



Policy Number: 301-02
Effective Date: 9-1-16

 <p>DEPARTMENTAL POLICY State of Tennessee Department of Transportation</p>	Policy Number : 301-02
	Effective Date: September 1, 2016
Approved By: 	Supersedes: 11-16-2006
SUBJECT: Davis-Bacon Act and Contractor Payrolls	

RESPONSIBLE OFFICE: Regional Offices

AUTHORITY: TCA 4-3-2303. If any portion of this policy conflicts with applicable state or federal laws or regulations, that portion shall be considered void. The remainder of this policy shall not be affected thereby and shall remain in full force and effect.

PURPOSE: To establish policy for reviewing contractor and subcontractor payrolls and conducting labor interviews mandated by the Davis-Bacon Act.

APPLICATION: All operations personnel responsible for reviewing contractor and subcontractor payrolls and conducting labor reviews.

DEFINITIONS: None

POLICY: Labor interviews are to be conducted to assist in determining if correct wages are being paid to contractor and subcontractor employees on all federally-assisted construction projects administered by the Tennessee Department of Transportation.

A minimum of 1 interview shall be performed on each Federal Aid Contract every month. 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.

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

After the interviews are made and recorded, they are to be compared to the contractors' payrolls submitted for the corresponding time frame to assist in determining if correct wages are being paid to contractor and subcontractor employees. Any discrepancies between the two must be resolved immediately and documented. Interviews may be conducted more often if conditions warrant.

A tracking system shall be maintained by Regional Construction to verify that interviews are being conducted in accordance with this policy. The information shall be forwarded to the Chief Engineer's office on a monthly basis.

Compliance with the policy will be satisfied with an 80% interview rate per region. However, this policy intends for all interviews to be performed in accordance with the approved procedures. If less than 80 percent of the required interviews have been performed in a region for an estimate period, disciplinary action may be taken.

All certified payrolls (paper or electronic) shall be submitted to the District Operations Supervisor weekly for the previous week in which any contract work is performed. If payrolls are not submitted, progress payments shall be withheld. Payrolls are to be submitted and verified as stated in Departmental Guidance.

Certified payrolls are to be retained with the project records at the Project Supervisor's Office. State officials are to be allowed access to review said payrolls if needed.

If the Project Supervisor discovers either through review of payrolls, monthly labor interviews and/or labor complaints that incorrect wages are being paid, immediate action must be taken.

Corrective actions to be taken are as follows for those instances in which proof exists that an infraction has occurred:

- (1) Notify the contractor of the infraction giving sufficient time (two weeks) to investigate and correct with supporting documentation.
- (2) Progress payments are to be withheld if the contractor fails to initiate corrective actions or fails to submit payrolls within the times specified. Written notification shall be provided to the contractor regarding withholding of payments.
- (3) Failure on the part of the contractor to make corrections after payments have been withheld above requires notification to the Headquarters Construction Office and the Tennessee Department of Labor and Workforce Development.

Corrective actions to be taken are as follows for those instances where an infraction is alleged but cannot be verified by TDOT personnel:

- (1) Notification to the contractor of the alleged infraction allowing sufficient time (two weeks) to investigate and correct or explain their actions otherwise with documentation.
- (2) The District Operations Supervisor or designee should closely monitor circumstances around the alleged infraction from the point of the complaint to determine if there is a violation.
- (3) If an infraction exists, the contractor must correct immediately, and provide supporting documentation, or have progress payments withheld.
- (4) If the contractor fails to correct the infraction immediately and provide supporting

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documentation, notification to the Headquarters Construction Office and Tennessee Department of Labor and Workforce Development is required.

(5) If the District Operations Supervisor or designee fails to discover an infraction and/or the complaint is not resolved, the complaint should be passed on to the Headquarters Construction Office and the Tennessee Department of Labor and Workforce Development.

Failure to comply with any of the above provisions may result in disciplinary action.