

New Prevailing Wage Monitoring
Requirements
for Projects with
Construction Contracts Awarded
After January 1, 2012

Department of Industrial Relations
Division of Labor Standards Enforcement

Public Works Compliance Monitoring



John Cumming

Counsel

Department of Industrial Relations

History Behind the CMU

- * Background of Prevailing Wage Laws and Enforcement
- * Creation of Labor Compliance Programs (“LCPs”)
- * Mandatory LCPs under AB 1506 and other statutes
- * In 2007, Legislative Analyst’s Office report on LCPs
- * SBX2-9 and AB 436

CMU Applicability

AB 436 and the new CMU regulations went live on 1/1/2012.

- * Public Works Contracts Awarded on or after 1/1/2012 are subject to CMU requirements
- * Contracts awarded *prior* to 1/1/2012 are subject to the old rules for the life of the project.
- * CMU requirements apply to –
 - * Projects funded by **any** state bond with the *exception of* Proposition 84
 - * Projects under 14 other statutes will require CMU
 - * Projects undertaken by an awarding body that chooses to use the CMU on all of its projects



Exceptions

- * Use of previously approved in house LCP
- * Projects covered by qualified project labor agreement
- * Proposition 84-funded projects: LCP required (no alternatives or exceptions)

Awarding Body Requirements

- * Bid and Contract Language
- * Notice to the Department of Industrial Relations (PWC 100 form)
- * Job Site Postings
- * Fees to the Department
- * Vigilance and Cooperation; Comply with withholding orders



PWC 100 – Required Notification

- * Required Awarding Body Notice to DIR
- * On-line capability
- * The PWC 100 fulfills the requirement of notification from:
 - * DAS – has all the information from the DAS 13
 - * CMU – new notification requirements from recent regulations
- * On-line Electronic Mail Correspondence from DIR
 - * Project was successfully submitted to DIR
 - * Reminder, that the project may be subject to CMU
 - * DLSE staff will contact the Awarding Body within 10 business days



Welcome to the PWC 100 form online application page. The PWC 100 form should be completed by the awarding body. The completion and submission of to both the Division of Apprenticeship Standards [Labor Code sec. 1773.3 (replacing former DAS-13 notification)] **and** the Division of Labor Standards Enforcement sec. 16451(a)].

An awarding body or body awarding the contract means department, board, authority, officer or agent awarding a contract for public work. In most cases the awarding body is a city, county, school district, water district, special district, or a state agency. However, in some cases the body awarding the contract may be a private entity.

Please note: This system was recently launched and some aspects are still in development. If you encounter any errors please email pwc100@dir.ca.gov for assistance with the submission of your PWC 100.

Please keep your login and password since you may only register once.

Username:

Password:

[Register for an Account](#)

Login

Job site Posting

Public Works Compliance Monitoring
Division of Labor Standards Enforcement

WORKSITE POSTING

Compliance Monitoring Unit (CMU)

Mandatory State Regulations for Public Works Projects



CMU

This public works project is subject to monitoring and investigative activities by the Compliance Monitoring Unit (CMU) of the Division of Labor Standards Enforcement, Department of Industrial Relations, State of California. This Notice is intended to provide information to all workers employed in the execution of the contract for public work and to all contractors and other persons having access to the job site to enable the CMU to ensure compliance with and enforcement of prevailing wage laws on public works projects.

PREVAILING WAGE

The prevailing wage laws require that all workers be paid at least the minimum hourly wage as determined by the Director of Industrial Relations for the specific classification (or type of work) performed by workers on the project. These rates are listed on a separate job site posting of minimum prevailing rates required to be maintained by the public entity which awarded the public works contract. Complaints concerning nonpayment of the required minimum wage rates to workers on this project may be filed with the CMU at any office of the Division of Labor Standards Enforcement (DLSE).

COMPLAINTS

Complaints should be filed in writing immediately upon discovery of any violations of the prevailing wage laws due to the short period of time following the completion of the project that the CMU may take legal action against those responsible. Complaints should contain details about the violations alleged (for example, wrong rate paid, not all hours paid, overtime rate not paid for hours worked in excess of 8 per day or 40 per week, etc.) as well as the name of the employer, the public entity which awarded the public works contract, and the location and name of the project.

