

State General Prevailing Wage Rates

- A. Lessor/Contractor agrees to comply with all of the applicable provisions of the Labor Code including those provisions requiring the payment of not less than the general prevailing rate of wages. Lessor/Contractor further agrees to the penalties and forfeitures provided in said Code in the event a violation of any of the provisions occurs in the execution of this Lease.

- B. Pursuant to Labor Code Section 1771.5, not less than the general prevailing wage rate of per diem wages and the general prevailing rate of per diem wages for holiday and overtime work for work of a similar character in the county in which the work is to be performed shall be paid to all workers employed on this Lease, if this Lease is for:
 - 1. More than \$25,000 for public works construction, or
 - 2. More than \$15,000 for the alteration, demolition, installation, repair, or maintenance of public works.

- C. Lessor/Contractor shall make travel and subsistence payments to each worker in compliance with Labor Code Sections 1773.1 and 1773.9. Travel and subsistence requirements are available on the Department of Industrial Relations (DIR) website.

- D. Any subcontract entered into as a result of this Lease shall contain all of the provisions of this clause.

State Prevailing Wage Rate Determinations

- A. The General Prevailing Wage Rate Determinations applicable to the project are available and on file with Caltrans' Regional/District Labor Compliance Office. These wage rate determinations are made a specific part of this Lease by reference pursuant to Labor Code Section 1773.2. Any special wage rate determinations applicable to this project are attached.

General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the DIR website.

- B. After award of the Lease, and prior to commencing work, all applicable General Prevailing Wage Rate Determinations are to be obtained by Lessor/Contractor from the DIR. These wage rate determinations are to be posted by Lessor/Contractor at the job site in accordance with California Labor Code Section 1773.2.

- C. Questions pertaining to predetermined wage rates should be directed to the Caltrans Regional or District Labor Compliance Office. A list of local Labor Compliance Offices is attached as Attachment 3.

Payroll Records

- A. Lessor/Contractor and each Subcontractor shall comply with the following provisions. Contractor shall be responsible for compliance by its Subcontractors.
 - 1. Each Contractor and Subcontractor shall keep accurate payroll records and supporting documents as mandated by Section 1776 of the California Labor Code and as defined in Section 16000 of Title 8 of the California Code of Regulations, 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 Contractor or Subcontractor in connection with the public work. Each payroll record shall 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 Labor Code Sections 1771, 1811, and 1815 for any work performed by its employees on the public works project.

2. The payroll records enumerated under paragraph 1 above, shall be certified. The certified payrolls and records related to employee wages, fringe benefits, payroll tax and deductions shall be available for inspection and copying by Caltrans representative at all reasonable hours at Contractor's principal office. Certified payrolls shall be made available as follows:
 - a. A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.
 - b. A certified copy of all payroll records enumerated in paragraph 1 above, shall be made available for inspection or furnished upon request to a representative of Caltrans, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations. Certified payrolls submitted to Caltrans, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards shall not be altered or obliterated by Contractor.
 - c. The public shall not be given access to certified payroll records by Contractor. Contractor is required to forward any requests for certified payrolls to Caltrans Contract Manager by both facsimile and regular mail on the business day following receipt of the request.
3. Each Contractor shall submit a certified copy of the records enumerated in paragraph 1 above, to the entity that requested the records within 10 days after receipt of a written request.
4. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by Caltrans shall be marked or obliterated in such a manner as to prevent disclosure of each individual's name, address and social security number. The name and address of Contractor awarded the Lease or performing the Lease shall not be marked or obliterated.

5. Lessor/Contractor shall inform Caltrans of the location of the records enumerated under **paragraph 1**, above, including the street address, city and county, and shall, within five (5) working days, provide a notice of a change of location and address.
 6. Lessor/Contractor or Subcontractor shall have 10 days in which to comply subsequent to receipt of written notice requesting the records enumerated in **paragraph 1**, above. In the event Lessor/Contractor or Subcontractor fails to comply within the 10-day period, it shall, as a penalty to Caltrans, forfeit \$100 for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by Caltrans from payments then due. A Lessor/Contractor is not subject to a penalty assessment pursuant to this section due to the failure of a Subcontractor to comply with this section.
- B. The penalties specified in **paragraph 6**, above, for noncompliance with the provisions of said Labor Code Section 1776 will be deducted from any monies due or which may become due to Lessor/Contractor. Penalties assessed for failure to submit certified payrolls are forfeitures and not retentions that will be returned to Lessor/Contractor.
- C. Payrolls shall contain the full name, address and social security number of each employee, the employer's agent indicating that the payrolls are correct and complete and that the wage rates contained therein are not less than those required by the Lease. The "Statement of Compliance" shall be on forms furnished by Caltrans or on any form with identical wording. Any payroll that does not include the required "Statement of Compliance" will be deemed inadequate and unacceptable. Lessor/Contractor shall be responsible for the submission of copies of payrolls of all Subcontractors.
- D. Lessor/Contractor and each Subcontractor shall preserve their payroll records for a period of three (3) years from the date of completion of the Lease.

