CIRCULAR LETTER

SECTION: 1230 EQUAL EMPLOYMENT OPPORTUNITY
NUMBER: 1230-01
SUBJECT: ON-THE-JOB TRAINING PROGRAM REQUIREMENTS
DATE: MAY 1, 2009

All Prime Contractors holding contracts on projects with Federal-Aid in excess of $10,000, shall as part of their Equal Employment Opportunity requirements, be required to have an On-the-Job Training Program. The contractor’s individual programs shall be submitted to the Tennessee Department of Transportation’s OJT Program Coordinator for approval. The Prime Contractor may adopt the program as defined in the OJT Desk Reference, prepared by the TDOT Civil Rights Office, or they may submit an individualized program that at a minimum must include the requirements of the OJT Desk Reference. The contractor’s approved program will be in effect until he/she submits revisions for approval or until there are changes in the Federal Regulations.

The Prime Contractor shall submit, for each individual project, an “On-the-Job Training – Initial Training Schedule” form (Attachment 1) to the OJT Program Coordinator prior to the Pre-Construction Conference. This form lists the Classification and Number of Trainees that the contractor intends to employ on the project. The contractor shall make an effort to employ trainees on each project; however, in the event that the number of trainees will be zero, the contractor shall provide adequate documentation on Attachment 1 to justify the absence of trainees on the project.

The Prime Contractor will not be allowed to commence construction until an “On-the-Job Training – Initial Training Schedule” form (Attachment 1) has been approved by the OJT Program Coordinator. Failure of the contractor to provide an approved training program shall not be considered ”As a condition not under the control of the contractor” in regards to Contract Time.

The OJT Program Coordinator will maintain a database of approved OJT programs. He/she will forward a copy of each approved “On-the-Job Training – Initial Training Schedule” form to the Contractor and Project Supervisor for inclusion in the project files. By approving this form, the OJT Program Coordinator is affirming that the Prime Contractor has an approved OJT Program on file with the OJT Program Office.

On-the-Job Training – Initial Training Schedule
The following outlines the procedures and documentation necessary to implement the training program as noted in Special Provision 1240.
PROCEDURES TO BE FOLLOWED RELATIVE TO TRAINING PROGRAM REQUIREMENTS

1. TRAINING PROGRAM

The Contractor shall use the Tennessee Department of Transportation On-The-Job Training Program Desk Reference. The TDOT On-The-Job Training Program Desk Reference is the approved training plan by the Tennessee Department of Transportation and Federal Highway Administration.

The contractor shall not be permitted to commence construction without an approved training program. Failure of the contractor to provide an approved training program shall not be considered "As a condition not under the control of the contractor" in regards to Contract Time.

2. PRE-CONSTRUCTION CONFERENCE

It is essential that the Affirmative Action Program Office (AAPO) be advised of the date, time and location of the pre-construction conference in order that he/she may have a representative present.

The contractor should be thoroughly familiarized with the administrative procedures of this program and the importance of prompt reporting should be stressed.

3. CLASSIFICATION APPROVAL

Prior to the pre-construction conference, the contractor shall submit to the AAPO, the “On-The-Job Training – Initial Training Schedule” form (Attachment 1) for at least the minimum number of training hours required by the contract. The trainees may consist of new hires or trainees presently enrolled in the training program and transferring to the project or a combination of the two. However, if a trainee is in the training program and is transferring to the project, approval from AAPO is required before the trainee can begin.

Upon approval of the "On-The-Job Training – Initial Training Schedule" form by the OJT Program Coordinator a copy of this approved form will be forwarded to the Contractor and the Project Supervisor. By approving this form, the OJT Program Coordinator is affirming that the Contractor has an approved OJT Program on file with the OJT Program Office.

The Project Supervisor shall not permit the contractor to start work on the project prior to receipt of an approved training plan.

If urgency exists for the construction to commence, the AAPO or his/her representative may give verbal approval and follow with the necessary written formal approval.
4. ENROLLMENT AND TRANSFER

Before a trainee is employed on the project the contractor shall submit an "On-The-Job Training Enrollment Form" (Attachment 2 - herein after referred to as the enrollment form) to the AAPO. The AAPO will forward approved copies of the enrollment form to the Contractor and the Project Supervisor.

Trainees, for which payment will be made, may not be shown on the contractor's payroll unless the AAPO's files contain an approved "On-The-Job Training Initial Training Schedule" in the proper classification and an enrollment form for the trainee approved prior to the trainee's employment on the project. A contractor employing an individual as a trainee without proper approval is in violation of labor laws.

Any number of trainees, for which payment will not be made, may be employed on the project in any classification provided the AAPO’s files contain an enrollment form approving the trainee prior to their employment on the project. In this case the enrollment form will be noted to the effect that the trainee is not filling a training slot and no payment is requested.

The contractor may, at any time during the progress of the project, request changes in training classifications or additional trainees for payment. The same procedures will be followed in processing these requests as outlined above. In the case of requests for additional trainees for payment an approved Construction Change setting up additional training slots will be required as well as the AAPO’s approval before the additional trainees are employed on the project.

5. EMPLOYMENT

Normally a trainee should be employed on the project within two weeks after the type work in which he/ she is to be trained has started. If the contractor has not employed a trainee in the classification he/ she has requested by the time approximately 15 percent of that type work has been performed, the Contractor shall advise the AAPO, in writing, why the trainee has not been furnished. Failure to receive an acceptable explanation from the contractor may be cause to withhold progress payments.

6. TERMINATION OF TRAINING

When the trainee terminates training on the project for any reason----completes training, quits, is fired, transfers, etc.--- the OJT Program Coordinator should receive a letter of termination within one week of separation. This letter must contain Trainee’s Name, Address, Phone Number, TDOT Contract Number, Project County, Hours Completed, Classification and reason for termination.

7. DOCUMENTATION OF TRAINING TIME

a. Contractor's Payrolls

When a trainee appears on the payroll for the first time the AAPO should check his/ her files to assure that the training classification is approved and that he/ she has an enrollment form for the
trainee approved on or before his/hers first date of employment, otherwise, the payroll should be returned for correction. A log should be kept of the training hours for payment as taken from the payroll. The rate of pay the trainee receives should be at least the minimum required by the Special Provision Regarding Training Program Requirements.

b. OJT Weekly Progress Report (Attachment 3)
This report must be signed by the Contractor’s Supervisor and trainee with attached payroll and submitted to the AAPO. This report will be used as the primary documentation for payment of Trainees. However, the hours shown on this report must be in agreement with the total hours shown on the accumulated payrolls.

8. PAYMENT

No payment for training hours will be made until the trainee has terminated training on the project and the AAPO has received and approved a letter of completion and “OJT Request for Payment” (Attachment 4). Upon approval by the OJT Program Coordinator of the Request for Payment a “Memo to Pay” or “Memo of No Pay” and supporting documentation will be sent to the Project Supervisor. Payment shall not be made without approval from the TDOT OJT Program Coordinator. In addition, the Final Estimate will not be paid without a “Memo to Pay” or “Memo of No Pay” from the TDOT OJT Program Coordinator. All payments shall be made under Item 109-10.01, Trainee, at the unit price of $0.80 per hour for each hour of approved training whether or not the trainee completes the approved training program.

However, no payment shall be made to the contractor if either the failure to provide the required training or the failure to hire the trainee as a journeyman is caused by the contractor and a lack of good faith on the part of the contractor in meeting the requirements of the training Special Provision.

The contractor may elect to graduate the trainee before completion of the required training hours and receive payment for the total number of hours required by the applicable training classification provided that the total of the hours trained and the hours the trainee has been employed as a journeyman equals or exceeds the required training hours.
# On-The-Job Training – Initial Training Schedule

TDOT Contract No.: ________________________________________

TDOT Project No.: _________________________________________

Reference No.: ____________________________________________

County: __________________________________________________

Prime Contractor:__________________________________________

Address: _________________________________________________

Phone No.: _______________________________________________

Contact Name: ____________________________________________

<table>
<thead>
<tr>
<th>Classification</th>
<th>Number of Trainees</th>
<th>Required Hours</th>
<th>Projected Start Date of Trainees</th>
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<tbody>
<tr>
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</table>

Remarks/Justification:

Submitted by:

Name: ___________________________ Title: _______________________________

Signature: ______________________ Date: ________________________________

Approved: ______________________ Date: ________________________________
On-The-Job Training Enrollment Form

Prime Contractor

____________________________________________________________

TDOT Contract No

___________________

TDOT Project No

_________________

Reference No

___________________

County

__________________

Trainee Name

____________________________________________________________

Address

____________________________________________________________

____________________________________________________________

Phone No

____________________________________________

________________

Gender

M  F  (circle one)

Race  __ Asian/Pacific Islander  __Black  __Hispanic  __Native American  __White  __ Other