Local Office Telephone Number:

Division of Labor Standards Enforcement

For general information concerning the prevailing wage laws and how to file a complaint concerning any violation of these prevailing wage laws, you may contact any DLSE office. Complaint forms are also available at the Department of Industrial Relations website found at www.dir.ca.gov/dlse/dlsePublicWorks.html.

Department of Industrial Relations 1515 Clay Street Oakland CA 94612 www.dir.ca.gov

DLSE 2011

Public Works Compliance Monitoring
Division of Labor Standards Enforcement

WORKSITE POSTING

Documento de la Unidad de Control de Cumplimiento

Unidad de control de cumplimiento



CMU

Este proyecto de obras públicas está sujeto a las actividades de vigilancia e investigación de la Unidad de control de cumplimiento (CMU, por sus siglas en inglés), de la División de Aplicación de las Normas Laborales, del Departamento de Relaciones Industriales del Estado de California. Este AVISO tiene el propósito de proveer información a todos los trabajadores que están empleados en la ejecución de un contrato de obras públicas y a todos los contratistas y otras personas que tienen acceso al sitio de trabajo, para permitir que la CMU garantice el cumplimiento y la aplicación de las leyes establecidas para salarios en los proyectos de obras públicas.

SALARIO VIGENTE

Las leyes establecidas para salarios exigen que a todos los trabajadores se les pague por lo menos un salario mínimo por horas como lo ha determinado el Director de Relaciones Industriales, de acuerdo a la clasificación específica (o tipo de trabajo) que desempeñen los trabajadores en el proyecto. Estas tarifas son publicadas en el sitio de trabajo en un lugar único para las tarifas mínimas establecidas; estas deben ser las tarifas exigidas por la entidad pública que adjudicó el contrato de obras públicas. Los reclamos relacionados con el no pago de las tarifas exigidas de salario mínimo a los trabajadores de este proyecto, pueden presentarse ante la CMU en cualquier oficina de la División de Aplicación de las Normas Laborales (DLSE).

QUEJAS

Los reclamos deben presentarse por escrito, inmediatamente después del descubrimiento de alguna violación a las leyes establecidas para salarios, debido al corto periodo de tiempo que hay después de la terminación del proyecto para que la CMU pueda ejercer acciones legales contra los responsables. Los reclamos deben incluir detalles acerca de las presuntas violaciones (por ejemplo, los pagos con tarifas incorrectas, las horas no pagadas, el no pago de la tarifa de horas extra por las horas trabajadas después de 8 horas diarias o de 40 por semana, etc.), así como el nombre del empleador, la entidad pública que adjudicó el contrato de obras públicas, la ubicación y el nombre del proyecto.

Número telefónico de la oficina local:

Division of Labor Standards Enforcement

Para obtener información general relacionada con las leyes establecidas para salarios y cómo presentar un reclamo por cualquier violación de tales leyes establecidas para salarios, usted puede ponerse en contacto con cualquier oficina de la DLSE. Los formularios de reclamo también están disponibles en el sitio Web del Departamento de Relaciones Industriales en: www.dir.ca.gov/dlse/dlsePublicWorks.html.

Department of Industrial Relations 1515 Clay Street Oakland CA 94612 www.dir.ca.gov

DLSE 2011

Summary- CMU Responsibilities

- ❖ DLSE will review electronic Certified Payroll Records (eCPR) within 30 days of receipt
- ❖ Confirm accuracy of payroll reports randomly
- ❖ Conduct on-site visits



Summary- CMU Responsibilities

- ❖ May verify compliance with other laws enforced by the DLSE
- ❖ May prepare an Audit to reflect prevailing wage deficiencies for each underpaid worker and penalties
- ❖ May issue civil assessments, withhold payments, debar contractors from public works and initiate criminal investigations.

