50 + a+b
Lowboy/Semi-Trailer Truck...	\$ 25.15	.50 + a+b

FOOTNOTE:

- a. \$395.05 per week.
- b. \$56.10 daily.

	Rates	Fringes
TRUCK DRIVER: Off the Road		
Truck.....	\$ 20.82	3.69

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all

rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor

200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====
END OF GENERAL DECISION



U.S. Department of Housing
and Urban Development

Labor Relations Desk Guide
LR01.DG

DAVIS-BACON

LABOR STANDARDS

*A Contractor's Guide
to Prevailing Wage Requirements
for Federally-Assisted Construction Projects*

January 2012
Previous versions obsolete

DRAFT

INTRODUCTION

This Guide has been prepared for you as a contractor performing work on construction projects that are assisted by the Department of Housing and Urban Development and subject to Davis-Bacon prevailing wage requirements. This Guide does not address contractor requirements involved in direct Federal contracting where HUD or another Federal agency enters into a procurement contract. In this latter case, the Federal Acquisition Regulations (FAR) are applicable. While the guidance contained in this Guide is generally applicable to any Davis-Bacon covered project, specific questions pertaining to direct Federal contracts should be addressed to the Contracting Officer who signed the contract for the Federal agency.

Our objective here is to provide you with a guide which is simple and non-bureaucratic yet comprehensive and which will help you better understand and comply with Davis-Bacon labor standards. HUD's Office of Labor Relations worked closely with the Department of Labor's Wage and Hour Division to make sure that the labor standards provisions in your contract and the specifics of complying with them represent the latest information. It is the Department of Labor which has general administrative oversight of all Federal contracting agencies, such as HUD, which administer the day-to-day responsibilities of enforcing Davis-Bacon provisions in construction contracts they either fund or assist in funding.

There are three chapters in this Guide. The first chapter offers a brief description of the laws and regulations associated with Federal labor standards administration and enforcement and discusses both what's in your contract that requires Davis-Bacon compliance and your responsibilities. The second chapter deals with labor standards and payroll reporting requirements. The third chapter discusses what can happen in the event there is a dispute about the wage rates that should be (or have been) paid and any back wages that may be due.

Finally, not all HUD construction projects are covered by Davis-Bacon wage rates. For the purpose of this Guide, we are assuming that a determination has already been made that Davis-Bacon wage rates are applicable. Should you wish assistance in determining whether Davis-Bacon wage rates apply to a particular project or if you need other related technical assistance, please consult with the HUD Labor Relations Field staff for your area. If you don't know which staff to contact, a list of Labor Relations field offices and their geographic areas and telephone numbers can be found on HUD's Home Page at the address below.

Visit the Office of Labor Relations on-line:

<http://www.hud.gov/offices/olr>

Obtain additional copies of this Guide and other publications at our website or by telephone from HUD's Customer Service Center at (800)767-7468.

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CHAPTER 1 LAWS, REGULATIONS, CONTRACTS AND RESPONSIBILITIES

The following paragraphs describe what the labor standards laws and regulations actually say and what they mean to you on HUD projects:

1-1 DAVIS-BACON AND OTHER LABOR LAWS.

- a. **The Davis-Bacon Act (DBA).** The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government and District of Columbia construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.

Most HUD construction work is not covered by the DBA itself since HUD seldom contracts directly for construction services. Most often, if Davis-Bacon wage rates apply to a HUD project it is because of a labor provision contained in one of HUD's "Related Acts" such as the U. S. Housing Act of 1937, the National Housing Act, the Housing and Community Development Act of 1974, the National Affordable Housing Act of 1990, and the Native American Housing Assistance and Self-Determination Act of 1996. The Related Acts are often referred to as the Davis-Bacon and Related Acts or DBRA.

- b. **The Contract Work Hours and Safety Standards Act (CWHSSA).** CWHSSA requires time and one-half pay for overtime (O/T) hours (over 40 in any workweek) worked on the covered project. The CWHSSA applies to both direct Federal contracts and to indirect Federally-assisted contracts **except** where the assistance is solely in the nature of a loan guarantee or insurance. CWHSSA violations carry a liquidated damages penalty (\$10/day per violation). Intentional violations of CWHSSA standards can be considered for Federal criminal prosecution.

CWHSSA does not apply to prime contracts of \$100,000 or less. In addition, some HUD projects are not covered by CWHSSA because some HUD programs only provide loan guarantees or insurance. CWHSSA also does not apply to construction or rehabilitation contracts that are not subject to Federal prevailing wage rates (e.g., Davis-Bacon wage rates, or HUD-determined rates for operation of public housing and Indian block grant-assisted housing). However, even though CWHSSA overtime pay is not required, Fair Labor Standards Act (FLSA) overtime pay is probably still applicable. (See also Labor Relations Letter SL-95-01, CWHSSA Coverage threshold for overtime and health and safety provision, available on-line at the HUD Labor Relations Library at: www.hud.gov/offices/olr/library.cfm)

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- c. **The Copeland Act (Anti-Kickback Act).** The Copeland Act makes it a Federal crime for anyone to require any laborer or mechanic (employed on a Federal or Federally-assisted project) to kickback (i.e., give up or pay back) any part of their wages. The Copeland Act requires every employer (contractors and subcontractors) to submit weekly certified payroll reports (CPRs) and regulates permissible payroll deductions.
 - d. **The Fair Labor Standards Act (FLSA).** The FLSA contains Federal minimum wage rates, overtime (O/T), and child labor requirements. These requirements generally apply to any labor performed. The DOL has the authority to administer and enforce FLSA. HUD will refer to the DOL any possible FLSA violations that are found on HUD projects.

1-2 **DAVIS-BACON REGULATIONS.**

The Department of Labor (DOL) has published rules and instructions concerning Davis-Bacon and other labor laws in the Code of Federal Regulations (CFR). These regulations can be found in ***Title 29 CFR Parts 1, 3, 5, 6 and 7.*** Part 1 explains how the DOL establishes and publishes DBA wage determinations (aka wage decisions) and provides instructions on how to use the determinations. Part 3 describes Copeland Act requirements for payroll deductions and the submission of weekly certified payroll reports. Part 5 covers the labor standards provisions that are in your contract relating to Davis-Bacon Act wage rates and the responsibilities of contractors and contracting agencies to administer and enforce the provisions. Part 6 provides for administrative proceedings enforcing Federal labor standards on construction and service contracts. Last, Part 7 sets parameters for practice before the Administrative Review Board. These regulations are used as the basis for administering and enforcing the laws.

DOL Regulations are available on-line on the World Wide Web:
http://www.dol.gov/dol/allcfr/Title_29.htm

1-3 **CONSTRUCTION CONTRACT PROVISIONS**

Each contract subject to Davis-Bacon labor standards requirements must contain labor standards clauses and a Davis-Bacon wage decision. These documents are normally bound into the contract specifications.

- a. The labor standards clauses. The labor standards clauses describe the responsibilities of the contractor concerning Davis-Bacon wages and obligate the contractor to comply with the labor requirements. The labor standards clauses also provide for remedies in the event of violations, including withholding from payments due to the contractor to ensure the payment of wages or liquidated damages which may be found due. These contract clauses enable the contract administrator to enforce the Federal labor standards applicable to the project. HUD has standard forms that contain contract clauses. For example, the HUD-2554, Supplementary Conditions to the Contract for Construction, which is issued primarily for FHA multifamily housing and other construction projects

administered by HUD; the HUD-4010, Federal Labor Standards Provisions, which is used for CDBG and HOME projects, and the HUD-5370, General Conditions of the Contract for Construction or the HUD-5370-EZ (construction contracts ≤\$100,000) which are used for Public and Indian Housing projects.

HUD program labor standards forms are available on-line at:
www.hud.gov/offices/adm/hudclips/index.cfm

- b. Davis-Bacon Wage Decisions. The Davis-Bacon wage decision (or wage determination) is a listing of various construction work classifications, such as Carpenter, Electrician, Plumber and Laborer, and the minimum wage rates (and fringe benefits, where prevailing) that people performing work in those classifications must be paid.

Davis-Bacon wage decisions are established by the DOL for various types of construction (e.g., residential, heavy, highway) and apply to specific geographic areas, usually a county or group of counties. Wage decisions are modified from time to time to keep them current. In most cases, when the contract is awarded or when construction begins, the wage decision is “locked-in” and no future modifications are applicable to the contract or project involved.

All current Davis-Bacon wage decisions can be accessed on-line at no cost at:
<http://www.wdol.gov>

1-4 RESPONSIBILITY OF THE PRINCIPAL CONTRACTOR

The principal contractor (also referred to as the **prime or general contractor**) is responsible for the full compliance of all employers (the contractor, subcontractors and any lower-tier subcontractors) with the labor standards provisions applicable to the project. Because of the contractual relationship between a prime contractor and his/her subcontractors, subcontractors generally should communicate with the contract administrator only through the prime contractor. (See Contract Administrator, below.)

To make this Guide easier to understand, the term “prime contractor” will mean the principal contractor; “subcontractor” will mean all subcontractors including lower-tier subcontractors; and the term “employer” will mean all contractors as a group, including the prime contractor and any subcontractors and lower-tier subcontractors.

1-5 RESPONSIBILITY OF THE CONTRACT ADMINISTRATOR.

The **contract administrator** is responsible for the proper administration and enforcement of the Federal labor standards provisions on contracts covered by Davis-Bacon requirements. We use this term to represent the person (or persons) who will provide labor standards advice and support to you and other project principals (e.g., the owner, sponsor, architect), including providing the proper Davis-Bacon wage decision (see 2-1, **The Wage Decision**) and ensuring that the wage decision and contract clauses are incorporated into the contract for construction. The contract administrator also monitors labor standards compliance (see 2-6, **Compliance Reviews**) by conducting interviews with construction workers at the job site and reviewing payroll reports, and oversees any enforcement actions that may be required.

The contract administrator could be an employee or agent of HUD, or of a city or county or public housing agency. For HUD projects administered directly by HUD staff, usually FHA-insured multifamily projects, the contract administrator will be the HUD Labor Relations field staff. But many HUD-assisted projects are administered by local contracting agencies such as Public Housing Agencies (PHAs), Indian tribes and tribally-designated housing entities (TDHEs), and States, cities and counties under HUD's Community Development Block Grant (CDBG) and HOME programs. In these cases, the contract administrator will likely be local agency staff. In either case, the guidance for you remains essentially the same.

The DOL also has a role in monitoring Davis-Bacon administration and enforcement. In addition, DOL has independent authority to conduct investigations. A DOL investigator or other DOL representative may visit Davis-Bacon construction sites to interview construction workers or review payroll information.

CHAPTER 2 HOW TO COMPLY WITH LABOR STANDARDS AND PAYROLL REPORTING REQUIREMENTS

WHERE TO START? Now that you know you're on a Davis-Bacon project and you know some of the legal and practical implications, what's next?