Trainee Classification  ________________  Number of Required Hours  ________________

Enrollment Date  __________________

Prime Contractor’s Project Manager  _______________________________________________

Wages

Starting  __________________

1st Quarter Training Complete  __________________

2nd Quarter Training Complete  __________________

3rd Quarter Training Complete  __________________

Completed Training  __________________

Trainee Signature  ____________________________  Date  __________________

Employer Signature  ____________________________  Date  __________________

OJT Program Coordinator Signature  ____________________________  Date  __________________

FOR CONSTRUCTION FIELD OFFICE USE ONLY

☐ The trainee has reported to work on this project
# OJT Weekly Progress Report

(attach payroll records to report)

<table>
<thead>
<tr>
<th>Trainee Name: __________________________</th>
<th>Contractor: __________________________</th>
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<tbody>
<tr>
<td>Classification: ________________________</td>
<td>TDOT Contract No: ______________________</td>
</tr>
<tr>
<td>Enrollment Date: ______________________</td>
<td>County: ________________________________</td>
</tr>
<tr>
<td>Wage: _________________________________</td>
<td>Contact: ______________________________</td>
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<tr>
<td>Week Ending: __________________________</td>
<td>Phone No: ______________________________</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Training Phase*</th>
<th>Total Hours This Week</th>
<th>Total Accumulated Hours</th>
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</tbody>
</table>

*Familiarization, Safety, Maintenance, Clean-Up, Traffic Control, Equipment Operations, etc…

Trainee’s Supervisor Signature: __________________________  Date: ___________________

Trainee Signature: __________________________  Date: ___________________

Send or Fax to:  OJT Program Coordinator  
Civil Rights Office  
505 Deaderick St. Ste. 1800  
James K. Polk Building  
Nashville, TN 37243  
Fax – 615.741.3169
OJT REQUEST FOR PAYMENT

Prime Contractor: ____________________________________________________________
Address: __________________________________________________________________
Contact Person: __________________________________________________________________

TDOT Contract No.: ______________________ TDOT Project No.: ___________________
Reference No.: ___________________________ County: ___________________________

Trainee Name: ______________________________________________________________
Address: ___________________________________________________________________
Phone No.: _________________________________________________________________
Trainee Classification: __________________________ Number of Required Hours: ______
Enrollment Date: ___________________________ Number of Hours Completed: ______
Starting Wage: ________________________ Ending Wage: ____________________________

Contractor Signature: ____________________________________ Date: _________________

Approved for payment: _________________ Amount to pay: __________________________
Special comments: ____________________________________________________________
OJT Program Coordinator Signature: _____________________________________________
Date: ______________________________________________________________________
CIRCUAR LETTER

SECTION: 1247 DBE SUBCONTRACTING
NUMBER: 1247-01
SUBJECT: MONITORING OF PROJECTS WITH DBE SUBCONTRACTS
DATE: JANUARY 6, 2020

A. Contract Award

At the time of contract award with projects containing SP1247, the contractor has made commitments to subcontract certain portions of the contract to DBE contractors. These commitments are contract requirements and are to be adhered to unless revised with approval of the Civil Rights Division-Small Business Development Program (CRD-SBDP) Director.

B. Pre-Construction Conference

At the Pre-Construction Conference, the contractor shall identify all DBE subcontractors indicating approximate dates for their appearance on the project. The Project Supervisor should review the contract information to verify the actual work to be performed by the DBE contractors and review any lease agreements allowed as part of the DBE commitment. This information should be verified against the DBE utilization memo. The DBE utilization memo is available on the respective letting page.

C. Construction

After the project has been awarded, the contractor, as soon as practical, shall submit copies of all binding subcontracts and purchase orders with DBEs to the Operations District Supervisor and Small Business Development Program Director. It is important that this information be provided so TDOT can accurately report DBE race conscious and race neutral participation to the FHWA. No progress estimates shall be processed until this information is received when the Contract includes SP1247 and a DBE Goal is specified. The subcontracts are to be submitted in such detail as necessary to explicitly show the project personnel what is to be performed by the DBEs. (These agreements are not to be confused with the approved subcontract forms distributed by the Headquarters Construction Division which is an entirely different form.) Immediately notify contractor and CRD-SBDP of any discrepancies between these agreements and the DBE utilization memo. Any discrepancies shall be resolved between the Contractor and the CRD-SBDP prior to processing any estimates.

The following required information shall be submitted:

1. The Commercially Useful Function (CUF) Checklist shall be completed as described below.
2. Prompt Payment Certification
3. When the project has been completed, the contractor and the DBE must submit Form CC-3 certifying the amount paid to the DBE on all projects where a DBE participated in the work. The final estimate is not to be processed until this form has been received.
Originals of all forms submitted to the Project Supervisor shall be retained in the project files.

In addition to review of the forms submitted by the Contractor, the project personnel shall monitor DBE work during the life of the project to ensure the work committed to DBEs is performed as committed. The monitoring shall include the following:

1. Any work committed to DBEs not performed in accordance with submitted subcontract agreements will not be allowed unless the deviation is as provided for in the contract and has been approved by the CRD-SBDP.
2. If work committed to DBEs is found being performed by others, it is to be halted and reported to the CRD-SBDP immediately. It is not to be resumed until instructed by the CRD-SBDP.
3. If a DBE performing on the contract is found to be using the Contractor's forces and/or equipment, this shall be reported to the CRD-SBDP. If found, the work is to be halted until such time as the matter is resolved.

At the discretion of the Engineer, an exception to all of the above will be allowed should an emergency situation develop requiring actions to the contrary for the Public's safety or for environmental compliance. If such an emergency occurs, the Public’s safety and environmental compliance is to be ensured first by whatever means appropriate. Thereafter, the occurrence shall be reported to the Regional Operations Engineer and CRD-SBDP for review and disposition.

The Contractor must provide documentation of good cause to terminate and/or substitute a DBE subcontractor on a project with SP1247 included in the Contract. Acceptable reasons for good cause are stated in 49 CFR 26.53(f) and the proper process for terminating a DBE subcontract are also included in this section. Before terminating and/or substituting a DBE subcontractor on a project that includes SP1247 in the Contract, the Contractor must give notice in writing to the DBE subcontractor, with a copy to the CRD-SBDP, of its intent to request to terminate and/or substitute including the reason for the request.

The Contractor must then give the DBE 5 days to respond to the Contractor's notice. The DBE shall then advise the CRD-SBDP and the Contractor of the reasons, if any, why it objects to the proposed termination of its subcontract and why the CRD-SBDP should not approve the Contractor's action. If required in a particular case as a matter of public necessity (e.g., safety), the CRD-SBDP may provide a response period shorter than 5 days. The Contractor shall document their efforts to have another DBE perform the item or to have a DBE perform other items to replace the original DBE commitment amounts. In the event the Contractor is not able to find replacement DBE work, the Contractor must provide the CRD-SBDP documentation clearly evidencing good faith efforts. Any request for substitution of a DBE subcontractor shall be made to the Department and approved by the CRD-SBDP.

**Transportation or Hauling of Materials**

Leases- A DBE must own and operate a minimum of 1 truck. A DBE may “lease to own” a truck from licensed truck dealership/leasing agency for consideration as “ownership” if there is a finance (capital) lease which meets at least one of the following criteria:
1. Ownership of the asset is transferred to the lessee at the end of the lease term.
2. The lease contains a bargain purchase option to buy the equipment at less than fair market value.
3. The lease term equals or exceeds 75% of the asset's estimated useful life.
4. The present value of the lease payments equals or exceeds 90% of the total original cost of the equipment.

(For additional lease to own information refer to Statement of Financial Accounting Standards No. 13 (FAS 13).

SP1247 states the following “The DBE who leases trucks from a non-DBE is entitled to the total value of transportation services provided by non-DBE lessees not to exceed the value of transportation services provided by DBE-owned trucks on the contract.” The following example is used to clarify this provision:

**DBE Firm X uses two of its own trucks on a contract. It leases two trucks from DBE Firm Y and six trucks from non-DBE Firm Z. DBE credit would be awarded for the total value of transportation services provided by Firm X and Firm Y, and may also be awarded for the total value of transportation services provided by four of the six trucks provided by Firm Z. In all, full credit would be allowed for the participation of eight trucks. With respect to the other two trucks provided by Firm Z, DBE credit could be awarded only for the fees or commissions, and driver if provided by the DBE, pertaining to those trucks Firm X receives as a result of the lease with Firm Z.**

The Contractor/DBE Hauler is required to complete the “TDOT DBE Truck List” to identify which trucks will be used towards DBE goal participation. If the DBE hauler leases trucks or subcontracts hauling from a non-DBE, they must also complete the “TDOT DBE Trucking Credit Worksheet” to accurately document eligible DBE participation. This information should be submitted to the CRD-SBDP and Operations District Supervisor.