CMU website: www.dir.ca.gov/cmucmu

The screenshot shows a Windows Internet Explorer browser window displaying the website for the Division of Labor Standards Enforcement - COMPLIANCE MONITORING UNIT (CMU). The browser's address bar shows the URL <http://www.dir.ca.gov/dlse/cmucmu.html>. The page content includes a navigation menu on the left, a main heading for the CMU, a detailed description of the unit's purpose, information on the effective date and applicability of the program, and a section on PWC 100 awarding bodies. There are also sections for the definition of an awarding body, CMU requirements, and exceptions. The Windows taskbar at the bottom shows several open applications, including an inbox, reminders, and various work-related programs.

Division of Labor Standards Enforcement - COMPLIANCE MONITORING UNIT (CMU) - Windows Internet Explorer

DIR <http://www.dir.ca.gov/dlse/cmucmu.html>

File Edit View Favorites Tools Help

DIR Division of Labor Standar... x DIR Informational Intranet Google DIR Labor Compliance Programs -...

Learn about prevailing wage
Learn about public works projects
Frequently asked questions
File a public works complaint
Find a form or publication
Find a Division of Labor Standards Enforcement District Office

Compliance Monitoring Unit (CMU)

The Compliance Monitoring Unit or "CMU" is a new unit within the DLSE that was created to monitor and enforce prevailing wage requirements on public works projects that receive state bond funding and on other projects that are legally required to use the CMU. The CMU is scheduled to begin operations on January 1, 2012, following the recent adoption of AB 436 and approval of revisions to program regulations. By actively monitoring compliance on an ongoing basis while work is being performed, the CMU will play a special role in ensuring that public works construction workers are promptly paid the proper prevailing wage rates and in helping maintain a level playing field for contractors who comply with the law.

Effective Date and Applicability: The laws and regulations that govern the new program are effective January 1, 2012. Only projects for which the public works contract is awarded on or after January 1, 2012 are subject to the CMU requirements. Contracts awarded *prior* to January 1, 2012 will remain subject to the prior monitoring and enforcement rules (labor compliance programs for some bond-funded or design-build projects or no specific monitoring requirement) for the life of those projects.

PWC 100 – Awarding Bodies - this puts you in compliance with the requirement to notify both the Division of Apprenticeship Standards and the Division of Labor Standards Enforcement, Compliance Monitoring Unit of a public works awarded contract. Please fill out [the electronic PWC 100 form](#) and email to pwc100@dir.ca.gov.

Definition of Awarding Body:

An awarding body or body awarding the contract means department, board, authority, officer or agent awarding a contract for public work. In most cases the awarding body is a unit of state or local government, such as a city, county, school district, water district, special district, or a state agency. However, in some cases the body awarding the contract may be a private entity that uses public funds for a public works construction project.

CMU requirements apply to:

- Any public works project paid for in whole or part out of public funds that are derived from bonds issued by the state, **except** Proposition 84 (2006 Water project bond initiative)
- Public entities that utilize design – build contracts as a project delivery method that have a CMU requirement within the authorizing statute
- Projects undertaken by an awarding body that elects to use the CMU on all of its projects.

Exceptions (i.e., projects not covered by CMU):

- Construction projects under the control of an awarding body that has been previously approved by the Department of Industrial Relations to operate its own in-house labor compliance program (LCP) for all projects. A list of approved in-house LCP programs is listed at www.dir.ca.gov/lcp.asp.
- Neither CMU or LCP are required on projects covered by qualified project labor agreements (i.e. collective bargaining agreements that bind all contractors on the project and contain mechanisms for resolving wage disputes).
- Proposition 84-funded projects require LCP – no alternatives or exceptions.
- Any project that does not fall within the CMU requirements or one of the three exception categories listed above are not covered by CMU requirements. Such a project may include:
 - A locally or federally funded project that does not receive any state bond funding or
 - Design-build projects that do not have a CMU requirement within the authorizing statute (including CSU design-build projects).

