

REQUEST FOR PROPOSALS

Residential Garage Demolition





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Introduction

The City of Euclid’s Division of Community Development, through the Department of Planning and Development, is soliciting proposals from qualifying and appropriate contractors for the Demolition of a Residential Garage.

Funding and support for this program will be from the City of Euclid’s remaining allocation of Community Development Block Grant (CDBG) funds, through the U.S. Department of Housing and Urban Development (HUD).

Important: This project is subject to the Davis-Bacon and Related Acts (also known as “Prevailing Wage”). Please see the Wage Rate and Information in this document.

Background

Euclid, Ohio is an inner-ring suburb in Cuyahoga County, Ohio, sharing its western border with Cleveland. Euclid is a community of approximately 49,000 residents, with more than 51% qualifying per income guidelines set forth by HUD. The majority of Euclid’s housing stock is greater than 50 years old, further qualifying the City for such federal grant funding.

Since 1974, Euclid has been an Entitlement Community under HUD, to which annual Community Development Block Grant (CDBG) funds are granted to the City of Euclid directly from HUD, instead of being required to compete for the funds through either the County or State government intermediaries.

Euclid has a rich history of utilizing CDBG funding to support and/or fund vital community projects. Projects include various housing repair and rehabilitation programs, public services, economic development activities, and neighborhood revitalization projects.

Project Location

The project locations for this project will be at the following location: 23100 Ivan Avenue.

The occupant meets the appropriate household income qualifications in order to be eligible for the Division of Community Development’s housing programs

Demolition Specifications

A detailed Scope of Work for each project location are detailed in “Section 2: Residential Garage Demolition: Department-Specific Specifications” of this Request for Proposal. Also included is the City of Euclid’s Demolition Specifications, which applies to all demolition projects in in the City.



Guidelines and Requirements

- Proposals will be accepted by Department of Planning and Development no later than 2:00 PM on Thursday, May 14, 2026. They may be submitted through one of the two following means:
 1. In-Person Submission: Euclid City Hall, 585 E. 222 Street – Euclid, OH 44123, or
 2. Via Email at planning@cityofeuclid.gov
- All proposals must be signed by an official representative of the company submitting the proposal.
- All costs included in the proposal must be consistent with the project’s Scope of Work.
 1. Upon award of the project, the winning contractor must be Registered, Licensed, Bonded and Insured per City of Euclid Contractor Registration requirements.
 2. Contractors performing work that involves painting (house painting, vinyl siding, and related projects) must comply with Lead-based Paint Regulations and Federal guidelines and be properly certified.
 3. Subcontracting is not permitted unless proposal includes Name, Description, and Role of subcontractor. Subcontractor must comply with same policies required of Contractors.
 4. All budget line items must be justified in Proposal.

Budgetary Requirements

- All proposals must include proposed itemized costs to complete the tasks described in the project scope.
- Proposal must include a total cost for project scope.



Evaluation of Proposals Procedures

Submitted proposals will be evaluated based on the following criteria:

1. Quality of like work previously completed in Euclid or other communities.
2. Proper legal documentation submitted; including those consistent with Federal, State, and Local guidelines.
3. If working with Paint, compliance with Lead-based Paint Regulations including certification.
4. Licensing, Bonding, Insurance, and Registration Status with the City of Euclid Department of Building and Housing.
5. Cost reasonableness and feasibility.
6. Qualifications to perform work based upon similar projects.

Qualifications

Bidders should provide the following items as part of their proposal for consideration:

- A minimum of three (3) examples of projects completed by your firm.
- For new proposals, a minimum of three (3) customer references.
- Name of company assigned contact and/or project manager.
- Documentation or the willingness to acquire applicable licensure, bonding and insurance to do business within the City of Euclid.
- Documentation conforms to all requirements listed herein, including applicable lead-based paint regulations and certifications for firms (applicable Federal and State of Ohio guidelines.)



Department and City Bid Procedures and Review Timeline

1. All proposals are due no later than 2:00 PM on Thursday, May 14, 2026.
2. Community Development Division staff will carefully review and vet all submitted proposals to ensure consistency with Federal, State, and Local guidelines and requirements.
3. Selection of winning proposal will be made within 30 calendar days of closing date.
4. Winning proposal will be notified upon approval by the City of Euclid's Board of Control or Euclid City Council.
5. Project to begin per negotiation on mutually agreed upon date with the Community Development Division.
6. Project to be completed per negotiation on mutually agreed upon date.

Submissions and City Contacts

- Proposals should be submitted to one or both of the following contacts:

Jim Fialko, Project Supervisor
Division of Community Development
Department of Planning and Development
585 E. 222 Street
Euclid, OH 44123
Phone: (216) 289-8562
Email: jfialko@cityofeuclid.gov

Section 2: Residential Garage Demolition

Site Photos



Photos 1 and 2: Single-Family Home in Foreground, with Garage in Background; North Elevation of Garage,
23100 Ivan Avenue

Site Photos (continued)



Photos 3 and 4: Garage, North Elevation and West Elevation with Tree for Removal, 23100 Ivan Avenue

Site Photos (Continued)



Photos 5 and 6: Garage, Continuation of West Elevation, South Elevation, and Tree for Removal, 23100 Ivan Avenue

Site Photos (Continued)



Photos 7 and 8: Garage, West and South Elevation with South Elevation of Dwelling Unit, 23100 Ivan Avenue

Site Photos (Continued)



Photo 9: Garage, East Elevation, 23100 Ivan Avenue



Residential Garage Demolition

Department-Specific Specifications to Demolition of Garage

Demolition Site Address: 23100 Ivan Avenue, Euclid, OH 44123

1. Disconnect and remove existing power line as needed
2. Demolish existing garage and remove two (2) adjacent trees.
3. Remove remaining garage floor and foundation.
4. Remove all debris and dispose of properly.
5. Properly grade area where garage and foundation were demolished.
6. Top-dress per demolition specifications
7. Seed and straw all bare areas.

Important: Contractor is responsible for all required permits and coordinating inspections through the City of Euclid's Department of Building and Housing.

CITY OF EUCLID

DEMOLITION SPECIFICATIONS

GENERAL

1. The contractor agrees to furnish labor and equipment to immediately demolish the structure(s) set forth in this contract in accordance with the Codified Ordinances of the City of Euclid.
2. The City reserves the right limit the number of contracts awarded to a bidder to insure the expeditious completion of the improvements required by the contract. All work shall be completed within sixty (60) business days of the issuance of a Notice to Proceed. The City reserves the right to withdraw those structures from contracts, which are not completed within the terms of this contract without making substitutions or payments for work not completed. In the event that the cost of completing such work exceeds the original contract amount, the contractor will be liable for the additional costs incurred.
3. All work shall be done in compliance with Chapter 1735 titled “Demolition and Removal Standards” and Chapter 1703.42 titled “Comprehensive Storm Water Management” of Codified Ordinances of the City of Euclid, and the Cuyahoga County Minimum Demolition Standards established under Cuyahoga County Council Ordinance No. 02014-0014.
4. The successful bidder will be required to furnish an approved performance bond for the faithful performance of the contract in the sum of one hundred percent (100%) of the contract amount. Such bond shall be that of an approved surety company or personal bond upon which the sureties are persons not interested in the contract, or, if interested, collateral security shall be furnished, and all of which is to be to the satisfaction of the Director of Law, including sureties.

PERMITS

The Contractor is responsible for obtaining the following permits if applicable, before the commencement of work:

- Demolition permit
- Obstruction permit if a public right of way is obstructed
- Utility Disconnects
- New Sidewalk and Curb Cut permits
- EPA (asbestos, hazardous materials, etc.)
- Tank removal
- Hydrant permit from the City of Euclid Building Department and the Cleveland Water Department

NOTIFICATIONS

1. The Contractor shall provide all required notifications to the Ohio Environmental Protection Agency and the Ohio Department of Health in a timely manner if warranted.
2. The Building and Housing Departments shall be notified of the time and location at which work will be performed. The schedule shall be submitted to the Chief Building Official prior to commencement of demolition activity. Contracts are subject to cancellation in the event the contractor fails to properly notify the Building Department of the work schedule. No demolition activities are to commence without issuance by the Director of the Planning and Development Department of an Order to Proceed with demolition.
3. All work performed at each site shall be done in accordance with all specifications provided in the Bid Documents for each demolition project.

GENERAL REQUIREMENTS

1. All sewer lines shall be bulk headed at 3 feet from the inside edge of the public sidewalk. An authorized agent of the Building Department shall inspect the bulk heading prior to the placement of fill material.
2. The Contractor shall mark the sidewalk block with a triangle to indicate the location of the sanitary sewer line and a plus sign for the storm sewer line.
3. All demolition debris shall be removed from site including all slabs, pool wall and floors, footers and any other sub-grade structures.
4. All excavations resulting from demolition shall be backfilled with clean fill and compacted to existing grade per ODOT Item # 203 specifications.
5. Provide a third-party compaction report to the City of Euclid
6. No excavation shall be made on the job site for the purpose of removing soil or bury debris. All excess debris shall be removed from premises and properly disposed.
7. In the event the contractor shall bury debris outside sub-grade portions of the structure and after notice by the Building Department, shall fail to remove the same at the contractor's sole expense, the City shall take whatever steps are required to re-excavate and properly dispose the improperly buried debris including the hiring of another contractor and any costs shall be contractor so agrees, billed to the contractor or offset against any moneys owed to the contractor by the City.

8. No work shall be performed on Saturday, Sunday, or Legal Holidays without the written consent of the Building Department.

DUMP TICKETS

Prior to and as an additional condition or payment for work performed, the Contractor shall furnish verified, original receipts from an approved land fill or approved dump site, evidencing that all waste material from the job site contracted herein was disposed of in a proper manner, receipts shall bear the job address, location of land fill or dump site, cubic yardage dumped and bear the signature of the contractor's driver. In the event such landfill receipts are not provided, the City shall withhold payment until received and approved thereof.

LOCAL APPROVED RECYCLING FACILITIES:

Baumann Recycling Center	Kurtz Brothers, Inc.
4801 Chaincraft Road	6415 Granger Road
Garfield Heights, OH 44125	Independence, OH 44131

LOCAL APPROVED LANDFILLS:

Boyas Excavating	Cuyahoga Landfill, Inc	RKDF, Inc
1131 Rockside Road	6640 Cochran Road	950 Valley Belt Road
Cleveland, Ohio 44125	Solon, Ohio 44139	Brooklyn Heights, Ohio 44131

SAFETY

Temporary barricades or enclosures, such as plastic fencing must be used to limit access to the demolition site. Warning signs/ lights and or watchman shall be provided if needed to prevent injury to persons or damage to property. An appropriate barrier for any demolition activities left over night or over a weekend will be required.

