



**City of Seattle
Office of Housing**

Residential Prevailing Wage Rate Policy

**Multifamily Rental Production
and Preservation Program**

**City of Seattle, Office of Housing
Adrienne E. Quinn, Director**

OFFICE OF HOUSING
RESIDENTIAL PREVAILING WAGE RATE POLICY

The Office of Housing (OH) makes loans to private housing developers to support the development of low income housing. OH funds a portion of the total development costs. Projects are new construction or rehabilitation of existing properties. The Borrower is responsible for securing the balance of the funding needed to complete the project; bidding, contracting and managing the construction activities. Upon completion the borrower owns and manages the property. The City has no ownership interest in the housing. In addition to long term housing affordability, the City of Seattle also applies a number of policies to achieve appropriate public benefits including wage requirements for construction activities.

POLICY

It is the City's policy to require that State residential prevailing wage rates are the minimum wage rate to be paid for all residential construction activities at projects that are being developed with Office of Housing non-federal funding. For projects that receive federal funding and to which Davis Bacon federal wage rates apply, the higher of the State residential wage rates or the federal Davis Bacon wage rates for each trade will apply, except as otherwise required by HUD.

The prevailing wages in effect 10 days prior to bid opening shall be the applicable wages throughout the term of a project. If a bid waiver has been approved by OH, the prevailing wages in effect on the date the general contract is awarded shall be the applicable wages.

OH understands that actual wages paid for residential construction activities may be higher than the applicable minimum State residential prevailing wage rates or federal Davis-Bacon wage rates. In either case, the State residential prevailing wage rates or federal Davis-Bacon wage rates are ONLY the MINIMUM applicable wage rates.

Although Office of Housing funded projects are not "public works," the residential prevailing wage rates are those established by the State of Washington for residential public works projects. The applicable King County residential wage rates can be found at the web address below: <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/LookUp/default.asp> Select an effective date, click on "Journeyman Wages", click on "by County" and select King County, then "click to submit". Be sure to scroll through the alphabetic list of trades to the "r" section for the residential rates.

PROCEDURES

CONSTRUCTION BIDDING

1. All bid documents including the Instructions to Bidders must clearly state the appropriate wage rates (i.e. residential prevailing wages or Davis Bacon required wages) and the Borrower shall incorporate the following OH requirements in all bid documents:
 - State Residential Prevailing Wage rates are the minimum wage rate to be paid for each job classification;

- all contractors and subcontractors must complete for submission to OH the City of Seattle Intent to Pay Prevailing Wage and City of Seattle Affidavit of Wages Paid (Note: **only the OH forms are acceptable; L&I's forms are no longer acceptable for OH funded projects**);
 - all workers must sign in at the job site daily. The workers must identify the contractor or subcontractor for whom they are working and their job classification;
 - sign in rosters shall be written in English and Spanish (and other languages, as appropriate) and shall include the name and phone number of the Borrower's lead staff person for a worker to call if there are any questions or concerns about their wages or any other concerns about the project;
 - sign in sheets shall be made available to the Borrower and OH upon request;
 - all contractors and subcontractors shall maintain payroll records and make them available to the Borrower or OH upon request within ten business days of the request;
 - copies of executed subcontracts shall be provided to the Borrower or OH upon request within ten business days of the request.
2. Selected bids for all trades must include the total bid price broken into material costs and labor costs. The labor cost must include the estimated labor hours per job classification, and hourly wage rates according to the applicable State Residential Prevailing Wage determination. Even if work is typically bid as piece work, OH requires that the labor portion of the bid be converted to reflect an hourly wage. (This requirement will be incorporated into the OH Loan Agreement.)

CONTRACTING

1. It is the Borrower's responsibility to incorporate OH boilerplate language into the General Contractor contract and all subcontracts requiring the State Residential Prevailing Wage rate as the minimum rate, the City of Seattle intents and affidavits, job sign in requirements, etc.
2. The Borrower shall set forth in the project manual and in each contract for the general contractor and all subcontractors the following statutory provisions and provide notice of the obligation of all contractors and subcontractors to comply with such statutory requirements:
 - a. the State Minimum Wage Act, including the following two provisions:

STATE MINIMUM WAGE ACT

RCW 49.46.070. Every employer subject to any provision of this chapter or of any regulation issued under this chapter shall make, and keep in or about the premises wherein any employee is employed, a record of the name, address, and occupation of each of his employees, the rate of pay, and the amount paid each pay period to each such employee, the hours worked each day and each work week by such employee, and such other information as the director shall prescribe by regulation as necessary or appropriate for the enforcement of the provisions of this chapter or of the regulations there under. Such records shall be open for inspection or transcription by the director or his authorized representative at any reasonable time. Every such employer shall furnish

to the director or to his authorized representative on demand a sworn statement of such records and information upon forms prescribed or approved by the director.