Awarding Bodies

start | Inbox - Micr... | 50 Reminders | LETF Execu... | Division of L... | DAS - Build... | 1771.5(f) A... | CASH Work... | CMU for CASH | CMU Januar... | 1:56 PM

Awarding Body Requirements

Division of Labor Standards Enforcement - COMPLIANCE MONITORING UNIT (CMU) - Windows Internet Explorer

http://www.dir.ca.gov/dlse/cmu/CMU_AwardingBodies.html

File Edit View Favorites Tools Help

DIR Division of Labor Standar... DIR Informational Intranet Google DIR Labor Compliance Programs ...

Compliance Monitoring Unit (CMU)

What awarding bodies must do

[FAQs for awarding bodies](#)

An awarding body or body awarding the contract means department, board, authority, officer or agent awarding a contract for public work. In most cases the awarding body is a unit of state or local government, such as a city, county, school district, water district, special district, or a state agency. However, in some cases the body awarding the contract may be a private entity that uses public funds for a public works construction project.

Every Public Works Project:

- Provide notice of the state's prevailing wage requirements in every bid document and public works contract.
- Provide for applicable prevailing wage determinations to be posted at each job site.
- Require all contractors and subcontractors working on the project to keep certified payroll records in accordance with Labor Code section 1776 and to provide those records on request.
- Upon awarding the public works contract, provide notice of the project to DIR using the [PWC-100 form](#). (By law, this notice is required only for projects of \$30,000 or more that are subject to apprenticeship requirements or for projects that are subject to CMU requirements. However, awarding bodies are encouraged to send these notices for all projects.)
- Take cognizance of and report any suspected violations of prevailing wage requirements to the Labor Commissioner.
- Cooperate with the Labor Commissioner/Division of Labor Standards Enforcement (DLSE) in any investigation of suspected violations, and withhold contract payments in accordance with any lawful order by DLSE.

Project Subject to DIR Monitoring and Enforcement:

- Include language in bid invitation and public works contract that project will be subject to monitoring and enforcement by DIR, including the obligation to submit certified payroll records directly to the CMU.
- Upon receipt of e-mail notification from DLSE that project is subject to CMU requirements (normally within 10 days after submission of PWC-100 form), follow instructions provided in that notice to confirm registration of project in the CMU's electronic certified payroll reporting (eCPR) system.
- Require contractors and subcontractors on project to submit certified payroll reports to the CMU *at least monthly* using the CMU's eCPR system. Contractors and subcontractors should be directed to go to <https://app.mylcm.com> and follow the instructions to enroll in this system. *Note:* the awarding body will have direct and immediate access to the CPRs for their projects that are submitted through the eCPR system. Awarding bodies can use this information for any appropriate purpose, including monitoring compliance, identifying suspected violations, and responding to Public Records Act requests.
- At each job site post (or require the contractor to post) the notice required by 8 Cal. Code Reg. section 16451(d). The CMU provides the required posters to awarding bodies. [Posters](#) are also available on the CMU website, at the [Division of Labor Standards Enforcement District Offices](#) or by emailing a request to CMU@dir.ca.gov.

LINKS

- [Public Works](#)
- [Division of Labor Standards Enforcement](#)
- [Division of Apprenticeship Standards](#)
- [Division of Labor Statistics Research](#)
- [National Labor Relations Board](#)
- [Contractors State License Board](#)
- [U.S. Dept. of Labor](#)

Done

start | Inbox - Micr... | 50 Reminders | LETF Execu... | Division of L... | DAS - Buildi... | 1771.5(f) A... | CASH Work... | CMU for CASH | CMU Januar... | 1:58 PM

Contractor requirements

The screenshot shows a web browser window displaying the California Department of Industrial Relations website. The page title is "Division of Labor Standards Enforcement - COMPLIANCE MONITORING UNIT (CMU) - Windows Internet Explorer". The URL is "http://www.dir.ca.gov/dlse/cmucmu/CMU_Contractors.html".

The website header includes the California Department of Industrial Relations logo and navigation links: "Skip to: Content | Footer | Accessibility" and a search box. The main navigation menu includes: "DIR", "Labor Law", "Cal/OSHA", "Workers' Comp", "Apprenticeship", "Statistics & Research", "Mediation", "Boards", and "Media".

