

## TAB 1C – PREVAILING WAGE FOR PRIVATE/PUBLIC PROJECTS

### 1. CERTIFIED PAYROLL ON PRIVATE PROJECTS REQUIRED BY COLLECTIVE BARGAINING AGREEMENTS

**1.1 Compliance with Labor Code Sections 218.7 (f) (1) and (2)** If Subcontractor is subject to a trade union agreement, Subcontractor will comply with this Article 1 and will comply with Labor Code Sections 218.7 (f) (1) and (2).

1.1.1 Pursuant to Labor Code section 218.7(f)(1), Subcontractor and each of its tier-subcontractors will maintain weekly certified payroll records showing the following information for all field labor and non-salaried employees:

- (a) Project name;
- (b) Name and legal address of employer and the contractor for whom it is in direct privity of contract;
- (c) Name of employee and last four digits of social security number;
- (d) Employee's work classification;
- (e) Straight time and overtime hours paid each day and week;
- (f) Total number of hours worked by employee and the applicable labor rate.
- (g) Gross wages earned, deductions, and net wages.
- (h) Dates of the period for which the employee is paid.

1.1.2 Subcontractor will submit a certification that Subcontractor and each tier-subcontractor have made all required fringe benefit contributions. Subcontractor and its tier-subcontractors will certify under penalty of perjury that records maintained and submitted by Subcontractor and its tier-subcontractors are true and accurate.

1.1.3 The payroll records required by Section 1.1.1 will be certified as required by Section 1.1.2 and submitted to Unger by Subcontractor on a monthly basis with its request for payment or at other times that may be designated by Unger. Subcontractor is responsible for compiling all tier-subcontractor certified payroll records as part of its monthly payment application submission.

1.1.4 All payroll records must be maintained for a period of 3 years after Final Completion of the Project.

**1.2 Failure to Comply.** If Subcontractor is delinquent in the payment or payments to the appropriate health and welfare, pension, vacation and apprenticeship fund or funds, regardless of the job in connection with which the delinquency occurred, Unger will have the right to first deduct the full amount of the delinquency from payments to be made to Subcontractor under this Subcontract. Unger will also have the right to pay the amounts so deducted directly over to the appropriate fund or funds.

**1.3 Skilled Workforce Estimate.** Before commencement of the Work, Subcontractor must provide, and will require each of its tier-subcontractors to provide the following information to Unger. Subcontractor is responsible for compiling this information from each of its tier-subcontractors.

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1.3.1 The name and address of each subcontractor and the contractor for whom it is in direct privity of contract.

1.3.2 The anticipated start date and duration for its portion of the Work.

1.3.3 An estimate of the number of journeymen and apprentice hours.

1.3.4 Contact information.

## 2. PREVAILING WAGE RATES FOR PUBLIC WORKS PROJECTS

**2.1 Applicability of this Article.** If identified in the Business Terms Sheet as a prevailing wage for public works project, this project is subject to California State prevailing wages and Subcontractor will comply with any applicable California prevailing wage, public work laws and the requirements of this Article 2. Visit the following site for more information regarding public works requirements <https://www.dir.ca.gov/Public-Works/PublicWorks.html>.

**2.2 Submissions Required.** The submissions required by this Article 2 include, but may not be limited to, the following:

2.2.1 Subcontractor will comply with Labor Code section 1776, and Subcontractor and each of its tier-subcontractors will keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work.

2.2.2 Each payroll record required by Section 2.2.1 must contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(a) The information contained in the payroll record is true and correct.

(b) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any Work performed by his or her employees on the public works project.

2.2.3 Subcontractor will submit the certified payroll records required by Section 2.2.1 and 2.2.2 to Unger and to DIR on a weekly basis. Records will be provided no later than five (5) days following the last day each workweek. Certified Payroll and all compliance documentation must be entered into the appropriate Labor Compliance Program and/or emailed to [accounting@ungerconstruction.com](mailto:accounting@ungerconstruction.com). Check with project team for further details.