**Commercially Useful Function (CUF) Checklist**

The CUF Checklist shall be completed for ALL DBE’s on ALL Federally Funded projects regardless if they are being used to meet the DBE project goal.

The CUF Checklist should be completed for ALL DBEs on ALL State projects.

A DBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities of actually performing, managing, and supervising the work involved. To perform a commercially useful function, the DBE must also be responsible with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, installing (where applicable), and paying for the material itself.

The checklist is designed to be a snapshot of the day to ensure a DBE is an independent firm that is in control of day-to-day operations.
If a Prime Contractor or Subcontractor (if 2nd Tier agreement) will be using a DBE Material Supplier/Trucker, then a DBE Material Supplier/Trucker Contract Certification form must be completed and submitted to the CRD-SBDP with the actual Subcontract Agreement and/or purchase order prior to the pre-construction conference.

The Project Inspector will complete the CUF Checklist once a DBE begins work.

The Construction Field Office shall review the checklist to ensure completeness.

For additional information see the CUF Checklist and Guidance.
CIRCULAR LETTER

SECTION: 1247 DISADVANTAGED BUSINESS ENTERPRISE (DBE) SUBCONTRACTING
NUMBER: 1247-02
SUBJECT: CONTRACTOR FAILURE TO COMPLY WITH SPECIAL PROVISION 1247
DATE: APRIL 11, 2022

At the time of contract award with projects containing Special Provision 1247 (SP1247) with a DBE goal, among many things, the Contractor has made commitments to subcontract a certain percentage of the contract to DBE subcontractors. These commitments are contract requirements and are to be adhered to unless revised with approval of the Civil Rights Division-Small Business Development Program (CRD-SBDP) Director.

Section G of SP1247 states: “If the Contractor fails to comply with Special Provision 1247 and/or 49 CFR Part 26, resulting in failure to obtain goal where a good faith effort was not accepted, the Department shall take one or a combination of the following steps:

1. The Department may withhold from the Contractor the monetary value of the unattained goal percentage plus an additional 10% for engineering costs, not as penalty but as liquidated damages.
2. Suspend the Contractor from participation in Department bid lettings pursuant to rules promulgated by the Department.
3. For repeated failures to comply, debar the Contractor pursuant to rules promulgated by the Department.
4. Invoke other remedies available by law and/or in the contract.
5. Invoke any other lawful remedy agreed upon by the Commissioner and the Contractor in writing.”

Actions that would not comply with SP1247 would include but are not limited to:

1. Failure to include the required non-discriminatory statement in all subcontracts.
2. Failure to fulfill the DBE goal on a project or provide a good faith effort.
3. Failure to provide notification and receive approval for the removal and/or substitution of a DBE subcontractor previously submitted at the time of the bid.
4. Failure to get approval for 2nd and 3rd tier subcontractors.
5. Failure to notify the Department of the arrival of the DBE subcontractor at an onsite or offsite location to assure the completion the CUF form.
6. Failure to assure that the DBE subcontractor/supplier/hauler is performing a commercially useful function.
7. Contractor directly paying for the DBE’s materials.
8. Failure to receive prior approval from the CRD-SBDO for joint checks.
9. Contractor has a brokering relationship with the DBE supplier.
10. Failure to submit CC3 forms in a timely manner.
11. Failure to make and/or submit prompt payment information in a timely manner.
12. Failure to submit proper subcontractor documentation including the actual subcontracts between the contractor and the DBE subcontractor to the CRD-SBDP and the field office.
13. Failure to submit DBE Truck Lists, Truck Credit Worksheets, Lease Agreements and assure DBE haulers are using owned/properly leased trucks.
14. Attempting to participate in the DBE program based on false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty.

Should the Contractor fail to reach the Contract goal or fail to comply with SP1247 the Region will present the facts of the issue to Headquarters Construction and the CRD-SBO. As a minimum, the CUF checklist, Utilization Memo, Prompt Payment Summary, and related correspondence should be submitted for review of compliance. A determination will be made jointly by Headquarters Construction and the CRD-SBO as to the specific corrective action needed.

The Contractor shall provide a written explanation as to why they did not comply with the SP1247.

Figure 1, “Liquidated Damages or Sanctions for SP1247 Non-Compliance”, will be used as guidance in the determination of the range of liquidated damages/sanctions for SP1247 noncompliance.

The Department will determine the amount of the unattained goal percentage and will assess the amount of liquidated damages based on that value.

   Item No. 107-06.01  Liquidated Damages (Failure To Comply w/SP1247)  Dollar

**FHWA**

In addition to any action imposed by the Department, the Federal Highway Administration (FHWA) can take independent action based upon noncompliance with SP1247 and/or 49 CFR Part 26. If FHWA takes action, then the Department shall assess liquidated damages to the Contractor of 110% of the unattained goal.

FHWA shall be notified in every instance the Department takes action due to a failure to comply with SP1247 and/or 49 CFR Part 26.
Figure 1 - Liquidated Damages or Sanctions for SP1247 Non-Compliance

* If FHWA takes action on a project, the deduction shall be 110% of the unattained goal
CIRCULAR LETTER

SECTION: 1273 CONTRACT PROVISIONS – FEDERAL-AID CONTRACTS (AND/OR 1280 – STATE FUNDED CONTRACTS)

NUMBER: 1273-01

SUBJECT: PROJECT SITE POSTERBOARD

DATE: AUGUST 19, 2019

The following posters and notices are to be posted on all construction projects by the contractor. This includes resurfacing projects and projects of short duration. For moving operations, or projects where there is not a suitable location for a stationary posterboard, contractors may use magnetic poster boards/notices on the side of trucks wherever equipment is stored or where individuals congregate, to meet the posting requirements.

Certificate of Non-Segregated Facilities

Complaint Procedures

Federal Posters/Notices:

1. Equal Employment Opportunity is the Law Poster. (Form EEOC-P/E-1, required by FHWA 1273.


3. NOTICE Federal Aid Projects – False Statements. (Form FHWA 1022, required by 18 CFR 1020 and 23 CFR 635.119).

   Note: State Highway Department Representative should be inserted as:
   Commissioner
   Tennessee Department of Transportation
   Suite 700, James K. Polk Building
   Nashville, TN  37243-0326

   FHWA Representative should be inserted as:
   Division Administrator
   Federal Highway Administration
   404 BNA Drive
   Building 200, Suite 508
   Nashville, TN  37217

4. Employees Rights Under the Fair Labor Standards Act (FLSA) Minimum Wage Poster. (Form WH 1088 and WH 1313, required by 29 CFR 5.5(a)(1). Note actual wage rates must be entered on WH 1313
5. **Employee Rights for Workers with Disabilities Paid at Special Minimum Wages** (Form WH-1284, required by CFR 525.14)

6. **Contractor’s EEO Policy Statement and Letter Appointing the Company’s EEO Officer for the Project.** (Statement must be developed by contractor per requirements of 41 CFR 60-741.44)

7. **Job Safety and Health IT’S THE LAW Poster.** (OSHA Form 3165, required by 29 CFR 1903.2(a)(1) through FHWA-1273.

8. **Employee Polygraph Protection Act Notice.** (Form WH 1462, required by 29 CFR 801.6).

9. **Employee Rights and Responsibilities Under the Family and Medical Leave Act.** (Form WHD 1420, required by 29 CFR 825.300 and 825.400 for employers of more than 50 people.

10. **Employee Rights Under the Davis-Bacon Act.** (Form WH 1321, required by 29 CFR 5.5 (a)(3) and FHWA-1273).

11. **Prevailing Wage Rates.** (Required by WH 1321).

12. **24 Hour Emergency Numbers.** (Contractor must post numbers to call in the event of an emergency, required by 29 CFR 1926.50(f) through FHWA-1273.

13. **Pay Transparency Nondiscrimination Provision.** (41 CFR Part 60-1.35)


**State Posters/Notices:**

1. **Wage Regulation/Child Labor Poster.** Tennessee Code paragraph 50-5-111. (Applies to employers of minors subject to the child labor regulations).


4. **Tennessee Unemployment Insurance Poster for Employees.** Tennessee Code paragraph 50-7-304.

5. **Payday Notice.** Wage Regulation Act Tennessee Code 50-2-103(d).


