



419 Cherry St., Lansing, MI 48933 Telephone: (517) 487-6550 Fax: (517) 487-6977

**Lansing Housing Commission  
Policy No. 2017-1  
Davis-Bacon and Related Acts Compliance Policy**

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**Overview**

This policy is based on regulatory requirements highlighted in Title 29 CFR Parts 1,3,5,6 and 7 and is designed to ensure provide guidance on the process of reviewing bid documents, contracts, and payrolls on projects subject to Davis Bacon. This policy will be provided to all interested bidders at the pre-construction conference or as part of the procurement bid packet. A copy of the Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects will also be provided to all successful bidders at the Contract Signing.

**Pre-Construction and Bidding**

Whenever Davis-Bacon provisions are triggered by any procurement action taken by this Agency, specific protocols will be taken to guarantee agency compliance with Federal regulation.

The Davis-Bacon Act requires the payment of prevailing wage rates to all laborers and mechanics on Federal government construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating of public buildings or public works.

Once a contract is determined to be subject to Davis-Bacon labor standards requirements, certain documents must be included in the contract document(s). These documents include 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. The above Labor Standards Provisions and the applicable wage decision will be included in the specifications associated with the contract and attached to and made a part of the contract document(s). 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. Most importantly the Labor Standards Provisions stipulate that any Contractor or subcontractor shall insert in any subcontracts all the provisions contained in this clause, and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts. These forms and other HUD program labor standards forms are available on-line at [www.hud.gov/offices/adm/hudclips/index.cfm](http://www.hud.gov/offices/adm/hudclips/index.cfm).



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Davis-Bacon Wage Decisions or wage determinations, list various construction work classifications, and include the minimum wage rates and possibly fringe benefits for persons working within those classifications. These wage and fringe benefit rates are the minimum rates that must be paid to persons working under those classifications. LHA will require all prospective bidders to complete the Project Wage Rate Sheet HUD-4720 and the Contractor Profile Form as part of their bid submission packet. The Project Wage Rate Sheet HUD-4720 will identify all work classifications from the applicable wage decision the contractor intends to utilize for the project. The contractor will list the wage and fringe associated with the applicable work classifications. If additional classification(s) are needed the bidder must identify those classifications at the time the bid is submitted. Lansing Housing Authority (LHA) will provide the bidders with the additional classification process and the HUD 4230A Report of Additional Classification and Rate form. The contractor that is awarded the contract will complete and submit the HUD 4230A Report of Additional Classification and Rate with a letter on company letterhead to LHA stating the missing work classification, requested rate, fringe and work description. The above documents will be processed by LHA and sent via email to the HUD Ohio Labor Relations Specialist PRIOR to allowing persons with that classification to work on the project covered under the contract. Any Change Orders necessary as a result of increased wages as a result of obtaining a new classification for the project will be completed after the new classification is obtained from the HUD Labor Relations Specialist and submitted to Lansing HA. LHA will provide guidance on making the request if necessary, but the request and all documentation associated with the request must be made by the contractor using the classification.

**Contracting**

LHA will require the Principal or General Contractor to complete the Contractor Profile form at contract signing/award. The Principal or General Contractor on the project will be required to identify any subcontractor at the time of bid and will not be authorized to use subcontractors on the project until all contractual screening and compliance is determined for the subcontractors. This includes verifying eligibility at [www.sam.gov](http://www.sam.gov).

The eligibility will be printed from the website and maintained in the project file per regulation. LHA will provide a copy of the packet to the contractors and will retain the original.

**Additionally, the Principal or General Contractor will provide LHA with an original signed copy of any sub contracts that are entered into.** This will allow LHA to review the payrolls effectively as they will know the scope of work/job classifications that should be used on the project.



