

# Prevailing Wage Requirements for Ready-Mix Concrete

Presented by:  
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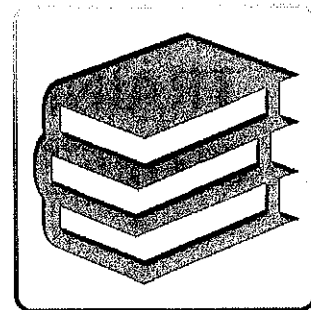
## TRAINING OBJECTIVE

- Provide background and information on prevailing wage requirements for contracts awarded on or after **July 1, 2016**.
- Provide statutory regulations governing prevailing wage requirements.
- Familiarize Ready-Mix Concrete companies with Department of Industrial Relations (DIR) wage determinations.
- Explain certified weekly payroll records and how to appropriately complete the documentation required to submit for processing on Caltrans contracts.

# PREVAILING WAGE LAWS & LABOR COMPLIANCE HISTORY

## LABOR CODE SECTION 1722.1

For the purposes of this chapter, "contractor" and "subcontractor" include a contractor, subcontractor, licensee, officer, agent, or representative thereof, acting in that capacity, when working on public works pursuant to this article and Article 2 (commencing with Section 1770).



**Labor Code  
1720.9**  
(Assembly Bill No. 219)

- Approved by Governor Brown on October 10, 2015.
- Expands the definition of "public works" to include the hauling and delivery of ready-mixed concrete.
- Requires the prevailing wage rate to be applicable to the geographic area in which the concrete factory or batch plant is located.
- Requires "contractor" and "subcontractor" to enter into a written agreement.
- Requires entity hauling to submit payroll and time records to the prime contractor within five (5) working days **after** the employee has been paid.
- Effective for contracts which are awarded **on or after July 1, 2016**.

**STATE OF  
CALIFORNIA  
PREVAILING  
WAGE  
REQUIREMENTS**

LABOR CODE  
§1720- §1815

- Ready-mix additional requirements found in §1720.9

CALIFORNIA CODE  
OF REGULATIONS,  
CHAPTER 8,  
SUBCHAPTER 3

- §16000 - §16403 Payment of Prevailing Wages upon Public Works

CONTRACTUAL  
PROVISIONS

- Caltrans *Standard Specifications* for Construction contracts
- Maintenance and Service contracts (State Service Agreement STD-213)

## CALTRANS LABOR COMPLIANCE

Caltrans has a Department of Industrial Relations (DIR) approved Labor Compliance Program (LCP), also known as a "Legacy Program":

- ✓ Approved in 1990.
- ✓ Caltrans has authority to monitor and enforce the prevailing wage requirements on its awarded contracts.
- ✓ Caltrans contracts are exempt from electronic reporting of payrolls to DIR.
- ✓ Caltrans is subject to additional requirements under Labor Code 1771.5 and California Code of Regulations, Title 8, as a condition of the LCP.

## CALTRANS LABOR COMPLIANCE PROGRAM

Labor Code §1771.5 requirements for an approved program, includes, but are not limited to:

- Construction contracts over \$25,000 are subject to prevailing wage requirements
- Maintenance contracts over \$15,000 are subject to prevailing wage requirements
- Pre-Job conference to be conducted
- Certified Payroll Records (CPRs) to be submitted directly Caltrans, not DIR
- Caltrans must review and confirm CPRs for prevailing wage requirements
- Caltrans may withhold payments for delinquent/inadequate CPRs
- Caltrans may withhold payments in the amount of any underpayments and anticipated penalties due to an investigation or identified violations
- Caltrans may audit payroll records

## **CALTRANS LABOR COMPLIANCE PROGRAM**

Caltrans has authority to audit payroll records. Should an audit be initiated, the contractor/subcontractor will receive a written notice for requested documents and submittal due dates.

### **Payroll Records per CCR, Title 8, 16000 are defined as:**

*Payroll Records. All time cards, cancelled checks, cash receipts, trust fund forms, books, documents, schedules, forms, reports, receipts or other evidences which reflect job assignments, work schedules by days and hours, and the disbursement by way of cash, check, or in whatever form or manner, of funds to a person(s) by job classification and/or skill pursuant to a public works project.*

## **DIR STATE WAGE DETERMINATION & CLASSIFICATIONS**

## WAGE DETERMINATION

### WHAT IS A WAGE DETERMINATION AND HOW DOES IT APPLY TO PREVAILING WAGE REQUIREMENTS?

- The wage determination for a contract is the prevailing wage rate of pay that is **required** for the life of the contract .
- In order to ensure the correct prevailing wage rate is being paid, the appropriate wage determination must be used.
- The appropriate wage determination is based on the advertised date of the contract.
- Once the appropriate wage determination has been identified, the contractor should only use the classifications within that determination year.

## WAGE DETERMINATION

DIR publishes two (2) wage determinations each year:

- 2/22 = Year-1
- 8/22 = Year-2

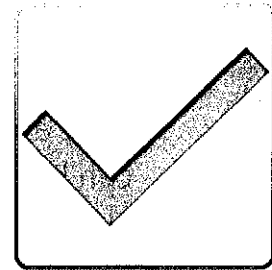
The determinations are effective 10 days after publication:

- 2/22 + 10 days = Effective 3/4/20XX (w/the exception of Leap Year 3/3)
- 8/22 + 10 days = Effective 9/1/20XX

## WAGE DETERMINATION BASED ON ADVERTISED DATE

### How does it work?

- The advertisement date determines which DIR publication and determination year the project will fall under.
- The prevailing wages in this determination year shall be effective for the life of the contract.



### A contract advertised:



- Between 3/4/19 - 8/31/19 = **2019-1 Determination Year**
- Between 9/1/19 - 3/3/20 = **2019-2 Determination Year**
- Between 3/4/20 - 8/31/21 = **2020-1 Determination Year**


## WAGE DETERMINATION

- The prime contractor is responsible to use the appropriate determination when bidding on a Caltrans project.
- All contractors/subcontractors working on public works projects are required to pay the prevailing wage rates for all applicable crafts and submit required records.
- General questions regarding prevailing wages and determinations (*post contract award*) may be directed to the prime contractor or the District's Labor Compliance Office.

## WAGE DETERMINATION CLASSIFICATIONS

- Each DIR wage determination contains a listing of specific classifications (crafts) which includes the required prevailing wage rate for that type of work.
- The appropriate classification for a Ready-Mix Concrete driver can be found in the "Statewide" region under the "Driver" classification.
- According to AB219 requirements, the geographic location of the batch plant will determine what wage rate shall be used within the "Driver" classification.

  State of California  
**Department of Industrial Relations**

 [Labor Law](#) [Cal/OSHA - Safety & Health](#) [Workers' Comp](#) [Self Insurance](#)

[Office of Policy, Research and Legislation](#) | [Director's General Prevailing Wage Determinations](#)

### Director's General Prevailing Wage Determinations

- [2018-2 General prevailing wage determinations menu \(journeyman\)](#)
- [2018-2 General prevailing wage apprentice determinations menu](#)
- [Superseded prevailing wage determinations](#)
- [Residential prevailing wage determinations](#)
- [Important notices \(Index 2006-1 to present\)](#)
- [Important notice: off-site fabrication decisions on appeal](#)
- [Frequently asked questions - Prevailing Wage](#)
- [Frequently asked questions - Off-Site Hauling](#)
- [Still have questions on prevailing wage?](#)

Current published rates, current bidders generally use this rate for current advertised projects

For projects already bid and awarded using prior publications.

