



Labor Compliance Policy Bulletin

LCPB 09-02 **Electronic Transmission of Certified Payroll Records**

References: California Labor Code Section 1776, "Payroll Record of Wages Paid; Inspection; Forms; Effect of noncompliance; Penalties"
 California Code of Regulations Title 8, Chapter 8, Subchapter 3, article 6, Section 16404
 Labor Compliance Manual Chapter 1, Section 1-204B, "Purging"
 Labor Compliance Policy Bulletin LCPB 09-nn, "Investigations"

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Approved: Angela Shell
 ANGELA SHELL
 Program Manager
 Labor Compliance Program

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Background

As a condition of its approved labor compliance program, the Department of Transportation (Caltrans) requires its contractors to provide weekly certified payroll records as evidence of payment of prevailing wages on Caltrans' public works projects. Payroll records must contain information specified by the California Labor Code, Section 1776 and are provided in paper format either to the district or region labor compliance office within the Division of Construction or to contract managers within those divisions with public works contracts containing prevailing wage requirements. As a result of a recent regulatory change to the California Code of Regulations, Title 8, Section 16404, in addition to paper certified payroll records; Caltrans must now provide contractors with the option of submitting the records electronically.

Existing Procedure

There is no existing procedure for submittal of electronic certified payroll records.

New Procedure

To allow for contractor electronic submission of certified payroll records, Caltrans has created 13 individual Lotus Notes email accounts for construction contracts and maintenance service contracts. The email accounts are stored on a secure server to ensure continued protection of personally identifying information and access is limited to staff responsible for reviewing the records. The email accounts are password-protected with expiration dates similar to regular Lotus Notes accounts. The passwords are

specific to each email account and will be updated by the labor compliance manager in each district or region. Labor compliance managers must contact the HQ ETAS1 administrator when changing the password.

Caltrans will direct contractors to submit electronic certified payroll records to the e-mail account specific to the district the contract is located in. For example, if the contract is located in District 1, the contract number will begin with the numbers "01" and payroll records must be sent to the District 1 email account. Maintenance service contracts must be sent to the general maintenance mailbox, regardless of the location of the contract. Following are the district and maintenance certified payroll e-mail accounts:

district1.payrolls@dot.ca.gov	district8.payrolls@dot.ca.gov
district2.payrolls@dot.ca.gov	district9.payrolls@dot.ca.gov
district3.payrolls@dot.ca.gov	district10.payrolls@dot.ca.gov
district4.payrolls@dot.ca.gov	district11.payrolls@dot.ca.gov
district5.payrolls@dot.ca.gov	district12.payrolls@dot.ca.gov
district6.payrolls@dot.ca.gov	maint.contracts@dot.ca.gov
district7.payrolls@dot.ca.gov	

Certified payroll records transmitted electronically must be in compliance with California Labor Code 1776 content and declaration requirements and remain due by the 15th of the month for the previous month's work. Electronic transmissions may contain up to one megabyte of information and must be specific to one contract and week ending per transmission. Electronic certified payroll records must be accepted in PDF format only.

Before accepting electronic transmission of certified payroll records, staff must receive a completed Contractor Acknowledgement form from each contractor requesting to use the new electronic option. The attached Contractor Acknowledgement form is contract specific and is the contractor's agreement to encrypt all electronic transmissions before sending the data to the e-mail account. After confirming receipt of the acknowledgement form, staff must send an e-mail to the contractor containing Caltrans internet certificates and requesting a reply e-mail to ensure the internet certificates are properly stored in the contractor's e-mail program. Staff must use the encryption certificate stationary contained in each of the thirteen e-mail accounts. After receipt of the contractor's reply e-mail, staff can receive electronic transmissions from the contractor.

Staff must review each electronically transmitted certified payroll record for compliance with labor code requirements and print a copy for the contract file. If the certified payroll record is inadequate, notify the contractor using the monthly notice process detailed in LCPB 09 – 4, "Investigations". Do not delete electronic payroll records sent to the email accounts. The records must be retained as originals and kept with the project files at completion of the contract. Store the e-mail containing the certified payroll record(s) in the Lotus Notes program for the duration of the contract. At contract completion, staff may store the electronic records on external media and file them with the final labor compliance records. For more information on the process for storing final labor compliance records, see Chapter 1, Section 1-204B, "Purging" of the *Labor Compliance Manual*.

Contractors will be notified of the new payroll submittal process as follows:

- 1) For projects advertised after October 12, 2009 the contract special provisions will include specific language for electronic submission of payroll records in Section 5, and a special notice that directs the contractor to the standard special provision.
- 2) For projects advertised prior to October 12, 2009, but not yet awarded, labor compliance staff will provide information on how to use the new electronic option during the labor compliance portion of the pre-construction meeting.
- 3) For ongoing projects, labor compliance staff will provide information on the availability of the new electronic option in monthly letters submitted to the prime contractor.
- 4) Caltrans' Labor Compliance internet page will post instructions and information on how to use the new electronic option.

For questions regarding this policy bulletin, contact Robert Embree at Robert_Embree@dot.ca.gov or (916) 653-7389.

Attachment

Contractor Acknowledgement Form