

2.12 Contractor Compliance Requirements

CONTRACTOR LABOR REPORTS

The requirements noted hereinafter are applicable to Federal Aid projects; however, the Contractor should be advised that all projects are subject to investigation by the Department of Labor and that appropriate records should be maintained on all projects. It is the responsibility of the Project Manager to closely check each labor report assembly to determine that it contains all pertinent data and that it has been prepared in accordance with the labor compliance requirements. If errors are found, the Project Manager should initiate corrective actions to satisfactorily resolve the errors. The Division Office shall be furnished copies of all Contract Labor Reports and copies of any subsequent revisions or corrections.

Contractor Labor Reports shall be prepared and submitted by the Prime Contractor and all Subcontractors (including unapproved ones). The Contractor and all Subcontractors shall furnish each week at least two copies of their labor reports to the Project Manager within seven days after payment of wages. Required documentation for the Prime Contractor consists of their labor reports, Form AL 100 and Form AL 150, if applicable. Required documentation for the Subcontractor consists of their labor reports and Form AL 100 if they are active. The Prime Contractor's labor reports together with the Subcontractor's labor reports make up the weekly labor report assembly. It is the responsibility of the Prime Contractor to obtain the Subcontractor's reports so that the complete assembly may be submitted to the Project Manager.

Form AL 100, Statement of Wage Compliance, shall be executed by the Contractor or Subcontractor or by an authorized officer or member of the firm who supervises the payment of wages. The form certifies that all employees have been properly paid, that the attached payroll for the period is correct and complete, that any apprentices employed are duly registered in a bona fide apprenticeship program and that, where applicable, fringe benefits are paid in cash or to approved plans, funds or programs.

Form AL 150, Statement Required on Federal Aid Projects in the State of Alabama, shall be prepared and submitted by the Prime Contractor if they have an approved Subcontractor. The statement includes the name of Prime Contractor and the name of each approved Subcontractor and indicates if the Subcontractor(s) are "active" or "inactive".

Contractor Labor Reports must contain the following:

1. Correct project number.
2. Weekly payroll period ending date.
3. Employee's full name and last four digits of the Social Security number.
4. Employee's job classification. If the employee has worked at more than one classification during the period, each classification must be shown. If it is necessary for a Contractor or Subcontractor to employ an individual to perform duties included in a classification not established in the contract, the Contractor or Subcontractor shall request that an additional classification and minimum wage rate be established to cover the additional duties.
5. Employee's daily and weekly hours worked in each job classification including applicable overtime hours worked in each job classification.
6. Employee's hourly wage rate or rates and, where applicable, their overtime hourly wage rate or rates. Special Provisions in the contract require that each laborer or mechanic be paid at least the minimum

wage rate established in the contract for their particular classification. The Work Hours Act of 1986 requires that each laborer or mechanic be paid for their overtime hours at a rate not less than one and one-half times their basic hourly rate of pay. All hours worked in excess of forty hours in a workweek must be paid at an overtime rate. If, for any reason, a Contractor is found in violation of the overtime requirement, liquidated damages must be calculated against the Contractor in the amount of \$10.00 for each calendar day on which the affected employee was permitted to work the overtime.

7. Employee's itemized deductions. All deductions made must be either required (such as Social Security and Income Taxes) or must be authorized by the individual.
8. Employee's net wages paid. In all cases, the net amount indicated on the payroll must agree with the actual pay received by the employee.
9. Employee's ethnic group.
10. Employee's gender.

LABOR COMPLIANCE REVIEWS

It shall be the responsibility of the Project Manager to insure the Contractor and Subcontractors are in compliance with the contract labor provisions. The Project Manager shall make detailed labor compliance reviews in accordance with the following: If the project is of short duration, that is six months or less, at least one review is required; on all other projects at least two reviews are required and additional reviews may be directed. These reviews shall include the labor payrolls beginning with the basic time record and following through the canceled check, subcontract documents for inclusion of labor rates and other pertinent data, and interviews with employees with reference to payroll data and classification information. Statements made by employees in interviews, whether orally or in writing, shall be treated as confidential. The Project Manager shall furnish one copy of their labor compliance reviews to the Division Office.

In making the reviews, if the Project Manager finds any deficiencies in payments made to the Contractor's or a Subcontractor's employees, immediate action shall be taken as follows:

1. The Project Manager will notify the Contractor in writing of the error and will provide one copy of the letter to the Division Office. The letter will be held in suspense until full restitution has been made to the affected employee or employees.
2. The Contractor or Subcontractor involved shall prepare their Form AL 100, a supplemental payroll paying the employee the additional amount owed, and a letter of explanation as to how the error occurred, and corrective measures taken to prevent a reoccurrence. The Project Manager shall provide one copy of the supplemental payroll and letter to the Division Office.
3. The Division Office will maintain appropriate files for periodic review by representatives of the Federal Highway Administration.