Prior to demolition, the Contractor shall conduct a final walk through of the interior of the structure to verify it is unoccupied and that all utilities are disconnected.

STRUCTURES

All main structures and any accessory structures are to be demolished unless otherwise noted. The Contractor shall remove any trees and bushes specified in the Bid Documents or by the City of Euclid Building Department.

Any adjoining or party walls shall be restored to conform to existing exterior walls or an approved alternative, with proper support and foundations maintained or provided.

PUBLIC SIDEWALKS

Unless otherwise specified in the Bid Documents or by the City of Euclid Building Department, all existing public sidewalks shall remain intact. The Contractor is responsible for protecting all public sidewalks during the entire demolition process. Any public sidewalk that is damaged during the demolition project will be removed and replaced with new at the

Contractor's expense. Any removal and replacement of public sidewalks shall be completed in conformance with the regulations of the Director of Public Service.

Unless otherwise specified in the Bid Documents or by the City of Euclid Building Department, the drive way and apron will be removed and the area resoiled and seeded. The curb for the apron will be rebuilt and inspected by the Engineering Department.

If the contractor does not correct such sidewalks and remove and replace such sidewalks within a reasonable time, as specified in a written notice from the Building Department, the City may have the deficiency corrected or the sidewalk (s) removed and replaced. The contractor shall pay all direct and indirect cost of such correction or removal and replacement, and an appropriate deductible change order shall be issued. The Contractor will also bear the expense of making good all work of other destroyed or damaged areas by his corrections, removal and replacement of defective work.

The contractor must obtain permits for the removal, replacement and/or installation of any sidewalks and curbs. All work must be pre-pour inspected and final inspected. Make sure you consult the City of Euclid Building Department for details regarding city requirements and codes before installing sidewalks and curbs.

FINISHED SITE

Surface of ground shall be worked with a rock hound or similar device, and left in a neat, level and raked condition. Remove all existing site debris and weeds. Surface stones shall be removed by using appropriate equipment such as rock hounds, or hand racks.

Contractor shall spread minimum 4" of finish grade clean topsoil over entire property surface and rake to create a level surface.

Grass shall be a mixture of forty (40%) Kentucky bluegrass; 40% creeping red fescue; 20% annual ryegrass and mulch. Surface water will not be permitted to lay on the site.

Apply fertilizer at the rate recommended by the manufacturer of grass seed. Scatter evenly as directed by seed supplier, but not less than five (5) pounds per one thousand (1,000) square feet. Finish with a scattering of straw sufficient to cover seeded areas to retain moisture for germination.

Restore grassed and planted areas damaged during execution of work of this section.

The entire property shall be left in a neat, level and presentable condition that can be easily and safely cut using a push mower.

EQUIPMENT

All structures shall be razed by front-end loaders unless special equipment is required. The Building Department must approve special equipment prior to bidding. For most projects, loaders or excavators with special attachments or cranes will be approved special equipment.

PROTECTION OF ADJOINING AREAS

1. No accumulation of water, which may undermine foundations or enter the basement or cellar of adjoining property, or result in other injury to adjoining property, shall be permitted in any excavation.

UNDERGROUND STORAGE TANKS

The demolition contractor shall remove all underground storage tanks and upon such removal, the excavation shall be filled to grade with clean fill and compacted to existing lot grade.

All underground storage tanks shall be removed under supervision of the Fire Department. A fire prevention license must be obtained from the Euclid Fire Department prior to tank remove.

UTILITIES

The demolition contractor is responsible for contacting all affected utility companies and assuring that gas, electric, and water service is disconnected prior to demolition.

WASTE DISPOSAL AND ENVIRONMENT CONTROL

1. Contactor shall maintain adequate dust control by misting with water at all times during the demolition process.
2. Contractor is responsible for removal of dirt and debris from City streets and sidewalks at the end of each day.
3. Contractor shall at all times keep the site of the work free from accumulations of waste, material or rubbish, and upon completion of the work, shall remove all tools, equipment, surplus materials and rubbish and leave the site of the work in a safe and proper condition.
4. Contractor shall not treat, store or dispose of hazardous wastes or hazardous substances on the site of the work, or allow such wastes or substances to be released to the environment; provided, however, that, that contractor may store such wastes and substances temporarily in approved tanks or containers, in accordance with all environmental laws and with the approval of owner, which therefore under the Federal resources conservation and recovery (RCRA), as amended, or analogous or derivative state or local laws. Contractors shall remove from the site of the work and dispose of all wastes, including all soiled wastes, in compliance with applicable Environmental Laws. Any penalty or other liability arising from contractor's failure to comply with Environmental Laws shall be borne by contractor and contractor shall indemnify owner for any liability and expense imposed upon owner by reason of any act or water, air or land pollution resulting from the activities of contractor or contractor's employees, subcontractor or agents.

DAMAGES

1. The contractor shall be responsible for all damages occurring as a result of the demolition.
2. The City reserves the right to withdraw those structures from contract, without making substitutions or payments, where the Commissioner of Building and Housing makes a finding that there has been a failure to secure the permits to schedule the required by the OBBC, the Building Code and / or any applicable city, state, or federal law and or that there has been workmanship or work not in conformity with said laws.

LIQUIDATED DAMAGES

Insurance requirements for emergency demolition contracts are as follows with the City of Euclid named as an additional insured:

1.	Bodily Injury	Each Person	\$300,000.00
2.	Accidental Death	Each Occurrence	\$300,000.00
3.	Property Damage	Each Occurrence	\$300,000.00
4.	Accident	Each Occurrence	\$500,000.00
5.	Umbrella Liability		\$1,000,000.00

The City of Euclid requires that you show as an endorsement on your certificate of insurance that you are have coverage for collapse hazard and/or structural property damage.

Please be aware that general liability insurance may not necessarily cover collapse hazard and/or structural property damage in connection with demolition. Check with your insurance agent as to whether you have this coverage.

CITY OF EUCLID

GENERAL CONDITIONS

GENERAL

1. Contractor shall attend a pre-commencement meeting with City of Euclid officials to review project requirements, rules & regulations, and to address any questions or concerns by both parties.
2. Under the Codified Ordinances of the City of Euclid, the Contractor agrees to furnish labor and equipment to perform the construction work set forth in this project.
3. The City reserves the right to limit the number of contracts awarded to a bidder to insure the expeditious completion of the improvements required by the contract. All work shall be completed within the time frame as indicated in the verbal issuance of Notice to Proceed set forth in the schedule. In the event that the cost of completing such work exceeds the original contract amount, the Contractor will be liable for the additional costs incurred.

PERMITS

The Contractor is responsible for obtaining all applicable permits before the commencement of any construction work; in addition, the Contractor must schedule timely inspection with a City of Euclid Building Inspector of all work performed.

SAFETY

Contractor will be responsible for maintaining safe traffic control and public safety at all times during the construction process. Temporary barricades or enclosures, such as fencing, may be used to limit access to the construction site. Warning signs/ lights and or watchman shall be provided if needed to prevent injury to persons or damage to property. An appropriate barrier for any construction activities left over night or over a weekend will be required.

UTILITIES

The Contractor is responsible for contacting all affected utility companies and assuring that all utilities are located and not damaged while performing the construction work specified in this project.

WASTE DISPOSAL AND ENVIRONMENT CONTROL

1. Contractor shall maintain adequate environmental control during the performance of constructions work.
2. Contractor is responsible for removal or dirt and debris from City streets and sidewalks at the end of each day as applicable.
3. Contractor shall at all times keep the site of the work free from accumulations of waste, material or rubbish, and upon completion of the work, shall secure all tools, equipment, surplus materials and rubbish and leave the site of the work in a safe and proper condition.
4. Contractor shall not treat, store or dispose of hazardous wastes or hazardous substances on the site of the work, or allow such wastes or substances to be released to the environment; provided, however, that, that contractor may store

such wastes and substances temporarily in approved tanks or containers, in accordance with all environmental laws and with the approval or owner, which therefore under the Federal resources conservation and recovery (RCRA), as amended, or analogous or derivative state or local laws. Contractors shall remove from the site of the work and dispose of all wastes, including all soiled wastes, in compliance with applicable Environmental Laws. Any penalty or other liability arising from contractor's failure to comply with Environmental Laws shall be borne by contractor and Contractor shall indemnify owner for any liability and expense imposed upon owner by reason of any act or water, air or land pollution resulting from the activities of Contractor or Contractor's employees, subcontractor or agents.

DAMAGES

The Contractor shall be responsible for all damages occurring during performance of construction work.

LIQUIDATED DAMAGES

Contractor must supply an Owner's and Contractor's Protective Policy for this construction project as follows with the City of Euclid (Owner) named as an additional insured:

1.	Employer's Liability		\$1,000,000.00
2.	Products and Completed Operations		\$1,000,000.00
3.	Bodily Injury	Each Person	\$1,000,000.00
4.	Accidental Death	Each Occurrence	\$1,000,000.00
5.	Property Damage	Each Occurrence	\$1,000,000.00
6.	Accident	Each Occurrence	\$2,000,000.00
7.	Umbrella Liability		\$2,000,000.00

AFFIDAVIT

This affidavit is to be filled out and executed by the bidder; if the bid is made by a corporation, then by its properly authorized agent.

The name of the individual swearing to the affidavit should always appear on the line marked "Name of Affiant". The affiant's capacity, when a partner or officer of a corporation, should be inserted on lines marked "Affiant". The affiant should sign individual name at end, not partnership nor corporation name, and swear to said affidavit before a Notary Public who must attach his/her seal.

STATE OF _____

COUNTY OF _____ SS:

(Name of Affiant)

being duly sworn, do depose and say that:

resides at

and that

(Give names of all persons, firms or corporations interested in bid)

is or are the only persons interested with in the profits of any Contract which may result from the herein contained proposal; that the said proposal is made without any connection or interest in the profits thereof with any other person making any other bid or proposal for said works; that the said proposal is, on _____ part, in all respects fair, and without collusion or fraud; and also that no member of the Council, head of any department or bureau or employee therein or any officer of the City, is directly or indirectly interested therein; and that all statements made by him in this proposal are true.

SUBSCRIBED AND SWORN to me this _____ day of _____, 20____.

NOTARY PUBLIC

Title

Affiant

City of Euclid

County of Cuyahoga

State of Ohio

**CITY OF EUCLID
BIDDER'S AFFIDAVIT
CITY INCOME TAX STATUS**

Office of the Finance Director
City of Euclid
585 East 222nd Street
Euclid, Ohio 44123

To whom it may concern:

The undersigned certifies that the party to whom the contract award is being considered has previously performed services in the City of Euclid and has an active income tax account. The Federal Identification Number (FID) for the bidder is

_____.

-OR-

The undersigned certifies that the party to whom the contract award is being considered has not previously performed any services within the City of Euclid and does not have an active income tax account with the City of Euclid. The undersigned swears and affirms that if the contract award is received by the undersigned party, a Withholding and Business Registration form will be completed and filed with the Euclid Tax Department **prior to** commencing any work in the City of Euclid or receiving any payment from the contract. The undersigned also swears and affirms that the party to whom the contract award is given will correctly and completely comply with all income tax ordinances of the City of Euclid for the duration of services performed within the City.