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**Compliance**

It is the responsibility of the Principal or General Contractor to maintain full compliance with the labor standards provisions applicable to the project. The Principal or General contractor will be responsible for posting a copy of the wage decision or the Project Wage Rate Sheet at the job site. The Principal or General Contractor must also post the DOL Davis-Bacon poster title Employee Rights under the Davis-Bacon Act (Form WH-1321) with LHA and HUD contact information included at the job site. These postings must be made in a location that is visually accessible to all employees and where the documents will not be destroyed by the elements such as wind, rain or snow. LHA will check to make sure these documents are at the job site.

All Principal or General Contractors will be required to submit a weekly certified payroll report (CPR) beginning with the first week that the company works on the project. Weekly payroll reports will be required for submission every week afterward until the firm has completed the work. All subcontracts will be required to follow this same guidance.

Payrolls must be submitted on the DOL WH-347 Payroll form. The payrolls must be certified using the payroll certification found on the WH-347, and the certifications must be made by the individual(s) listed as authorized on the Contractor Profile Form.

If there are breaks in the work periods for either the Principal/General Contractor or a Subcontractor, "no work" payrolls can be provided, or a signed document stating the company is currently in "no work" status on the project, including a date when they expect to return to the job site may be submitted to the LHA. LHA will note the expected date of return and will monitor the job site to confirm when regular WH-347 Payroll Forms should be expected.

The Principal/General Contractor is responsible for reviewing the subcontractor's payroll reports for compliance prior to submitting the reports to LHA. This compliance includes making sure the job classifications match the work being completed on site.

Each Principal/General Contractor is responsible for compliance of their subcontractor(s). Each Principal/General Contractor and each Subcontractor must retain complete sets 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 all Davis-Bacon projects for three years following completion of the project and submission of the final payroll.

The Prime Contractor is responsible for their own records and the subcontractor records under this provision.



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LHA will review each payroll report for compliance within 48 hours of submission of the report, on a weekly basis. All payroll reports will be date and time stamped at the time of submission.

**LHA will review to determine**

- That the contractor and subcontractor information is complete with name and address, project name and number and the week ending date. **LHA will require the numbering of all payrolls.**
- That the payroll report does not include employee addresses or full SSN's. All payrolls must include the employee's name and the last four digits of the SSN.
- That the work classification and corresponding wage and fringe benefit payment are in compliance with the applicable wage decision
- That any apprentice or trainee noted on a payroll report has submitted the appropriate apprenticeship certification in a registered DOL or a DOL recognized State Apprenticeship Council (SAC) program. Additionally, the apprentices and trainees need to submit the wage schedule and ratio information from the corresponding program.
- That any employee being paid under a split classification is listed separately on the payrolls and is classified correctly and paid under the appropriate wage and fringe classification
- That the hours worked include only regular and overtime hours worked on the project covered under the LHA contract, and that the report shows both the daily and weekly hours for each employee. Any hours worked at another job site should not be reported on the payroll submitted to LHA.
- That the gross wages earned is listed on the report
- That all deductions from gross earnings are listed and that those deductions have been appropriately identified with documentation submitted that the deduction is required by law or an order of a proper authority or by authorization of the employee, **child support and loan repayment documents are required.**
- That the net pay is listed.
- Overtime hours over 40 hours in a work week will be checked to make sure the calculation is 1 ½ times the rate plus the fringe.



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- That the Statement of Compliance is completed and the boxes 4a or 4b are checked, with any explanation provided in 4c.
- The payroll must have an original ink signature by the authorized signatory notated on the Contractor profile form

LHA will also complete on-site compliance reviews by visiting the job site and recording the interviews with the employees on the HUD-11 form. LHA will attempt to interview all employees listed on the wage reports. LHA will compare the HUD-11 forms to the payroll reports submitted to-date within 48 hours of receiving the HUD-11 forms so that discrepancies can be addressed.

LHA will contact the Principal/General Contractor to resolve any payroll errors on the weekly payroll forms at the time of the review. LHA will notify the HUD Labor Relations Specialist assigned to the agency if discrepancies are noted and not resolved within a reasonable (7 – 10 days of notification to the Principal/General Contractor). Documentation of the notification and subsequent activity related to resolving the discrepancy will be maintained by the LHA.