- E. Lessor/Contractor shall submit a certified copy of all payroll records for verification by Caltrans Contract Manager with each invoice. When progress payments are called for, Lessor/Contractor shall submit a certified copy of all payroll records for verification for the work completed to date with each invoice. Delinquent or inadequate certified payrolls or other required documents will result in the withholding of payment until such documents are submitted by Lessor/Contractor.

- F. Any subcontract entered into as a result of this Lease shall contain all of the provisions of this clause.

Hours of Labor

- A. Eight (8) hours labor constitutes a legal day's work. Lessor/Contractor shall forfeit, as a penalty to Caltrans, \$25 for each worker employed in the execution of the Lease by Lessor/Contractor or any Subcontractor under Lessor/Contractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of the Labor Code, and in particular Labor Code Sections 1810 to 1815 thereof, inclusive, except that work performed by employees in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and forty (40) hours in any week, at not less than one and one-half times the basic rate of pay, as provided in Section 1815.

- B. Any subcontract entered into as a result of this Lease shall contain all of the provisions of this clause.

Employment of Apprentices

- A. Where the prime contract is \$30,000 or more, Lessor/Contractor and any Subcontractors under him or her shall comply with all applicable requirements of Labor Code Sections 1777.5, 1777.6 and 1777.7 in the employment of apprentices.

- B. Lessor/Contractors and Subcontractors are required to comply with all Labor Code requirements regarding the employment of apprentices, including mandatory ratios of journey level to apprentice workers. Prior to commencement of work, Lessor/Contractors and Subcontractors are advised to contact the State Division of Apprenticeship Standards, P. O. Box 420603, San Francisco, California 94142-0603, or one of its branch offices, for additional information regarding the employment of apprentices and for the specific journey-to-apprentice ratios for the Lease work. Prime Contractor is responsible for all Subcontractors' compliance with these requirements. Penalties for failure to comply with apprenticeship requirements are specified in Labor Code Section 1777.7.
- C. Any subcontract entered into as a result of this Lease shall contain all of the provisions of this clause.

Penalty

- A. Lessor/Contractor and any Subcontractor under Lessor/Contractor shall comply with Labor Code Sections 1774 and 1775. In accordance with said Labor Code Section 1775, Lessor/Contractor shall forfeit, as a penalty to Caltrans, not more than \$200 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates for such work or craft in which such worker is employed for any public work done under the Lease by him or her, or by any Subcontractor under him/her, in violation of the provisions of the Labor Code and, in particular, Labor Code Sections 1775 to 1780, inclusive.
- B. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of the mistake, inadvertence, or neglect of Lessor/Contractor or Subcontractor in failing to pay the correct rate of prevailing wages, or the previous record of Lessor/Contractor or Subcontractor in meeting his or her prevailing wage obligations, or a Lessor/Contractor's willful failure to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rate of prevailing wages is not excusable if Lessor/Contractor or Subcontractor had knowledge of the obligations under the Labor Code. Any Lessor/Contractor that executes and receives a copy of this

Lease is deemed to have knowledge of his or her obligations regarding the Labor Code's prevailing wage requirements. In addition to the penalty and pursuant to Labor Code Section 1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day, or portion thereof, for which each worker was paid less than the prevailing wage rate shall be paid to each worker by Lessor/Contractor or Subcontractor.

C. If a worker employed by a Subcontractor on a public works project is not paid the general prevailing per diem wages by the Subcontractor, Prime Contractor of the project is not liable for any penalties described above unless Prime Contractor had knowledge of that failure of the Subcontractor to pay the specified prevailing rate of wages to those workers or unless Prime Contractor fails to comply with all of the following requirements:

1. The Agreement executed between Contractor and the Subcontractor for the performance of work on the public works project shall include a copy of the provisions of Sections 1771, 1775, 1776, 1777.5, 1813 and 1815 of the Labor Code.
2. Lessor/Contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the Subcontractor to the employees by periodic review of the certified payroll records of the Subcontractor.
3. Upon becoming aware of the failure of the Subcontractor to pay his or her workers the specific prevailing rate of wage, Lessor/Contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited, to retaining sufficient funds due the Subcontractor for work performed on the public works project.
4. Prior to making final payment to the Subcontractor for work performed on the public works project, Lessor/Contractor shall obtain an affidavit signed under penalty of perjury for the Subcontractor that the Subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees

on the public works project and any amounts due pursuant to Labor Code Section 1813.

- D. Pursuant to Labor Code Section 1775, Caltrans shall notify Lessor/Contractor on a public works project within fifteen (15) days of receipt of a complaint that a Subcontractor has failed to pay workers the general prevailing rate of per diem wages.
- E. If Caltrans determines that employees of a Subcontractor were not paid the general prevailing rate of per diem wages and if Caltrans did not retain sufficient money under the Lease to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, Lessor/Contractor shall withhold an amount of moneys due the Subcontractor sufficient to pay those employees the general prevailing rate of per diem wages if requested by Caltrans.
- F. Any subcontract entered into as a result of this Lease shall contain all of the provisions of this clause.