The page content is organized as follows:

- Division of Labor Standards Enforcement**
 - Compliance Monitoring Unit (CMU)**
 - What contractors must do**
 - [FAQs for contractors](#)
 - Every Public Works Project:**
 - Comply with all prevailing wage and other public works requirements, including but not limited to all relevant notice and posting requirements, keeping certified payroll records in accordance with Labor Code section 1776, and ensuring that subcontractors working under you comply with these requirements.
 - Project Subject to DIR Monitoring and Enforcement:**
 - Submit certified payroll records (CPRs) to the CMU and awarding body using the CMU's eCPR system – My LCM. CPRs must be submitted at least monthly, or more frequently if required by the public works contract. To enroll in My LCM, obtain additional information and assistance, go to the third party non-government website at <https://app.mylicm.com>.
 - Require subcontractors working under you to submit certified payroll records (CPRs) to the CMU, the awarding body, and you using the CMU's eCPR system – My LCM. Subcontractors may also enroll in My LCM, obtain additional information and assistance, by going to the third party non-government website at <https://app.mylicm.com>.
 - January 2012

The left sidebar contains sections for "I WANT TO . . ." and "LINKS".

I WANT TO . . .

- Learn about prevailing wage
- Learn about public works projects
- Frequently asked questions
- File a public works complaint
- Find a form or publication
- Find a Division of Labor Standards Enforcement District Office

LINKS

- Public Works
- Division of Labor Standards Enforcement
- Division of Apprenticeship Standards
- Division of Labor Statistics Research
- National Labor Relations Board
- Contractors State License Board
- U.S. Dept. of Labor

The Windows taskbar at the bottom shows the Start button and several open applications: "Inbox - Micros...", "50 Reminders", "LETF Executiv...", "Division of Lab...", "1771.5(f) Agre...", "CASH Worksho...", "CMU for CASH", and "CMU January4...". The system clock shows "2:01 PM".

Contact us

- * Web: www.dir.ca.gov/dlse/cmu
- * Email: cmu@dir.ca.gov
- * Posters available
- * Local offices

Prevailing Wage Monitoring Requirements

The new requirements apply to public works projects that:

- Are funded from state bonds (School Facility Program)
- Have an initial contract award date after January 1, 2012.

SAB Additional Grant

The SAB additional grant for Prevailing Wage Monitoring is:

- Only effective after it receives approval from the Office of Administrative Law
- Equal to the State share of one-fourth of one percent of the “Total Projected Bond Apportionment”

State share is 50% for New Construction projects and 60% for Modernization projects.

SAB Additional Grant

Continued

The “Total Projected Bond Apportionment” is the total state share plus any of the following:

- Financial Hardship grant
- Career Technical Education loan amount
- Charter School Facility loan amount

SAB Additional Grant

Continued

SAB grant will be provided for projects that meet the new requirements by any of the following:

- DIR Compliance Monitoring Unit
 - DIR approved internal LCP
 - A qualifying Collective Bargaining Agreement (CBA) or “PLA”
-
- If new Prevailing Wage Monitoring requirements are not met, the entire State apportionment, with interest, must be returned to the State.

Fund Release Process

- Districts are required to submit the DIR form PWC 100 to the DIR when they award a contract after January 1, 2012 that will be State bond funded.
- Districts must submit the notification that the PWC 100 was received by the DIR

Through July 1, 2012, the district may submit a copy of its PWC 100 in lieu of the DIR notification.

Transition to New Regulations

Projects approved or apportioned before the new regulations become effective and with initial contract award dates after January 1, 2012 will be processed as follows:

- Projects SAB approved for Proposition 47 or 55 funding will keep the original LCP grant.
- The new grant will be provided to already approved Proposition 1D projects once the new regulations are in effect.

