



TRANSPORTATION CABINET

Frankfort, Kentucky 40622
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Steven L. Beshear
Governor

Michael W. Hancock, P.E.
Secretary

CONSTRUCTION MEMORANDUM

No. 05-12

TO: Chief District Engineers
District TEBMs for Project Delivery and Preservation
District Section Engineers

FROM: Steven Criswell, P.E. Director
Division of Construction

DATE: July 2, 2012

SUBJECT: Contractor Payroll Submittals

The Divisions of Construction and Construction Procurement recently reviewed the process for contractor payroll submittals. The review uncovered areas where changes were needed. Changes were made to the Construction Guidance Manual, sections CST 306-1, 306-2 and 307, to comply with statutes and regulations concerning certified payrolls.

Effective immediately, contractors should submit two (2) copies of their certified payrolls to the section office. The section office will verify that the contractor or contractors shown were on the referenced project and if so, they will forward one copy of the certified payroll to the Central Office Division of Construction Procurement. District Office EEO personnel may use the certified payrolls on file at the section office to assist the Division of Construction Procurement. Details of the new procedure are outlined in the revised guidance manual sections attached to this memorandum.


The section office shall initiate action to withhold payment of the contractor's current pay estimate when acceptable contractor payrolls have not been received for the period covered by the previous pay estimate.

It is essential for contractor staffing and equipment to be accurately recorded on the Daily Work Reports by field inspectors. For training on SiteManager, Daily Work Reports, or any other issue that may arise, please contact the Central Office Division of Construction.

Attachments

C:	B. Lewis	KAHC
	S. Waddle	FHWA
	R. Griffith	PAIKY



	<i>Section</i> CONTRACTOR'S PAYROLL
	<i>Subject</i> General

POLICY

The contractor shall submit 2 copies of their certified payrolls to the section engineer (SE) for all federal-aid projects. Certified payrolls are required upon request on state-funded projects.

**PRECONSTRUCTION
CONFERENCE**

During the preconstruction conference, the contractor should be thoroughly briefed on all the payroll information contained herein. The last day of the contractor's pay week and weekly pay day shall be established so the SE will know when to expect the payrolls. The prime contractor is responsible for prompt and accurate submission of any subcontractor's payrolls and it is suggested that the subcontractor's payrolls be required to meet the submission dates established by the prime contractor.

**PAYROLL
SUBMITTALS**


The contractor shall adhere to the following guidelines when required to submit payrolls:

- The contractor shall submit 2 copies of the contractor's payroll, accompanied by statements of compliance, to the SE within 7 days after the ending of the applicable pay period.
- Each payroll shall be submitted on a U.S. Department of Labor WH-347 form, *Payroll* (Exhibit 9013). The prime contractor shall properly certify each payroll.
- Minority employees and trainees shall be designated by some method on each applicable payroll by the contractor or subcontractor. No method is specified or preferred as long as the contractor or subcontractor briefs Department personnel on the method used.

The original submitted payroll **shall not**, under any circumstances, be returned to the contractor. Corrections are to be made by supplemental payrolls.

When complete and accurate contractor payrolls have not been received by the SE for the periods covered by the previous estimate, the SE shall initiate action to withhold payment of the contractor's current estimate.



	<i>Section</i> CONTRACTOR'S PAYROLL
	<i>Subject</i> Certified Payroll Review


PAYROLL REVIEW

The contractor shall submit 2 copies of the certified payrolls to the section engineer (SE) for all federal-aid contracts. The SE shall review the payroll to ensure the contractors listed for the pay period submitted were the actual contractors working during that period. The SE shall send one copy to the Division of Construction Procurement once this has been verified.

The SE shall notify the contractor and the Division of Construction Procurement if they are not receiving payrolls or if the payrolls which they receive do not coincide with the contractor that was working during the pay period shown.

The Division of Construction Procurement shall be responsible for ensuring wage reviews are performed in accordance with federal guidelines.



	<p><i>Chapter</i></p> <p>CONTRACT ADMINISTRATION</p>
	<p><i>Subject</i></p> <p>Wage Compliance Checks</p>

OVERVIEW The Division of Construction Procurement will perform all wage rate reviews.

PERFORMING WAGE CHECKS The Division of Construction Procurement will utilize the TC 14-312 form, *Engineer's Wage & Hour Report (Exhibit 9014)*, in the preparation of the Wage Compliance Report required by the Federal Highway Administration on all federal-aid projects.

VIOLATIONS All wage violations will be handled by the Division of Construction Procurement. The Division of Construction Procurement will review the controversy and arrange any formal hearings necessary to enforce wage requirements of the contractor.

ASSISTANCE Wage representatives of the Division of Construction Procurement are available to assist the SE with:

- Wage complaints and alleged violations requiring investigation on the project
- Complaints received or detected after a project is completed
- Obtaining additional wage rates on a project

Any request for the assistance by the Division of Construction Procurement in this matter shall be addressed to the Director, Division of Construction Procurement.



Follow Up Questions and Answers on Construction Memorandum 05-12 Contractor Payroll Submittals

- Can I continue to submit payrolls electronically?
 - Yes. The contractor can submit them electronically to the section engineer. The section engineer will review the submittals and forward them to Tammy Oney in the Division of Construction Procurement.
tammy.oney@ky.gov
- If I choose to mail payrolls instead of doing the electronic method, do I need to mail them to a specific individual in the Division of Construction Procurement?
 - Yes. If you receive paper copies of the certified payroll or decide to mail the payrolls please send them to the following address:

Kentucky Transportation Cabinet
Division of Construction Procurement
ATTN: Tammy Oney
200 Mero Street, 3rd Floor
Frankfort, Kentucky 40622

- If we have a sub that will work on a project for a couple weeks and then not for a couple months, do they need to still submit payrolls to us? Or do they only need to submit them if they have worked on the respective project that week?
 - They should send a statement on the first week they don't work that says "No work this week". If they know they won't be working for awhile, then they can add a statement that says they will not be working on the project again until further notice.
- Does the section engineer need to ask for 2 copies of the certified payroll on state funded projects?
 - No. Certified payrolls are only required on federal projects. There may be specific instances where the Cabinet may ask for payrolls on state projects, but these instances should be a rare occurrence.
 - This will occur when the Division of Construction Procurement performs wage and hour reviews.