7. **Prompt Payment.** Tennessee Department of Transportation. Standard Specifications, Section 109.02.
The posters/notices listed above may be obtained at:

https://www.dol.gov/general/topics/posters

https://www.tn.gov/workforce/general-resources/major-publications0/major-publications-redirect/posters-redirect/required-posters.html

Environmental Permits:

The following items must be posted if the project is covered under the applicable environmental permit(s):

1. Notice of Coverage (NOC) for TDEC Construction General Permit.
2. Any other applicable environmental permits for the project site where permit conditions require posting a permit copy at the project site.
3. Location of SWPPP along with an individual contact name, company name, phone number and email address (if applicable).
CIRCULAR LETTER

SECTION: 1273 CONTRACT PROVISIONS – FEDERAL-AID CONTRACTS (1280-STATE FUNDED PROJECTS)
NUMBER: 1273-02
SUBJECT: CONTRACTOR’S PAYROLLS
DATE: January 6, 2020

In accordance with Contract Special Provisions 1273 and 1280 and the Standard Specifications Subsection 107.20, the Contractor and all subcontractors must submit each week in which any contract work is performed, one (1) copy of the weekly payroll with a signed “Statement of Compliance” to the Operations District Supervisor. THE PRIME CONTRACTOR IS RESPONSIBLE FOR THE SUBMISSION OF COPIES OF PAYROLLS FOR ALL SUBCONTRACTORS.

The prime Contractor must submit payrolls electronically. The electronic copy shall be a scanned copy of the original weekly payroll with a Statement of Compliance. Originals shall be maintained by the contractor and subcontractors during the work and for at least three (3) years after issuance of the Completion Notice and shall make them available for review upon request.

The required weekly payroll information may be on any form desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division Web site at https://www.dol.gov/whd/programs/dbra/wh347.htm or its successor site. If Form WH-347 is not used, the payroll shall contain:

1. Payroll number, including begin/end dates.
2. Each employee's full name and individually identifying number (such as the last 4 digits of SSN).
3. Each employee's classification.
4. Each employee's hourly wage rate (including fringe benefits) and hourly overtime pay rate.
5. Daily and Weekly number of regular hours worked in each of the employee's classification including number of overtime hours worked.
6. Itemized deductions for each employee.
7. Net wages paid to each employee.

Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the contractor or subcontractor or the agent who pays or supervises the payment of the persons employed under the contract. Signing the “Statement of Compliance,” certifies the following:

(i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;
(ii) 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 Regulations, 29 CFR part 3;

(iii) 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.

The first payroll submitted by the prime contractor and each subcontractor shall be thoroughly checked to ensure the payroll is certified (contains Statement of Compliance), contains the information required (as detailed above), all laborers and mechanics, are paid, at a minimum, the rate specified in the contract for the associated classification and overtime rates are correct. It is not necessary to compare daily DWR workforce entries to the payrolls. On a monthly basis, a randomly selected contractor’s or subcontractor’s payroll should be checked to assure the payroll is correct and complete. On Federally funded projects, the monthly payroll checked should be that of the contractor or subcontractor of the employee interviewed per Circular Letter1273-03 to assure continued conformance.

Thorough payroll reviews shall be made when the Operations District Supervisor has any reason to believe that any contractor or subcontractor employee is not being paid the minimum prevailing wage. Any necessary corrections shall be made as stated in Circular Letter 1273-02.01 and shall be requested through the prime contractor.

All certified payrolls must be submitted to the Operations District Supervisor weekly for each week in which any contract work is performed. If all of the certified payrolls are not received in this timeframe, a written notification will be sent to the prime contractor for the late or missing payrolls. The progress payment shall be withheld until all of the necessary certified payrolls have been received for the progress payment. The correspondence for payroll issues will be kept electronically in the payroll file for that month in an issue correspondence folder.

The certified payrolls are to be retained with the project records. The Operations District Supervisor (or designee) will create a sub folder labeled with the payroll ending date(Ex: Year-Month-Day)(19-11-26) under the File Management folder labeled “Payrolls” and save all the payrolls and email sent by the prime contractor for each ending date. It will not be necessary to maintain a printed copy in the project records.

For electronic submittals, the prime contractor shall follow the formatting below:

1. Send one email per week. The TDOT Field Office shall file the email electronically to ensure that the date and time of receipt is recorded.
2. Include in the email the individual payrolls for the prime contractor and all subcontractors (DO NOT send one pdf containing all payrolls)
3. The subject line of the email may read: CNxxx, Payrolls, Week ending: 19-11-26
4. Individual files shall be designated as: CNxxx_PrimeContractorName_Endingdate.pdf, CNxxx_SubContractorName_Endingdate.pdf (Ex.:CNA123_JohnDoeContracting_19-11-26.pdf)
5. In the email text, the prime contractor shall list all approved subcontractors for the project. This list may grow during construction, as additional subcontractors are added.
6. If during the week being reported, the prime contractor or any individual subcontractor has not performed work, then in the email text next to the listed contractor, the prime contractor shall note “No work performed by (Contractor Name) for the week ending ________________________________. (See Subsection 107.20 of the Standard Specifications.)

The Tennessee Department of Labor and Workforce Development (TDLWD) does not need to receive a copy of the certified payroll, but may be allowed access to review any payroll upon request. Payrolls shall not be made available to public inspection (except as indicated above) by the Operations District Supervisor.

TENNESSEE DEPARTMENT OF LABOR
LABOR STANDARDS STAFF

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christina Tugman</td>
<td>Nashville Inspector</td>
<td>220 French Landing Drive, Suite 2B Nashville TN 37243</td>
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<td>423-326-5386</td>
</tr>
<tr>
<td>Travis Hisel</td>
<td>Cookeville Inspector</td>
<td>444-A Neal Street Cookeville TN 38501</td>
<td>931-217-7314</td>
</tr>
<tr>
<td>Lisa Jordan</td>
<td>Knoxville Inspector</td>
<td>2700 Middlebrook Pike, 1st Floor Knoxville TN 37921</td>
<td>865-210-1119</td>
</tr>
<tr>
<td>Richard Tessier</td>
<td>Dickson Inspector</td>
<td>250 Beasley Dr. Dickson TN 37055</td>
<td>931-581-0307</td>
</tr>
<tr>
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<td>Johnson City Inspector</td>
<td>206 High Point Dr. Johnson City TN 37601</td>
<td>423-223-4452</td>
</tr>
<tr>
<td>Orlandos Rutherford</td>
<td>Humboldt Inspector</td>
<td>1481 W. Mullins Street Humboldt TN 38343</td>
<td>731-414-1195</td>
</tr>
<tr>
<td>Vivian Moody</td>
<td>Memphis Inspector</td>
<td>3040 Walnut Grove Rd. Memphis TN 38111</td>
<td>901-297-0005</td>
</tr>
</tbody>
</table>
Example 1:

A) The prime/subcontractor’s weekly pay period ends on Friday, 9/13/2019.

B) The prime/subcontractor must pay employees within 7 days of weekly pay period end date Friday, 9/13/2019, payment is due on or before Friday, 9/20/2019.

C) Certified Payrolls are due to TDOT within 7 days of payment on Friday 9/20/2019, Certified Payrolls are due on or before Friday, 9/27/2019.

September 2019

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Example 2:

D) The prime/subcontractor’s weekly pay period ends on Saturday, 9/14/2019

E) The prime/subcontractor pays employees every Tuesday, payment for weekly pay period end date of Saturday, 9/14/2019 occurs on Tuesday, 9/17/2019.

F) Certified Payrolls are due to TDOT within 7 days of payment on Tuesday, 9/17/2019, Certified Payrolls are due on or before Tuesday, 9/24/2019.

**September 2019**

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Example 3:

G) The prime contractor’s weekly pay period ends on Friday, 9/13/2019.

H) The prime contractor pays employees every Wednesday, payment for weekly pay period end date of Friday, 9/13/2019 occurs on Wednesday, 9/18/2019.


J) The subcontractor pays employees every Monday, so payment for weekly pay period end date of Wednesday, 9/11/2019 occurs on Monday, 9/16/2019.

K) Certified Payroll for subcontractor is due to TDOT within 7 days of payment on Monday, 9/16/2019, Certified Payrolls are due on or before Monday, 9/23/2019.

L) Certified Payrolls for prime contractor are due to TDOT within 7 days of payment on Wednesday, 9/18/2019, Certified Payrolls are due on or before Wednesday, 9/25/2019.

The Prime Contractor may submit prime and sub certified payrolls on 9/25/2019 (L) for prime contractor week ending date 9/13/2019 (G) and subcontractor week ending date 9/16/2019 (H) and be within the timeframes outlined in the Code of Federal Regulations.

If the prime contractor does NOT submit payrolls for subcontractor 9/11/2019 (I) until 9/25/2019 (L), the subcontractor payrolls will be late by two (2) days.

THE PRIME CONTRACTOR IS RESPONSIBLE FOR THE SUBMISSION OF COPIES OF PAYROLLS FOR ALL SUBCONTRACTORS.

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Example 4:

M) The prime contractor’s weekly pay period ends on Friday, 9/27/2019

N) The prime contractor pays employees every Wednesday, payment for weekly pay period end date Friday, 9/27/2019 occurs on Wednesday, 10/2/019.