September 2018 <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>

## Index 2018-2 general prevailing wage journeyman determinations

General prevailing wage determinations  
made by the director of industrial relations

Pursuant to California Labor Code part 7,

chapter 1, article 2, sections 1770, 1773, and 1773.1

The effective date of each determination is ten (10) days after the issue date. (8 CCR § 16000). The general determinations are issued twice a year (February 22nd and August 22nd) and go into effect ten days thereafter (March 3rd in a leap year and March 4th in a non-leap year for determinations issued on February 22nd, and September 1st for determinations issued on August 22nd).

To locate a particular journeyman craft or classification's prevailing wage determination, holiday, advisory scope of work, or travel and subsistence provision, please follow the six steps in the table below:

<b>Step one</b>	Statewide	First examine if your craft's determination is among the basic trades that apply to most counties in California.
<b>Step two (A)</b>	Northern California	If you have not found your craft in step one, check this area to see if your craft's determination is one of Northern California's basic trades.
<b>Step two (B)</b>	Southern California	If you have not found your craft in step one, check this area to see if your craft's determination is one of Southern California's basic trades.
<b>Step three</b>	San Diego	After following steps one and two (B), examine this area if your project is in San Diego County.
<b>Step four</b>	<input type="button" value="Choose a county"/> County determinations (subtrades) - excel format	If you have not found your craft in steps 1, 2, or 3, choose the county where work is being performed to examine the subtrades. HTML format.

Choose DIR Statewide to locate the Driver On/Off Hauling Rate

General prevailing wage determinations  
made by the director of industrial relations

Pursuant to California Labor Code part 7,  
chapter 1, article 2, sections 1770, 1773, and 1773.1

Download all statewide basic trade determinations (pages 1-2L)

Page	Determination	Holidays, scope of work, travel & subsistence	Predetermined Increase
1	Boilermaker-Blacksmith	<input type="button" value="Select One"/>	Increase
2	Iron Worker	<input type="button" value="Select One"/>	Increase
2A	Electrical Utility Lineman (a)	<input type="button" value="Select One"/>	Increase
2A-1	Electrical Utility Lineman (c)	<input type="button" value="Select One"/>	No increase *
2B-2B2	Telecommunications Technician	<input type="button" value="Select One"/>	No increase *
2B3	Telephone Installation Worker	<input type="button" value="Select One"/>	No increase *
2D-2F	Tree Trimmer (High Voltage Line Clearance)	<input type="button" value="Select One"/>	Increase
2H	Stator Rewinder	<input type="button" value="Select One"/>	No increase *
2I	Electrical Utility Lineman (b)	<input type="button" value="Select One"/>	No increase *
2J	Metal Roofing	<input type="button" value="Select One"/>	Increase
2K-2L	Driver (On/Off-Hauling To/From Construction Site)	<input type="button" value="Select One"/>	Increase

Choose the Driver On/Off Hauling Rate

Return to main table

# WAGE DETERMINATION: CLASSIFICATION

01

Once you have chosen the "Driver" link, click on the "MIXERTRUCKS" option

02

Choose the county where the *batch plant facility* is located

03

Once you have the appropriate county pulled up, review all provisions for the location to determine the rate(s) required

## Statewide provision selection page

General prevailing wage determinations made by the director of industrial relations

Pursuant to California Labor Code part 7, chapter 1, article 2, sections 1770, 1773, and 1773.1

Ready-Mix Concrete falls under the Scope of Work for Mixer Trucks

### Craft: Driver (On/Off Hauling to/from Construction Site)

Page	Classification	Holidays, scope of work, travel & subsistence	Predetermined increase
2K	Mixer Trucks	Select One ▾	Increase
2L	Dump Trucks	Select One ▾	No increase *

[Return to main table](#)

Craft: Driver (on/off hauling to/from construction site) - Mixer Trucks

Choose the county where batch plant is located

Page	Counties	Determination	Holidays, scope of work, travel & subsistence	Predetermined Increase
2K-1	Marin, Napa, Solano, and Sonoma Counties	C-MT-261-X-265	Select One v	No increase *
2K-2	Alpine, Amador, Calaveras, San Joaquin, and Tuolumne Counties	C-MT-830-261-5	Select One v	No increase *
2K-3	Butte, Colusa, El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties	C-MT-261-150-53	Select One v	No increase *
2K-4	Del Norte, Humboldt, and Mendocino Counties	C-MT-261-624-17	Select One v	No increase *
2K-5	Fresno, Madera, Mariposa, Merced, and Stanislaus Counties	C-MT-830-261-4	Select One v	No increase *
2K-6	Glenn, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama, and Trinity Counties	C-MT-830-261-2	Select One v	No increase *
2K-7	Imperial and San Diego Counties	C-MT-261-36-95	Select One v	Increase
2K-8	Inyo, Mono, and San Bernardino Counties	C-MT-830-261-12	Select One v	No increase *
2K-9	Kern, Kings, and Tulare Counties	C-MT-261-87-119	Select One v	No increase *

# PREVAILING WAGE DETERMINATION:

RATE OF PAY  
FOOTNOTES  
INCREASES

## RATE OF PAY

- The following rates are included on the prevailing wage classification:
  - Basic Hourly Rate
  - Employer Payments
  - Total Hourly Rate
  - Overtime Rate
  - Holiday Rate
  - Saturday and Sunday Rates
  - Footnotes
  - Pre-Determined Increases

## REQUIRED RATE(S) OF PAY

**Contractors and subcontractors performing prevailing wage work must comply with the following:**

- Pay the Basic Hourly Rate to employees as an hourly wage [PW Manual 4.2.2 & LC 1773.1(c)]
- Pay the total amounts identified under the Employer Payments
  - ✓ Either to an approved plan/program or directly to the employee
- Meet the required Total Hourly Rate [employee's hourly wage + any eligible Employer Payments (credit)]
- Pay the applicable Training Fees directly to a DIR approved apprentice program for all apprenticeable crafts
- Pay the Overtime Rate for all hours worked over 8 hours in a calendar day, and 40 hours in a calendar week
- Premium Rate(s) of Pay are required for any work performed on a Saturday/Sunday [regardless of whether employee has worked 40 hrs in a week]
- Pay the applicable Holiday Rate for any hours worked on a day that is recognized as a "holiday" [in accordance with the Holiday Provisions published for the specific classification]
- Pay the applicable Pre-Determined Increases
- Pay the applicable Compensable Travel Time [based on point of dispatch]
- Pay the applicable Travel Per Diem [in accordance with the Travel Provisions published for the specific classification]
- Pay the applicable Shift Rates [in accordance with the Shift Provisions published for the specific classification]

# REQUIRED RATE(S) OF PAY

Contractors and subcontractors performing prevailing wage work must comply w/the following:

1. Pay the Basic Hourly Rate to employees as an hourly wage [PW Manual 4.2.2 & LC 1773.1(c)]
2. Pay the total amounts identified under the Employer Payments
  - Either to an approved plan/program or directly to the employee
  - Employee benefits must be recognized as bona fide Employer Payments under California law to be eligible for credit towards the employee's hourly wage
3. Meet the required Total Hourly Rate [employee's hourly wage + any eligible Employer Payments (credit)]
4. Pay the applicable Training Fees directly to a DIR approved apprentice program for all apprenticeable crafts
5. Pay the Overtime Rate for all hours worked over 8 hours in a calendar day, and 40 hours in a calendar week
6. Premium Rate(s) of Pay are required for any work performed on a Saturday or Sunday [regardless of whether employee has worked 40 hrs in a week]
7. Pay the applicable Holiday Pay Rates for any hours worked on a day that is recognized as a "holiday" [in accordance with the Holiday Provisions published for the specific classification]
8. Pay the applicable Pre-Determined Increases [increase links, footnotes, etc.]
9. Pay the applicable Compensable Travel Time [based on point of dispatch]
10. Pay the applicable Travel Per Diem [in accordance with the Travel Provisions published for the specific classification]
11. Pay the applicable Shift Rates [in accordance with the Shift Provisions published for the specific classification]

# PREVAILING WAGE DETERMINATION

Page	Counties	Determination	Holidays, scope of work, travel & subsistence	Predetermined increase
2K-1	Alameda, Contra Costa, Marin, Napa, Solano, and Sonoma Counties	C-MT-261-X-265	Scope ▼	Increase
2K-2	Alpine, Amador, Calaveras, San Joaquin, and Tuolumne Counties	C-MT-830-261-5	Select One ▼	No increase *
2K-3	Butte, Colusa, El Dorado, Placer	C-MT-261-150-53	Scope ▼	Increase

# WAGE DETERMINATION: RATE BREAKDOWN

Determination: C-MT-830-261-12-2016-1

Issue Date: August 22, 2016

Expiration date of determination: September 30, 2016\* Effective until superseded by a new determination issued by the Director of Industrial Relations. Contact the Division of Labor Statistics and Research at (415) 703-4774 for the new rates after 10 days from the expiration date, if no subsequent determination is issued.

Localities: All localities within Inyo, Mono and San Bernardino Counties.

Classification	Basic Hourly Rate	Employer Payments					Straight-Time Hours	Total Hourly Rate	Overtime Hourly Rate	
		Health And Welfare	Pension	Vacation And Holiday	Training	Other			Daily (1½ X)	Sunday/Holiday (1½ X)
Driver: Mixer Truck	\$19.05	\$6.66 <sup>a</sup>	\$1.71	\$1.17 <sup>b</sup>	-	-	8.0	\$28.59	\$38.115 <sup>c</sup>	\$38.115

<sup>a</sup> The contribution applies to all hours until \$1155.24 is paid for the month.

<sup>b</sup> \$1.54 after 7 years of service

\$1.91 after 14 years of service

<sup>c</sup> Rate applies to work in excess of eight (8) hours daily and forty (40) hours weekly.

\* There is no predetermined increase applicable to this determination.

**BASIC HOURLY RATE (\$19.05) + CONTRACTOR PAYMENTS (\$9.54) =**  
**TOTAL HOURLY RATE REQUIRED (\$28.59)**

## WAGE DETERMINATION: FOOTNOTES

- Wage determinations also include footnotes which give additional direction to the specified classifications:
- Increases based on service years
  - Additional pay based on hour and/or location
  - Calculation of wages direction

## WAGE DETERMINATION: FOOTNOTES

<sup>a</sup> The contribution applies to all hours until \$1097.30 is paid for the month.

<sup>b</sup> \$1.33 after 4 years of service  
\$1.61 after 14 years of service  
\$1.90 after 24 years of service

<sup>c</sup> Rate applies to work in excess of eight (8) hours daily and forty (40) hours weekly.

\* There is no predetermined increase applicable to this determination.

## WAGE DETERMINATION: CALCULATIONS

- **Total Hourly Rate of Pay**  
Basic Hourly Rate + Fringe Benefits
  
- **Overtime Rate of Pay & Saturday Rate of Pay Calculation**  
(new BHR x 1.5) + Fringe Benefit
  
- **Sunday Rate of Pay & Holiday Rate of Pay Calculation**  
(new BHR x 2) + Fringe Benefit

## WAGE RATE: OVERTIME

**Labor Code 1810-1815 dictates overtime requirements for work subject to prevailing wage:**

- ✓ Eight hours labor constitutes a legal day's work.
- ✓ The time of service of any worker employed upon public work is limited and restricted to 8 hours during any **one calendar day**, and 40 hours during any one calendar week.
- ✓ Every contractor and subcontractor shall keep an accurate record showing the name of and **actual hours worked each calendar day and each calendar week** by each worker employed by him or her in connection with the public work.
- ✓ The contractor or subcontractor shall, as a penalty forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract not paid appropriately.
- ✓ For all work hours exceeding 8 hours per day, and 40 hours during any one week, payment shall be 1½ times the basic rate of pay.

## WAGE RATE: EXCEPTIONS

### California Code of Regulations Section 16200

- **Exception 1:** If a workweek other than Monday through Friday is a fixed business practice or is required by the awarding body, no overtime payment is required for the first eight hours on Saturday or Sunday.
- **Exception 2:** If the collective bargaining agreement provides for Saturday and Sunday work at straight-time, no overtime payment is required for the first eight (8) hours on Saturday or Sunday.
- **Exception 3:** If the awarding body determines that work cannot be performed during normal business hours or work is necessary at off hours to avoid danger to life or property, no overtime is required for the first eight hours in any one calendar day, and 40 hours during any one calendar week.
- **Exception 4:** No overtime payment is required for less than 40 hours in a standard work week or for less than eight hours in a calendar workday unless specified in the collective bargaining agreement used as the basis for the prevailing wage determination.

This does not apply to Saturday/Sunday required premium rate (if applicable)

## WAGE RATE: PRE-DETERMINED INCREASE

- Pre-determined increases are available at the time of publication for a wage determination
- The pre-determined increases must be taken into consideration as the increase is the required rate of pay during the course of the contract.
- Not all classifications have pre-determined increases. If there is no predetermined increase, the classification will indicate "**No Increase\***".
- If a pre-determined increase exists for the classification there will be a blue link and will indicate "**Increase\***".
- Pre-determined increases may also be identified by the **asterisk** sign located next to the expiration date of the wage determination.

**WAGE RATE:  
PRE-DETERMINED  
INCREASE**

**Craft: Driver (on/off hauling to/from construction site) - Mixer Trucks**

Page	Counties	Determination	Holidays, scope of work, travel & subsistence	Predetermined Increase
2K-1	Marin, Napa, Solano, and Sonoma Counties	C-MT-261-X-265	Holidays	No increase *
2K-2	Alpine, Amador, Calaveras, San Joaquin, and Tuolumne Counties	C-MT-830-261-5	Holidays	No increase *
2K-3	Butte, Colusa, El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties	C-MT-261-150-53	Select One	No increase *
2K-4	Del Norte, Humboldt, and Mendocino Counties	C-MT-261-624-17	Select One	No increase *
2K-5	Fresno, Madera, Mariposa, Merced, and Stanislaus Counties	C-MT-830-261-4	Select One	No increase *
2K-6	Glenn, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama, and Trinity Counties	C-MT-830-261-2	Select One	No increase *
2K-7	Imperial and San Diego Counties	C-MT-261-36-95	Select One	Increase
2K-8	Inyo, Mono, and San Bernardino Counties	C-MI-830-261-12	Travel	No increase *
2K-9	Kern, Kings, and Tulare Counties	C-MT-261-87-119	Select One	No increase *
2K-10	Lake County	C-MT-261-624-18	Select One	No increase *
2K-11	Los Angeles, Orange, and Ventura Counties	C-MT-261-X-258	Travel	No increase *

**WAGE RATE:  
PRE-DETERMINED INCREASE**

GENERAL PREVAILING WAGE DETERMINATION MADE PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1 FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY (

Next to the expiration date:

**CRAFT: DRIVER (ON/OFF-HAULING IC**

\* = No pre-determined increase

\*\* = Pre-determined increase

Determination: C-MT-261-X-265-2016-1

Issue Date: February 22, 2016

Expiration date of determination: **June 30, 2016\*\*** The rate to be paid for extend past this date, the new rate must be paid and should be incorporated in Research Unit for specific rates at (415) 703-4774.