SECTION I - THE BASICS

2-1 THE WAGE DECISION.

Davis-Bacon labor standards stipulate the wage payment requirements for Carpenters, Electricians, Plumbers, Roofers, Laborers, and other construction work classifications that may be needed for the project. The Davis-Bacon wage decision that applies to the project contains a schedule of work classifications and wage rates that must be followed. If you don't have it already (and by now you should), you'll want to get a copy of the applicable Davis-Bacon wage decision.

Remember, the wage decision is contained in the contract specifications along with the labor standards clauses. See 1-3, Construction Contract Provisions.

- a. **The work classifications and wage rates.** A Davis-Bacon wage decision is simply a listing of different work classifications and the minimum wage rates that must be paid to anyone performing work in those classifications. You'll want to make sure that the work classification(s) you need are contained in the wage decision and make certain you know exactly what wage rate(s) you will need to pay. Some wage decisions cover several counties and/or types of construction work (for example, residential and commercial work) and can be lengthy and difficult to read. Contact the contract administrator (HUD Labor Relations field staff or local agency staff) if you have any trouble reading the wage decision or finding the work classification(s) you need.

To make reading lengthy wage decisions easier for you, the contract administrator may prepare a Project Wage Rate Sheet (HUD-4720). This Sheet is a one-page transcript that will show only the classifications and wage rates for a particular project. A blank copy of a Project Wage Rate Sheet is provided for you in the appendix. Also, a fillable version of this form is available on-line at HUDClips (see web address in the Appendix). Contact the contract administrator monitoring your project for assistance with a Project Wage Rate Sheet.

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- b. **Posting the wage decision.** If you are the prime contractor, you will be responsible for posting a copy of the wage decision (or the Project Wage Rate Sheet) and a copy of the DOL Davis-Bacon poster titled Employee Rights under the Davis-Bacon Act (Form WH-1321) at the job site in a place that is easily accessible to all of the construction workers employed at the project and where the wage decision and poster won't be destroyed by wind or rain, etc. The Employee Rights under the Davis-Bacon Act poster is available in English and Spanish on-line at HUDClips (see address in the Appendix).

The Employee Rights under the Davis-Bacon Act poster (WH-1321) replaces the Notice to all Employees. The new poster is available in English and Spanish on-line at HUDClips (see address in the Appendix).

2-2 **ADDITIONAL "TRADE" CLASSIFICATIONS AND WAGE RATES.**

What if the work classification you need isn't on the wage decision? If the work classification(s) that you need doesn't appear on the wage decision, you will need to request an additional classification and wage rate. This process is usually very simple and you'll want to start the request right away. Basically, you identify the classification you need and recommend a wage rate for DOL to approve for the project. There are a few rules about additional classifications; you'll find these rules in the DOL regulations, Part 5, and in the labor clauses in your contract. The rules are summarized for you here:

- a. **Additional classification rules.** Additional classifications and wage rates can be approved if:
1. The requested classification is used by construction contractors in the area of the project. (The area is usually defined as the county where the project is located).
 2. The work that will be performed by the requested classification is not already performed by another classification that is already on the wage decision. (In other words, if there already is an Electrician classification and wage rate on the wage decision you can't request another Electrician classification and rate.)
 3. The proposed wage rate for the requested classification "fits" with the other wage rates already on the wage decision. (For example, the wage rate proposed for a trade classification such as Electrician must be at least as much as the lowest wage rate for other trade classifications already contained in the wage decision.) And,
 4. The workers that will be employed in the added classification (if it is known who the workers are/will be), or the workers' representatives, must agree with the proposed wage rate.

b. **Making the request.** A request for additional classification and wage rate must be made in writing through the contract administrator. (If the contract administrator is a local agency, the agency will send the request to the HUD Labor Relations staff.) If you are a subcontractor, your request should also go through the prime contractor. All you need to do is identify the work classification that is missing and recommend a wage rate (usually the rate that employer is already paying to the employees performing the work) for that classification. You may also need to describe the work that the new classification will perform.

c. **HUD review.** The HUD Labor Relations field staff will review the requested classification and wage rate to determine whether the request meets the DOL rules outlined in paragraph 2-2(a), above. If additional information or clarification is needed, the staff will contact the prime contractor (or contract administrator for local agency projects) for more information, etc. If the Labor Relations review finds that the request meets the rules, the staff will give preliminary approval on the request and refer it to the DOL for final approval. The staff will send to you a copy of the preliminary approval/referral letter to the DOL.

If the HUD Labor Relations staff doesn't think the request meets the rules and if agreement can't be reached on the proper classification or wage rate for the work described, the HUD Labor Relations staff will not approve the request. In this case, the staff will send your request to the DOL with an explanation why HUD believes that the request shouldn't be approved. The DOL still has final decision authority. You will receive a copy of the disapproval/referral letter to the DOL.

d. **DOL decision.** The DOL will respond to HUD Labor Relations in writing about the additional classification and wage rate request. HUD Labor Relations will notify you of the DOL decision in writing. If the DOL approves the request, the prime contractor must post the approval notice on the job site with the wage decision.

If the DOL does not approve the request, you will be notified about what classification and wage rate should be used for the work in question. You will also receive instructions about how to ask for DOL reconsideration if you still want to try to get your recommendation approved.

It's always a good idea to talk to the contract administrator before submitting an additional classification and wage rate request. The contract administrator can offer suggestions and advice that may save you time and increase the likelihood that DOL will approve your request. Usually, the contract administrator can give you an idea about what the DOL will finally decide.

2-3 CERTIFIED PAYROLL REPORTS.

You'll need to submit a weekly certified payroll report (CPR) beginning with the first week that your company works on the project and for every week afterward until your firm has completed its work. It's always a good idea to number the payroll reports beginning with #1 and to clearly mark your last payroll for the project "Final."

- a. **Payroll formats.** The easiest form to use is DOL's WH-347, Payroll. A sample copy of the WH-347 is included in the back of this Guide. You may access a fillable version of the WH-347 on-line at HUDClips (see web address in the Appendix). Also, the contract administrator can provide a few copies of the WH-347 that you can reproduce.

You are not required to use Payroll form WH-347. You are welcome to use any other type of payroll, such as computerized formats, as long as it contains all of the information that is required on the WH-347.

- b. **Payroll certifications.** The weekly payrolls are called certified because each payroll is signed and contains language certifying that the information is true and correct. The payroll certification language is on the reverse side of the WH-347. If you are using another type of payroll format you may attach the certification from the back of the WH-347, or any other format which contains the same certification language on the WH-347 (reverse).

DOL's website has Payroll Instructions and the Payroll form WH-347 in a "fillable" PDF format at this address:
www.dol.gov/whd/forms/wh347.pdf

- c. **"No work" payrolls.** "No work" payrolls may be submitted whenever there is a temporary break in your work on the project, for example, if your firm is not needed on the project right now but you will be returning to the job in a couple of weeks. (See tip box, for "no work" payroll exemption!) However, if you know that your firm will not be working on the project for an extended period of time, you may wish to send a short note to the contract administrator to let them know about the break in work and to give an approximate date when your firm will return to the project. If you number payrolls consecutively or if you send a note, you do not need to send "no work" payrolls.

If you number your payroll reports consecutively, you do not need to submit "no work" payrolls!

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- d. **Payroll review and submission.** The prime contractor should review each subcontractor's payroll reports for compliance prior to submitting the reports to the contract administrator. Remember, the prime contractor is responsible for the full compliance of all subcontractors on the contract and will be held accountable for any wage restitution that may be found due to any laborer or mechanic that is underpaid and for any liquidated damages that may be assessed for overtime violations. All of the payroll reports for any project must be submitted to the contract administrator through the prime contractor.

An alert prime contractor that reviews subcontractor payroll submissions can detect any misunderstandings early, prevent costly underpayments and protect itself from financial loss should underpayments occur.

- e. **Payroll retention.** Every contractor (including every subcontractor) must keep a complete set of their own payrolls and other basic records such as employee addresses and full SSNs, time cards, tax records, evidence of fringe benefit payments, for a Davis-Bacon project for at least 3 years after the project is completed. The prime contractor must keep a complete set of all of the payrolls for every contractor (including subcontractors) for at least 3 years after completion of the project.
- f. **Payroll inspection.** In addition to submitting payrolls to the contract administrator, every contractor (including subcontractors) must make their own copy of the payrolls and other basic records available for review or copying to any authorized representative from HUD or from DOL.

2-4 **DAVIS-BACON DEFINITIONS.**

Before we discuss how to complete the weekly payroll forms, we need to review a couple of definitions. These definitions can help you understand what will be required of you:

- a. **Laborer or mechanic.** "Laborers" and "mechanics" mean anyone who is performing construction work on the project, including trade journeymen (carpenters, plumbers, sheet metal workers, etc.), apprentices, and trainees and, for CWHSSA purposes, watchmen and guards. "Laborers" and "mechanics" are the two groups of workers that must be paid not less than Davis-Bacon wage rates.
1. **Working foremen.** Foremen or supervisors that regularly spend more than 20% of their time performing construction work and do not meet the exclusions in paragraph 2 below are covered "laborers" and "mechanics" for labor standards purposes for the time spent performing construction work.
 2. **Exclusions.** People whose duties are primarily administrative, executive or clerical are not laborers or mechanics. Examples include superintendents, office staff, timekeepers, messengers, etc. (Contact the contract administrator if you have any questions about whether a particular employee is excluded.)

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- b. **Employee.** Every person who performs the work of a laborer or mechanic is “employed” regardless of any contractual relationship which may be alleged to exist between a contractor or subcontractor and such person. This means that even if there is a contract between a contractor and a worker, the contractor must make sure that the worker is paid at least as much as the wage rate on the wage decision for the classification of work they perform. Note that there are no exceptions to the prevailing wage requirements for relatives or for self-employed laborers and mechanics.

For more information about working subcontractors, ask the contract administrator or your HUD Labor Relations Field Staff for a copy of Labor Relations Letter LR-96-01, Labor standards compliance requirements for self-employed laborers and mechanics. Labor Relations Letters and other helpful Labor Relations publications are available at HUD’s Labor Relations web site (see the list of web site addresses in the Appendix).

- c. **Apprentices and trainees.** The only workers who can be paid less than the wage rate on the wage decision for their work classification are “apprentices” and “trainees” registered in approved apprenticeship or training programs. Approved programs are those which have been registered with the DOL or a DOL-recognized State Apprenticeship Council (SAC). Apprentices and trainees are paid wage rates in accordance with the wage schedule in the approved program.

Most often, the apprentice/trainee wage rate is expressed as a series of percentages tied to the amount of time spent in the program. For example, 0-6 months: 65%; 6 months - 1 year: 70%; etc. The percentage is applied to the journeyman’s wage rate. On Davis-Bacon projects, the percentage must be applied to the journeyman’s wage rate on the applicable wage decision for that craft.