It is understood that this statement is required to be signed by the party whose bid has been tentatively accepted, and must be affirmed under oath. This statement must be submitted to the Finance Director prior to any payment being made under the subject contract.

FURTHER AFFIANT SAYETH NAUGHT.

Name of Corporation

President

Secretary

**THIS AFFIDAVIT MUST BE REPRODUCED ON THE BIDDER'S LETTERHEAD, SIGNED BY
THE APPROPRIATE SIGNATORY, NOTARIZED, AND MUST INCLUDE THE BIDDER'S
FEDERAL TAX ID NUMBER.**

SWORN TO BEFORE ME and subscribed in my presence this _____ day
of _____, 20__.

NOTARY PUBLIC



Department of Planning and Development

Bid Summary Sheet
Residential Demolition

Instructions to Bidder:

Please complete this form and attach with your company's Bid Sheet.

Company Name: _____

Company Address: _____

Company Phone: _____

Company Email: _____

Point of Contact: _____

Tabulation of Demolition Bids

<u>Project Location</u>	<u>Total Bid</u>
23100 Ivan Avenue (Garage)	_____

Date

Authorized Signature

Title



Department of Planning and Development

Bid Summary Sheet

Disposal of Demolition Materials

Instructions to Bidder:

Please provide information for the chosen Recycling Facility and/or Landfill to be utilized for this project.

Company Name: _____

Company Address: _____

Company Name: _____

Company Address: _____

Date

Authorized Signature

Title



Department of Planning and Development

Contractor's Checklist

Residential Demolition

Instructions to Bidder:

Please return and provide all of the following documents for a successful bid.

1. **Bid Summary Sheet** _____
2. **Bid Form – Recycling and/or Landfill Site** _____
3. **Bidder's Affidavit – City Income Tax** _____
4. **Bidder's Affidavit – Personal Property Tax Delinquency** _____
5. **Bidder's Affidavit – General** _____
6. **Form W-9** _____
7. **Proof of Liability Insurance** _____

IMPORTANT

All bidding contractors must be Licensed, Insured, Bonded, and Registered with the City of Euclid Department of Building and Housing for a successful bid.

ASBESTOS SURVEY REPORT

Garage Located at 23100 Ivan Avenue
Euclid, Cuyahoga County, Ohio

September 8, 2025

Prepared for:
City of Euclid
585 East 222nd Street
Euclid, Cuyahoga County, Ohio 44123

Prepared by:



6105 Heisley Road ♦ Mentor, Ohio 44060
440-357-1260 ♦ Fax 440-357-1510



HZW
Environmental
Consultants

September 8, 2025

Mr. Jim Fialko
City of Euclid
585 East 222nd Street
Euclid, Ohio 44123

Subject: Report of Findings from an Asbestos Survey Conducted at One (1) Residential Garage Located at 23100 Ivan Avenue, Euclid, Cuyahoga County, Ohio (H25393)

Dear Mr. Fialko:

HZW Environmental Consultants, LLC (HZW) is pleased to submit this letter report that presents the findings from an asbestos survey conducted at one (1) residential garage located at 23100 Ivan Avenue, Euclid, Ohio, herein referred to as the “subject structure”. As indicated by the City of Euclid (the Client) the subject structure is scheduled to be demolished. The purpose of the asbestos survey was to identify asbestos-containing materials (ACMs) located at the subject structure prior to manual demolition activities being performed. A photograph depicting the exterior of the subject structure is provided below.



Photograph 01

View of the Garage Located at 23100 Ivan Avenue,
Euclid, Cuyahoga County, Ohio

METHODS OF INVESTIGATION

General

In August 2025, a representative of HZW, certified as an Asbestos Hazard Evaluation Specialist (AHES), performed an asbestos survey at the subject structure. This certification is required to be maintained by the inspector in accordance with the Asbestos School Hazard Abatement Reauthorization Act (ASHARA) and the Ohio Environmental Protection Agency (Ohio EPA) asbestos regulations.

The asbestos survey was conducted in accordance with the Environmental Protection Agency's (EPA) National Emissions Standard for Hazardous Air Pollutants (NESHAP) survey protocol. NESHAP regulations require no specific survey protocol be followed; however, the Asbestos Hazard Emergency Response Act (AHERA) protocol is recommended. Therefore, the asbestos survey at the subject structure was conducted in accordance with AHERA protocol. AHERA protocol requires that each building and/or building construction be surveyed separately for building materials suspect for containing asbestos. In addition, AHERA protocol requires that all functional spaces (specific area or building construction within a building) also be identified. Once the functional spaces are identified, then all homogeneous areas of building materials located in a specific functional space and suspect for containing asbestos are subsequently identified. A homogeneous area is a building material/area that is uniform in texture, color, date of application, use or system and appears identical in every other respect.

Bulk Sampling Protocol

In accordance with AHERA, HZW classified each homogeneous area/building material suspect for containing asbestos into one (1) of three (3) categories, based on the material's ability to be crumbled, pulverized, or reduced to powder by hand pressure (herein referred as "friable"), prior to performing the bulk sampling activities. These three (3) categories are as follows:

Surfacing Materials	Thermal System Insulation (TSI)	Miscellaneous Friable and Nonfriable Materials
Examples include fireproofing and acoustical plaster.	Examples include, but are not limited to pipe lagging, pipe wrap, block insulation, batt insulation and mudded fitting insulation.	Examples of miscellaneous friable materials include, but are not limited to ceiling tile, drywall and joint compound. Examples of nonfriable materials include, but are not limited to, floor tile and mastic, roofing materials and transite.

Once categorized, HZW subsequently determined the quantity of each homogeneous area/building material within each specific functional space. HZW based the bulk sampling protocol on the AHERA category assigned to a specific homogeneous area/building material and the quantity of that area/material identified. The bulk sampling protocol performed at the subject structure consisted of the following:

- For Surfacing Materials, if the quantity of the homogeneous area/material is less than 1,000 square feet (ft²), HZW collects a minimum of three (3) samples from this area/material. If the size of the homogeneous area/material is between 1,000 and 5,000 ft², then HZW collects a minimum of five (5) samples from this area/material. If the size of the homogeneous area/material is greater than 5,000 ft², then HZW collects a minimum of seven (7) samples from this area/material.
- For TSI, HZW either assumes the suspect material contains asbestos or collects at least three (3) bulk samples from each specific homogeneous area/material identified.
- For Miscellaneous Friable Materials and Nonfriable Materials, The number of bulk samples HZW collects of these materials is at the discretion of the inspector and in a “manner sufficient” to prove the asbestos content of the material.

Condition Categorization

In determining the condition of a material, HZW used the following guidelines:

General Damage Category	Criteria
Good	No Damage
Fair	Up to 10% overall damage Up to 25% localized damage
Poor	Over 10% overall damage Over 25% localized damage

Analytical Laboratory

Any bulk samples collected were submitted to CA Labs, LLC of Baton Rouge, Louisiana, for analysis of asbestos content by polarized light microscopy (PLM) using the Environmental Protection Agency (EPA) Method 600/R-93/116.

ASBESTOS REGULATIONS

Federal Regulations

The Occupational Safety and Health Administration’s (OSHA’s) Asbestos Standard for the Construction Industry (29 CFR 1926.1101) regulates all renovation and demolition work involving buildings materials which contain any amount of asbestos. Building owners and/or contractors who perform renovation and/or demolition activities which disturb buildings materials identified as containing asbestos are required to conduct these activities in accordance with OSHA’s Asbestos Standard. An asbestos-containing material (ACM), as defined by OSHA and the EPA, is any material containing more than one percent (1%) asbestos as determined by Polarized Light Microscopy (PLM).

The Asbestos NESHAP (40 C.F.R. Part 61, Subpart M) regulates which ACMs must be removed prior to renovation and demolition activities being performed. If the quantity of regulated ACMs (RACMs) to be disturbed as part of a renovation or demolition activity meets or exceeds 160 square feet on facility components, 260 linear feet on pipes or 35 cubic feet off facility components, then the activity would be regulated under the Asbestos NESHAP. RACMs are defined as 1) friable ACMs, 2) Category I Nonfriable ACMs that has become friable, 3) Category I Nonfriable ACMs that will be or have been subjected to sanding, grinding, cutting or abrading, or 4) Category II Nonfriable ACMs that have a high probability of becoming or have become crumbled, pulverized, or reduced to powder by the forces expected to act on the materials in the course of the demolition or renovation activities. A friable ACM is a material that when dry, can be crumbled, pulverized, or reduced to powder by hand pressure. Examples of friable ACMs consist of asbestos-containing pipe insulation, fireproofing, and ceiling tile. Examples of Category I Nonfriable ACMs consist of asbestos-containing packings, gaskets, resilient floor covering, and asphalt roofing products. Examples of Category II Nonfriable ACMs consist of any material, excluding Category I Nonfriable ACMs.

State Regulations

The Ohio EPA Asbestos regulations are under Chapter 3745-20 and 3745-22 of the Ohio Administrative Code (OAC) also referred to as the “Emission Control Rules”. Chapter 3745-20 is nearly identical to the Asbestos NESHAP, 40 CFR, Part 61, Subpart M, cited above. Chapter 3745-22 is the former Ohio Department of Health asbestos “Licensing Rules”, which on January 1, 2018, were adopted by the Ohio EPA. Chapter 3745-22 encompasses the rules governing asbestos hazard abatement contractors, specialists, project designers, workers, and training courses.

Under the Asbestos NESHAP and Ohio EPA Asbestos regulations the “Notification of Demolition and Renovation/Abatement” form is required to be submitted ten (10) days prior to any of the following activities being performed:

- Demolition of a facility, regardless of whether asbestos is involved. This includes all structures that will be intentionally burned for fire training purposes.
- Renovation of a facility when the amount of RACM stripped, removed, dislodged, cut, drilled, or similarly disturbed exceeds 260 linear feet on pipes or 160 square feet on other facility components or 35 cubic feet off facility components.
- Abatement at a facility when the activity involves the removal, renovation, enclosure, repair or encapsulation of *friable* ACMs in an amount greater than 50 linear feet on pipes or 50 square feet on other facility components.