**DRIVER (ON/OFF-HAULING TO/FROM CONSTRUCTION SITE)  
(Determination C-MT-261-36-95-2018-1)**

**IN ALL LOCALITIES WITHIN IMPERIAL AND SAN DIEGO COUNTIES**

This predetermined increase for the above named craft applies only to the above referenced determination for work being performed on public works projects with bid advertisement dates on or after March 4, 2018 until this determination is superseded by a new determination or a predetermined increase modification notice becomes effective.

When referencing our prevailing wage determinations, please note that if the prevailing wage rate determination which was in effect on the bid advertisement date of a project has a single asterisk (\*) after the expiration date, the rate will be good for the life of the project. However, if a prevailing wage rate determination has double asterisks (\*\*) after the expiration date, the rate must be updated on the following date to reflect the predetermined rate change(s).

**Ready Mix Driver**

Determination C-MT-261-36-95-2018-1 is currently in effect and expires on October 28, 2018\*\*.

**WAGE RATE:  
PRE-DETERMINED  
INCREASE**

Effective October 29, 2018, there will be an increase of \$0.51 as follows: \$0.50 to the Basic Hourly Rate and \$0.01 to Vacation and Holiday.

After 1 year of service: Effective October 29, 2018, there will be an increase of \$0.52 as follows: \$0.50 to the Basic and \$0.02 to Vacation and Holiday.

After 7 years of service: Effective October 29, 2018, there will be an increase of \$0.53 as follows: \$0.50 to the Basic Hourly Rate and \$0.03 to Vacation and Holiday.

After 14 years of service: Effective October 29, 2018, there will be an increase of \$0.54 as follows: \$0.50 to the Basic Hourly Rate and \$0.04 to Vacation and Holiday.

Effective November 1, 2018, there will be an increase of \$0.45 to Pension.

Effective January 1, 2019, there will be an increase of \$0.48 to Health and Welfare.

*There will be no further increases applicable to this determination.*

**WAGE RATE:  
PRE-DETERMINED INCREASE FOOTNOTES**

If the footnotes indicate there is an increase in a rate after years of service for an employee, those rates must be adjusted accordingly and included in the calculation for the individual employee.

**EXAMPLE:**

- The original rate is \$1.47 to vacation for San Diego Co. 2018-2.
- Footnote shows after 1 year of service the employees vacation rate is increased to \$2.00.
- There is a \$0.53 increase in the vacation minimum required rate for that employee.
- The \$0.53 is added to the total hourly rate required.

## WAGE RATE: PRE-DETERMINED INCREASE CALCULATIONS

When there is a pre-determined increase the contractor must include the increased amount to the employees rate of pay on the effective date, as well as consider any footnote increases:

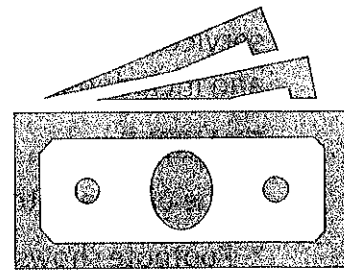
### EXAMPLE

A project has a wage determination of 2018-2. The batch plant facility is in San Diego County.

Employee who has worked for 3 years

- Original total hourly rate required to be paid: \$42.10 (footnotes show service increase of vacation rate from \$1.47 to \$2.00 after 1 year of service)
- On 10/29/18 an increase of \$0.52 becomes effective for employee(s) with more than 1 year service, new total rate \$42.62
- On 11/1/18 an increase of \$0.45 becomes effective for all workers. New total rate \$43.07
- On 1/1/19 an increase of \$0.48 becomes effective for all workers. New total rate \$43.55

## EXERCISE #1: CALCULATING TOTAL RATE OF PAY



# PREVAILING WAGE DETERMINATION: PROVISIONS

## PREVAILING WAGE DETERMINATION: PROVISIONS

Prevailing wage rate(s) are not just the craft rate(s), but the provisions associated with the contract. Provisions include:

- Scope of Work
- Holiday
- Travel
- Shift (if applicable)

All provisions should be reviewed to identify if there are additional requirements under prevailing wage.

## PREVAILING WAGE DETERMINATION: PROVISIONS

Craft: Driver (on/off hauling to/from construction site) - Mixer Trucks

Page	Counties	Determination	Holidays, scope of work, travel & subsistence	Predetermined Increase
2K-1	Marin, Napa, Solano, and Sonoma Counties	C-MT-261-X-265	Select One Holidays Scope Travel	No increase *
2K-2	Alpine, Amador, Calaveras, San Joaquin, and Tuolumne Counties	C-MT-830-261-5	Select One	No increase *
2K-3	Butte, Colusa, El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties	C-MT-261-150-53	Select One	No increase *
2K-4	Del Norte, Humboldt, and Mendocino		Select One	No increase *

## SCOPE OF WORK

- The DIR Scope of Work determines which classification(s) may be used for the type of work performed.
- DIR's current Scope of Work for the "Mixer Truck" has been identified as the most appropriate classification for the Ready-Mix Concrete driver.
- Contractors may obtain the Scope of Work directly from DIR's website for review and confirmation.

## SCOPE OF WORK

SCOPE OF WORK PROVISION

FOR

DRIVER: MIXER TRUCK

IN

BUTTE, COLUSA, EL DORADO, PLACER, SACRAMENTO,  
SUTTER, YOLO AND YUBA COUNTIES

### DICTIONARY OF OCCUPATIONAL TITLES (4th Ed., Rev. 1991) -- OCCUPATIONAL GROUP ARRANGEMENT

#### 900 CONCRETE-MIXING-TRUCK DRIVERS

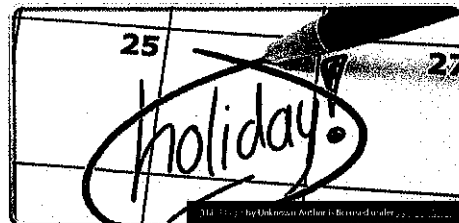
This group includes occupations concerned with driving a truck and controlling a mounted concrete mixer to mix concrete and transport it to construction sites and dumping mixed concrete into chutes leading to forms.