1. **Probationary apprentice.** A “probationary apprentice” can be paid as an apprentice (less than the rate on the wage decision) if the DOL or SAC has certified that the person is eligible for probationary employment as an apprentice.
2. **Pre-apprentice.** A “pre-apprentice”, that is, someone who is not registered in a program and who hasn’t been DOL- or SAC-certified for probationary apprenticeship is not considered to be an “apprentice” and must be paid the full journeyman’s rate on the wage decision for the classification of work they perform.
3. **Ratio of apprentices and trainees to journeymen.** The maximum number of apprentices or trainees that you can use on the job site cannot exceed the ratio of apprentices or trainees to journeymen allowed in the approved program.

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- d. **Prevailing wages or wage rates.** Prevailing wage rates are the wage rates listed on the wage decision for the project. The wage decision will list a minimum basic hourly rate of pay for each work classification. Some wage decisions include fringe benefits which are usually listed as an hourly fringe rate. If the wage decision includes a fringe benefit rate for a classification, you will need to add the fringe benefit rate to the basic hourly rate unless you provide bona fide fringe benefits for your employees.
1. **Piece-work.** Some employees are hired on a piece-work basis, that is, the employee's earnings are determined by a factor of work produced. For example, a Drywall Hanger's earnings may be calculated based upon the square feet of sheetrock actually hung, a Painter's earnings may be based upon the number of units painted. Employers may calculate weekly earnings based upon piece rates provided the weekly earnings are sufficient to satisfy the wage rate requirement based upon actual hours, including any overtime, worked. Accurate time records must be maintained for any piece-work employees. If the weekly piece rate earnings are not sufficient, the employer must recompute weekly earnings based upon the actual hours worked and the rate on the wage decision for the work classification(s) involved.
- e. **Fringe benefits** Fringe benefits can include health insurance premiums, retirement contributions, life insurance, vacation and other paid leave as well as some contributions to training funds. Fringe benefits do not include employer payments or contributions required by other Federal, State or local laws, such as the employer's contribution to Social Security or some disability insurance payments.

Note that the total hourly wage rate paid to any laborer or mechanic (basic wage or basic wage plus fringe benefits) may be no less than the total wage rate (basic wage or basic wage plus fringe benefits) on the wage decision for their craft. If the value of the fringe benefit(s) you provide is less than the fringe benefit rate on the wage decision, you will need to add the balance of the wage decision fringe benefit rate to the basic rate paid to the employee. For example, if the wage decision requires \$10/hour basic rate plus \$5/hour fringe benefits, you must pay no less than that total (\$15/hour) in the basic rate or basic rate plus whatever fringe benefit you may provide. You can meet this obligation in several ways: you could pay the base wage and fringe benefits as stated in the wage decision, or you could pay \$15 in base wage with no fringe benefits, or you could pay \$12 basic plus \$3 fringe benefits. You can also off-set the amount of the base wage if you pay more in fringe benefits such as by paying or \$9 basic plus \$6 fringe benefits; as long as you meet the total amount. The amount of the base wage that you may off-set with fringe benefits is limited by certain IRS and FLSA requirements.

- f. **Overtime.** Overtime hours are defined as all hours worked on the contract in excess of 40 hours in any work week. Overtime hours must be paid at no less than one and one-half times the regular rate of basic pay plus the straight-time rate of any required fringe benefits.

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- g. **Deductions.** You may make payroll deductions as permitted by DOL Regulations 29 CFR Part 3. These regulations prohibit the employer from requiring employees to “kick-back” (i.e., give up) any of their earnings. Allowable deductions which do not require prior DOL permission include employee obligations for income taxes, Social Security payments, insurance premiums, retirement, savings accounts, and any other legally-permissible deduction authorized by the employee. Deductions may also be made for payments on judgments and other financial obligations legally imposed against the employee.

Referring, again, to our example above where the wage decision requiring a \$15 total wage obligation (\$10 basic wage plus \$5 fringe benefits) was met by paying \$9 base wage plus \$6 fringe benefits: Note that overtime rates must be based on one and one-half times the basic rate as stated on the wage decision. In the above example, the employer must pay for overtime: \$15/hr (\$9 basic + \$6 fringe) plus \$5 (one-half of \$10, the wage decision basic rate) for a total of \$20 per hour.

- h. **Proper designation of trade.** You must select a work classification on the wage decision for each worker based on the actual type of work he/she performed and you must pay each worker no less than the wage rate on the wage decision for that classification regardless of their level of skill. In other words, if someone is performing carpentry work on the project, they must be paid no less than the wage rate on the wage decision for Carpenters even if they aren't considered by you to be fully trained as a Carpenter. Remember, the only people who can be paid less than the rate for their craft are apprentices and trainees registered in approved programs.
1. **Split-classification.** If you have employees that perform work in more than one trade during a work week, you can pay the wage rates specified for each classification in which work was performed only if you maintain accurate time records showing the amount of time spent in each classification of work. If you do not maintain accurate time records, you must pay these employees the highest wage rate of all of the classifications of work performed.
 - i. **Site of work.** The “site of work” is where the Davis-Bacon wage rates apply. Usually, this means the boundaries of the project. “Site of work” can also include other adjacent or virtually adjacent property used by a contractor or subcontractor in the construction of the project, like a fabrication site that is dedicated exclusively, or nearly so, to the project.

SECTION II - REPORTING REQUIREMENTS

2-5 COMPLETING A PAYROLL REPORT.

What information has to be reported on the payroll form? The weekly payroll form doesn't ask for any information that you don't already need to keep for wage payment and tax purposes. For example, you need to know each employee's name; his or her work classification (who is working for you and what do they do?), the hours worked during the week, his or her rate of pay, the gross amount earned (how much did they earn?), the amounts of any deductions for taxes, etc., and the net amount paid (how much should the paycheck be made out for?). No more information than you need to know in order to manage your work crew and make certain they are paid properly. And, certainly, no more information than you need to keep for IRS, Social Security and other tax and employment purposes.

For many contractors, the Weekly Certified Payroll is the only Davis-Bacon paperwork you need to submit!

You are required to submit certified payrolls to illustrate and document that you have complied with the prevailing wage requirements. The purpose of the contract administrator's review of your payrolls is to verify your compliance. Clearer and complete payroll reports will permit the contract administrator to complete reviews of your payroll reports quickly.

- a. **Project and contractor/subcontractor information.** Each payroll must identify the contractor or subcontractor's name and address, the project name and number, and the week ending date. Indicate the week dates in the spaces provided. Numbering payrolls is optional but strongly recommended.
- b. **Employee information.** Effective January 18, 2009, payrolls shall not report employee addresses or full Social Security Numbers (SSNs). Instead, the first payroll on which each employee appears shall include the employee's name and an individually identifying number, usually the last 4 digits of the employee's SSN. Afterward, the identifying number does not need to be reported unless it is necessary to distinguish between employees, e.g., if two employees have the same name.

Employers (prime contractors and subcontractors) must maintain the current address and full SSN for each employee and must provide this information upon request to the contracting agency or other authorized representative responsible for federal labor standards compliance monitoring. Prime contractors may require a subcontractor(s) to provide this information for the prime contractor's records. DOL has modified form WH-347, Payroll, to accommodate these reporting requirements.

- c. **Work classification.** Each employee must be classified in accordance with the wage decision based on the type of work they actually perform.

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1. **Apprentices or trainees.** The first payroll on which any apprentice or trainee appears must be accompanied by a copy of that apprentice's or trainee's registration in a registered or approved program. A copy of the portions of the registered or approved program pertaining to the wage rates and ratios shall also accompany the first payroll on which the first apprentice or trainee appears.
 2. **Split classifications.** For an employee that worked in a split classification, make a separate entry for each classification of work performed distributing the hours of work to each classification, accordingly, and reflecting the rate of pay and gross earnings for each classification. Deductions and net pay may be based upon the total gross amount earned for all classifications.
- d. **Hours worked.** The payroll should show ONLY the regular and overtime hours worked on this project. Show both the daily and total weekly hours for each employee. If an employee performs work at job sites other than the project for which the payroll is prepared, those "other job" hours should not be reported on the payroll. In these cases, you should list the employee's name, classification, hours for this project only, the rate of pay and gross earnings for this project, and the gross earned for all projects. Deductions and net pay may be based upon the employee's total earnings (for all projects) for the week.
- e. **Rate of pay.** Show the basic hourly rate of pay for each employee for this project. If the wage decision includes a fringe benefit and you do not participate in approved fringe benefit programs, add the fringe benefit rate to the basic hourly rate of pay. Also list the overtime rate if overtime hours were worked.

1. **Piece-work.** For any piece-work employees, the employer must compute an effective hourly rate for each employee each week based upon the employee's piece-work earnings for that week. To compute the effective hourly rate, divide the piece-work earnings by the total number of hours worked, including consideration for any overtime hours.

The effective hourly rate must be reflected on the certified payroll and this hourly rate may be no less than the wage rate (including fringe benefits, if any) on the wage decision for the classification of work performed. It does not matter that the effective hourly rate changes from week-to-week, only that the rate is no less than the rate on the wage decision for the classification of work performed.

Remember, the overtime rate is computed at one and one-half times the basic rate of pay plus any fringe benefits. For example, if the wage decision requires \$10/hour basic plus \$5/hour fringe benefits, the overtime rate would be: $(\$10 \times 1 \frac{1}{2}) + \$5 = \$20/\text{hour}$.

- f. **Gross wages earned.** Show the gross amount of wages earned for work performed on this project. Note: For employees with work hours and earnings on other projects, you may show gross wages for this project over gross earnings all projects (for example, \$425.40/\$764.85) and base deductions and net pay on the "all projects" earnings.

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- g. **Deductions.** Show the amounts of any deductions from the gross earnings. “Other” deductions should be identified (for example, Savings Account or Loan Repayment). Any voluntary deduction (that is, not required by law or by an order of a proper authority) must be authorized in writing by the employee or provided for in a collective bargaining (union) agreement. A short note signed by the employee is all that is needed and should accompany the first payroll on which the other deduction appears.

Only one employee authorization is needed for recurring (e.g., weekly) other deductions. Written employee authorization is not required for income tax and Social Security deductions.

- h. **Net pay.** Show the net amount of wages paid.
- i. **Statement of compliance.** The Statement of Compliance is the certification. It is located on the reverse side of a standard payroll form (WH-347). Be sure to complete the identifying information at the top, particularly if you are attaching the Statement of Compliance to an alternate payroll form such as a computer payroll. Also, you must check either 4(a) or 4(b) if the wage decision contains a fringe benefit. Checking 4(a) indicates that you are paying required fringe benefits to approved plans or programs; and 4(b) indicates that you are paying any required fringe benefit amounts directly to the employee by adding the fringe benefit rate to the basic hourly rate of pay. If you are paying a portion of the required fringe benefit to programs and the balance directly to the employee, explain those differences in box 4(c).

