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TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: John Fournier, Deputy City Administrator  
Sara Higgins, Director of Operations  
Atleen Kaur, City Attorney

SUBJECT: Prevailing Wage Compliance Report for 2022

DATE: January 31, 2023

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This memorandum provides the first of five requested annual reports per City Council Resolution No. [R-22-240](#) detailing contractor compliance with the City's prevailing wage requirements, including the results of periodic on-site spot checks.

### **Background**

The original direction from Council Resolution R-16-469 was to increase the awareness and enforcement of the City's existing policies surrounding the payment of prevailing wages on public improvement projects and verifying compliance on City contracts for which the payment of prevailing wage is required.

Per Council Resolution R-22-240 the City Administrator was directed to draft and implement a revised administrative policy that would require periodic, on-site spot checks of contractor compliance with prevailing wage requirements and to continue to provide an annual report to the City Council for the next five years detailing contractor compliance with the City's prevailing wage requirements. This report has been prepared to fulfill this requirement.

### **Results**

During the course of the 2022 construction season, City staff conducted periodic, on-site spot checks of contractor compliance with prevailing wage requirements. The periodic on-site checks were completed using wage rate interviews. Wage rate interviews are

interviews conducted by City representatives directly with the contractor's employees, in which they are asked what their hourly pay rate is, as well as what type of work they are performing (to verify their correct labor classification).

City staff also continued to require the submittal of certified payroll records for all applicable contracts throughout the 2022 construction season. The certified payroll records were compared to the corresponding wage rate interviews to further verify that the correct rates were being paid.

Certified Payroll information was reviewed for 25 contracts in 2022, which included all prime contractors and "first tier" subcontractors, resulting in 54 contractors in total. Based on staff's review of the certified payroll records and wage rate interviews, there were 24 contractor violations. As of January 2023, 17 violations have been resolved leaving 7 violations still being addressed. The 7 violations left to address include: 3 delinquent certified payrolls (payrolls not yet received for work completed), 3 unresolved instances of underpaid employees, and one wage rate interview conducted for an employee missing from the submitted certified payroll.

### **Conclusion**

For the 2022 construction season, City staff conducted wage rate interviews multiple times per project throughout the duration of the construction season and addressed deficiencies as soon as possible.

Of the contractors that had violations relating to pay, most were subcontractors unaware of the correct wage determination associated with the project. They quickly resolved the issue once provided the correct wage determination. Other issues were minor oversights and were resolved quickly. City staff are still working with the contractors to resolve the remaining 7 violations.