**900.683-010 CONCRETE-MIXING-TRUCK DRIVER (construction)**  
alternate titles: batch-mixing-truck driver; moto-mix operator;  
ready-mix-truck driver; transit-mix operator

Drives truck equipped with auxiliary concrete mixer to deliver concrete mix to job sites: Drives truck under loading hopper to receive sand, gravel, cement, and water and starts mixer. Drives truck to location for unloading. Moves levers on truck to release concrete down truck chute into wheelbarrow or other conveying container or directly into area to be poured with concrete. Cleans truck after delivery to prevent concrete from hardening in mixer and on truck, using water hose and hoe. May spray surfaces of truck with protective compound to prevent adhering of concrete. May assemble cement chute.  
GOE: 05.08.03 STRENGTH: M GED: R3 M1 L1 SVP: 3 DLU: 86

## HOLIDAY PROVISIONS

- Holiday provisions can be found using the same drop down box used to locate the Scope of Work
- Each geographical area has its own recognized holidays
- If a worker is hauling ready-mix concrete on a day identified as a holiday per the provisions, they are to be paid at the appropriate Holiday Rate of Pay



# HOLIDAY PROVISION

CA 94102

San Francisco

P.O. Box 420603  
CA 94142-0603

## HOLIDAY PROVISION

FOR

DRIVER:  
MIXER TRUCK

IN

ALPINE, AMADOR, CALAVERAS,  
SAN JOAQUIN AND TUOLUMNE COUNTIES.

Pursuant to Labor Code section 1773 the holidays for this craft are upon Government Code section 6700.

6700. The holidays in this state are:

- (a) Every Sunday.
- (b) January 1st.
- (c) The third Monday in January, known as "Dr. Martin Luther King Jr. Day."
- (d) February 12th, known as "Lincoln Day."
- (e) The third Monday in February.
- (f) March 31st known as "Cesar Chavez Day."
- (g) The last Monday in May.
- (h) July 4th.
- (i) The first Monday in September.
- (j) September 9th, known as "Admission Day."
- (k) The second Monday in October, known as "Columbus Day."
- (l) November 11th, known as "Veterans Day."
- (m) December 25th.
- (n) Good Friday from 12 noon until 3 p.m.
- (o) Every day appointed by the President or Governor for a public fast, thanksgiving, or holiday.

Except for the Thursday in November appointed as Thanksgiving Day this subdivision and subdivisions (c) and (f) shall not apply to a city, county, or district unless made applicable by charter, or by ordinance or resolution of the governing body thereof.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

# HOLIDAY PROVISION

## HOLIDAY PROVISION

FOR

MIXER DRIVER

IN

SANTA BARBARA COUNTY

### Article 7 PAID HOLIDAYS

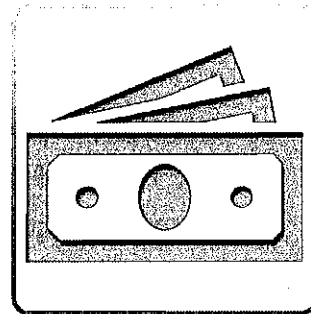
Section 1. Holidays Paid. All eligible employees shall receive eight (8) hours pay at their straight time rate set forth in Section 1, and (where applicable) Section 4 of Article 4 of the following holidays not worked: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Day and a Company Designated holiday. A Veteran as defined by Federal law may designate Veteran's Day as his or her designated holiday. Veterans Day must be designated by an eligible employee by January 31. When any one of these holidays falls on a Sunday, the day designated by the Governor of the State of California shall apply, in such cases, as the holiday. (As to a holiday occurring during vacation, see Article 8, Section 1.)

Section 2. Eligibility. Each employee who has been on the payroll of the Employer for a period of one (1) month or more shall be eligible for holiday pay, provided that:

- (A) he works his full scheduled shift on the working day immediately before and following such holiday unless:
  - (1) his absence is caused by illness
  - (2) his absence is excused by the Employer, or
  - (3) he is laid off on either of such days by the Employer, and
- (B) he performs some work on any of the five (5) working days immediately before or the five (5) working days immediately after such holiday, unless he is a driver who has been off due to a breakdown of his truck or unless he is on a paid vacation to which he is entitled under Article 8 hereof, and
- (C) he did not refuse to work on such holiday, if requested.

## TRAVEL PROVISIONS

- Travel provisions give direction if/when per diem subsistence may apply
- The travel rate(s) are in addition to the hourly rate(s) of pay required and are not considered part of the work day
- The travel provisions may include requirements for:
  - *Lodging*
  - *Mileage*
  - *Per diem*



## TRAVEL PROVISION

### ARTICLE XIX USE OF PERSONAL VEHICLES

When an employee is required to use their personal vehicle to report to other than their base location, they shall receive the Internal Revenue Service's standard mileage rate for business use per road mile round trip from their established base location to their reporting location, provided the distance between such plants is greater than ten (10) miles and provided the new location is further from the employee's residence than the employee's base location.

## TRAVEL & SUBSISTENCE vs. COMPENSABLE TRAVEL TIME

- There are two distinct types of travel, each with their own requirements
  - **Regular travel/subsistence**
    - ✓ Additional pay required due to employee outside of their hourly rate and work day
    - ✓ Captured via the Fringe Benefit Statement
  - **Compensable travel time**
    - ✓ Part of the workday, hourly rate to be paid at full journeyman level
    - ✓ Subject to overtime requirements
    - ✓ Captured in the weekly certified payroll as part of hour worked by employee

## COMPENSABLE TRAVEL TIME PER DIR

4.1.5

### Compensable Travel Time.

Travel time related to a public works project constitutes "hours worked" on the project, which is payable at not less than the prevailing rate based on the worker's classification, unless the Director's wage determination for that classification specifically includes a lesser travel time rate. (See Director's Decision in *In the Matter of Kern Asphalt Paving & Sealing Co., Inc.* (March 28, 2008), Case No. 04-0117-PWH. (See also *Morillon v. Royal Packing Co.* (2000) 22 Cal.4<sup>th</sup> 575).)

Travel time required by an employer after a worker reports to the first place at which his or her presence is required by the employer is compensable travel time, and includes travel to a public work site, whether from the contractor's yard, shop, another public work site, or a private job site. All such compensable travel time must be paid at the same prevailing wage rate required for the work actually performed by the worker at the public works site. No additional facts, such as whether tools or supplies are being delivered by the worker to the site, need be present.

# PREVAILING WAGE & PAYROLL REQUIREMENTS

## PAYROLL REQUIREMENTS

- The following certified weekly payroll records are required:
  - Fringe Benefit Statement (CEM-2501)
  - Contractor/Subcontractor Weekly Certified Payroll (CEM-2502)
  - Statement of Compliance (CEM-2503)
  - Driver certified timesheet (specific to Labor Code 1720.9)
- Contractors may use their own forms, however they must contain all required labor code elements and information required on Caltrans forms\*\*

# CONTRACTOR/SUBCONTRACTOR WEEKLY CERTIFIED PAYROLL

## CONTRACTOR/SUBCONTRACTOR WEEKLY CERTIFIED PAYROLL

**LABOR CODE §1776(a) AND §1776(c) REQUIRES THE FOLLOWING ELEMENTS TO BE REPORTED ON THE WEEKLY CERTIFIED PAYROLL RECORD:**

- ✓ Name, address and full social security number of each employee
- ✓ Classification of work (the most appropriate classification for Ready-Mix Concrete work is "DRIVER")
- ✓ Hourly and overtime rate of pay
- ✓ Week ending date, date and day of work, hours worked each day and total hours for the week
- ✓ Gross & Net pay with deductions
- ✓ Check number or direct deposit transaction number
- ✓ Project location
- ✓ Federal-Aid Number
- ✓ Caltrans Contract number