Only one Statement of Compliance is required for each employer’s weekly payroll no matter how many pages are needed to report the employee data.

- j. **Signature.** Make sure the payroll is signed with an original signature in ink. The payroll must be signed by a principal of the firm (owner or officer such as the president, treasurer or payroll administrator) or by an authorized agent (a person authorized by a principal in writing to sign the payroll reports). Signature authorization (for persons other than a principal) should be submitted with the first payroll signed by such an agent. Signatures in pencil; signature stamps; xerox, pdf and other facsimiles are not acceptable.

SECTION III - PAYROLL REVIEWS AND CORRECTIONS

2-6 COMPLIANCE REVIEWS.

The contract administrator or other inspector may visit the project site and interview some of the workers concerning their employment on the project. The DOL may also independently conduct its own reviews (see 1-5). In addition, the contract administrator will periodically review payrolls and related submissions, comparing the interview information to the payrolls, to ensure that the labor standards requirements have been met. You will be notified by the contract administrator if these reviews find any discrepancies or errors. You will be given instructions about what steps must be taken to correct any problems.

- a. **On-site interviews.** Every employer (contractor, subcontractor, etc.) must make their employees available for interview at the job site with the contract administrator or other agency representative, or HUD or DOL representative. The interviews are confidential and the employee will be asked about the kind of work they perform and their rate of pay. Every effort will be made to ensure that these interviews cause as little disruption as possible to the on-going work. The interviewer will record the interview information, usually on a form HUD-11, Record of Employee Interview, and forward the interviews to the contract administrator.
- b. **Project payroll reviews.** The contract administrator will compare the information on the interview forms to the corresponding payrolls to ensure that the workers are properly listed on the payrolls for the days and hours worked on the job site, work classification and rate of pay. The contract administrator will also review the payroll submissions to make certain that the payrolls are complete and signed; that employees are paid no less than the wage rate for the work classification shown; apprentice and trainee certifications are submitted (where needed); employee or other authorizations for other deductions are submitted (where needed); etc.

2-7 TYPICAL PAYROLL ERRORS AND REQUIRED CORRECTIONS.

The following paragraphs describe common payroll errors and the corrective steps you must take.

- a. **Inadequate payroll information.** If an alternate payroll format used by an employer (such as some computer payrolls) is inadequate, e.g., does not contain all of the necessary information that would be on the optional form WH-347, the employer will be asked to resubmit the payrolls on an acceptable form.
- b. **Missing identification numbers.** If the first payroll on which an employee appears does not contain the employee's individually identifying number, the employer will be asked to supply the missing information. This information can be reported on the next payroll submitted by the employer if the employer is still working on the project. Otherwise, the employer will be asked to submit a correction certified payroll.

-
- c. **Incomplete payrolls.** If the information on the payroll is not complete, for example, if work classifications or rates of pay are missing, the employer will be asked to send a correction certified payroll.
- d. **Classifications.** If the payrolls show work classifications that do not appear on the wage decision, the employer will be asked to reclassify the employees in accordance with the wage decision or the employer may request an additional classification and wage rate (see 2-2). If reclassification results in underpayment (i.e., the wage rate reported on the payroll is less than the rate required for the new classification), the employer will be asked to pay wage restitution to all affected reclassified employees. (see 2-8 for instructions about wage restitution.)
- e. **Wage rates.** If the wage rates on the payroll are less than the wage rates on the wage decision for the work classifications reported, the employer will be asked to pay wage restitution to all affected employees.
- f. **Apprentices and trainees.** If a copy of the employee's registration or the approved program ratio and wage schedule are not submitted with the first payroll on which an apprentice or trainee appears, the employer will be asked to submit a copy of each apprentice's or trainee's registration and/or the approved program ratio and wage schedule. If the ratio of apprentices or trainees to journeymen on the payroll is greater than the ratio in the approved program, the employer will be asked to pay wage restitution to any excess apprentices or trainees. Also, any apprentice or trainee that is not registered in an approved program must receive the journeyman's wage rate for the classification of work they performed.
- g. **Overtime.** If the employees did not receive at least time and one-half for any overtime hours worked on the project, the following will occur:
1. If the project is subject to CWHSSA overtime requirements, the employer will be asked to pay wage restitution for all overtime hours worked on the project. The employer may also be liable to the United States for liquidated damages computed at \$10 per day per violation. Or,
 2. If the project is not subject to CWHSSA, the employer will be notified of the possible FLSA overtime violations. Also, the contract administrator may refer the matter to the DOL for further review.
- h. **Computations.** If the payroll computations (hours worked times rate of pay) or extensions (deductions, net pay) show frequent errors, the employer will be asked to take greater care. Wage restitution may be required if underpayments resulted from the errors.
- i. **Deductions.** If there are any "Other" deductions that are not identified, or if employee authorization isn't provided, or if there is any unusual (very high, or large number) deduction activity, the employer will be asked to identify the deductions, provide employee authorization or explain unusual deductions, as necessary.

HUD does not enforce or attempt to provide advice on employer obligations to make deductions from employee earnings for taxes or Social Security. However, HUD may refer to the IRS or other responsible agency copies of certified payroll reports that show wages paid in gross amounts (i.e., without tax deduction) for its review and appropriate action.

- j. **Fringe benefits.** If the wage decision contains fringe benefits but the payroll does not indicate how fringe benefits were paid [neither 4(a) nor 4(b) is marked on the Statement of Compliance], the employer may be asked to submit correction certified payrolls and will be required to pay wage restitution if underpayments occurred. However, if the basic hourly rates for the employees are at least as much as the total wage rate on the wage decision (basic hourly rate plus the fringe benefit rate), no correction is necessary.
- k. **Signature.** If the payroll Statement of Compliance is not signed or is missing, the employer will be asked to submit a signed Statement of Compliance for each payroll affected. If the Statement of Compliance is signed by a person who is not a principle of the firm and that person has not been authorized by principle to sign, the employer will be asked to provide an authorization or to resubmit the Statement(s) of Compliance bearing the signature of a principle or other authorized signatory.
- l. **On-site interview comparisons.** If the comparison of on-site interviews to the payrolls indicates any discrepancies (for example, the employee does not appear on the payroll for the date of the interview), the employer will be asked to submit a correction certified payroll report.
- m. **Correction certified payroll.** Any and all changes to data on a submitted payroll report must be reported on a certified correction payroll. In no case will a payroll report be returned to the prime contractor or employer for revision.

2-8 **RESTITUTION FOR UNDERPAYMENT OF WAGES.**

Where underpayments of wages have occurred, the employer will be required to pay wage restitution to the affected employees. Wage restitution must be paid promptly in the full amounts due, less permissible and authorized deductions. All wages paid to laborers and mechanics for work performed on the project, including wage restitution, must be reported on a certified payroll report.

- a. **Notification** to the Employer/Prime contractor. The contract administrator will notify the employer and/or prime contractor in writing of any underpayments that are found during payroll or other reviews. The contract administrator will describe the underpayments and provide instructions for computing and documenting the restitution to be paid. The employer/prime contractor is allowed 30 days to correct the underpayments. Note that the prime contractor is responsible to the contract administrator for ensuring that restitution is paid. If the employer is a subcontractor, the subcontractor will usually make the computations and restitution payments and furnish the required documentation through the prime contractor.

The contract administrator may communicate directly with a subcontractor when the underpayments are plainly evident and the subcontractor is cooperative. It is best to work through the prime contractor when the issues are complex, when there are significant underpayments and/or the subcontractor is not cooperative. In all cases, the subcontractor must ensure that the prime contractor receives a copy of the required corrective documentation.

- b. **Computing wage restitution.** Wage restitution is simply the difference between the wage rate paid to each affected employee and the wage rate required on the wage decision for all hours worked where underpayments occurred. The difference in the wage rates is called the adjustment rate. The adjustment rate times the number of hours involved equals the gross amount of restitution due. You may also compute wage restitution by calculating the total amount of Davis-Bacon wages earned and subtracting the total amount of wages paid. The difference is the amount of back wages due.
- c. **Correction certified payrolls.** The employer will be required to report the restitution paid on a correction certified payroll. The correction payroll will reflect the period of time for which restitution is due (for example, Payrolls #1 through #6; or a beginning date and ending date). The correction payroll will list each employee to whom restitution is due and their work classification; the total number of work hours involved (daily hours are usually not applicable for wage restitution); the adjustment wage rate (the difference between the required wage rate and the wage rate paid); the gross amount of restitution due; deductions and the net amount actually paid. A properly signed Statement of Compliance must accompany the correction payroll.

HUD no longer requires the signature of the employee on the correction payroll to evidence employee receipt of restitution payment. In addition, except in the most extraordinary cases, HUD no longer requires employers to submit copies of restitution checks (certified, cashiers, canceled or other), or employee-signed receipts or waivers.

- d. **Review of correction CPR.** The contract administrator will review the correction certified payroll to ensure that full restitution was paid. The prime contractor shall be notified in writing of any discrepancies and will be required to make additional payments, if needed, documented on a correction certified payroll within 30 days.
- e. **Unfound workers.** Sometimes, wage restitution cannot be paid to an affected employee because, for example, the employee has moved and can't be located. After wage restitution has been paid to all of the workers who could be located, the employer must submit a list of any workers who could not be found and paid (i.e., unfound workers) providing their names, Social Security Numbers, last known addresses and the gross amount due. In such cases, at the end of the project the prime contractor will be required

to place in a deposit or escrow account an amount equal to the total gross amount of restitution that could not be paid because the employee(s) could not be located. The contract administrator will continue attempts to locate the unfound workers for 3 years after the completion of the project. After 3 years, any amount remaining in the account for unfound workers will be credited and/or forwarded by the contract administrator to HUD.

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CHAPTER 3 LABOR STANDARDS DISPUTES, ADMINISTRATIVE REVIEWS, WITHHOLDING, DEPOSITS AND ESCROW ACCOUNTS, AND SANCTIONS

WHAT HAPPENS WHEN THINGS GO WRONG?

3-1 INTRODUCTION.

Even in the best of circumstances, things can go wrong. In a Davis-Bacon context, “things going wrong” usually means there’s a difference of opinion or a dispute about whether and to what extent underpayments have occurred. These disputes are usually between the contract administrator and one or more employers (the prime contractor and/or a subcontractor). The dispute may involve something simple such as an additional classification request that is pending before the DOL; or something as significant as investigative findings following a complaint of underpayment. This chapter discusses some of what you may expect and what you can do to make your views known and to lessen any delays in resolving the problem or issue.

3-2 ADMINISTRATIVE REVIEW ON LABOR STANDARDS DISPUTES.