RCW 49.46.100(1). Any employer who hinders or delays the director or his authorized representatives in the performance of his duties in the enforcement of this chapter, or refuses to admit the director or his authorized representatives to any place of employment, or fails to make, keep, and preserve any records as required under the provisions of this chapter, or falsifies any such record, or refuses to make any record accessible to the director or his authorized representatives upon demand, or refuses to furnish a sworn statement of such record or any other information required for the proper enforcement of this chapter to the director or his authorized representatives upon demand, or pays or agrees to pay wages at a rate less than the rate applicable under this chapter, or otherwise violates any provision of this chapter or of any regulation issued under this chapter shall be deemed in violation of this chapter and shall, upon conviction therefore, be guilty of a gross misdemeanor.

b. RCW 49.52.050, which provides:

49.52.050. Rebates of wages--False records--Penalty

Any employer or officer, vice principal or agent of any employer, whether said employer be in private business or an elected public official, who

(1) Shall collect or receive from any employee a rebate of any part of wages theretofore paid by such employer to such employee; or

(2) Willfully and with intent to deprive the employee of any part of his wages, shall pay any employee a lower wage than the wage such employer is obligated to pay such employee by any statute, ordinance, or contract; or

(3) Shall willfully make or cause another to make any false entry in any employer's books or records purporting to show the payment of more wages to an employee than such employee received; or

(4) Being an employer or a person charged with the duty of keeping any employer's books or records shall willfully fail or cause another to fail to show openly and clearly in due course in such employer's books and records any rebate of or deduction from any employee's wages; or

(5) Shall willfully receive or accept from any employee any false receipt for wages; Shall be guilty of a misdemeanor.

3. The Borrower shall also include language in the construction contracts, project manual and subcontracts to require that any construction documents requested by the Office of Housing will be delivered within 10 business days.
4. Prior to issuing the Notice to Proceed, the Borrower shall have received the City of Seattle Intent to Pay Prevailing Wage form from the General Contractor and forwarded the original to the Office of Housing. Prior to starting work on the project, each subcontractor shall complete the City of Seattle Intent to Pay Prevailing Wage form and forward it to the General Contractor. The original completed forms shall be forwarded to OH and copies retained by the Borrower. The Borrower shall verify that all City of

Seattle Intent to Pay Prevailing Wage forms submitted by contractors and subcontractors indicate the correct wage rates.

5. The Borrower shall ensure that the General Contractor, prior to accepting the subcontractors' bids, has confirmed that each subcontractor's bid is based on the appropriate prevailing wage rates and the correct job classifications for the work to be performed under the subcontract. The selected bids shall be forwarded to OH.

PRE-CONSTRUCTION MEETING:

1. Prior to construction start, OH and DEA will attend a pre-construction meeting convened by the Borrower to include the general contractor, architect and any major subcontractors. Items to be reviewed include signage, sign-in sheets, contract language, wage rates, payroll records, WMBE reporting, possible audits, etc. Pre-construction meeting notes shall be approved by the architect and included in the Project Manual and incorporated into the General Contract by reference, or issued as Architectural Supplemental Instruction (ASI).

PRIOR TO FIRST OH CONSTRUCTION DISBURSEMENT:

1. The Borrower shall submit a narrative summary of the bidding process that includes the following information at a minimum:
 - Process followed for selecting the General Contractor and the selection criteria used (Selection criteria shall include demonstrated prior compliance with wage rates.);
 - List of each of the subcontractors by trade, number of bids received, the bid prices;
 - Selected bids for each subcontract awarded to date, showing the total bid price broken into material costs, labor costs, estimated labor hours per job classification, and hourly wage rates according to the applicable State Residential Prevailing Wage determination (if a trade has not been bid at time of first construction draw, the Borrower shall provide that information when the trade has been bid.)
2. The Borrower shall forward to OH a copy of the executed General Contract and a final set of plans and specifications and preconstruction meeting notes.
3. The Borrower shall provide OH copies of executed subcontracts upon request.
4. The Borrower shall forward to OH the General Contractor's signed original Intent to Pay Prevailing Wages.