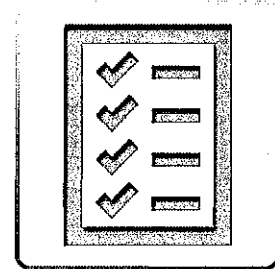




# PREVAILING WAGE REQUIREMENTS: STATEMENT OF COMPLIANCE

The submitted weekly payroll record is not considered certified without a Statement of Compliance:

- Must include all language on the CEM-2503 form and be signed under "Penalty of Perjury"
- First and Last Day of Pay Period required (corresponding to dates on the weekly certified payroll record)
- **ITEM 2:** Director of Department of Industrial Relations is the required wage rate for DRIVER
- **ITEM 4:** This section is completed based on the contractor's payment process
- Should include any explanation for "other" deductions reported on weekly payroll record



STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION  
**STATEMENT OF COMPLIANCE**  
CEM-2503 (REV. 8/1999)

CONTRACTOR/SUBCONTRACTOR	CONTRACT NUMBER
FIRST DAY AND DATE OF PAY PERIOD	LAST DAY AND DATE OF PAY PERIOD

I do hereby certify under penalty of perjury:

- (1) That I pay or supervise payment to employees of the above-referenced contractor on the above-referenced contract. All persons employed on said project for the above-referenced time period have been paid their full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said contractor from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person other than permissible deductions.
- (2) That any payroll otherwise under this control required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates:
  - (a)  Specified in the applicable wage determination incorporated into the contract;
  - (b)  Determined by the Director of Industrial Relations for the county or counties in which the work is performed; that the classification set forth therein for each laborer or mechanic conform with the work he or she performed.
- (3) That any apprentice employees in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency.
- (4) That fringe benefits as listed in the contract:
  - (a)  Have been or will be paid to the approved plan(s), fund(s), or program(s) for the benefit of listed employee(s), except as noted below.
  - (b)  Have been paid directly to the listed employee(s), except as noted below.
  - (c)  See exceptions noted below.

REMARKS:	
?	?

NAME (PLEASE PRINT):	TITLE
SIGNATURE	DATE

## SoC: "Other" deductions

(\*) That fringe benefits as listed in the contract:

- (a)  Have been or will be paid to the approved plan(s), fund(s), or program(s) for the benefit of listed employee(s), except as noted below.
- (b)  Have been paid directly to the listed employee(s), except as noted below.
- (c)  See exceptions noted below.

Painter: Training Funds	Training Funds Paid to:
	California Apprenticeship Council
	P.O. Box 511283
	Los Angeles, CA 90051-7838

REMARKS Employee Name Here "Other" - Additional voluntary Deductions for Health Insurance (dependant coverage) paid to California Choice  
 Employee Name Here "Other" - \$13.84 reimbursement out of pocket phone exp  
 \$4.417 Child Support Order Deduct paid to Cal. State Disbursement Unit.

# OWNER-OPERATOR WEEKLY PAYROLL

# OWNER-OPERATOR PAYROLLS

- If the work is being performed by an *bona-fide* "owner-operator", the CEM-2505 "Owner-Operator Listing" may be used in lieu of the contractor/subcontractor weekly payroll.
- The contractor employing an owner-operator must complete the forms and sign the Statement of Compliance (SoC).
- The forms will not be accepted from the equipment owner-operator unless the hiring contractor signs the owner-operator Statement of Compliance.
- All required information, including the equipment used, and license number must be present.
- Owner-Operator is not a DIR recognized classification, the work classification reported would be based on the type of equipment they operated and the appropriate classification DIR has identified for that type of work.
  - In ready-mix cases, the classification reported remains DRIVER: Mixer truck.
- The form is not to be used to capture *employees* of a company who are performing the work.

# OWNER-OPERATOR LISTING

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION  
**OWNER-OPERATOR LISTING**  
 CEM-2505 (REV 07/2015)

Look Data on Form: ADA Notice

For individuals with sensory disabilities, this document is available in alternate formats. For information, call (916) 646-1223, TTY 711, or write to Records and Public Information, 1220 H Street, MS-99, Sacramento, CA 95834.

NAME OF CONTRACTOR EMPLOYING OWNER OPERATOR(S)		PUBLIC WORKS CONTRACTOR REGISTRATION NUMBER		ADDRESS										
PAYROLL NO.		FOR WEEK ENDING		PROJECT AND LOCATION		CONTRACT NO.								
NAME, ADDRESS, SOCIAL SECURITY NO. AND CONTRACTOR LICENSE NO. OF OWNER-OPERATOR (IF ANY)	WORK CLASSIFICATION	DESCRIPTION OF EQUIPMENT	TRUCK CALT NO. AND/OR EQUIP. LICENSE NO.	DAY AND DATE							TOTAL WEEKLY HOURS	HOURLY RATE OF PAY	GROSS PAYMENT EARNED	CHECK NO.
				ST	OR	OT								
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NOTE: CERTIFICATION WILL BE ACCEPTED ONLY FROM THE CONTRACTOR EMPLOYING THE OWNER OPERATOR. IT WILL NOT BE ACCEPTED FROM THE OWNER OPERATOR HIM/HERSELF.

# FRINGE BENEFITS

## FRINGE BENEFITS

### FRINGE BENEFITS ARE ALSO REFERRED TO AS EMPLOYER PAYMENTS

Labor Code 1773.1 allows contractors and subcontractors to receive credit for employer payments: California Code of Regulations §16000 defines employer payments as:

#### Employer Payments Include:

- (1) The rate of contribution irrevocably made by a contractor or subcontractor to a trustee or to a third person pursuant to a fund, plan, or program for the benefit of employees, their families and dependents, or retirees;
- (2) The rate of costs to the contractor or subcontractor which may be reasonably anticipated in providing benefits to employees, their families and dependents or to retirees pursuant to an enforceable commitment or agreement to carry out a financially responsible plan or program which was communicated in writing to the workers affected; and
- (3) The rate of contribution irrevocably made by the contractor or subcontractor for apprenticeship or other training programs authorized by Section 3071 and/or 3093 of the Labor Code.

## FRINGE BENEFITS

- Requirements of a Fringe Benefit:
  - Irrevocable, in writing, to a 3<sup>rd</sup> party trust, fund or program
  - Cannot decrease the basic hourly rate of payment required by DIR's determination
  
- What qualifies as a Fringe Benefit?
  - Contractor payments for medical, pension, insurance etc.
  - Does not include: workers comp, sick leave or any other benefit required by law

## FRINGE BENEFITS

- Employer payments are not part of the employee's hourly rate of pay, rather a payment made to a plan/fund/program that benefits the employee. Therefore; the payments are not captured on the weekly certified payroll record.
  
- If an employer wishes to receive credit for payments made on behalf of the employee, they must submit a completed **Fringe Benefit Statement (FBS)**.

## FRINGE BENEFITS

- The contractor's completed FBS is submitted to receive credit for benefits in which they pay directly to a 3<sup>rd</sup> party trust, fund, or program that benefits the employee.
- The form must be submitted with the first payroll and if/when fringe benefit amounts or subsistence changes.
- The form must reflect the hourly amount to be credited towards the employees hourly rate of pay.
- The form must include the name and address of where the fringe benefit is being paid to.
- The form must be signed under penalty of perjury.