As mentioned in the Introduction above, a dispute about labor standards and compliance can arise for a number of reasons. The labor standards clauses in your contract and DOL regulations provide for administrative review of issues where there is a difference of views between the contract administrator and any employer. The most common circumstances include:

- a. **Additional classifications and wage rates.** Additional classification and wage rate requests are sometimes denied by the DOL. An employer that is dissatisfied with the denial can request reconsideration by the DOL Wage and Hour Administrator. The employer may continue to pay the wage rate, as requested, until a final decision is rendered on the matter. When the final decision is known, the employer will be required to pay any additional wages that may be necessary to satisfy the wage rate that is established.
 1. **Reconsideration.** The DOL normally identifies the reasons for denial in its response to the request. Any interested person (for example, the contract administrator, employer, representatives of the employees) may request reconsideration of the decision on the additional classification request. The request for reconsideration must be made in writing and must thoroughly address the denial reasons identified by the DOL. Employer requests for reconsideration should be made through the contract administrator but may be made directly to the DOL. (See 2-2(d), and also DOL Regulations 29 CFR 1.8.) All requests initiated by or made through the contract administrator or HUD must be submitted through the HUD Headquarters Office of Labor Relations.

2. **Administrative Review Board.** Any interested party may request a review of the Administrator's decision on reconsideration by the DOL's Administrative Review Board. DOL regulations 29 CFR Part 7 explain the procedures for such reviews. (See also 29 CFR 1.9.)

b. **Findings of underpayment.** Compliance reviews and other follow-up enforcement actions may result in findings of underpayment. The primary goal in every case and at every step in this process is to reach agreements about who may have been underpaid and how much wage restitution may be due and, of course, to promptly deliver restitution to any underpaid workers. The contract administrator will usually work informally with you to reach such agreements. You will have an opportunity to provide additional information to the contract administrator that may explain apparent inconsistencies and/or resolve the discrepancies.

If informal exchanges do not result in agreement, the final determination and schedule of back wages due will be presented to you in writing and you will be permitted 30 days in which to correct the underpayment(s) or to request a hearing on the matter before the DOL. The request for hearing must be made in writing through the contract administrator and must explain what findings are in dispute and the reasons. In such cases, HUD is required to submit a report to DOL for review and further consideration. All requests for DOL hearing must be submitted through the HUD Headquarters Office of Labor Relations.

1. **DOL review.** The DOL will review the contract administrator's report and the arguments against the findings presented in the hearing request. The DOL may affirm or modify the findings based upon the materials presented. You will be notified in writing by the DOL of the results of its review. If DOL concludes that violations have occurred, you will be given an opportunity to correct any underpayments or to request a hearing before a DOL Administrative Law Judge (ALJ). (See DOL Regulations 29 CFR 5.11 (b) and 29 CFR Part 6, Rules of Practice for Administrative Proceedings.)

2. **Administrative Review Board.** Contractors and/or subcontractors may request a review by the Administrative Review Board of the decision(s) rendered by the DOL ALJ in the administrative hearing process. See DOL regulations 29 CFR Part 7 for more information about this proceeding.

3-3 WITHHOLDING.

The contract administrator shall cause withholding from payments due to the prime contractor to ensure the payment of wages which are believed to be due and unpaid, for example, if wage underpayments or other violations are not corrected within 30 days after written notification to the prime contractor. DOL may also direct the withholding of contract payments for alleged wage underpayments. Withholding is considered to be serious and is not taken unless warranted. If withholding is deemed necessary, you will be notified in writing. Only the amounts needed to meet the contractor's (and/or subcontractors') liability shall be withheld.

3-4 DEPOSITS AND ESCROWS.

In every case, we attempt to complete compliance actions and resolve any disputes before the project is completed and final payments are made. Sometimes, corrective actions or disputes continue after completion and provisions must be made to ensure that funds are available to pay any wage restitution that is ultimately found due. In these cases, we allow projects to proceed to final closing and final payments provided the prime contractor deposits an amount equal to the potential liability for wage restitution and liquidated damages, if necessary, in a special account. The deposit or escrow account is controlled by the contract administrator. When a final decision is rendered, the contract administrator makes disbursements from the account in accordance with the decision. Deposit/escrow accounts are established for one or more of the following reasons:

Remember, the prime contractor is responsible and will be held liable for any wage restitution that is due to any worker employed in the construction of the project, including workers employed by subcontractors and any lower-tier subcontractors. See 1-4, Responsibility of the Principal Contractor, and 2-8, Restitution for Underpayment of Wages.

- a. **Where the parties have agreed to amounts of wage restitution that are due** but the employer hasn't furnished evidence yet that all of the underpaid workers have received their back wages, e.g., some of the workers have moved and could not be located. The amount of the deposit is equal to the total gross amount of restitution due to workers lacking payment evidence. As these workers are paid and proper documentation is provided to the contract administrator, amounts corresponding to the documented payments are returned to the depositor. Amounts for any workers who cannot be located are held in the deposit/escrow account for three years and disposed as described in 2-8(f) of this Guide.
- b. **Where underpayments are suspected or alleged and an investigation has not yet been completed.** The deposit is equal to the amount of wage restitution and any liquidated damages, if applicable, that are estimated to be due. If the final determination of wages due is less than the amount estimated and placed in the escrow account, the escrow will be reduced to the final amount and the difference will be returned to the depositor.

If the parties agree to the investigative findings, the amounts due to the workers will be paid by the employer. As these workers are paid and proper documentation is provided to the contract administrator, the gross amounts corresponding to the documented payments are returned to the depositor.

1. If the employer is unable to make the payments to the workers, e.g., lacks the funds necessary, the contract administrator may make disbursements directly to the workers in the net amounts calculated by the employer. The amounts withheld from the workers for tax deduction will be returned to the employer as payments to workers are made. The employer shall be responsible for reporting and transmitting withholdings to the appropriate agencies.

-
2. If the employer is not cooperating in the resolution, the contract administrator shall make disbursements to the workers in accordance with the schedule of wages due. Amounts for unfound workers will be retained as described above (See 2-8(f) and 3-4(a)).

If the parties do not agree and an administrative hearing is requested, the escrow will be maintained as explained in 3-4(c), below.

Remember, if you have any questions or need assistance concerning labor standards requirements help is always available. Contact the contract administrator for the project you're working on or the HUD Field Labor Relations staff in your area.

- c. **Where the parties are waiting for the outcome of an administrative hearing** that has been or will be requested contesting a final determination of wages due. The deposit shall be equal to the amount of wage restitution and liquidated damages, if applicable, that have been determined due. Once a final decision is rendered, disbursements from the escrow account are made in accordance with the decision.

3-5 ADMINISTRATIVE SANCTIONS.

Contractors and/or subcontractors that violate the labor standards provisions may face administrative sanctions imposed by HUD and/or DOL.

- a. **DOL debarment.** Contractors and/or subcontractors that are found by the Secretary of Labor to be in aggravated or willful violation of the labor standards provisions of the Davis-Bacon and Related Acts (DBRA) will be ineligible (debarred) to participate in any DBRA or Davis-Bacon Act contracts for up to 3 years. Debarment includes the contractor or subcontractor and any firm, corporation, partnership or association in which the contractor or subcontractor has a substantial interest. Debarment proceedings can be recommended by the contract administrator or can be initiated by the DOL. Debarment proceedings are described in DOL regulations 29 CFR 5.12.
- b. **HUD sanctions.** HUD sanctions may include Limited Denials of Participation (LDPs), debarments and suspensions.
 1. **Limited Denial of Participation.** HUD may issue to the employer a limited denial of participation (LDP) which prohibits the employer from further participation in HUD programs for a period up to one year. The LDP is usually effective for the HUD program in which the violation occurred and for the geographic jurisdiction of the issuing HUD Office. HUD regulations concerning LDP's are found at 24 CFR 24.700-24.714.

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2. **Debarment and suspensions.** In certain circumstances, HUD may initiate its own debarment or suspension proceedings against a contractor and/or subcontractor in connection with improper actions regarding Davis-Bacon obligations. For example, HUD may initiate debarment where a contractor has been convicted for making false statements (such as false statements on certified payrolls or other prevailing wage certifications) or may initiate suspension where a contractor has been indicted for making false statements. HUD regulations concerning debarment and suspension are found at 24 CFR Part 24.

3-6 FALSIFICATION OF CERTIFIED PAYROLL REPORTS.

Contractors and/or subcontractors that are found to have willfully falsified payroll reports (Statements of Compliance), including correction certified payroll reports, may be subject to civil or criminal prosecution. Penalties may be imposed of \$1,000 and/or one year in prison for each false statement (see Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code).

Remember, if you have any questions or need assistance concerning labor standards requirements help is always available. Contact the contract administrator for the project you're working on or the HUD Field Labor Relations staff in your area.

ACRONYMS AND SYMBOLS

CDBG -	Community Development Block Grant
CFR -	Code of Federal Regulations
CPR -	Certified Payroll Report
CWHSSA -	Contract Work Hours and Safety Standards Act
DBA -	Davis-Bacon Act
DBRA -	Davis-Bacon and Related Acts
DOL -	Department of Labor
FHA -	Federal Housing Administration
FLSA -	Fair Labor Standards Act
HUD -	Housing and Urban Development (Department of)
IHA -	Indian Housing Authority
LCA -	Local Contracting Agency
LDP -	Limited Denial of Participation
O/T -	Overtime
PHA -	Public Housing Agency
S/T -	Straight-time
SAC -	State Apprenticeship Council/Agency
TDHE -	Tribally-Designated Housing Entity
§ -	Section
¶ -	Paragraph

DAVIS-BACON - RELATED WEB SITES*

HUD Office of Labor Relations:
www.hud.gov/offices/olr

HUD Regulations:
<http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>

HUDClips (HUD Forms and Publications):
www.hud.gov/offices/adm/hudclips/index.cfm

DOL Davis-Bacon and Related Acts Homepage:
<http://www.dol.gov/whd/contracts/dbra.htm>

DOL Regulations:
<http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>

Davis-Bacon Wage Decisions:
www.wdol.gov

DOL Forms:
www.dol.gov/whd/programs/dbra/forms.htm

***Web addresses active as of January 2012**

Project Wage Rate Sheet			U.S. Department of Housing and Urban Development Office of Labor Relations			
Project Name:			Wage Decision Number/Modification Number:			
Project Number:			Project County:			
Work Classification	Basic Hourly Rate (BHR)	Fringe Benefits	Total Hourly Wage Rate	Laborers Fringe Benefits		\$
				Group #	BHR	Total Wage
Bricklayers			\$			\$
Carpenters			\$			\$
Cement Masons			\$			\$
Drywall Hangers			\$			\$
Electricians			\$			\$
Iron Workers			\$			\$
Painters			\$	Operators Fringe Benefits:		\$
Plumbers			\$	Group #	BHR	Total Wage
Roofers			\$			\$
Sheet Metal Workers			\$			\$
Soft Floor Workers			\$			\$
Tapers			\$			\$
Tile Setters			\$	Truck Drivers Fringe Benefits:		\$
Other Classifications				Group #	BHR	Total Wage
			\$			
			\$			
			\$			
Additional Classifications (HUD Form 4230-A)						
Work Classification	Basic Hourly Rate (BHR)	Fringe Benefits	Total Hourly Wage Rate	Date of HUD Submission to DOL		Date of DOL Approval
			\$			
			\$			
			\$			