Project Scenarios

Scenario	Requirements	SAB Additional Grant	Documentation Required
<p><i>Scenario 1:</i></p> <p>SAB Apportionment December 2011</p> <p>Initial contract awarded January 2012</p>	<p><u>Regardless of SFP bond source</u>, subject to the new prevailing wage monitoring requirements.</p>	<p><u>Propositions 47 or 55:</u> Apportionment already includes the additional grant for LCP. No adjustment is needed.</p> <p><u>Proposition 1 D:</u> Eligible to receive the additional grant for new prevailing wage monitoring requirements. The additional grant will be made once the new SFP regulations are approved.</p>	<p>A copy of the DIR acknowledgement of receipt of District notice will be required with the <i>Fund Release Authorization</i>, SAB Form 50-05.</p>
<p><i>Scenario 2:</i></p> <p>Initial contract awarded November 2011</p> <p>SAB Apportionment February 2012</p>	<p>Not subject to the new prevailing wage monitoring requirements.</p> <p>If the funding is from Propositions 47 or 55, subject to the previous LCP requirements.</p>	<p>If the funding is from Propositions 47 or 55, the project will receive the previous LCP grant.</p>	<p>If the funding is from Propositions 47 or 55, a copy of the DIR LCP approval letters and if applicable the 3rd party LCP contract will be required with the <i>Fund Release Authorization</i>, SAB Form 50-05.</p>

Project Scenarios continued

Scenario	Requirements	SAB Additional Grant	Documentation Required
<p><i>Scenario 3:</i></p> <p>Initial contract awarded February 2012</p> <p>Actual apportionment March 2012</p>	<p>Regardless of SFP bond source, subject to the new prevailing wage monitoring requirements.</p> <p>District must notify DIR when contract is awarded.</p>	<p>Eligible to receive the additional grant for new prevailing wage monitoring requirements.</p>	<p>A copy of the DIR acknowledgement of receipt of District notice will be required with the Fund Release Authorization, SAB Form 50-05.</p>
<p><i>Scenario 4:</i></p> <p><i>Several contract award dates for one project spread out over time (all work is on the same DSA approved plans).</i></p> <p>Initial contract awarded May 2011</p> <p>Further contracts awarded January and February 2012</p> <p>Actual apportionment March 2012</p>	<p><i>DIR considers this one project, and the rules for the initial contract award date apply for all subsequent contracts.</i></p> <p>None of the contracts awarded for this project are subject to the new prevailing wage monitoring requirements.</p> <p>If the funding is from Propositions 47 or 55, the entire project is subject to the previous LCP requirements.</p>	<p>If the funding is from Propositions 47 or 55, the project will receive the previous LCP grant.</p>	<p>If the funding is from Propositions 47 or 55, a copy of the DIR LCP approval letters and, if applicable, the 3rd party LCP contract will be required with the Fund Release Authorization, SAB Form 50-05.</p>

Project Scenarios continued

Scenario	Requirements	SAB Additional Grant	Documentation Required
<p>Scenario 5: <i>Bundled Application— Three small projects awarded over several years</i></p> <p>Initial Roofing contract awarded May 2007</p> <p>Initial HVAC contract awarded February 2008</p> <p>Initial Glazing contract awarded February, 2012</p> <p>Actual apportionment December 2012</p>	<p><i>DIR considers this multiple projects with separate contract award dates.</i></p> <p>For final contract only, regardless of SFP bond source, subject to the new prevailing wage monitoring requirements.</p> <p>District must notify DIR when contract is awarded.</p> <p>If the funding is from Propositions 47 or 55, the first two contracts are subject to the previous LCP requirements.</p>	<p>Eligible to receive the additional grant for new prevailing wage monitoring requirements. (Grant will <u>not</u> be prorated.)</p> <p>If the funding is from Propositions 47 or 55, the project will receive the previous LCP grant instead of the new prevailing wage monitoring grant.</p>	<p>A copy of the DIR acknowledgement of receipt of District notice for the final contract will be required with the Fund Release Authorization, SAB Form 50- 05.</p> <p>If the funding is from Propositions 47 or 55, a copy of the DIR LCP approval letters and if applicable the 3rd party LCP contract will be required for the earlier contracts with the Fund Release Authorization, SAB Form 50-05</p>

Questions and Answers