## FRINGE BENEFITS

### HOW DO I CALCULATE THE HOURLY RATE FOR A FRINGE BENEFIT?

- Often times Fringe Benefits are paid monthly, quarterly, bi-annually or annually and do not have an official hourly rate
- In order to find the hourly rate required on the FBS, the contractor must conduct a method called the "Annualization" principle of the fringe benefit
- The benefit is calculated to a yearly/annual rate and then divided by the full time employees hours worked in a year: **2,080 hours**
  - **EXAMPLE:** Medical is paid by the contractor at the rate of \$200 per month  
 $\$200 \times 12 = \$2,400$  a year  
 $\$2,400$  divided by **2,080 hours** is: \$1.15 hourly credit

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION  
**FRINGE BENEFIT STATEMENT**  
 CEM-2501 (REV 8/1994)

CONTRACTOR OR SUBCONTRACTOR (Please Print)		CONTRACT NUMBER	FEDERAL AID PROJECT NUMBER	DATE
TO: RESIDENT ENGINEER OR DISTRICT LABOR COMPLIANCE OFFICER		BUSINESS ADDRESS		

Labor Compliance uses the following fringe benefits information (shown or referenced on wage rate determinations) paid to or on behalf of employees in various crafts or classifications to check payrolls or apply to force account work on the above contract.

COMPLETE AND SUBMIT THIS FORM WITH THE FIRST CERTIFIED PAYROLL OR WHEN THERE HAVE BEEN CHANGES.

Give Classification / Employee Name

Classification	Fringe Benefit Hourly Amount	Name and Address of Plan, Fund, or Program
<input type="text"/> Effective Date _____ Subsistence and/or Travel Pay \$ _____	Vacation \$ _____ Health and Welfare \$ _____ Pension \$ _____ Apprentice or Training Fees \$ _____ Other \$ _____	Complete thoroughly
Classification <input type="text"/> Effective Date _____ Subsistence and/or Travel Pay \$ _____	Vacation \$ _____ Health and Welfare \$ _____ Pension \$ _____ Apprentice or Training Fees \$ _____ Other \$ _____	

## FRINGE BENEFITS

Calculation to determine employees total hourly rate (loaded rate) is paid:

➤ Hourly Rate on CPR + Total Hourly Fringe Credit = Total Hourly Rate Paid to Employee

➤ **EXAMPLE:**

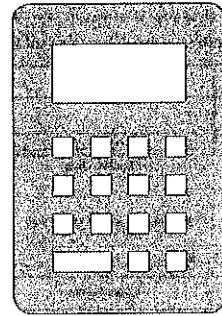
• Hourly Rate on CPR for employee = \$25.00/hour

• Hourly Rate of Fringe Credit paid by the employer for the employee's medical & pension = \$6.00/hour

**TOTAL RATE of PAY: \$31.00/hour**

This Total Rate is then cross referenced to the Total Hourly Rate required by DIR to ensure the minimum required rate(s) are paid.

**EXERCISE #2:  
FRINGE BENEFIT  
CALCULATION &  
REPORTING**



**DRIVER CERTIFIED  
TIME RECORD**

## DRIVER CERTIFIED TIME RECORDS

- Labor Code 1720.9 requires drivers certified timecards to be submitted as part of the weekly certified payroll records.
- Per Caltrans *Standard Specifications Section 7-1.02K(3)* the prime contractor is required to submit all timecards with the required certified payroll records no later than the 15<sup>th</sup> of the month for the prior month's work.
- There is currently no specific form for recording timecards. However; the *Standard Specifications* provides a listing of required information which must be present on the timecards.
- Failure to submit the timecards will result in a delinquent payroll record which in turn may be subject to withholds and penalties.

## DRIVER CERTIFIED TIME RECORD

### **Standard Specifications 7-1.02K(3)**

Submitted certified payrolls for hauling and delivering ready-mixed concrete must be accompanied by a written time record. The time record must include:

1. *Truck driver's full name and address*
2. *Name and address of the factory or batching plant*
3. *Time the concrete was loaded at the factory or batching plant*
4. *Time the truck returned to the factory or batching plant*
5. *Truck driver's signature certifying under penalty of perjury that the information contained in this written time record is true and correct*

## DRIVER CERTIFIED TIME RECORDS

- Electronic reporting systems with electronic signatures *may* be accepted.
  - All required information identified in the *Standard Specifications* must be present
  - The driver must sign the time record electronically and certify the information
  - If the electronic reporting system utilizes assigned ID numbers in lieu of driver names, additional records may be required for identity verification
- Contact the district labor compliance office to ensure that your electronic reporting system meets all requirements and whether any additional documentation may be required.

**01**

### The Fringe Benefit Statement (FBS)

Must be due with the first weekly payroll records and resubmitted whenever fringe or subsistence amounts change

**02**

### The Weekly Certified Payroll Record

Must include all information required by Labor Code, including all information reflected in the Caltrans form CEM-2502, and be submitted by the 15<sup>th</sup> of each month for the prior month's work

**03**

### The Statement of Compliance

Must be completed, signed under Penalty of Perjury, and submitted along with every weekly certified payroll record

**04**

### Driver Certified Time Record

Must include all required information at submittal.

## PAYROLL RECORDS: OVERVIEW

## PAYROLL SUBMISSION

## PAYROLL SUBMISSION

- Labor Code §1720.9 requires payroll records to be submitted to the prime contractor within five (5) business days after payment has been made.
- The prime contractor is required to submit all weekly payroll records for work performed to Caltrans labor compliance by the 15<sup>th</sup> of the following month.
  - ✓ *Service contracts, Minor B's and Emergency contracts may require payrolls submitted with the invoice. Check the contract provisions to confirm the submission requirement if unsure.*
- Failure to provide payroll records as required will result in a withholding of payment up to **\$10,000** for the prime contractor under construction contracts.
- Penalties may be assessed for failure to provide payroll records as required pursuant to Labor Code §1775, §1776 & §1810-1815.

## PAYROLL SUBMISSION

Payrolls may be submitted electronically to Caltrans:

- Submissions must be sent via a secure file transfer protocol (FTP) and meet the following criteria:
  - Non-modifiable PDF format
  - All Labor Code elements must be present
  - Include a Statement of Compliance form
  - Submit a completed and signed *Request for Electronic Submission of Certified Payroll Records* for each Caltrans contract
- Electronic Submissions are not mandatory and Caltrans will continue to accept paper records.

## PAYROLL SUBMISSION

- Caltrans recommends that projects for the Div. of Construction & Div. of Maintenance use FileZilla, an FTP that is secure and free to download for electronic submittal transfers.
  - The contractor/subcontractor should submit the *Request for Electronic Submission of Certified Payroll Records* form and e-mail it to the appropriate Labor Compliance Office
  - The Labor Compliance Office will assign the contractor a username and password for future submissions
    - ✓ *Each district/region has its own secure transfer file that can only be accessed with their supplied username & password*
- Make sure to communicate with the Caltrans project designee to confirm a preferred method for payroll submissions.



<http://www.dot.ca.gov/hq/construc/LaborCompliance/>

### Labor Compliance

#### ABOUT LABOR COMPLIANCE



Our mission in Labor compliance is to create a fair and level playing field among contractors bidding on Caltrans projects by ensuring consistency throughout the state in enforcement of Federal and State Labor Laws and to ensure that employees working on Caltrans projects are paid contract specified prevailing wages and that they are allowed to work in an equal employment environment free of harassment and discrimination.