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U.S. Department of Housing and Urban Development
Office of Departmental Operations and Coordination
Washington, DC 20410

Email: www.OfficeofLaborRelations@hud.gov

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**Labor Relations Desk Guide
LR01.DG**



EMPLOYEE RIGHTS UNDER THE DAVIS-BACON ACT

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

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

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

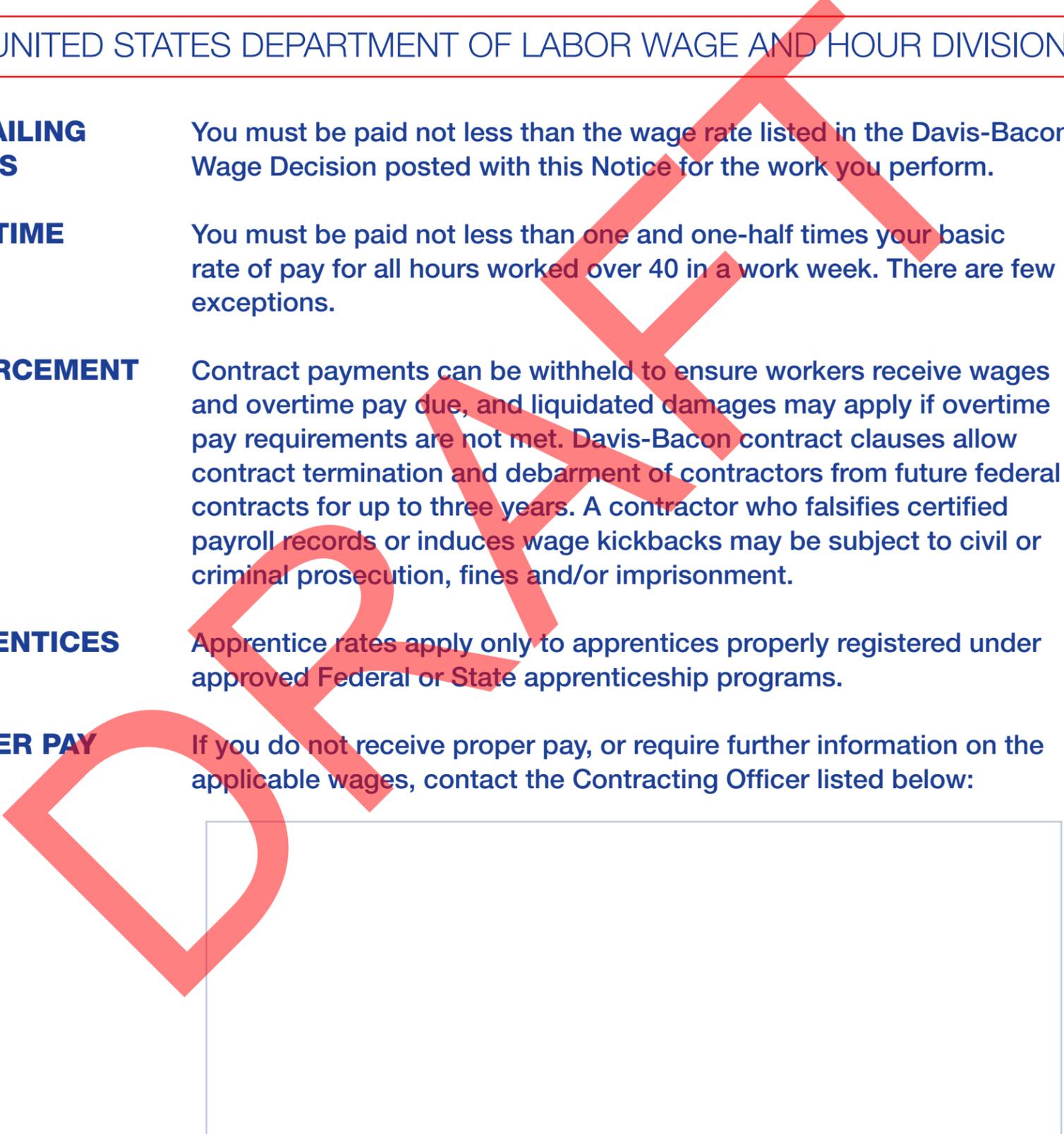
Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. 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.



For additional information:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627



WWW.WAGEHOUR.DOL.GOV

DERECHOS DEL EMPLEADO

BAJO LA LEY DAVIS-BACON

PARA OBREROS Y MECÁNICOS EMPLEADOS EN PROYECTOS DE CONSTRUCCIÓN FEDERAL O CON ASISTENCIA FEDERAL

LA SECCIÓN DE HORAS Y SUELDOS DEL DEPARTAMENTO DE TRABAJO DE EEUU

SALARIOS PREVALECIENTES

No se le puede pagar menos de la tasa de pago indicada en la Decisión de Salarios Davis-Bacon fijada con este Aviso para el trabajo que Ud. desempeña.

SOBRETIEMPO

Se le ha de pagar no menos de tiempo y medio de su tasa básica de pago por todas las horas trabajadas en exceso de 40 en una semana laboral. Existen pocas excepciones.

CUMPLIMIENTO

Se pueden retener pagos por contratos para asegurarse que los obreros reciban los salarios y el pago de sobretiempo debidos, y se podría aplicar daños y perjuicios si no se cumple con las exigencias del pago de sobretiempo. Las cláusulas contractuales de Davis-Bacon permiten la terminación y exclusión de contratistas para efectuar futuros contratos federales hasta tres años. El contratista que falsifique los registros certificados de las nóminas de pago o induzca devoluciones de salarios puede ser sujeto a procesamiento civil o criminal, multas y/o encarcelamiento.

APRENDICES

Las tasas de aprendices sólo se aplican a aprendices correctamente inscritos bajo programas federales o estatales aprobados.

PAGO APROPIADO

Si Ud. no recibe el pago apropiado, o precisa de información adicional sobre los salarios aplicables, póngase en contacto con el Contratista Oficial que aparece abajo:

o póngase en contacto con la Sección de Horas y Sueldos del Departamento de Trabajo de EEUU.



Para obtener información adicional:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627



WWW.WAGEHOUR.DOL.GOV

Equal Employment Opportunity is **THE LAW**

Private Employers, State and Local Governments, Educational Institutions, Employment Agencies and Labor Organizations

Applicants to and employees of most private employers, state and local governments, educational institutions, employment agencies and labor organizations are protected under Federal law from discrimination on the following bases:

RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

Title VII of the Civil Rights Act of 1964, as amended, protects applicants and employees from discrimination in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment, on the basis of race, color, religion, sex (including pregnancy), or national origin. Religious discrimination includes failing to reasonably accommodate an employee's religious practices where the accommodation does not impose undue hardship.

DISABILITY

Title I and Title V of the Americans with Disabilities Act of 1990, as amended, protect qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship.

AGE

The Age Discrimination in Employment Act of 1967, as amended, protects applicants and employees 40 years of age or older from discrimination based on age in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment.

SEX (WAGES)

In addition to sex discrimination prohibited by Title VII of the Civil Rights Act, as amended, the Equal Pay Act of 1963, as amended, prohibits sex discrimination in the payment of wages to women and men performing substantially equal work, in jobs that require equal skill, effort, and responsibility, under similar working conditions, in the same establishment.

GENETICS

Title II of the Genetic Information Nondiscrimination Act of 2008 protects applicants and employees from discrimination based on genetic information in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. GINA also restricts employers' acquisition of genetic information and strictly limits disclosure of genetic information. Genetic information includes information about genetic tests of applicants, employees, or their family members; the manifestation of diseases or disorders in family members (family medical history); and requests for or receipt of genetic services by applicants, employees, or their family members.

RETALIATION

All of these Federal laws prohibit covered entities from retaliating against a person who files a charge of discrimination, participates in a discrimination proceeding, or otherwise opposes an unlawful employment practice.

WHAT TO DO IF YOU BELIEVE DISCRIMINATION HAS OCCURRED

There are strict time limits for filing charges of employment discrimination. To preserve the ability of EEOC to act on your behalf and to protect your right to file a private lawsuit, should you ultimately need to, you should contact EEOC promptly when discrimination is suspected:

The U.S. Equal Employment Opportunity Commission (EEOC), 1-800-669-4000 (toll-free) or 1-800-669-6820 (toll-free TTY number for individuals with hearing impairments). EEOC field office information is available at www.eeoc.gov or in most telephone directories in the U.S. Government or Federal Government section. Additional information about EEOC, including information about charge filing, is available at www.eeoc.gov.

Employers Holding Federal Contracts or Subcontracts

Applicants to and employees of companies with a Federal government contract or subcontract are protected under Federal law from discrimination on the following bases:

RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

Executive Order 11246, as amended, prohibits job discrimination on the basis of race, color, religion, sex or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

INDIVIDUALS WITH DISABILITIES

Section 503 of the Rehabilitation Act of 1973, as amended, protects qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship. Section 503 also requires that Federal contractors take affirmative action to employ and advance in employment qualified individuals with disabilities at all levels of employment, including the executive level.

DISABLED, RECENTLY SEPARATED, OTHER PROTECTED, AND ARMED FORCES SERVICE MEDAL VETERANS

The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212, prohibits job discrimination and requires affirmative action to employ and advance in employment disabled veterans, recently separated veterans (within

three years of discharge or release from active duty), other protected veterans (veterans who served during a war or in a campaign or expedition for which a campaign badge has been authorized), and Armed Forces service medal veterans (veterans who, while on active duty, participated in a U.S. military operation for which an Armed Forces service medal was awarded).

RETALIATION

Retaliation is prohibited against a person who files a complaint of discrimination, participates in an OFCCP proceeding, or otherwise opposes discrimination under these Federal laws.

Any person who believes a contractor has violated its nondiscrimination or affirmative action obligations under the authorities above should contact immediately:

The Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210, 1-800-397-6251 (toll-free) or (202) 693-1337 (TTY). OFCCP may also be contacted by e-mail at OFCCP-Public@dol.gov, or by calling an OFCCP regional or district office, listed in most telephone directories under U.S. Government, Department of Labor.

Programs or Activities Receiving Federal Financial Assistance

RACE, COLOR, NATIONAL ORIGIN, SEX

In addition to the protections of Title VII of the Civil Rights Act of 1964, as amended, Title VI of the Civil Rights Act of 1964, as amended, prohibits discrimination on the basis of race, color or national origin in programs or activities receiving Federal financial assistance. Employment discrimination is covered by Title VI if the primary objective of the financial assistance is provision of employment, or where employment discrimination causes or may cause discrimination in providing services under such programs. Title IX of the Education Amendments of 1972 prohibits employment discrimination on the basis of sex in educational programs or activities which receive Federal financial assistance.