2.2.4 Certain types of public works projects will require Subcontractor to comply with “skilled and trained workforce” requirements (see, e.g., Public Contract Code section 2600). Subcontractor will comply with such requirements if applicable, and will submit monthly reports to Unger including identifying the workers employed in an apprenticeable occupation during the reporting period; the skilled journey persons employed in an apprenticeable occupation during the reporting period; and the graduates from an approved apprentice program employed in an apprenticeable occupation during the reporting period.

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2.2.5 Subcontractor, prior to receiving final payment for the Work, will submit an affidavit under penalty of perjury stating that the Subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees for the proper craft needed to fulfill the obligations of the Subcontract. (See Labor Code § 1775(b)(4).)

**2.3 Prevailing Wage Laws.** Subcontractor acknowledges and agrees that it has performed its own investigation as to the applicability of California prevailing wage laws including Labor Code sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"). Subcontractor agrees that the labor rates established in Exhibit 2 include, and the Subcontract Price will include, full compensation for all labor in compliance with California Labor Code and that no additional compensation will be owed to Subcontractor in the event that Subcontractor is required to pay higher wages or incur additional costs that Subcontractor contends it did not anticipate.

2.3.1 Subcontractor is aware of the Prevailing Wage Laws, which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Project involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and because the total compensation is \$1,000 or more, Subcontractor agrees to fully comply with the Prevailing Wage Laws. Subcontractor will obtain a copy of the prevailing rates of per diem wages at the commencement of the Work from the Department of Industrial Relations located at <https://www.dir.ca.gov/opri/DPreWageDetermination.htm>. Subcontractor will make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to perform Work on the Project available to interested parties upon request, and will post copies at the Subcontractor's principal place of business and at the Project site.

2.3.2 Subcontractor will pay all workers not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed.

2.3.3 Subcontractor will pay all workers not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the Labor Code.

2.3.4 Subcontractor will post, at appropriate conspicuous points on the Project site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned.

2.3.5 Subcontractor will adhere to the compliance measures outlined in Labor Code section 1775(b) for any tier-subcontractor that Subcontractor chooses to use on the Project.

2.3.6 Subcontractor will comply with the applicable requirements and joint apprenticeship standards required by Labor Code section 1777.5.

2.3.7 Subcontractor will comply with Labor Code section 1725.5 if applicable, which requires that contractors and subcontractors who bid, are listed in a bid proposal, or work on a public works project register and pay an annual fee to the Department of Industrial Relations, (DIR). The registration program became effective on July 1, 2014. Effective March

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1, 2015 no contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the DIR. Effective April 1, 2015 no contractor or subcontractor may work on a public works project unless registered with the DIR (except for construction projects of \$25,000 or less or maintenance work of \$15,000 or less). The registration period runs from July 1st and is valid through the end of June annually. DIR maintains an up to date listing of registered contractors.

2.3.8 Subcontractor will maintain its DIR registration in good standing, and ensure that its tier-subcontractors maintain their DIR registrations in good standing, during the course of the Work. (See Labor Code § 1771.1.)

2.3.9 If applicable to Subcontractor or anyone working under it, under Labor Code section 1775, Subcontractor will forfeit as a penalty to the Owner not more than \$200 for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing wage rate for any Work performed by Subcontractor, or by any consultant under Subcontractor, in violation of the provisions of the Labor Code. The difference between the stipulated prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof, for which each worker was paid less than the stipulated prevailing wage rate, will be paid to each worker by the Subcontractor.

2.3.10 If applicable to Subcontractor or anyone working under it, Subcontractor will, as a penalty to the Owner, forfeit \$25 for each worker employed in the execution of the Work for each calendar day that the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Section 1813. Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of the Labor Code, the work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, will be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay.

2.3.11 Subcontractor is aware that, pursuant to Labor Code 1813, the Owner is required to notify all violations of this provision to the Division of Labor Standards Enforcement.

**2.4 Indemnification.** The Subcontractor agrees to indemnify and hold harmless Owner and Unger for any violations of the above-referenced Labor Code provisions, which were caused by the Subcontractor's failure to comply with the said provisions.