FINDINGS

Based on the findings of the visual inspection conducted at the subject structure in August 2025, one (1) building material suspect for containing asbestos was identified. A total of two (2) bulk samples were collected from this suspect building material. A table documenting the findings from the bulk sampling activities is provided below. Based on the laboratory analytical report for the two (2) bulk samples of suspect roofing system submitted for asbestos analysis, neither were identified as containing asbestos. A site sketch documenting the bulk sampling locations and a copy of the laboratory analytical report from CA Labs, LLC for the bulk samples submitted for asbestos analysis is included as **Attachment 1**.

Suspect Material	Bulk Sample Identification	Asbestos Percent (%)	Condition
Asphalt Shingle Roofing System - Black	01	ND ND	Poor
	02	ND ND	

ND – None Detected

RECOMMENDATIONS

Based on the findings of the asbestos survey conducted at the subject structure, the following recommendation is being presented for consideration:

1. Submit the Ohio EPA “Notification of Demolition and Renovation/Abatement” form to the Ohio EPA 10 days prior to demolition activities being performed.

As always, HZW appreciates the opportunity you have given us to provide professional services to the City of Euclid. Should you have any questions regarding the information presented in this letter report, please do not hesitate to contact us.

Sincerely,

HZW ENVIRONMENTAL CONSULTANTS, LLC

Carmen Rocco

Carmen Rocco

Asbestos Hazard Evaluation Specialist (AHES No. 33794)

Joan A. Sablar

Joan A. Sablar

Group Leader

Industrial Hygiene, IAQ, Asbestos and Lead

CR:CR\jas

Attachment

I:\2025\H25393\23100 Ivan Avenue Garage Asbestos Survey Report.docx

ATTACHMENT 1

SITE SKETCH DOCUMENTING BULK SAMPLING LOCATIONS

➤ **CA LABS ANALYTICAL REPORT FOR BULK SAMPLES COLLECTED**



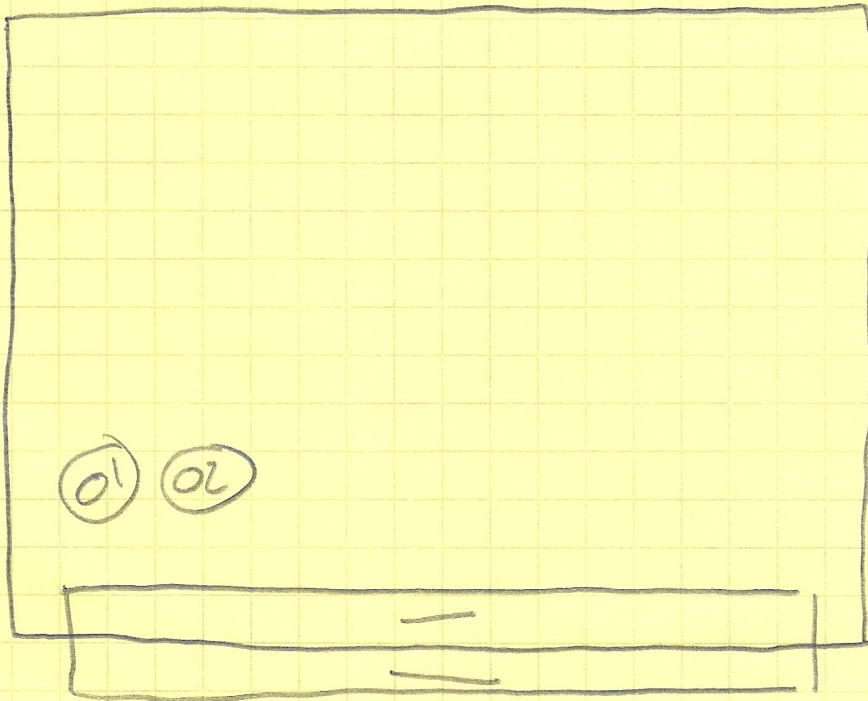
HZW ENVIRONMENTAL
CONSULTANTS, LLC

6105 Heisley Road • Mentor, Ohio 44060
Phone 440-357-1260 • 800-804-8484
Fax 440-357-1510
A Woman-Owned Business Enterprise

PROJECT 23100 Ivan Ave, Euclid
PROJECT NO. H25393
PAGE NO. 2 OF 2
FIELD REPRESENTATIVE CA DATE 8/16/25
SCALE (W)

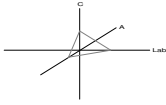
INDICATE DIRECTION
OF NORTH

N →



CA Labs
Dedicated to
Quality

CA Labs, L.L.C.
12232 Industriplex, Suite 32
Baton Rouge, LA 70809
Phone 225-751-5632
Fax 225-751-5634



NVLAP #200772-0
TDSHS #300370
CDPHE #AL-18111
LELAP #03069

Materials Characterization - Bulk Asbestos Analysis

Laboratory Analysis Report - Polarized Light

HZW Environmental Consultants

6105 Heisley Rd.
Mentor, OH 44060

Attn: Joan Sablar

Customer Project: 23100 Ivan Avenue; H25393

Reference #: CBR25086105

Date: 8/14/2025

Analysis and Method

Summary of polarizing light microscopy (PLM / Stereomicroscopy bulk asbestos analysis) using the methods described in 40CFR Part 763 Appendix E to Subpart E (Interim and EPA 600 / R-93 / 116 (Improved). The sample is first viewed with the aid of stereomicroscopy. Numerous liquid slide preparations are created for analysis under the polarized microscope where identifications and quantifications are performed. Calibrated liquid refractive oils are used as liquid mounting medium. These oils are used for identification (dispersion staining). A calibrated visual estimation is reported, should any asbestiform mineral be present. Other techniques such as acid washing are used in conjunction with refractive oils for detection of smaller quantities of asbestos. All asbestos percentages are based on calibrated visual estimation traceable to NIST standards for regulated asbestos. Traceability to measurement and calibration is achieved by using known amounts and types of asbestos from standards where analyst and laboratory accuracy are measured. As little as 0.001% asbestos can be detected in favorable samples, while detection in unfavorable samples may approach the detection limit of 0.50% (well above the laboratory definition of trace).

Discussion

Vermiculite containing samples may have trace amounts of actinolite-tremolite, where not found by PLM should be analyzed using TEM methods and / or water separation techniques. Suspected actinolite/vermiculite presence will be indicated through the sample comment section of this report.

Fibrous talc containing samples may even contain a related asbestos fiber known as anthophyllite. Under certain conditions the same fiber may actually contain both talc and anthophyllite (a phenomenon called intergrowth). Again, TEM detection methods are recommended. CA Labs PLM report comments will denote suspected amounts of asbestiform anthophyllite with talc, where further analysis is recommended.

Some samples (floor tiles, surfacings, etc.) may contain fibers too small to be detectable by PLM analysis and should be analyzed by TEM bulk protocols.

A "trace asbestos" will be reported if the analyst observes far less than 1% asbestos. CA Labs defines "trace asbestos" as a few fibers detected by the analyst in several preparations and will indicate as such under these circumstances.

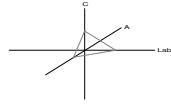
Quantification of <1% will actually be reported as <=1% (allowable variance close to 1% is high). Such results are ideal for point counting, and the technique is mandatory for friable samples (NESHAP, Nov. 1990 and clarification letter 8 May 1991) under 1% percent asbestos and the "trace asbestos". **In order to make all initial PLM reports issued from CA Labs NESHAP compliant, all <1% asbestos results (except floor tiles) will be point counted at no additional charge.**

Qualifications

CA Labs is accredited by the National Voluntary Accreditation Program (NVLAP) for selected test methods for airborne fiber analysis (TEM), and for bulk asbestos fiber analysis (PLM). All analysts have a college degree in a natural science (geology, biology, or environmental science) or are recognized by a state professional board in one these disciplines. Extensive in-house training programs are used to augment education background of the analyst. The group leader of polarized light has received supplemental McCrone Research training for asbestos identification. This report is not covered by the scope of AIHA accreditation. Analysis performed at CA Labs, LLC 12232 Industriplex, Suite 32 Baton Rouge, LA 70809.

CA Labs
Dedicated to
Quality

CA Labs, L.L.C.
 12232 Industriplex, Suite 32
 Baton Rouge, LA 70809
 Phone 225-751-5632
 Fax 225-751-5634



NVLAP #200772-0
TDSHS #300370
CDPHE #AL-18111
LELAP #03069

Overview of Project Sample Material Containing Asbestos

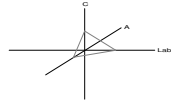
Customer Project: 23100 Ivan Avenue; H25393		CA Labs Project #: CBR25086105	
Sample #	Layer #	Analysts Physical Description of Subsample	Asbestos type / calibrated visual estimate percent
			List of Affected Building Material Types

No Asbestos Detected.

Glossary of abbreviations (non-asbestos fibers and non-fibrous minerals):

ca - carbonate	pe - perlite	fg - fiberglass	pa - palygorskite (clay)
gypsum - gypsum	qu - quartz	mw - mineral wool	
bi - binder		wo - wollastinite	
or - organic		ta - talc	
ma - matrix		sy - synthetic	
mi - mica		ce - cellulose	
ve - vermiculite		br - brucite	
ot - other		ka - kaolin (clay)	

This report relates to the items tested. This report is not to be used by the customer to claim product certification, approval or endorsement by NVLAP, NIST, AIHA LAP, LLC, or any other agency of the federal government. This report may not be reproduced except in full without written permission from CA Labs. These results are submitted pursuant to CA Labs' current terms and sale, condition of sale, including the company's standard warranty and limitations of liability provisions and no responsibility or liability is assumed for the manner in which the results are used or interpreted. Unless notified in writing to return the samples covered by this report, CA Labs will store the samples for a period of ninety (90) days before discarding. A shipping or handling fee may be assessed for the return of any samples.