INDIVIDUALS WITH DISABILITIES

Section 504 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination on the basis of disability in any program or activity which receives Federal financial assistance. Discrimination is prohibited in all aspects of employment against persons with disabilities who, with or without reasonable accommodation, can perform the essential functions of the job.

If you believe you have been discriminated against in a program of any institution which receives Federal financial assistance, you should immediately contact the Federal agency providing such assistance.



CITY OF ROYAL OAK

A COMPLIANCE GUIDE TO SECTION 3 REQUIREMENTS

EMPLOYMENT OPPORTUNITIES FOR LOW INCOME RESIDENTS OF ROYAL OAK

PURPOSE

The purpose of this manual is to provide a guide of Section 3 requirements. The manual provides a description of the Federal requirements and a copy of the forms that must be completed for compliance.

BACKGROUND

Section 3 requires that, to the greatest extent feasible, contractors and subcontractors give preference to hiring low income residents or businesses that are owner or employ low income residents of the Metropolitan Detroit area, with preference to those residing in the City of Royal Oak, when new jobs (full-time for new permanent, temporary, or seasonal positions) are generated to complete HUD-funded projects.

DETERMINING APPLICABILITY & REQUIRED FORMS

Section 3 requirements apply to community development and housing assistance projects which are provided by the City of Royal Oak via Community Development Block Grant (CDBG) funds or any other funds issued by the U.S. Department of Housing & Urban Development (HUD).

Projects subject to Section 3 requirements involves the construction, reconstruction, conversation or rehabilitation of housing (including reduction of lead-based paint hazards), public improvements such as street repair and construction, installation of public improvements, work at buildings regardless of ownership, etc.

Professional service contracts (e.g. architectural services) are covered under Section 3 requirements provided that work to be performed by the professional is associated with the CDBG-funded project. Section 3 does not apply to the purchase of materials, supplies, or equipment, unless installation "work" is involved.

Funding thresholds are minimum dollar amounts that trigger Section 3 requirements.

Contractors

All contractors must submit in their bid packet the following, regardless of bid price:

- Contractor Work Force Form
- Section 3 Certification Form

Written agreements between a contractor and the City of Royal Oak equal to or greater than \$100,000 will be subject to the Section 3 requirements of this guide.

Subrecipients

All subrecipients provided with equal to or greater than \$200,000 of CDBG funds will be subject to the Section 3 requirements of this guide.

If the subrecipient has an agreement with a contractor greater than \$100,000, then the subrecipient and contractor are both subject to Section 3 requirements. Section 3 requirements only apply to the subrecipient if the agreement with the subcontractor is less than \$100,000.

Section 3 residents are:

- a public housing resident or recipient of housing choice voucher;
- OR**
- live in the Metropolitan Detroit area with a total household income that does not exceed 80% AMI (see the following chart).

Section 3 Income Limits			
Eligibility Guideline – Program Year 2015			
Number of Persons in Household	Extremely Low-Income	Very Low-Income	Low-Income
	30% MFI	50% MFI	80% MFI
1 individual	\$14,250	\$23,700	\$37,950
2 individuals	\$16,250	\$27,100	\$43,350
3 individuals	\$20,090	\$30,500	\$48,750
4 individuals	\$24,250	\$33,850	\$54,150
5 individuals	\$28,410	\$36,600	\$58,500
6 individuals	\$32,570	\$39,300	\$62,850
7 individuals	\$36,730	\$42,000	\$67,150
8 individuals	\$40,890	\$44,700	\$71,500

Detroit-Warren-Livonia, MI HUD Metro FMR Area Updated: 03-06-2015

Section 3 business is a firm / company that is:

- fifty-one percent (51%) or more owned by Section 3 residents; or
- employs Section 3 residents for at least thirty percent (30%) of its full-time, permanent staff; or
- provides evidence of a commitment to subcontract to Section 3 businesses, twenty-five percent (25%) or more of the dollar amount of the awarded contract.

CONTRACTOR WORK FORCE FORM

This form shall be completed by contractors in their bid packet regardless of bid price. It will determine the applicability of Section 3 requirements.

The below information is certified by the signature of the firm's representative.

Name of Firm Representative:	
Title of Firm Representative:	
Signature of Firm Representative:	
Date of signature:	
Firm Name:	
d.b.a. (if applicable):	
Street Address:	
City, State, Zip code:	
Telephone #:	
new employees = full-time permanent, temporary, or seasonal positions	
The above signed representative hereby certifies that the above mentioned firm:	
<input type="checkbox"/> DO NOT require new employees to complete any portion of the project (Also complete Contractor Section 3 Certification Form.)	
<input type="checkbox"/> DO require new employees to complete any portion of the project (Also complete Contractor Section 3 Certification Form. Additionally, all of the requirements set forth under S3-5 through S3-18 will apply.)	

CONTRACTOR SECTION 3 CERTIFICATION FORM

This form shall be completed by contractors in their bid packet regardless of bid price. It will further determine the applicability of Section 3 requirements.

Subcontractors may be required to submit this form upon request.

Name of Firm Representative:	
Title of Firm Representative:	
Signature of Firm Representative:	
Date of signature:	
Firm Name:	
d.b.a. (if applicable):	
Street Address:	
City, State, Zip code:	
Telephone #:	
Website:	

The above signed representative hereby certifies that the above mentioned firm:

- Does not meet the below definition of a Section 3 Business
(if you also checked that you DO NOT require new employees to complete any portion of the project, then no additional forms or data are required.)
- Meets the definition of a Section 3 Business under at least one of the following qualifying basis:
 - That is at least 51% or more owned by Section 3 residents,
 - Whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or
 - That provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to a Section 3 business concern.

Those that meet the definition must submit supporting documentation outlined in HUD's "Certification For Business Concerns Seeking Section 3 Preference In Contracting & Demonstration Of Capability" Form

**CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3
PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY**

Name of Business _____

Address of Business _____

Type of Business: Corporation Partnership
 Sole Proprietorship Joint Venture

Attached is the following documentation as evidence of status:

For Business claiming status as a Section 3 resident-owned enterprise:

- Copy of resident lease
- Copy of evidence of participation in a public assistance program
- Copy of receipt of public assistance
- Other evidence

For business entity as applicable:

- Copy of Articles of Incorporation
- Assumed Business Name Certificate
- List of owners/stockholders and % ownership of each
- Organization chart with names and titles and brief function statement
- Certificate of Good Standing
- Partnership Agreement
- Corporation Annual Report
- Latest Board minutes appointing officers
- Additional documentation

For business claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:

- List of subcontracted Section 3 business(es) and subcontract amount

For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:

- List of all current full-time employees
- PHA/IHA Residential lease less than 3 years from day of employment
- List of employees claiming Section 3 status
- Other evidence of Section 3 status less than 3 years from date of employment

Evidence of ability to perform successfully under the terms and conditions of the proposed contract:

- Current financial statement
- Statement of ability to comply with public policy
- List of owned equipment
- List of all contracts for the past two years

Authorizing Name and Signature

(Corporate Seal)

Attested by: _____

Contractors that execute an agreement with Royal Oak for CDBG-funded work in excess of \$100,000 are required to include the below language in all written subcontracts.

SECTION 3 CLAUSE

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

Contractors that execute an agreement with Royal Oak for CDBG-funded work in excess of \$100,000 are required to take the following steps to meet Section 3 requirements.

RESPONSIBILITIES

A) Contractors

- 1) Notify subcontractors of their responsibilities under Section 3 including, but not limited to, incorporating Section 3 Clause in subcontract documents;
- 2) Refrain from contracting with subcontractors as to whom they have received notice or have knowledge that the subcontractors have been found in violation of the requirements of 24 CFR Part 135;
- 3) Maintain records that document a good faith effort to utilize Section 3 residents and businesses. This is required of both contractor and subcontractor;
- 4) Document action(s) taken to meet numerical goals including applicable forms; &
- 5) Ensure that all subcontractors complete and submit the Contractor Section 3 Certification Form AND Contractor Work Force Form.

B) Subrecipients

- 1) A subrecipient must comply with Section 3 requirements in its own operation. This responsibility includes:
 - A) Complete and submit the following reports when the assistance exceeds \$200,000: Contractor Section 3 Certification Form AND Contractor Work Force Form.
 - B) Notifying Section 3 residents and businesses about jobs and contracts generated by projects subject to Section 3 requirements so that they may submit bids / proposals for available contracts and jobs opening with the subrecipient;
 - C) Notify potential contractors of Section 3 requirements;
 - D) Include the Section 3 Clause in all applicable contracts;
 - E) Document action(s) taken to meet the numerical goals.
- 2) Subrecipients have a responsibility to “ensure compliance” of their contractors and subcontractors. This means that a subrecipient must:
 - A) Ensure that any contractor with an agreement equal to or in excess of \$100,000 must complete and submit the Contractor Section 3 Certification Form AND Contractor Work Force Form.
 - B) Notify contractors of their responsibilities under Section 3 including, but not limited to, incorporating the Section 3 Clause in all contract documents;

- C) Refrain from contracting with subcontractors as to whom they have received notice or have knowledge that the subcontractors have been found in violation of the requirements of 24 CFR Part 135;
- D) Collection required data under the Section 3 Clause and return the data to the City of Royal Oak;
- E) Respond to Section 3 complaints;
- F) Cooperate with the City of Royal Oak and HUD in obtaining compliance of contractors and subcontractors when allegations are made of non-compliance.

C) City of Royal Oak

The city shall assist contractors, subcontractors, and subrecipients by performing the following activities:

- 1) Notifying all applicants for CDBG and other HUD funded projects of the Section 3 applicability;
- 2) "Section 3 Clause" shall be included in all applicable written agreements;
- 3) Providing clarification of the Section 3 requirements;
- 4) Providing the appropriate guidelines and forms;
- 5) Assisting contractors, subcontractors and subrecipients with notifying Section 3 residents and businesses of new employment opportunities as outlined in "Good Faith Effort";
- 6) Monitoring, verifying and notify with regard to compliance;
- 7) Moderate Section 3 complaints;
- 8) Collect all applicable forms and reports;
- 9) Report all required data to HUD.

NUMERICAL GOALS

If a contractor, subcontractor or subrecipient has the need to hire new persons (full-time for new permanent, temporary, or seasonal positions) to complete the project or needs to subcontract portions of the work to another business, they are required to direct their newly created employment and / or subcontracting opportunities to Section 3 residents and businesses.

Federal regulations set numerical goals for all HUD jurisdictions for the hiring / training of Section 3 residents and contracting with Section 3 businesses on HUD assisted projects.

If the following numerical goals are not reached contractors, subcontractors and subrecipients shall demonstrate a "Good Faith Effort" to achieve the numerical goals.

Training and Employment: Goals are based on the percentage of new hires.