O) Certified Payrolls are due to TDOT within 7 days of payment on Wednesday, 10/2/2019, Certified Payrolls are due on or before Wednesday, 10/9/2019.

Prime/subcontractor certified payrolls that are due to TDOT on or before the estimate run date must be received before processing the estimate.

**September, 2019**

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**Estimate Cutoff Date**

**October 2019**

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</table>
When the Operations District Supervisor discovers either through review of contractor or subcontractor certified payrolls, monthly labor interviews and/or labor complaints that incorrect wages are being paid, the Operations District Supervisor is responsible to initiate immediate action to have the certified payrolls corrected. Follow these steps to get the certified payrolls corrected.

1. Notify the contractor in writing of the infraction giving sufficient time to investigate and correct with documentation of the actions (two weeks).

2. If the contractor fails to initiate corrective action, notify the contractor in writing of intent to withhold progress estimates until corrections have been made.

3. If the contractor fails to comply with #2, notify HQ Construction and the Tennessee Department of Labor and Workforce Development for further handling.

In instances where an infraction is alleged but has not been verified by TDOT personnel follow these steps to verify if the certified payrolls are correct or if an infraction has occurred.

1. Notify the contractor in writing of the alleged infraction giving sufficient time to investigate and correct or explain the action (two weeks).

2. Field personnel should closely monitor circumstances around the alleged infraction from the point of the complaint to determine if a violation is continuing to occur.

3. If #2 indicates an infraction, the contractor must correct immediately with documentation. If the contractor does not correct then notify the contractor in writing of the intent to have progress estimates withheld until corrections have been made.

4. If the contractor fails to comply with #3, notify HQ Construction and Tennessee Department of Labor and Work Force Development for further handling.

5. If #2 fails to disclose an infraction and/or the complaint is not resolved, the complaint should be sent to HQ Construction and the Tennessee Department of Labor and Workforce Development, for further handling.

NOTE: Procedures also apply to State Funded projects.
In accordance with Contract Special Provisions 1273, 1280, 107CP, and the Standard Specifications Subsection 107.20, the Contractor and all subcontractors must submit payrolls each week once the applicable contractor has begun to perform work. All payrolls shall be submitted electronically through the website using AASHTOWare Project (AWP) Civil Rights & Labor (CRL) software.

The required weekly payroll must be entered into CRL by the Contractor, subcontractor, Disadvantaged Business Enterprises (DBE), certified Small Business Enterprises (SBE) and DBE or SBE haulers. All subcontractors must forward their payroll to the Contractor to be certified and signed before the Contractor submits the payroll to TDOT in CRL.

Field office personnel shall review payroll status in CRL at least once a week for each contract. Larger contracts may require checking payrolls more frequently. Payrolls should be reviewed and checked for transitions, exceptions, and/or employee mismatches. Under Certified Payroll Status, either approve or reject the payroll accordingly. If a payroll is rejected, there must be an explanation of the issue in the comments field.

Utilize the “Contractor Activity Report” located in Business Object Enterprise (BOE) and the “Contractor Payroll Tracking Report” located in AWP to ensure that all payrolls have been submitted once work was performed by each Contractor and/or subcontractor. The “Contractor Payroll Tracking Report” must be generated before paying an estimate for the period to ensure that all payrolls on the contract have been approved and are in good standing.

If the Contractor or subcontractor is aware when submitting a payroll that they are about to enter a time frame where they will not be performing any work, they can check the box that will notify office staff there will be “No Work Until Further Notice” for this contractor. Payrolls will be expected each week for the Contractor and each subcontractor once they have begun to perform work, including weeks in which no work was performed, unless they have checked the box notifying office staff there will be “No Work Until Further Notice” for said contractor. Once a contractor submits a payroll after this no work period, payrolls will be required weekly until again notified “No Work Until Further Notice”.

All payrolls must be submitted through CRL weekly once any contract work has begun for a contractor. If all of the certified payrolls are not received in this timeframe, a written notification will be sent to the Contractor for the late or missing payrolls. The progress payment shall be withheld until all of the necessary certified payrolls have been received for the progress payment. The correspondence for payroll issues will be kept electronically in the payroll file for that month in an issue correspondence folder.
For TDOT field office staff, further instructions are provided on Job Box under Guides: 

HQ Construction Division - Certified Payrolls - Office Staff Quick Reference Guide.pdf - All Documents (sharepoint.com)

Additional resources may be found on the following:

TDOT Learning Network Class: AASHTOWare Project Civil Rights & Labor Certified Payroll Training for Office Staff


The Tennessee Department of Labor and Workforce Development (TDLWD) does not need to receive a copy of the certified payroll, but may be allowed access to review any payroll upon request.

TENNESSEE DEPARTMENT OF LABOR LABOR STANDARDS STAFF

<table>
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<tr>
<th>Name</th>
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<td>423-453-0659</td>
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<td>Dickson Inspector</td>
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<td>Theresa Lowery</td>
<td>Humboldt Inspector</td>
<td>PO Box 334, Trenton TN 38382-0334</td>
<td>731-845-4168</td>
</tr>
<tr>
<td>Patricia Armstrong</td>
<td>Memphis Inspector</td>
<td>3040 Walnut Grove Rd, Memphis TN 38111</td>
<td>901-745-7195</td>
</tr>
</tbody>
</table>
TDOT Departmental Policy 301-02 shall be adhered to when conducting contractor or subcontractor employee interviews.

Labor interviews shall be conducted on all Federal Aid contracts. A minimum of one (1) interview shall be performed on each Federal Aid contract every month. An employee of either the prime contractor or a subcontractor may be interviewed. If an employee declines a request for an interview, the employee’s name and “Declined to Interview” shall be recorded on the form. This will be considered as a completed interview. All interviews shall be recorded on form C-27, “Contractor’s Employee Interviews”.

After the interviews are made and recorded, they are to be compared to the contractor or subcontractor certified payrolls submitted for the corresponding time frame. The Operations District Supervisor or representative shall verify that the employee is properly classified and is being paid the proper hourly wage rates. Any discrepancies between the two must be resolved as stated in Circular letter 1273-02.01.

Approval by the Operations District Supervisor of the progress payment certifies that the labor interviews have been conducted unless an exception (i.e. no work, final estimate, etc.) exists.

The Regional Office shall maintain a tracking system to verify that labor interviews are being conducted as required. Each construction office within a Region is required to submit monthly reports to the Regional Business Development Manager. The Regional Business Development Manager compiles this information into a single report and forwards the report to the Regional Director’s office, including a copy to the Director of Construction and the Assistant Chief Engineer of Operations, on a monthly basis.

Interviews may be conducted more often if conditions warrant.
**CONTRACTOR’S EMPLOYEE INTERVIEWS**  
(Form C-27)

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>County</th>
<th>Contractor or Sub-Contractor</th>
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<tr>
<th>Employee Name</th>
<th>Payroll Classification</th>
<th>Hourly rate for classification</th>
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Type of work being performed by employee as observed by interviewer:

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<th>Hourly Rate for work employee is performing:</th>
<th>$</th>
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I affirm that the information shown above is correct and that I am / am not receiving the number of hours for normal time and overtime.

Complaints/comments/remarks:

<table>
<thead>
<tr>
<th>Contractor Employee’s Signature</th>
<th>Interviewer’s Signature</th>
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Date: ___________________________ Date: ___________________________

The Contractor’s/Sub-Contractor’s (as identified above) payroll for this project have been checked for the period covering this interview and it is apparent that the subject employee is / is not properly classified and is / is not receiving the correct wage scale for the work he is performing in accordance with the wage established, for this project as specified in the Contract Proposal.

Comments/Remarks:

<table>
<thead>
<tr>
<th>Project Supervisor’s/Representative’s Signature</th>
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Date: ___________________________
Enclosed herewith is a copy of the Federal Highway Administration’s, December 4, 1991, letter together with Mr. Thomas O. Willett’s memorandum of October 3, 1991, pertaining to the application of the Davis-Bacon Act to truck drivers.

It appears this is different from the interpretations, therefore, please be governed accordingly.
December 4, 1991

Mr. Carl Wood, Executive Director
Bureau of Operations
Tennessee Department of Transportation
Nashville, Tennessee

Dear Mr. Wood:

Subject: Application of Davis-Bacon Act

We are transmitting a copy of a memorandum from our Washington Office concerning application of the Davis-Bacon Act as it relates to truck drivers on Federal-aid highway projects. The memorandum discusses a current court ruling on this subject.

In short, the court has ruled that Davis-Bacon requirements do not apply to truck drivers delivering materials to a project site even if the drivers are employed by the contractor or a subcontractor. An exception would be if the driver's jobsite is the project itself. Decisions are to be made on a case by case basis. This is contrary to 29 CFR 5.2 (j) and will require a change from current practices.