Polarized Light Asbestiform Materials Characterization

Customer Info: **Attn:** Joan Sablar
HzW Environmental Consultants
 6105 Heisley Rd.
 Mentor, OH 44060

Customer Project:
 23100 Ivan Avenue; H25393

CA Labs Project #:
 CBR25086105

Phone # 440-357-1260
 Fax # 440-357-1510

Turnaround Time: 5 day


Date: 8/14/2025
Samples Received: 8/8/2025
Date Of Sampling:
Purchase Order #: 2024-03

Sample #	Com ment	Layer #	Analysts Physical Description of Subsample	Homo- geneo us (Y/N)	Asbestos type / calibrated visual estimate percent	Non-asbestos fiber type / percent	Non-fibrous type / percent
01		01-1	Black Shingle with Black Gravel	N	None Detected	15% ce	85% qu, bi
		01-2	Black Felt	Y	None Detected	70% ce	30% qu, bi
02		02-1	Black Shingle with Black Gravel	N	None Detected	15% ce	85% qu, bi
		02-2	Black Felt	Y	None Detected	70% ce	30% qu, bi


Analysis Method: Interim (40CFR Part 763 Appendix E to Subpart E) / Improved (EPA-600 / R-93/116)
 Preparation Method: HCL acid washing for carbonate based samples, chemical reduction for organically bound components, oil immersion for identification of asbestos types by dispersion attaining / becke line method.

ca - carbonate	mi - mica	fg - fiberglass	ce - cellulose
gypsum - gypsum	ve - vermiculite	mw - mineral wool	br - brucite
bi - binder	ot - other	wo - wollastinite	ka - kaolin (clay)
or - organic	pe - perlite	ta - talc	pa - palygorskite (clay)
ma - matrix	qu - quartz	sy - synthetic	

Approved Signatories:


 Corinne Barr
 Analyst

Senior Analyst
 Alicia Stretz


 Laboratory Director
 Chris Williams

1. Fire Damage significant fiber damage - reported percentages reflect unaltered fibers
 2. Fire Damage no significant fiber damages effecting fibrous percentages
 3. Actinolite in association with Vermiculite
 4. Layer not analyzed - attached to previous positive layer and contamination is suspected
 5. Not enough sample to analyze

6. Anthophyllite in association with Fibrous Talc
 7. Contamination suspected from other building materials
 8. Favorable scenario for water separation on vermiculite for possible analysis by another method
 9. < 1% Result point counted positive
 10. TEM analysis suggested

Chain of Custody

Client Name: H2O Environmental CA Labs job # CBR 25086105
 Client Address: (105 Heister Rd) Billing Address: _____
Monte, OH 44060 (if different) _____
 phone number: (440) 357-1260 Send Reports to: cfoc@h2oenv.com
 fax number: _____ Project Name: 23100 Ivan Avenue
 Project Number: H25.393 Reports Results _____
 Contact: _____ VIA: EMAIL _____ FAX _____ VERBAL _____

Total # Samples Submitted:	Total # Samples to be Analyzed:	Material Matrix: Air / Bulk / Water
----------------------------	---------------------------------	--

Asbestos: *please call ahead for availability of all rush and/or after hours samples.*

TEM	TA Time	PLM	TA Time	Optical / IAQ	TA Time
<i>Circle analysis and TA time</i>		<i>Circle analysis and TA time</i>	2 hour	Allergen Particle:	2 hour
AHERA	4 hour	Improved	4 hour	tape/bulk/swab	4 hour
EPA Level II	8 hour	Interim	8 hour	Cyclex-d cassettes	8 hour
Drinking Water	16 hour		16 hour	Air-o-cell cassettes	16 hour
Wipe	24 hour	AHERA	24 hour	Anderson cultures	24 hour
Micro-vac	2 days		2 days	Bulk/swab cultures	2 days
NIOSH 7402	3 days	Point Count	3 days	Bacteria cultures	3 days
Chatfield Bulk	5 days	(NESHAPS)	5 days	PCM: NIOSH 7400	5-10 days

Lead: *Circle analysis and TA time*

Matrix:	Paint Chips	Soil	Air	Wipes	Wastewater	TCLP
TA Time:	8 hour	1 day	2 days	3 days	5 days	6-10 days

Sample Information:

Sample Number:	Sample Location:	Sample Date/Time:	Sample Volume (L)
<u>01</u>	<u>Asphalt Sample</u>		
<u>02</u>	<u>Paper</u>		

Custody Information:

Samples relinquished: [Signature] / 8-6-25 / 11:50 Signature / Date / Time

Samples received: [Signature] / 8/8/25 / 9:40am Signature / Date / Time

Samples relinquished: [Signature] / 8/8/25 / 11:50 Signature / Date / Time

Samples received: [Signature] / 8/8/25 / 9:40am Signature / Date / Time



Department of Planning and Development

Residential Demolition – Davis-Bacon and Related Acts Wage Statement

Important Notice to Prospective Demolition Bidders:

This demolition project is subject to Davis-Bacon and Related Acts, also known as “Prevailing Wage,” as this project is being funded with a Federal source. The successful bidder will be subject to Certified Payroll Reporting requirements, and a jobsite employee interview.

Please note the following wage rates for this project:

<u>Hourly Rate</u>	<u>Hourly Fringes</u>	<u>Total Hourly Rate</u>
\$36.12	\$14.45	\$50.57

Please contact the City of Euclid’s Prevailing Wage Coordinator, Linda Beck, at (216) 289-8161 or via email at lmbeck@cityofeuclid.com if you have any questions.



DAVIS-BACON AND LABOR STANDARDS CONTRACTOR GUIDE ADDENDUM

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INTRODUCTION

This Guide has been prepared for you as a contractor performing work on construction projects that are assisted by the Department of Housing and Urban Development and subject to Davis-Bacon prevailing wage requirements. This Guide does not address contractor requirements involved in direct Federal contracting where HUD or another Federal agency enters into a procurement contract. In this latter case, the Federal Acquisition Regulations (FAR) are applicable. While the guidance contained in this Guide is generally applicable to any Davis-Bacon covered project, specific questions pertaining to direct Federal contracts should be addressed to the Contracting Officer who signed the contract for the Federal agency.

Our objective here is to provide you with a guide that is simple and non-bureaucratic yet comprehensive, and will help you better understand and comply with Davis-Bacon labor standards. HUD's Office of Davis Bacon and Labor Standards worked closely with the Department of Labor's Wage and Hour Division to make sure that the labor standards provisions in your contract and the specifics of complying with them represent the latest information. It is the Department of Labor that has general administrative oversight of all Federal contracting agencies, such as HUD, which administer the day-to-day responsibilities of enforcing Davis-Bacon provisions in construction contracts that they either fund or assist in funding.

This Guide contains six main chapters. The first chapter includes the laws and regulations associated with Federal labor standards administration and enforcement. The second chapter lists the responsibilities of contractors and of state, tribal, and local contracting agencies that administer HUD programs. The third chapter lists wage basics, including wage decisions, wage classifications, and wage rates, to provide background for the rest of the Guide. The fourth chapter discusses reviewing and reporting payrolls. The fifth chapter delves into additional work classifications and wage rates. The sixth and final chapter discusses sanctions and restitution. For further background, the DBLS Agency Guide may be used as a reference.

Finally, not all HUD construction projects are covered by Davis-Bacon wage rates. For the purpose of this Guide, we are assuming that a determination has already been made that Davis-Bacon wage rates are applicable. Should you wish assistance in determining whether Davis-Bacon wage rates apply to a particular project or if you need other related technical assistance, please consult with the HUD Labor Standards Field staff for your area.

RESOURCE

Visit the Office of Davis Bacon and Labor Standards online:
www.hud.gov/program_offices/davis_bacon_and_labor_standards

BASIC DBA DEFINITIONS

See Section 3 in the Agency Guide.



LAWS AND REGULATIONS

The Davis-Bacon Act (DBA)

The Davis-Bacon Act (DBA) requires the payment of prevailing wage rates (determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government and District of Columbia construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works. Most HUD construction work is not covered by the DBA itself since HUD seldom contracts directly for construction services. Most often, if DB applies to a HUD project is it because of a labor provision contained in one of HUD's "Related Acts" (see 5.9 in the Agency Guide). The Related Acts are often referred to as the Davis-Bacon and Related Acts or DBRA.

The Contract Work Hours and Safety Standards Act (CWHSSA)

CWHSSA requires time and one-half pay for overtime (OT) hours (over 40 in any workweek) worked on a covered project. The CWHSSA applies to both direct federal contracts and to federally-assisted contracts where those contracts require or involve the employment of laborers and mechanics and where federal wage standards (e.g., Davis-Bacon or HUD-determined prevailing wage rates) are applicable. CWHSSA provisions apply to all laborers and mechanics, including watchmen and guards, employed by any contractor or subcontractor. CWHSSA also applies to maintenance laborers and mechanics employed by contractors or subcontractors engaged in the operation of Public Housing Agencies (PHA), Tribally Designated Housing Entities (TDHE), and Indian Housing Agencies (IHA) developments.

Exemptions:

CWHSSA O/T provisions do not apply where the federal assistance is only in the nature of a loan guarantee or insurance.

CWHSSA O/T provisions do not apply to prime contracts of \$100,000 or less.

The Copeland Act (Anti-Kickback Act)

The Copeland Act makes it a Federal crime for anyone to require any laborer or mechanic (employed on a Federal or Federally-assisted project) to kickback, (i.e., give up or pay back) any part of their wages. The Copeland Act requires every employer to submit weekly certified payroll reports, and regulates permissible payroll deductions.

The Fair Labor Standards Act (FLSA)

The FLSA governs matters such as federal minimum wage rates and O/T. These standards are generally applicable to any labor performed and may be pre-empted by other (often more stringent) federal standards such as the DBRA prevailing wage requirements and CWHSSA O/T provisions. The authority to administer and enforce FLSA provisions resides solely with DOL.

Davis-Bacon Regulations

DOL has published rules and instructions concerning Davis-Bacon and other labor laws in the Code of Federal Regulations (CFR). These regulations can be found in Title 29 CFR Parts 1, 3, 5, 6, and 7. Part 1 explains how DOL establishes and publishes DBA wage determinations (also referred to as wage decisions) and provides instructions on how to use the determinations. Part 3 describes Copeland Act requirements for payroll deductions and the submission of weekly CPRs. Part 5 covers the labor standards provisions that are in contracts relating to Davis-Bacon Act wage rates and the responsibilities of contractors and contracting agencies to administer and enforce the provisions. Part 6 provides for administrative proceedings enforcing Federal labor standards on construction and service contracts. Finally, Part 7 sets parameters for practice before the Administrative Review Board. These regulations are used as the basis for administering and enforcing the laws.

DOL Regulations are available online: www.ecfr.gov/current/title-29

Construction Contract Provisions and Labor Standards Administration

Labor standards administration involves the activities that take place primarily before construction begins. Administration sets the stage for the compliance activities that occur during the construction phase. The first and sometimes most difficult step is determining whether and to what extent Davis-Bacon wage standards apply to a particular contract or project. The Factors of Labor Standards Applicability (see Appendix II-6) should be helpful. Most HUD-assisted construction work is covered by Davis-Bacon, but there are some exceptions. The best and safest approach is to first assume that Davis-Bacon requirements will be applicable whenever the contract/project involves construction work valued in excess of \$2,000, then look more closely to see if there is any reason for non-coverage. Each contract subject to Davis-Bacon labor standards requirements must contain labor standards clauses and a Davis-Bacon wage decision. These documents are normally wound into the contract specifications.