- 1) Housing assistance: employ Section 3 residents as 10% of the aggregate number of new hires for each year over the duration of the Section 3 project.
- 2) Community development assistance: Employ Section 3 residents as 30% of the aggregate number of new hires for each year over the duration of the Section 3 project.

Contracts: Each contractor and subcontractor that meets the threshold requirements may demonstrate compliance with the requirements of Section 3 by committing to award Section 3 businesses:

- 1) At least 10% of the total dollar amount for all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing, housing construction and other public construction.
- 2) At least 3% of the total dollar amount of all non-construction contracts covered under the Section 3 requirements.

All those applying for new positions must complete the Income Certification Form For Section 3 Residents to demonstrate their qualification as a Section 3 resident.

Section 3 residents are not guaranteed employment and Section 3 businesses are not guaranteed contracting opportunities.

Section 3 residents must demonstrate that they meet the qualifications for new employment opportunities created as a result of the expenditure of covered assistance.

Likewise, Section 3 businesses must submit evidence to the satisfaction of the party awarding the contract to demonstrate that they are responsible firms and have the ability to perform successfully under the terms and conditions of the proposed contract.

Contract awards shall only be made to responsible contractors possessing the ability to perform under the terms and conditions of the proposed contract. Preference to Section 3 businesses means that a recipient's or contractor's procurement procedure include methods to provide preference to Section 3 businesses. Accordingly, if a Section 3

business is a responsible bidder, but their bid price is slightly higher than a non-Section 3 firm, the subrecipient agency may give preference to the Section 3 business in an effort to meet its numerical goals annually.

HUD's Office of Fair Housing and Equal Opportunity maintains a list of HUD pre-approved Section 3 business on its website (www.hud.gov)

Contractors and subcontractors shall submit the Section 3 – New Hire Work Force Form and any accompanying data to the City of Royal Oak to demonstrate numerical data toward Section 3 requirements.

Subrecipients shall submit the Subrecipient – Contract Award Summary Report to demonstrate efforts to achieve the numerical goals.

COMPLIANCE TIME PERIOD

Yearly - July 1st through June 30th

The above range of dates identifies the compliance time frame that all contractors, subcontractors, and subrecipients shall report efforts to meet the numerical goals of Section 3. Reports shall be return to the City of Royal Oak Planning Department by no later than July 15th or completion of the work; which ever comes first.

GOOD FAITH EFFORT

The city shall verify that contractors, subcontractors, or subrecipients have completed a variety of the following tasks to demonstrate its good faith effort to comply with Section 3 requirements.

Contractors, subcontractors, or subrecipients shall retain all records associated with all attempts to provide a good faith effort and provide the city and HUD with said records upon request.

Construction may not commence until the city has recognized that the contractor, subcontractor, or subrecipient have demonstrated a “good faith effort” to meet the numerical goals of Section 3.

Failure to be recognized as demonstrating a “good faith effort” may result in penalties including disbarment from submitting bids on future HUD funded projects and penalty of payment.

If the contractor, subcontractor, or sub recipient have the need to hire new persons to complete the Section 3 covered contract OR needs to subcontract portions of the work to another business, they are required to direct their newly created employment and / or subcontracting opportunities to Section 3 residents and businesses.

Contractors, subcontractors, and subrecipients

Examples of actions demonstrating a “good faith effort” include:

- 1) Target recruitment of Section 3 residents and businesses by:
 - A. Notice of vacant training and employment positions arising out of work to be performed under Section 3 covered projects with lower income project area residents shall contain the following statement: “In compliance with Section 3 of the Housing and Urban Development Act of 1968, as amended, training and employment opportunities arising out of a project assisted under a program providing direct financial assistance from the U.S. Department of Housing and Urban Development shall be given, to the greatest extent feasible, to lower income residents or businesses owned by lower income residents of the Metropolitan Detroit area, with preference for those that reside within the City of Royal Oak. Low income residents or business owned by a low income resident are encouraged to apply”.
 - B. Said notice shall be provided for at least two (2) weeks.
 - C. Said notice shall contain the name, mailing address, telephone number, and website of the contracting firm.
 - D. Said notice may be included in any policy manual, newsletter, website, annual report, and be posted on employee bulletin boards accessible to all employees at each location where construction work is performed.
 - E. Said notice may be provided to contractor’s labor organizations or representatives advising the contractor’s commitments under “Section 3 Clause”.
 - F. Said notice may be disseminated to local newspapers, websites, radio advertising, neighborhood publications, minority publications, trade publications and associations, Royal Oak High School apprenticeship and training liaison, and the City of Royal Oak Human Resource bulletin board.
 - G. Said notice may also be posted at the job site.
 - H. Said notice may be directly distributed to an eligible list of Section 3 Business Concerns, should a contractor or subcontractor maintain such list.
 - I. Said notice may be directly distributed to agencies that administer HUD Youthbuild programs.
 - J. New hires must complete the Income Certification Form For Section 3 Residents.

City of Royal Oak

The city will assist all contractors, subcontractors, or subrecipients to comply with “good faith effort” requirement by undertaking the following:

1. Allow contractors, subcontractors, or subrecipients the opportunity to post job notifications on city property (e.g. Human Resource Department at City Hall, within the city rights-of-way, city community centers, etc.)

COMPLAINT PROCEDURE

In an effort to resolve complaints generated due to non-compliance through an internal process, the City of Royal Oak encourages submittal of such complaints to its Planning Department.

A complaint of non-compliance shall be provided in writing and must contain the name of the complainant and a brief description of the alleged violation of 24 CFR Part 135.

Complaints must be filed within thirty (30) days after the complainant becomes aware of the alleged violation.

An investigation will be conducted if the complaint is found to be valid. The city will conduct an informal, but thorough investigation affording all interest parties, if any, an opportunity to submit testimony and / or evidence pertinent to the complaint.

The city will provide written documentation detailing the findings of the investigation no later than thirty (30) days after the filing of the complaint.

If complainant wishes to have their concerns considered outside the City of Royal Oak, a complaint may be filled with:

Assistant Secretary for Fair Housing and Equal Opportunity
US Department of Housing & Urban Development
451 Seventh Street, SW
Washington, DC 20410

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

INCOME CERTIFICATION FORM FOR SECTION 3 RESIDENTS

I, _____,
(print name)
am a legal resident of the City of Royal Oak, Oakland County, Michigan
and meet the income eligibility guidelines for a low income household
as published on the attachment.

My permanent address is:

(Street Address)

(City, State, Zip Code)

The following identifies my current status as a low income person:

Reside in Public Housing or Participation in a
Housing Choice (Section 8) Voucher Program

Have a Total Household Income Below 80% AMI

Signature: _____

Date: _____

SECTION 3 INCOME LIMITS

Qualifying Section 3 residents include:

- a public housing resident or recipient of housing choice voucher;
- OR**
- live in the Metropolitan Detroit area with a total household income that does not exceed 80% AMI (see chart below)

Eligibility Guideline – Program Year 2015

Number of Persons in Household	Extremely Low-Income	Very Low-Income	Low-Income
	30% MFI	50% MFI	80% MFI
1 individual	\$14,250	\$23,700	\$37,950
2 individuals	\$16,250	\$27,100	\$43,350
3 individuals	\$20,090	\$30,500	\$48,750
4 individuals	\$24,250	\$33,850	\$54,150
5 individuals	\$28,410	\$36,600	\$58,500
6 individuals	\$32,570	\$39,300	\$62,850
7 individuals	\$36,730	\$42,000	\$67,150
8 individuals	\$40,890	\$44,700	\$71,500

Detroit-Warren-Livonia, MI HUD Metro FMR Area Updated: 03-06-2015

SECTION 3 – NEW HIRE WORK FORCE FORM

This form shall be completed by the contractor at the completion of the reporting period (July 1st – June 30th) OR at the completion of the work, whichever comes first.

Submittal deadline: July 15th OR at the completion of the work, whichever comes first.

Please print or type the following verification.

Name of Firm Representative:				
Title of Firm Representative:				
Signature of Firm Representative:				
Date of signature:				
Firm Name:				
d.b.a. (if applicable):				
Street Address:				
City, State, Zip code:				
Telephone #:				
Project Name:				
Employment and Training For New Hires				
Job Category	# of New Hires	# of New Hires that are Section 3 Residents	# of Applications Submitted by Section 3 Residents	% of Total Staff HOURS Worked By Section 3 Residents
Professional				
Technical				
Office / Clerical				
Apprentices				
Unskilled Labor				
Construction by Trade (list below)				

Contracts Awarded	
Construction Contracts:	
A. Number of + \$100,000 subcontracts awarded on this project:	
B. Number of Section 3 business concerns submitting bids:	
C. Number of Section 3 business concerns awarded subcontracts:	
Non-Construction Contracts:	
A. Number of non-construction contracts awarded on this project:	
B. Number of Section 3 business concerns submitting bids:	
C. Number of Section 3 business concerns awarded contracts:	

Contractors, subcontractors, and subrecipients shall comply with the “good faith effort” requirements of this guide.

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low income residents. Check all that apply. Submit evidence to demonstrate intent to conduct “good faith effort”.

- Attempt to recruit Section 3 residents through: local advertising, media, signs prominently displayed at the project site, etc.
- Participated in a HUD program or other program which promotes the training of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concern.
- Coordinated with Youthbuild Programs administered in the Detroit Metropolitan area.
- Other; describe below.

APPENDIX - DEFINITIONS

Section 3 covered assistance

- public housing development assistance provided pursuant to Section 5 of the 1937 Act;
- public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
- assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 business is a firm / company that is:

- fifty-one percent (51%) or more owned by Section 3 residents; or
- employs Section 3 residents for at least thirty percent (30%) of its full-time, permanent staff; or
- provides evidence of a commitment to subcontract to Section 3 businesses, twenty-five percent (25%) or more of the dollar amount of the awarded contract.

Section 3 residents are:

- a public housing resident or recipient of housing choice voucher;
- OR**
- live in the Metropolitan Detroit area with a total household income that does not exceed 80% AMI (see the following chart).

Section 3 Income Limits			
Eligibility Guideline – Program Year 2015			
Number of Persons in Household	Extremely Low-Income	Very Low-Income	Low-Income
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6 individuals	\$32,570	\$39,300	\$62,850
7 individuals	\$36,730	\$42,000	\$67,150
8 individuals	\$40,890	\$44,700	\$71,500

Detroit-Warren-Livonia, MI HUD Metro FMR Area Updated: 03-06-2015

New hire is a full-time employee for a new permanent, temporary or seasonal position that is generated from the expenditure of HUD funds covered by the Section 3 regulations.

Recipient. The City of Royal Oak is the direct recipient of federal funding from the US Department of Housing & Urban Development (HUD).

Subrecipient is an organization receiving HUD funds from the City of Royal Oak (recipient) for a housing and community development related project.

Contractor is a business with contracts / agreements to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Subcontractor is a business which has a contract / agreement with the contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Section 3 Clause is the contract provision set forth in 24 CFR Part 135.383.