#### Electronic Transmission of Certified Payroll Records

- [FileZilla User Guide for Contractors \[pdf\]](#)
- [Instructions for Online Transmission \[pdf\]](#)
- [Request for Electronic Submission of Certified Payroll \[pdf\]](#)

#### Request for Electronic Submission of Certified Payroll Records

Contract Number \_\_\_\_\_

Contractor Name \_\_\_\_\_

Title 8, California Code of Regulations, Section 16404 provides that certified payroll records required by Labor Code section 1776 may be maintained and submitted electronically. The Labor Code protections of private and confidential employee information apply to both paper and electronic payroll records.

California has adopted the federal requirements (Federal Information Security Management Act of 2002, P.L. 107-347) regarding security of electronic documents sent during the course of state business. Documents that include personal and confidential information must be transmitted securely to prevent interception of the data by third parties. This requirement applies to every electronic transmission of certified payrolls for both the prime contractor and any subcontractor working on the project.

#### Contractor's Acknowledgment

I am a contractor doing business with the State of California, Department of Transportation. I understand the requirement to securely transmit electronic documents that contain personal and confidential information. In addition, as the prime contractor, I agree to require all subcontractors to adhere to the secure electronic transmission requirement of said documents to the Department of Transportation. I acknowledge that the indemnity clause contained in Section 7 - 1.05, "Indemnification", of the *Standard Specifications* included as part of the contract extends to injury from any failure to electronically transmit documents securely.

Contractor's Representative \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

I am a subcontractor performing work on the above contract. I agree to securely transmit all electronic documents that include personal and confidential information to the Department of Transportation.

Subcontractor's Representative \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

# CALTRANS PAYROLL REVIEW & CONFIRMATION PROCESS

## **PAYROLL REVIEW**

- **Upon receipt of received payroll records, Caltrans:**
  - Logs receipt of records into a tracking system
  - Checks to ensure all required records were submitted
  - Verifies all required elements are present and forms have all required signatures
  - Records any delinquent and/or inadequate records

## **PAYROLL CONFIRMATION**

- **Caltrans uses additional documents to confirm information provided on the submitted certified weekly payrolls:**
  - Caltrans Daily Reports
  - DIR Determination appropriate for contract
  - Time records
  - Any other document which may confirm information on CPR meets requirements

# PREVAILING WAGE VIOLATION

## TYPES OF VIOLATIONS

Delinquent	Inadequate	Discrepant
Required records not submitted to Caltrans as required per Labor Code & contract provisions	Records submitted to Caltrans but missing required Labor Code & contract provision information	Records submitted and have all required Labor Code elements, but information present is inconsistent with Caltrans records or other payroll records

## NOTIFICATION OF VIOLATIONS: DELINQUENT & INADEQUATE

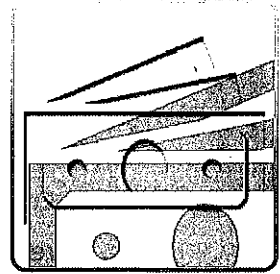
- Caltrans informs the prime contractor of any identified delinquent and/or inadequate records via the *Notice of Delinquent or Inadequate Payroll Records*
  - A withhold of contract funds consistent with contract provisions will be included on the Notice
  - The prime contractor is given 15 days to submit delinquent records, or correct any inadequacies
  - Failure to submit the delinquent records, or corrected inadequate records, will result in a *Final Notice* and the contractor is given 10 days to comply
  - Beginning the 11<sup>th</sup> day after receipt of the Final Notice, if the records identified are not received, the Labor Compliance Office will begin processing a Wage Case to submit to DIR for failure to furnish records

## NOTIFICATION OF VIOLATIONS: DISCREPANCY

- If, after review, there are identified discrepancies (i.e., misclassification, underpayment of wages, hours worked, etc.) Caltrans will include an addendum to the *Notice of Delinquent or Inadequate Payroll Records* and include an *Other Documents or Information Required* section:
  - The identified discrepancy with supporting information will be explained along with any underpayments identified
  - The contractor is given 15 days to resolve the discrepancy before a withhold of contract payment is initiated
  - If not resolved within 15 days, records become delinquent and Caltrans will issue a *Final Notice* giving the contractor 10 days to comply, the Notice will include all underpayment calculations & possible penalties under Labor Code 1775 & 1813
  - Beginning the 11<sup>th</sup> day after receipt, if records are not received to resolve violations, Caltrans will begin processing a wage case for submission to DIR and include any identified penalties

## PENALTIES

- **Labor Code §1775:**
  - Underpayment of wages
  - Up to \$200 per day, per worker, for each worker paid less than the required prevailing wage rate
- **Labor Code §1776(h):**
  - Failure to furnish records within 10 days of receipt written notice
  - \$100 per day per worker until strict compliance is effectuated
- **Labor Code §1813:**
  - A \$25 penalty may be assessed for failure to pay the required overtime rate of pay



**Liquidated damages in the amount of the underpayments may also be assessed**

## OVERVIEW & RESOURCES

## OVERVIEW

- As per DIR's current published Scope of Work, the most appropriate wage determination and classification to be used is **Driver: Mixer Truck for Ready-Mix Concrete**.
- The prevailing wage rate will be based on the **location** of the batch plant, not the Caltrans project site.
- The **Total Hourly Rate** for straight time work is required to be paid to/on behalf of the employee(s).
  - ✓ Contractors may receive credit for contractor payments that meets requirements
- **Overtime** must be paid for all hours over 8 in a calendar day and 40 hours in a week.
- **Saturday & Sunday Premium Rate of Pay** is required for all hours worked on those days unless it falls within the allowed exceptions.

## OVERVIEW

- Payroll documents must contain all information required by Labor Code §1776 including all information reflected on the Caltrans forms.
- The FBS is required to be submitted with the first payroll and if/when fringe benefits or subsistence amounts change.
- Drivers certified time records must contain all information required by the Standard Specifications.
- All weekly certified payroll records and & time records must be submitted by the 15th of the month for the prior month's work on construction contracts.
  - *For Service Contracts, see contract provisions for submission requirements*

## OVERVIEW

- Penalties may be assessed for failure to meet prevailing wage requirements
- Caltrans has the authority to audit any prime contractor and subcontractor payroll records for work performed under a Caltrans contract
- Caltrans has the authority to withhold payment from the prime contractor for failure to comply with prevailing wage requirements
- The prime contractor has the ability to withhold payment from a subcontractor for failure to comply with prevailing wage requirements

## RESOURCES

- Caltrans Labor Compliance:  
<http://www.dot.ca.gov/hq/construc/LaborCompliance/>
- DIR Director's General Prevailing Wage Determinations:  
<http://www.dir.ca.gov/OPRL/dprevagedetermination.htm>
- Division of Labor Standards Enforcement (DLSE) Manual:  
<http://www.dir.ca.gov/dlse/PWManualCombined.pdf>
- Caltrans Standard Specifications:  
<http://www.dot.ca.gov/des/oe/construction-contract-standards.html>
- DIR's Public Works Manual  
<https://www.dir.ca.gov/dlse/PWManualCombined.pdf>



# QUESTIONS & DISCUSSIONS