The labor standards clauses

The contract for construction is the vehicle to ensure contractor compliance and Davis-Bacon wage enforcement. Therefore, the bid specifications and/or the contract for each project subject to Davis-Bacon wage rates must contain both a Davis-Bacon wage decision and labor standards clauses. The labor standards clauses describe the responsibilities of the contractor concerning Davis-Bacon wages and obligate the contractor to comply with the Davis-Bacon wage and reporting

requirements and with the O/T provisions of the CWHSSA (applicable only when the prime contract is valued at over \$100,000). The labor standards clauses also provide for remedies in the event of violations, including the withholding of payments due to the contractor to ensure the payment of wages or liquidated damages that may be found due, and sanctions should violations occur. These contract clauses enable the contract administrator to enforce the Federal labor standards applicable to the project. HUD has standard forms that contain contract clauses. For example, the HUD-92554M, Supplementary Conditions Of The Contract for Construction, which is issued primarily for FHA (Federal Housing Administration) multifamily housing and other construction projects administered by HUD; the HUD-4010, Federal Labor Standards Provisions, which is used for CDBG (Community Development and Block Grant) and HOME (HOME Investment Partnerships Program) projects; and the HUD-5370, General Conditions for Construction Contracts (construction contracts >\$150,000) or the HUD-5370-EZ, General Contract Conditions for Small Construction/Development Contracts (construction contracts >\$2,000 but ≤\$150,000) which are used for Public and Indian Housing projects. These should be wound into the contract specifications or incorporated by specific reference in the bid/contract documents (see Labor Relations Letter 96-03).



Davis-Bacon Wage Decisions

The term “wage decision” includes the original decision and any subsequent decisions that modify, supersede, correct, or otherwise change the provisions of the original decision. The term “wage decision” is used within this Guide to mean the Davis-Bacon wage decision. The terms “wage decision” and “wage determination” are used interchangeably. A wage decision is a schedule of construction work classifications, wage rates, and fringe benefits that represent the minimum rates that must be paid to workers employed in those classifications. Wage decisions are established for defined geographic areas, usually by county or group of counties, and four general characters of construction work.

RESOURCE

The Department of Housing and Urban Development (HUD) one stop forms resource page.

www.hud.gov/program_offices/administration/hudclips/forms

RESOURCE

All current Davis Bacon wage decisions can be accessed online at no cost at www.sam.gov





CONTRACTOR RESPONSIBILITIES

The principal contractor is responsible for the full compliance of all employers (the contractor, subcontractors, and any lower-tier subcontractors) with the labor standards provisions applicable to the project. Because of the contractual relationship between a prime contractor and their subcontractors, subcontractors generally should communicate with the contract administrator only through the prime contractor. (See Contract Administrator Responsibilities, below.)

CONTRACT ADMINISTRATOR RESPONSIBILITIES

The contract administrator is responsible for the proper administration and enforcement of the Federal labor standards provisions on contracts covered by Davis-Bacon requirements. This term is used to represent the person (or persons) who will provide labor standards advice and support to contractors and other project principals (e.g., owner, sponsor, architect), including providing the proper Davis-Bacon wage decision (see 6.1, The Wage Decision) and ensuring that the wage decision and contract clauses are incorporated into the contract for construction. The contract administrator also monitors labor standards compliance (see Section 12, Payroll Compliance Reviews and Corrections, in the Agency Guide) by conducting interviews with construction workers at the job site and reviewing payroll reports, and oversees any enforcement actions that may be required.

The contract administrator could be an employee or agent of HUD, or of a city or county or public housing agency. For HUD projects administered directly by HUD staff, usually FHA-insured multifamily projects, the contract administrator will be the HUD Labor Standards field staff. But many HUD-assisted projects are administered by local contracting agencies such as PHAs, TDHEs, and States, cities and counties under HUD's CDBG and HOME programs.

In these cases, the contract administrator will likely be local agency staff. In either case, the guidance for contractors remains essentially the same.

DOL also has a role in monitoring Davis-Bacon administration and enforcement. In addition, DOL has independent authority to conduct investigations. A DOL investigator or other DOL representative may visit Davis-Bacon construction sites to interview construction workers or review payroll information.

RESOURCE

Program technical guidance

For interpretations of program requirements or handbooks and instructions on the use of forms:

Housing Programs - See our [Contact List](#) for help.



WAGE BASICS

The Wage Decision

Davis-Bacon labor standards stipulate the wage payment requirements for skilled workers, operators, truck drivers, and laborers—for example: carpenters, electricians, plumbers, roofers, rollers, screeds, bulldozers, water wagons, dump trucks, and other construction work classifications that may be needed for the project. The Davis-Bacon wage decision that applies to the project contains a schedule of work classifications and wage rates that must be followed.

Remember, the wage decision is contained in the contract specifications along with the labor standards clauses. See 5.12 in the Agency Guide.

The work classifications and wage rates

A Davis-Bacon wage decision is simply a listing of different work classifications and the minimum wage rates that must be paid to anyone performing work in those classifications.

You'll want to make sure that the work classifications you need are contained in the wage decision, and make certain that you know exactly what wage rate(s) you will need to pay. Some wage decisions cover several counties and/or types of construction work (e.g., residential and commercial work) and can be lengthy and difficult to read. The contract administrator (HUD Labor Standards field staff or local agency staff) is available to assist with any trouble reading the wage decision or finding the applicable work classification(s).

To make reading lengthy wage decisions easier, a contract administrator may prepare a Project Wage Sheet (HUD-4720). This sheet is a one-page transcript that will show only the classifications and wage rates for a project. A blank copy of a Project Wage Rate Sheet is provided in the Appendix.

RESOURCE

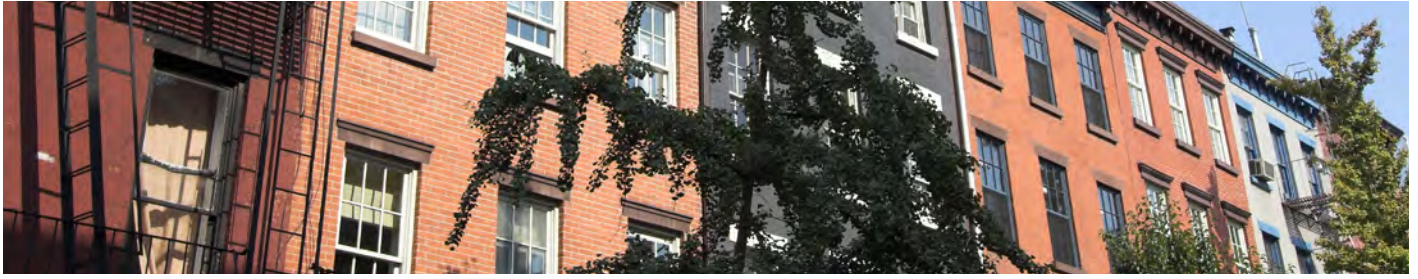
A fillable version of this form is available online at HUDClips www.hud.gov/program_offices/administration/hudclips/forms. Contact the contract administrator monitoring the project for assistance with a Project Wage Rate.

Posting the wage decision, Davis-Bacon poster, and Additional Classifications wages

The prime contractor is responsible for posting a copy of the wage decision (or the Project Wage Rate Sheet), a copy of the DOL Davis-Bacon poster titled Employee Rights Under the Davis-Bacon Act (Form WH-1321), and Additional Classifications wages at the job site in a place that is easily accessible to all the construction workers employed on the project and where the wage decision and poster will not be destroyed by wind, rain, etc. The purpose of this posting is to provide information to the construction laborers and mechanics working on the project about their entitlement to the prevailing wage for their trade, and to advise them whom to contact (the contract administrator) if they have any questions or want to file a complaint.

RESOURCE

The Employee Rights Under the Davis Bacon Act poster replaces the Notice To All Employees. The new poster is available in English and Spanish online at: www.hud.gov/program_offices/davis_bacon_and_labor_standards/olrmk13.



REVIEWING PAYROLLS

Certified Payroll Reports (CPRs)

To demonstrate compliance with labor standards requirements, each employer shall prepare, certify, and submit payroll reports for each week to the sponsor, applicant, or owner for any contract work that is performed. See 29 CFR § 5.5(a)(3)(ii) for information on CPRs.

CPR format

Employers on an FHA project are required to use the HUD-authorized Electronic Payroll System (EPS) to submit CPR reports. If an approved electronic payroll reporting system is not being used by the LCA, the employer must ensure that all information from DOL Payroll Form WH-347 is included and that the LSS can reasonably interpret it. Form WH-347 is available online at www.dol.gov/whd/forms/wh347.pdf.

Submission requirements

Each employer shall submit payroll reports beginning with the first week such employer performs work on the site of the work. Employers shall submit reports promptly following the close of each such pay week.

“No Work” payrolls

Employers are not required to submit reports for weeks during which no work was performed at the site of work, provided that the payroll reports are numbered sequentially or that the employer has provided written notice that its work on the project has been suspended.

Weekly payroll certification

Each weekly payroll submitted shall be accompanied by a “Statement of Compliance” that bears the original signature of the owner, executive/corporate officer, or a designee authorized by the owner or officer. The signature must be in ink; pencil is not acceptable. Signature stamps, photocopies, and facsimiles are not acceptable. The employer may utilize the reverse side of the DOL Payroll Form WH-347 as its Statement of Compliance or another document that contains the same language prescribed on the reverse of the WH-347.

False Submissions

The falsification of any of the above certifications may subject the employer to civil or criminal prosecution under § 1001 of Title 18 and § 231 of Title 31 of the United States Code (USC).

Payroll Review and Submission

The prime contractor should review each subcontractor's payroll reports for compliance prior to submitting the reports to the contract administrator. Remember, the prime contractor is responsible for the full compliance of all subcontractors on the contract and will be held accountable for any wage restitution that may be found due to any laborer or mechanic that is underpaid and for any liquidated damages that may be assessed for O/T violations. All the payroll reports for any project must be submitted to the contract administrator through the prime contractor.

An alert prime contractor that reviews subcontractor payroll submissions can detect any misunderstandings early, prevent costly underpayments, and protect itself from financial loss should underpayments occur.

Payroll Retention

Every contractor (including every subcontractor) must keep a complete set of their own payrolls and other basic records—such as employee addresses and full SSNs, time cards, tax records, evidence of fringe benefit payments—for a Davis-Bacon project for at least three years after the project is completed. The prime contractor must keep a complete set of all the payrolls for every contractor (including subcontractors) for at least three years after completion of the project.

Payroll Inspection

In addition to submitting payrolls to the contract administrator, every contractor (including subcontractors) must make their own copy of the payrolls and other basic records available for review or copying to any authorized representative from HUD or DOL.





REPORTING PAYROLLS

Completing a Payroll Report

Each employer shall maintain payroll records with respect to their own workforce employed at the site of the work. The prime contractor shall maintain such records relative to all laborers and mechanics working at the site of the work during the course of the construction work for at least three years following the completion of the work. Such records shall contain:

Project and contractor/subcontractor information

Each payroll must identify the contractor or subcontractor's name and address, the project name and number, and the week ending date. Week dates must be indicated in the spaces provided. Numbering payrolls is optional but strongly recommended.