This interpretation is to be implemented immediately. If there are any questions, please contact Gary Hamby of this office.

Sincerely yours,

(For) Dennis C. Cook
Division Administrator

Enclosure
Memorandum

Application of Davis-Bacon Act to Truckdrivers - Midway Decision

Date: OCT 3 1991

From: Director, Office of Engineering

To: Regional Administrators
Federal Lands Highway Program Administrator

BACKGROUND

The purpose of this memorandum is to provide policy guidance to the Divisions and States as a result of the decision reached in Building and Construction Trades Dept. v. Midway, decided on May 17, 1991. The Court of Appeals for the District of Columbia Circuit held in Midway that Department of Labor (DOL) regulation 29 C.F.R. § 5.2(j) is inconsistent with the Davis-Bacon Act, 40 U.S.C. § 276(a). The Court of Appeals ruled that the regulation, which defines work covered under the Act to include "transporting materials and supplies to or from the building or work by the employees of the construction contractor or construction subcontractor," is invalid because it conflicts with the statutory objective of the Davis-Bacon Act, which is to pay prevailing wages to "mechanics and laborers employed directly upon the site of the work." In the view of the Court of Appeals, the Act covers only mechanics and laborers who work on the site of the federally-funded public building or public work, not mechanics and laborers employed off-site, such as suppliers, materialmen and material delivery truckdrivers, regardless of their employer. According to the Court, material delivery truckdrivers who come on to the site merely to drop off construction materials, are not covered by the Act even if they are employed by the government contractor.

The Court of Appeals in its analysis focused on the statutory text of the Act, and the phrase "site of the work." The Court relied on and quoted from DOL regulation 29 C.F.R. § 5.2(1)(1) in defining that the site of the work is "limited to the physical place where the construction, will remain," along with off-site facilities that are "dedicated exclusively" to the performance of the contract and are "so located in proximity to the actual construction location that it would seem reasonable to include them." 29 C.F.R. § 5.2(1)(2).

The Court, in its review of the legislative history of the Act, concluded that Congress clearly intended the Act to apply only to on-site workers and affirmatively intended it not to apply
to off-site workers. In the Court's view, there is no legisla-
tive history to suggest, as the DOL has ruled, that Congress
intended the employment status of the worker rather than the
location of his job to be determinative of the Act's coverage.

APPLICATION OF MIDWAY TO THE FEDERAL-AID HIGHWAY PROGRAM

The Court of Appeals' decision is final, as neither the
Solicitor General, U.S. Department of Justice, nor the union
will seek appeal to the U.S. Supreme Court.

Since we have yet to receive any guidance from DOL on its
reaction to Midway, the following is our interim policy and
guidance based on the Midway ruling. To the extent that the
interim policy conflicts with any subsequently issued statement
from DOL, the policy will then be accordingly modified.

The Court of Appeals ruled that material delivery truckdrivers,
who come onto the site of the work merely to drop off construc-
tion materials, are not covered by the Davis-Bacon Act even if
they are employed by the government contractor, because they
are not employed directly upon the site of the work. Applica-
tion of the Midway ruling relative to what constitutes the
"site of the work" shall continue to depend upon DOL's defini-
tion of that term as set forth in 29 C.F.R. Part 5.2(1). The
regulation states that "the site of the work" is limited to the
physical place or places where the construction called for in
the contract will remain when work on it has been completed and
other adjacent or nearby property used by the contractor or
subcontractor in such construction which can reasonably be said
to be included in the "site." Further, it defines "site of the
work" by stating that fabrication plants, mobile factories,
batch plants, borrow pits, job headquarters, tool yards, etc.,
are part of the "site of the work" provided that they are
dedicated exclusively, or nearly so, to performance of the
contract or project, and are so located in proximity to the
actual construction location that it would be reasonable to
include them.

DOL defines what is not included in the term "site of the work"
in 29 C.F.R. Part 5.2(1)(3). Not included in the term "site of
the work" are such facilities as permanent home offices, branch
plant establishments, fabrication plants, and tool yards of a
contractor or subcontractor whose locations and continuance in
operation are determined wholly without regard to a particular
Federal or federally assisted contract or project. In addi-
tion, fabrication plants, batch plants, borrow pits, tool
yards, etc., of a commercial supplier or materialmen which are
established by a supplier of materials for the project before
opening of bids and not on the project site, are not included
in the "site of the work." Such permanent, previously
established facilities are not a part of the "site of the
work," even where the operations for a period of time may be
dedicated exclusively, or nearly so, to the performance of a
contract.
It is important to remember that the above DOL regulation defining "site of the work" was not changed by the *Midway* decision. As the *Midway* court stated in a footnote, the validity of the "site of the work" regulation was not before the Court. What has changed is the application of this regulation to determine if a particular group of truckdrivers or haulers are covered by the Davis-Bacon Act.

When determining whether the hauling work done by truckdrivers falls under Davis-Bacon coverage, one must look at three scenarios.

1. If the work involves hauling being done on the actual "site of the work," that is the physical place or places where the construction called for in the contract will remain when work on it has been completed, then the truckdrivers are covered by the Davis-Bacon Act and are subject to prevailing wage rates.

2. Similarly, if the work involves hauling from an adjacent or nearby property dedicated exclusively, or nearly so, to performance of the contract or project, and so located in proximity to the actual construction location that it would be reasonable to include them, then the truckdrivers are again covered by the Davis-Bacon Act and are subject to prevailing wage rates.

3. However, if the work involves hauling being done from an off-site location, for example at permanent home offices, branch plant establishments, fabrication plants, and/or tool yards of a contractor or subcontractor whose locations and continuance in operation are determined wholly without regard to a particular Federal or federally assisted contract or project, then the truckdrivers are not covered by the Davis-Bacon Act and are not subject to prevailing wage rates. Similarly, fabrication plants, batch plants, borrow pits, job headquarters, etc., of a commercial supplier or materialman which are established by a supplier of materials before opening of bids and are not on the project site are not part of the "site of the work," even where the operations for a period of time may be dedicated exclusively, or nearly so, to the performance of a contract.

Because of the *Midway* decision, these determinations of Davis-Bacon coverage must now be based solely on the location of the truckdrivers' jobsite, rather than the employment status of the driver. These determinations of coverage must occur on a case by case basis, so it is important that the contractor indicate as early as possible how trucking and handling operations will occur on the project.
If there are any questions concerning this policy guidance, please contact Mr. Robert S. Wright (HNG-22) at FTS 366-1558 or Mr. Terence Carlson (HCC-32) at FTS 366-1395.

[Signature]

Thomas O. Willett
CIRCULAR LETTER

SECTION: 1273 CONTRACT PROVISIONS – FEDERAL-AID CONTRACTS
NUMBER: 1273-04.01
SUBJECT: DAVIS-BACON ACT RELATING TO TRUCKERS (SUPPLEMENTAL)
DATE: JULY 1, 1992

Attached is a copy of Supplemental Information Relative to Implementation of the Midway Decision which amplifies the information furnished you with Circular Letter 1273-04.

This additional information is intended to further clarify the application of Davis-Bacon requirements to truck drivers pursuant to the Midway Decision and FHWA’s interim policy for implementation.
Supplemental Information Relative to Implementation of the Midway Decision

The following information is offered as supplemental guidance in response to questions and scenarios that have been brought to our attention from the various field offices since the Midway Decision was issued.

Questions:

1. What is the effective date for implementation of policy changes arising from the Midway Decision?

   May 17, 1991, the date of the court's decision, is the effective date, since all motions for rehearing were denied and the parties in question never petitioned to the Supreme Court.

2. What projects may the Midway Decision affect?

   The decision may affect Federal-aid construction projects that were authorized on or after May 17, 1991, as well as work that occurred on or after May 17 on projects authorized prior to that date.

   The impact of Midway to existing and completed projects will depend upon the number of contractors who desire to make adjustments in payments made to truck drivers pursuant to the ruling and States' reactions to such requests. States with their own minimum wage legislation may find that such statutes preclude any adjustment.

3. Does the Midway Decision have applicability to owner/operators?

   No, there is no impact on owner/operator trucking agreements. Davis-Bacon wage rates do not apply to owner/operator trucking transactions.

4. Has the Midway Decision ruling affected the Department of Labor's (DOL's) policy involving hauling operations from the project site to a "non-dedicated" off-site facility?