CONSTRUCTION:

1. The Borrower, through the General Contractor and subcontractors, shall require all workers to sign in at the job site daily identifying the sub for which they are working and their job classification.
2. Sign in rosters shall be written in English and Spanish (or other languages as appropriate) and shall include the name and phone number of the Borrower's lead staff person for the worker to call if there are any questions or concerns.
3. Sign in rosters shall be made available to OH upon request within ten business days.
4. General Contractor shall post a Notice to Employees of Wage Rates and Overtime requirements in a place that is accessible to all workers on a project.
5. The General Contractor and all sub contractors shall maintain certified weekly payroll records on a form acceptable to OH and make them available to Borrower or OH upon

request within ten business days. Contractors may use the US Department of Labor Payroll form. A copy of the form along with instructions is available on the Office of Housing website <http://seattle.gov/housing/development/WageRate.htm>.

Certified payroll records shall be made available upon request and shall include:

- Name and residence address of each worker.
 - Classification of work performed by each worker. The classification must be specific and match the classification categories listed in the Project Manual.
 - Total number of hours employed each day.
 - Total number of hours employed during the payroll period.
 - Straight time and overtime hourly rate of wages paid to each worker.
 - Total or gross amount earned by each worker.
 - Deductions for Medical Aid, FICA, Federal withholding tax, and any other deductions taken.
 - Net amount paid each worker.
 - Contractor's (or subcontractor's) name and address.
 - Days and dates worked.
 - Date of final day of pay period.
 - Whether fringe benefits were paid to each worker as part of the hourly wage rate or whether fringe benefits were paid into an approved plan, fund, or program.
6. The Borrower shall ensure that the General Contractor has established controlled access points to the work site, which at minimum shall be staffed at all times during the hours of work while drywall is being installed and finished. Furthermore, the General Contractor shall ensure that only workers hired by the contractor or subcontractor are working on the project.
7. The Borrower shall ensure that the General Contractor requires that anyone entering the site during the time period that drywall is being installed and finished displays to the staff person at the controlled access points, a photo ID, which may consist of a valid drivers' license, or ID issued by any state, the Mexican or other Consulate, or a passport, or other identification generally accepted. The Borrower shall ensure that the General Contractor does not admit any personnel who do not carry identification. OH reserves the right to expand this requirement to other trades as necessary.

MONITORING:

1. The Borrower shall be required to ensure that the correct wage rates are paid and shall describe their process for ensuring compliance in the NOFA application; including identifying the lead responsible staff person, a description of their process, and an outline of any remedies they will pursue in the event of non-compliance.
2. The Seattle Department of Executive Administration (DEA) will conduct random on-site audits to ensure wage rate compliance. On-site audits will include the following:
 - Confirming that all drywall workers, and other contractor and subcontractor workers have signed in to the job;
 - Comparing the sign in roster to who is actually on site;

- Interviewing workers to determine how many hours worked that day, that week, and who else they were working with.
3. DEA will conduct random off-site audits. Off-site audits will including the following:
 - Reviewing payroll records to determine appropriate wage rates are paid;
 - Comparing job sign in rosters to payroll records;
 - Comparing payroll records to onsite interview results.

CLOSE OUT AND FINAL CONSTRUCTION DRAW:

Borrowers shall submit the following with the final draw and shall not release construction retainage until the following documentation has been forwarded to OH:

1. Architect's certification that all contract items have been completed, including without limitation all "punch list" items, delivery of as-built documents, and delivery of maintenance manuals;
2. Relocation report, if applicable, including documentation of compliance with all relocation assistance requirements;
3. Cost Certification;
4. Certificate of occupancy;
5. Final lien releases;
6. Tenant characteristics for federally funded projects;
7. Final WMBE report;
8. Other reports and documentation as requested;
9. City of Seattle Affidavits of Wages Paid from the General Contractor and all sub contractors.
10. Statement from Borrower that they have reviewed payroll records, etc showing that appropriate wage rates per job classification have been paid.