Employee information

The name and an individually identifying 4-digit number for each laborer and mechanic. Employers must always maintain each employee's address and full Social Security number (SSN) during the construction of the project and for no less than three years following completion. This information must be made available to the prime contractor, HUD, and/or the LCA upon request.

Employers (prime contractors and subcontractors) must maintain the current address and full SSN for each employee and must provide this information upon request to the contracting agency or other authorized representative responsible for Federal labor standards compliance monitoring. Prime contractors may require a subcontractor to provide this information for the prime contractor's records. DOL has modified form WH-347, Payroll, to accommodate these reporting requirements.

Work classification

Each employee must be classified in accordance with the wage decision based on the type of work they perform.

Apprentices or trainees

The first payroll on which any apprentice or trainee appears must be accompanied by a copy of that apprentice's or trainee's registration in a registered or approved program. A copy of the portions of the registered or approved program pertaining to the wage rates and ratios shall also accompany the first payroll on which the first apprentice or trainee appears.

Split classifications

For an employee that worked in a split classification, make a separate entry for each classification of work performed, distributing the hours of work to each classification accordingly, and reflecting the rate of pay and gross earnings for each classification. Deductions and net pay may be based upon the total gross amount earned for all classifications.

Hours worked

The payroll should show only the regular and O/T hours worked on one particular project. The employer must show both the daily and total weekly hours for each employee. If an employee performs work at job sites other than the project for which the payroll is prepared, those "other job" hours should not be reported on the payroll. In these cases, employers should list the employee's name, classification, hours for this project only, the rate of pay and gross earnings for this project, and the gross earned for all projects. Deductions and net pay may be based upon the employee's total earnings (for all projects) for the week.

Rate of pay

Employers must show the basic hourly rate of pay for each employee for one particular project. If the wage decision includes a fringe benefit and the employer does not participate in approved fringe benefit programs, the employer must add the fringe benefit rate to the basic hourly rate of pay, and must list the O/T rate if O/T hours were worked.

Piece-work

For any piece-work employees, the employer must compute an effective hourly rate for each employee each week based upon the employee’s piece-work earnings for that week. To compute the effective hourly rate, divide the piece-work earnings by the total number of hours worked, including consideration for any O/T hours.

The effective hourly rate must be reflected on the certified payroll. This hourly rate may be no less than the wage rate (including fringe benefits, if any) on the wage decision for the classification of work performed. It does not matter that the effective hourly rate changes from week to week, only that the rate is no less than the rate on the wage decision for the classification of work performed.

Remember, the O/T rate is computed at one and one-half times the basic rate of pay plus any fringe benefits. For example, if the wage decision requires \$10/hour basic plus \$5/hour fringe benefits, the O/T rate would be: $(\$10 \times 1.5) + \$5 = \$20/\text{hour}$.

Gross wages earned

Show the gross amount of wages earned for work performed on a particular project. Note: Employees with work hours and earnings on other projects may show gross wages for a particular project over gross earnings from all projects (e.g., \$425.40/\$764.85) and base deductions and net pay on the “all projects” earnings.

Deductions

Show the amounts of any deductions from the gross earnings. “Other” deductions should be identified (e.g., Savings Account or Loan Repayment). Any voluntary deduction (i.e., not required by law or by an order of a proper authority) must be authorized in writing by the employee or provided for in a collective bargaining (union) agreement. A short note signed by the employee is all that is needed and should accompany the first payroll on which the other deduction appears. The note needs to show the type, amount, and frequency of the deduction. A new deduction authorization is required when any of the aforementioned items change.

MORE INFO

Only one employee authorization is needed for recurring (e.g., weekly) “other” deductions. Written employee authorization is not required for income tax and Social Security deductions.



Net pay

Show the net amount of wages paid.

Statement of Compliance

The Statement of Compliance is the certification. It is located on the reverse side of a standard payroll form (WH-347). Employers must be sure to complete the identifying information at the top, particularly if attaching the Statement of Compliance to an alternate payroll form such as a computer payroll. Also, the employer must check either 4(a) or 4(b) if the wage decision contains a fringe benefit. Checking 4(a) indicates that the employer is paying required fringe benefits to approved plans or programs; and 4(b) indicates that the employer is paying any required fringe benefit amounts directly to the employee by adding the fringe benefit rate to the basic hourly rate of pay. If the employer is paying a portion of the required fringe benefit to programs and the balance directly to the employee, the employer must explain those differences in box 4(c).

Signature

For paper payrolls submitted, the payroll is signed with an original signature in ink. The payroll must be signed by a principal of the firm (owner or officer such as the president, treasurer, or payroll administrator) or by an authorized agent (a person authorized by a principal in writing to sign the payroll reports). Signature authorization (for persons other than a principal) should be submitted with the first payroll signed by such an agent. For paper payrolls, signatures in pencil, signature stamps, Xerox copies, PDFs, and other facsimiles are not acceptable.

MORE INFO

Only one Statement of Compliance is required for each employer's weekly payroll no matter how many pages are needed to report the employee data.





ADDITIONAL WORK CLASSIFICATION AND WAGE RATES

After contract award, if it is determined that additional work classifications are required because the wage decision lacks all the necessary classifications and wage rates, the prime contractor and, if applicable, its subcontractors employing workers in such classifications shall request an additional work classification and propose a wage rate and fringe benefits for such classification on form SF-1444, Request for Authorization of Additional Classification and Rate. The contractor or subcontractor shall make its request for a final decision through the LSS or LCA, as appropriate, to DOL at whd-cbaconformance_incoming@dol.gov. The LSS/LCA shall assist the employer in preparing the request and, if necessary, provide guidance on the policies and procedures involved.

Note: Additional work classifications and wage rates may be requested only after the effective wage decision “lock-in” date. (See DOL Regulations at 29 CFR Part 5 § 5.5(a)(1)(ii).)

Additional Work Classification and Wage Rate Parameters

Signature

Additional work classifications must be signed by DBLS for FHA-insured projects managed by HUD and signed by the LCA contracting officer for projects managed by LCAs, then forwarded to DOL with the applicable wage decision where:

The requested work classification is used in the area of the project by the construction industry;

The work that will be performed by the requested work classification is not performed by a work classification that is already contained within the applicable wage decision;

The proposed wage rate for the requested work classification bears a reasonable relationship to the wage rates on the wage decision; and

The workers that will be employed in the requested work classification (if it is known who the workers are or will be) or the workers’ representatives agree with the proposed wage rate.

General guide

The wage rate and fringe benefits proposed for any classification must be in accordance with the guidance available in All Agency Memorandum 213. The proposed wage rate and fringe benefits should bear a reasonable relationship to the entirety of the rates within the relevant category. There are four basic categories: skilled crafts, laborers, truck drivers, and power equipment operators. Additional classifications proposed for power equipment operators must specify the type(s) of power equipment involved.

Making the Request

Although a request for additional work classification and wage rate may be prompted following an LSS/LCA review, the proposal must originate with the prime contractor/employer that will utilize the work classification. The prime contractor/employer must submit the request in writing. A basic request must identify the contract/project involved, the work classification requested, and the wage rate, including any bona fide fringe benefits proposed. In some cases, it may be necessary for the prime contractor/employer to describe the work that the requested work classification would perform. The prime contractor/employer should use form SF-1444, Request for Authorization of Additional Classification and Rate, to submit the request.

LSS/LCA Review of Request

The LSS/LCA will review the prime contractor/employer's request to determine if it satisfies the approval criteria at 5.12.1.9.2. The LSS/LCA will contact the prime contractor/employer if clarification or additional information is needed to complete the review.

Signing the request, reporting to DOL

If the LSS/LCA review finds that the requested work classifications and wage rate/fringe benefits meet the criteria at 5.12.1.9.2, the LSS/LCA submits the completed SF-1444, related documentation, and the applicable wage decision to the DOL National Office for final decision using DOL's dedicated email address:

whd-cbaconformance_incoming@dol.gov.

Disagreement with the request; referring for DOL decision

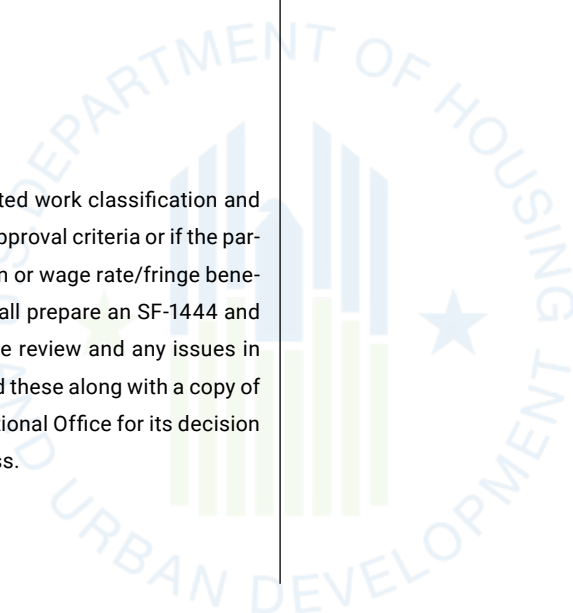
If the LSS/LCA review finds that the requested work classification and wage rate/fringe benefits fails to meet the approval criteria or if the parties do not agree on the proper classification or wage rate/fringe benefits for the work described, the LSS/LCA shall prepare an SF-1444 and a written report explaining the results of the review and any issues in dispute among the parties, and shall forward these along with a copy of the applicable wage decision to the DOL National Office for its decision using the same dedicated DOL email address.

DOL decision

DOL regulations permit 30 days for DOL to respond to the SF-1444. DOL will notify the LSS/LCA in writing of its decision.

DOL approval

When DOL approves the requested additional work classification and wage rate/fringe benefits, the LSS/LCA shall provide a copy of the DOL notice of approval to the prime contractor/employer with instructions that the additional work classification and wage rate/fringe benefits must be posted on the job site with the wage decision.



DOL disapproval

When DOL disapproves the requested work classification and wage rate/fringe benefits, DOL will notify the LSS/LCA in writing of the reasons why the request cannot be approved. DOL may also indicate what work classifications/wage rate/fringe benefits could be approved for the work involved if a modified request is submitted.

Notification to the prime contractor/employer

The LSS/LCA will notify the prime contractor/employer in writing of the results of the LSS/LCA review and/or DOL decision and provide a copy of the DOL notice.

Requests for DOL reconsideration

The LSS/LCA, the prime contractor/employer, or other interested parties may request reconsideration of the DOL decision on a requested additional work classification and wage rate/fringe benefits. Such requests must be made in writing accompanied by a full statement of the interested party's views and any supporting wage data or other pertinent information.