   Yes, the Court's decision held that DOL's regulation, 29 CFR Section 5.2(j), defining "construction" to include the hauling of materials to and from a construction site, is invalid because it conflicts with the language of the Davis-Bacon Act in that such hauling is not performed "directly on the site of the work." As a result, the Court concluded that truck drivers engaged in hauling materials and supplies to and from a construction site are not employed "on the site of the work" and, therefore, the DOL is without statutory authority to extend the prevailing rate requirement to such drivers. It is noted that this application is in reference to only those hauling operations to and from an "off-site" facility that has been determined to be "non-dedicated."
5. In view of the Midway Decision, a number of inquiries have been made regarding applicability of Davis-Bacon wage rates under several scenarios of truck/hauler operations involving various "off-site facilities." To properly address each scenario, the "off-site facility" must be evaluated to assure it meets the criteria for "site of the work" as defined in DOL's regulations (29 CFR 5.2). The criteria is as follows:

An "off-site" facility that comes under the definition of "site of the work" must be considered "dedicated exclusively" to the performance of the contract, and be so located in proximity to the actual construction location that it would be reasonable to include it.

An evaluation of the "off-site" facility should address the following issues:

(a) Does the "off-site" facility exist because of the Federal-aid project? If the answer is yes, then it probably meets the "dedicated exclusively" criteria, which means all truckers hauling from this facility to the project site and from the project site to the facility, regardless of whom they are employed by, are covered by Davis-Bacon wage rates.

However, when it comes to certain "off-site" facilities, such as borrow or waste pits, one must also examine whether or not it has a "commercial nature". This can be done by answering the following questions:

- Was the "off-site" facility established by a commercial supplier or materialman prior to award of the project?
- Will the "off-site" facility be used for multiple purposes (by other projects, i.e., State or the private sector)?

If the answer is yes to either of these questions, then the "off-site" facility most likely cannot be considered "dedicated exclusively" and be included as part of the "site of the work", even when the operations for a period of time may appear dedicated exclusively, or nearly so, to the performance of the contract.

(b) If the "off site" facility being evaluated is determined to meet the "dedicated exclusively" portion of the criteria, it next must be tested to assure it also meets the "in proximity to" portion. To accomplish this, several factors should be examined. These include:

- the type/nature of the project, and
- the geographical elements involved (i.e., geological and whether the project is in an urban or rural location).
The key word in this test is "reasonable." The determination of reasonableness is very subjective and best left to be determined at the local or State level based on the factors involved. For this reason, no specified distance limitations have been developed as they may vary from State-to-State and region-to-region.

(c) Scenarios that involve major route/corridor type work that consists of multiple adjacent contracts/projects and/or different contractors represent a unique set of circumstances. As a general rule, if such a group of projects have "off-site" facilities that meet the test criteria noted above for being "dedicated exclusively" and "in proximity to" for the "group of projects" only, then such facilities can be considered to be included in the definition of "site of the work." This would include "shared" facilities from different contracts/projects by the same contractor, as well as, the possibility of "shared" facilities from different contracts/projects by different contractors.

6. In light of the Midway Decision, how will determinations be made with regard to "split-trip" operations?

Due to the Midway Decision, contractors will need to establish payroll records that indicate the times that truck drivers are hauling under conditions that meet the criteria for Davis-Bacon coverage and the times when conditions do not meet the criteria. Since wage determinations are usually based on hourly increments, the wage rate that dominates for any given hour of the day will depend on the type of operation that dominates for that given hour of the day.

In cases where the legs of the trip are split (i.e., hauling from a commercial site to the project site in one leg of the trip, then hauling from the project site to a "dedicated exclusively" off-site facility in the other leg), DOL has in the past ruled the trip-leg that meets the criteria for Davis-Bacon wage rate coverage will dominate the wage coverage determination for that entire operation. It is noted that the impact of the Midway Decision on this "split-trip" issue is currently being examined in the Ames Construction Case. Until a decision is conclusively reached on this matter, DOL's current policy will stand with respect to the Midway Decision.

**Application Scenarios:**

Using the guidance provided above, the following scenarios furnished by the field offices are now examined to demonstrate the application of Davis-Bacon to truck drivers under Midway:

(Remember, whether or not the truck drivers are directly employed by the government contractor is no longer a relevant factor.)
Scenario 1: A trucking firm is contracted to haul materials from a commercial production source. The contract may be with the supplier or the prime contractor.

(The work is not covered under the Davis-Bacon Act.)

Scenario 2: The prime contractor hires drivers to operate trucks from a commercial production source.

(The work is not covered under the Davis-Bacon Act.)

Scenario 3: A project involves milling a bituminous overlay from concrete pavement, rubblizing and hauling off old concrete pavement, re-compacting the subgrade, placing a lime treatment on the subgrade, placing a Portland cement treated base, followed by Portland Cement Concrete Pavement. A trucking firm is subcontracted to do the following:

(a) to haul millings, dirt, debris, etc., from the project site to a State designated location adjacent to or near the project;

(The designated location is an "off-site" facility which meets the criteria for "site of the work." Therefore, the hauling of millings, dirt and broken concrete to this location is covered and subject to the prevailing Davis-Bacon wage rates.)

(b) to haul Portland cement treated base from a plant located in a commercial quarry which is set up specifically for the project;

(The plant used to produce Portland cement treated base was set up "off-site" specifically for the project, therefore it meets the criteria for "site of the work." Thus, work done at the plant and hauling from and to the plant from the actual site of work is covered and subject to the prevailing Davis-Bacon wage rates.)

(c) to haul concrete aggregate from a commercial quarry to the concrete plant location.

(The source of concrete aggregate is a bona fide commercial quarry, (i.e., a commercial supply source not dedicated exclusively to the project). It, therefore, is not considered a part of the "site of work." Work performed by drivers hauling from this source and to this source from the actual site work is not subject to the prevailing Davis-Bacon wage rates.)
Scenario 4: The project involves hauling excavated earth from various locations on the project to other locations on the same project and from a borrow site established by the contractor at the same location as the commercial hot mix plant. The hot mix plant is located within a reasonable hauling distance to the project site. The prime contractor owns several trucks capable of hauling both dirt and bituminous material and does the following work:

(a) Drivers employed by the contractor haul excavated material within the project limits for construction of the roadway embankment;

(Since the hauling of excavated materials involves working within the actual site of the work, the hauling is covered and subject to the prevailing Davis-Bacon wage rates.)

(b) After hauling all available embankment material within the project limits, the contractor’s drivers haul excavated overburden from a commercial borrow site, owned by the contractor, to complete the roadway embankment;

(The contract plans required the contractor to furnish embankment material for the project. The location that the contractor furnished embankment borrow from is a commercial supply source. The source, even though owned by the contractor, does not meet the "dedicated exclusively" criteria. Thus, the hauling work is not covered by the provisions of the Davis-Bacon Act.)

(c) After completion of the roadway embankment and trimming of the subgrade to the proper grade, the contractor placed a surface of bituminous material which was hauled from his commercial hot mix plant and dumped into a laydown machine.

(The material delivery truck drivers who came onto the site of the work merely to drop off construction materials are not covered by the Davis-Bacon Act regardless if employed by the prime contractor or subcontractor. The source of the materials is of a commercial nature not "dedicated exclusively" to the project.)

Scenario 5: The project involves grading and bituminous surfacing of an existing roadway for a distance of 16 km (10 miles) with limited right-of-way. The plans call for the roadway to be widened and the shoulders to be stabilized. Included in the plans is a requirement for the contractor to furnish embankment from a location approved by the State. The contractor locates an area approximately 3.2 km (2 miles) from the nearest point of the project. The haul road from the borrow area intersects the project midway through the project. The contractor is
required to strip vegetation from the area and, by an agreement with the land owner, stockpile the top soil which will be replaced after use of the borrow pit is no longer needed. The contractor subcontracts a trucking firm to:

(a) haul embankment from the borrow location to the project site;

(The borrow pit was required by the construction plans and was not open to commercial sales. Therefore, it is considered to be included in the "site of the work" and the drivers hauling from the site are covered by the Davis-Bacon Act.)

(b) to haul aggregate from a commercial quarry to the hot mix plant that was set up adjacent to the project site at the intersection with the borrow pit haul road;

(The hauling of the aggregate from a commercial quarry to the hot mix plant site is considered a supply activity. Therefore, the drivers of these trucks are not covered by the provisions of the Davis-Bacon Act.)

(c) to haul a portion of the bituminous surfacing material from the hot mix plant to the job site;

(The hot mix plant was set up specifically (i.e., dedicated exclusively) for this project. Therefore, all drivers hauling from the plant are covered by the provisions of the Davis-Bacon Act.)

(d) The contractor used his own forces to haul AS-1 shoulder material from a plant set up in a commercial quarry specifically for this project.

(Even though the AS-1 was hauled from a commercial supply source, truck drivers are covered by the provisions of the Davis-Bacon Act because the plant used to produce the material was set up specifically for the project.)

Scenario 6: A contract is awarded to a company who has just completed a similar project during the later part of the preceding construction season. This project abuts one end of the project completed the preceding season and is of the same design. The contractor cannot locate an acceptable borrow pit site within reasonable hauling distance, however, there is a commercial quarry located within an acceptable distance from the project. An agreement is made with the quarry owner to allow the prime contractor to remove overburden from part of his quarry to be purchased and used for roadway embankment material. The owner of the quarry will take both original and final cross sections for measurement of the site of which borrow is purchased. The contractor moves in his own fleet of trucks to:
(a) haul embankment from the borrow site to the project site;

(The contract plans require the contractor to furnish embankment material for the project. The location of the contractor furnished material is a commercial supply source. The source is not considered to be included in the "site of the work" and the drivers are merely dropping off material to the project location. Therefore, they are not covered by the provisions of the Davis-Bacon Act.)

(b) haul bituminous material from the plant at the same location as it was for the previous project;

(Though the plant was set up specifically for a project that was completed the previous construction season, it did not produce any bituminous material for commercial sale. Therefore, the drivers hauling from the plant are covered by the provisions of the Davis-Bacon Act.)

(c) A subcontract is approved for a trucking firm to haul the AS-1 for shoulders from a plant set up specifically for the project completed the previous construction season to the project site, dump the material into a shouldering machine;

(Though the plant was set up specifically for a project that was completed the previous construction season, there was no material produced for commercial sales by the plant during that time. Therefore, the drivers are covered by the provisions of the Davis-Bacon Act.)

(d) to haul aggregate from a commercial quarry to the hot mix plant.

(Drivers of trucks hauling aggregate from commercial quarries to the hot mix plant are not covered by the provisions of the Davis-Bacon Act.)
CIRCULAR LETTER

SECTION: 1273 CONTRACT PROVISIONS – FEDERAL-AID CONTRACTS
NUMBER: 1273-05
SUBJECT: SUBCONTRACTING LABOR
DATE: JUNE 15, 2010 (02/01/2011)

It has been determined that contractors may subcontract labor on highway construction projects under the following conditions:

A. The contractor shall request and obtain permission to subcontract labor from the Director of Construction as with any other item of construction.

B. Typically, the subcontract request will be for a partial pay item, since there is no pay item specifically for labor charges.

C. The total amount of labor being subcontracted shall be treated as any other item of construction; therefore, the aggregate of labor and other items being subcontracted may not exceed the permissible limits set out in the contract. In addition, the dollar amount of labor subcontracted will be treated as any other subcontracted item of Subsection 108.01 of the Standard Specifications.

D. The contractor must comply with all terms of the construction contract regarding labor, Equal Employment Opportunity, the Davis-Bacon Act and all related statutes, the Tennessee Prevailing Wage Act and all regulations of the Tennessee Department of Labor.

Contractors who utilize labor through Employee Lease Agreements (see CL 1273-05.01) cannot request subcontract approval for that labor.

Note: Procedures also apply to State Funded projects.
Prime contractors may enter into employee lease agreements with an employee leasing firm meeting all relevant Federal and State regulatory requirements if the leased employees are under the direct supervision and control of the contractor’s superintendent and/or supervisor. Leased employees may be considered part of the prime’s “own organization” if the following conditions apply:

1. The prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
2. The prime contractor remains responsible for the quality of the work of the leased employees;
3. The prime contractor retains all power to accept or exclude individual employees from work on the project;
4. The prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

If the leased personnel are treated as employees of the prime contractor, and would be considered as such but for their actual employment by a leasing agency, then they should be considered employees of the prime contractor’s organization and not as a subcontractor (23 CFR 635.116(a)). Circular Letter 1273-05 contains information regarding requirements for subcontracting labor.

Additionally, for the purpose of Davis-Bacon compliance, the prime’s agreement with the employee leasing firm must ensure compliance with minimum wage requirements. The prime is also responsible for providing the appropriate payroll information for all leased employees. To meet this requirement, the Employee Leasing Agency shall be responsible for submitting a certified payroll to the Prime showing the actual wages paid to the leased employee. The Prime is then responsible for verifying that the wages shown meet or exceed minimum wage requirements for the work classification performed. The Prime shall then submit the payroll to the Project Supervisor.

Prime contractors shall forward copies of any executed employee lease agreements to the Project Supervisor for inclusion in the project records.

NOTE: Procedures also apply to State Funded projects.
CIRCULAR LETTER

SECTION: 1273 CONTRACT PROVISIONS – FEDERAL-AID CONTRACTS
NUMBER: 1273-06
SUBJECT: DAVIS-BACON ACT RELATING TO SURVEY CREWS
DATE: DECEMBER 15, 2007

The Wage and Hour Division of the Employment Standards Administration, U.S. Department of Labor (DOL), in its Field Operations Handbook (6/1/87) - Section 15e19(a) - "Survey Crews" states that where surveying is performed immediately prior to and during actual construction, in direct support of construction crews, such activity is covered by the Davis-Bacon and Related Acts (DBRA). Coverage to Survey Crews is also provided under the Contract Work Hours and Safety Standards Act (CWHSSA). DBRA requires payment of the prevailing wages specified in the contract and CWHSSA requires payment of time and a half for all hours exceeding 40 hours in a workweek.

If the contract contains the Item No. 105-01 or 105M01 Construction Stakes, Lines and Grades and the survey personnel are performing work that will be paid for under this item, then they must be paid the contract prevailing wage for their classification and included on weekly certified payrolls. However, if the contract does not contain Item No. 105-01 or 105M01, and no subcontract form has been submitted for a company employing the survey personnel, then these workers may be providing services to the contractor and do not have to be included on certified payrolls.

All survey personnel performing work to meet the contract’s DBE goal shall be paid the contract prevailing wage and shall be included on the weekly certified payrolls.

The Tennessee Department of Labor & Workforce Development currently has the following classifications in the Highway Construction Crafts for survey party work persons:

Survey Instrument Operator (Craft 18) - Obtains data pertaining to angles, elevations, points, and contours used for construction, map making, mining, or other purposes, using alidade, level, and transurveying instruments. Compiles notes, sketches, and records of data obtained and work performed. Directs work of subordinate members of survey team. Performs other duties relating to surveying work as directed by Chief of Party.

Survey Helper/Rodman (Unskilled Laborer – Craft 23) - Performs any of the following duties to assist in surveying land: Holds level or stadia rod at designated points to assist in determining elevations and laying out stakes for mapmaking, construction, mining, land, and other surveys; calls out reading or writes station number and reading in notebook; marks points of measurement with elevation, station number, or other identifying mark; measures distance between survey points, using steel or cloth tape or surveyor’s chain; marks measuring points with keel (marking crayon), paint sticks, scratches, tacks, or stakes; places stakes at designated points and drives them into ground at specified elevation, using hammer or hatchet; cuts and clears brush and trees from line of survey, using brush hook, knife, ax, or other cutting tools.
A survey crew member who primarily does manual work such as clearing brush is classified as an unskilled laborer and is covered for the time so spent. Attached are Sections 15e19(a) and (b) of the Field Operations Handbook which address this situation.

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FIELD OPERATIONS HANDBOOK - 6/1/87  15e19 - 15e21

15e19 Survey crews

(a) Where surveying is performed immediately prior to and during actual construction, in direct support of construction crews, such activity is covered by DBRA. Under the United States Housing Act of 1937 and the Housing Act of 1949, the "development of the project" coverage test is broader and may also cover preliminary survey work.

(b) The determination as to whether certain members of survey crews are laborers or mechanics is a question of fact. Such a determination must take into account the actual duties performed. As a general matter, instrumentman or transitman, rodman, chairman, party chief, etc. are not considered laborers or mechanics. However, a crew member who primarily does manual work, for example, clearing brush, is a laborer and is covered for the time so spent.

15e20 Timekeepers.

Timekeepers who perform no manual labor on construction projects are not considered to be "laborers" or "mechanics" for purposes of DBRA. However, if such workers perform other duties as laborers or mechanics, they must be paid the WD rate for the particular classification involved for the time so spent.

15e21 Trucker.

(a) Truck drivers employed by a construction prime contractor or subcontractor to transport materials or equipment to a DBRA project, or from a DBRA project to return materials to the contractor's or subcontractor's plant or yard, are covered. Drivers employed by a prime contractor or subcontractor transporting materials or equipment from one DBRA project to another DBRA project are also covered, and the time so spent is compensable at the DBRA rate required to be paid on the latter project. Drivers employed by a prime or subcontractor transporting materials or equipment away from a DBRA project to another project of the same contractor or subcontractor are also covered, even where the latter project is not subject to DBRA.

(b) Truck drivers engaged in hauling excavated material, debris, dirt, asphalt for recycling, etc. away from a DBRA-covered construction site are covered for the time spent loading at the site, transporting the material and unloading. All truck drivers engaged in such activities are covered regardless of their employer's status as a materialman or a construction contractor. It makes no difference whether or not an employer who is engaged in