SANCTIONS AND RESTITUTION

Introduction

Even in the best of circumstances, things can go wrong. In a Davis-Bacon context, “things going wrong” usually means there’s a difference of opinion or a dispute about whether and to what extent underpayments have occurred. These disputes are usually between the contract administrator and one or more employers (the prime contractor and/or a subcontractor). The dispute may involve something simple such as an additional classification request that is pending before DOL, or something as significant as investigative findings following a complaint of underpayment. This chapter discusses some of the things you might expect, and what you can do to make your views known and to lessen any delays in resolving the problem or issue.

Administrative Review on Labor Standards Disputes

The labor standards clauses in the contract and DOL regulations provide for administrative review of issues where there is a difference of views between the contract administrator and any employer. The most common circumstances include:

Additional classifications and wage rates

Additional classification and wage rate requests are sometimes denied by DOL. An employer that is dissatisfied with the denial can request reconsideration by the DOL Wage and Hour Administrator. The employer may continue to pay the wage rate, as requested, until a final decision is rendered on the matter. When the final decision is known, the employer will be required to pay any additional wages that may be necessary to satisfy the wage rate that is established.

Reconsideration

DOL normally identifies the reasons for denial in its response to the request. Any interested person (e.g., the contract administrator, employer, or representatives of the employees) may request reconsideration of

the decision on the additional classification request.

The request for reconsideration must be made in writing and must thoroughly address the denial reasons identified by DOL. Employer requests for reconsideration should be made through the contract administrator but may be made directly to DOL. (See DOL Regulations 29 CFR § 1.8.) All requests initiated by or made through the contract administrator or HUD must be submitted through HQLS (Headquarters Office Davis-Bacon and Labor Standards).

Administrative Review Board

Any interested party may request a review of the Administrator’s decision on reconsideration by DOL’s Administrative Review Board. DOL regulations 29 CFR Part 7 explain the procedures for such reviews. (See also 29 CFR § 1.9.)

Findings of underpayment

Compliance reviews and other follow-up enforcement actions may result in findings of underpayment. The primary goal in every case and at every step in this process is to reach agreements about who may have been underpaid and how much wage restitution may be due, and to promptly deliver restitution to any underpaid workers. The contract administrator will usually work informally with employers to reach such agreements.

Rulings and interpretations unrelated to findings of underpayment

DOL is the authority for rulings and interpretations unrelated to findings of underpayments. This includes disputes concerning the prevailing wage rates as determined by DOL, DBRA applicability, character of work decisions, and interpretation and application of DOL regulations at 29 CFR Parts 1, 3, and 5. These and other such matters must be referred to the DOL Wage and Hour Administrator for their ruling and/or interpretation per 29 CFR § 5.13. Any request for a ruling or an interpretation from the DOL Administrator via DBLS must be submitted through HQLS with a copy to the local LSS.

Disputes concerning findings of underpayment

Underpayments usually occur when a contractor or subcontractor does not properly pay wages according to the approved wage determination and it has been identified as part of a Davis-Bacon and DBLS enforcement action. There may be other situations that also create underpayments, and they can originate from the employer, prime contractor, or any other interested party. Any underpayment decision by DBLS will include a formal decision letter with a Notice of Right to Appeal.

DOL review

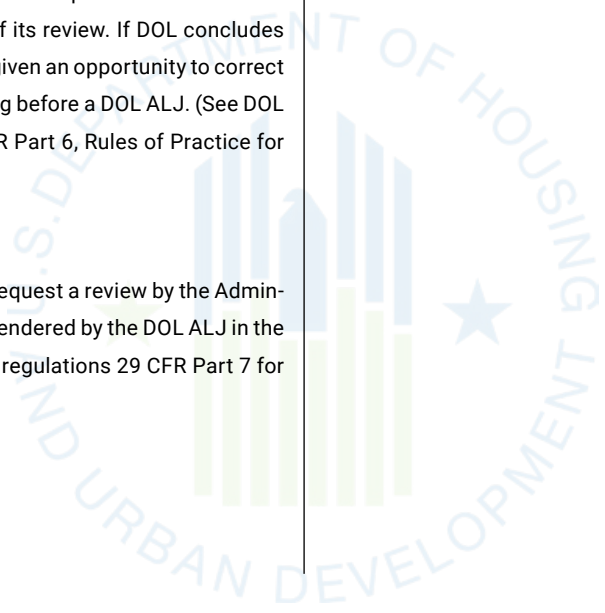
DOL will review the contract administrator’s report and the arguments against the findings presented in the hearing request. DOL may affirm or modify the findings based upon the materials presented. You will be notified in writing by DOL of the results of its review. If DOL concludes that violations have occurred, you will be given an opportunity to correct any underpayments or to request a hearing before a DOL ALJ. (See DOL Regulations 29 CFR § 5.11 (b) and 29 CFR Part 6, Rules of Practice for Administrative Proceedings.)

Administrative Review Board

Contractors and/or subcontractors may request a review by the Administrative Review Board of the decision(s) rendered by the DOL ALJ in the administrative hearing process. See DOL regulations 29 CFR Part 7 for more information about this proceeding.

Withholding

The contract administrator shall cause the withholding of payments due to the prime contractor to ensure the payment of wages that are believed to be due and unpaid (e.g., if wage underpayments or other violations are not corrected within 30 days after written notification to the prime contractor). DOL may also direct the withholding of contract payments for alleged wage underpayments. Withholding is serious and is not taken unless warranted. If withholding is deemed necessary, the contractor will be notified in writing. Only the amounts needed to meet the contractor’s (and/or subcontractors’) liability shall be withheld.



Deposits and Escrows

In some situations, certain labor standards issues are not or cannot be resolved in time to meet project closeout schedules. In order to permit a final closing/closeout to proceed while certain labor issues are outstanding, a deposit account (HUD-administered projects, e.g. multifamily housing-insured and grant programs) or an escrow account (LCA-administered projects, e.g., CDBG, HOME, HOPE VI (Housing Opportunities for People Everywhere)) may be established as a guarantee to ensure the payment of any wages that have been or may be found due to workers that were employed in the construction of the project. Deposit and escrow accounts may also hold fringe benefits payments that are due to plans or programs and/or liquidated damages that are assessed for violations of CWHSSA O/T provisions. The deposit or escrow account is controlled by the contract administrator. When a final decision is rendered, the contract administrator makes disbursements from the account in accordance with the decision. Deposit/escrow accounts are established for one or more of the following reasons:

MORE INFO

Remember, the prime contractor is responsible and will be held liable for any wage restitution that is due to any worker employed in the construction of the project, including workers employed by subcontractors and any lower-tier subcontractors. See 3.2, Responsibilities of the Principal Contractor, and 12.4, Restitution for Underpayment of Wages, in the Agency Guide.

Where the parties have agreed to amounts of wage restitution that are due, but the employer hasn't furnished evidence yet that all the underpaid workers have received their back wages (e.g., unfound workers)

The amount of the deposit is equal to the total gross amount of restitution due to workers lacking payment evidence. As these workers are paid and proper documentation is provided to the contract administrator, amounts corresponding to the documented payments are returned to the depositor. Amounts for any workers who cannot be located are held in the deposit/escrow account for three years and disposed as described in Section 11.4.1 of this Guide;

Sometimes, wage restitution cannot be paid to an affected employee because, for example, the employee has moved and cannot be located. After wage restitution has been paid to all the workers who could be located, the employer must submit a list of any workers who could not be found and paid (unfound workers). See 12.4.6 in the Agency Guide for more information.

Where underpayments are suspected or alleged and an investigation has not yet been completed

The deposit is equal to the amount of wage restitution and any liquidated damages, if applicable, that are estimated to be due. If the final determination of wages due is less than the amount estimated and placed in the escrow account, the escrow will be reduced to the final amount and the difference will be returned to the depositor. If the parties agree to the investigative findings, the amounts due to the workers will be paid by the employer. As these workers are paid and proper



documentation is provided to the contract administrator, the gross amounts corresponding to the documented payments are returned to the depositor;

If the employer is unable to make the payments to the workers (e.g., lacks the funds necessary), the contract administrator may make disbursements directly to the workers in the net amounts calculated by the employer. The amounts withheld from the workers for tax deduction will be returned to the employer as payments to workers are made. The employer shall be responsible for reporting and transmitting withholdings to the appropriate agencies.

If the employer is not cooperating in the resolution, the contract administrator shall make disbursements to the workers in accordance with the schedule of wages due. Amounts for unfound workers will be retained as described in Section 13.4.6 in the Agency Guide.

If the parties do not agree and an administrative hearing is requested, the escrow will be maintained.

MORE INFO

Remember, if you have any questions or need assistance concerning labor standards requirements, help is always available. Contact the contract administrator for the project you're working on or the HUD Field Labor Standards staff in your area.

Where the parties are waiting for the outcome of an administrative hearing that has been or will be requested contesting a final determination of wages due

The deposit shall be equal to the amount of wage restitution and liquidated damages, if applicable, that have been determined due. Once a final decision is rendered, disbursements from the escrow account are made in accordance with the decision.

Administrative Sanctions

Contractors and/or subcontractors that violate the labor standards provisions may face administrative sanctions imposed by HUD and/or DOL.

DOL debarment

Contractors and/or subcontractors that are found by the Secretary of Labor to be in aggravated or willful violation of the labor standards provisions of the DBRA will be ineligible (debarred) to participate in any DBRA or Davis-Bacon Act contracts for up to three years. Debarment includes the contractor or subcontractor and any firm, corporation, partnership, or association in which the contractor or subcontractor has a substantial interest. Debarment proceedings can be recommended by the contract administrator or initiated by DOL. Debarment proceedings are described in DOL regulations 29 CFR § 5.12.

HUD sanctions

HUD sanctions may include Limited Denials of Participation (LDPs), debarments, and suspensions.



Limited Denial of Participation

HUD may issue to the employer an LDP, which prohibits the employer from further participation in HUD programs for a period of up to one year. The LDP is usually effective for the HUD program in which the violation occurred and for the geographic jurisdiction of the issuing HUD Office. HUD regulations concerning LDPs are found at 24 CFR §§ 24.700-24.714.

Debarment and suspensions

In certain circumstances, HUD may initiate its own debarment or suspension proceedings against a contractor and/or subcontractor in connection with improper actions regarding Davis-Bacon obligations. For example, HUD may initiate debarment where a contractor has been convicted for making false statements (such as false statements on certified payrolls or other prevailing wage certifications), or initiate suspension where a contractor has been indicted for making false statements. HUD regulations concerning debarment and suspension are found at 24 CFR Part 24.

Falsification of Certified Payroll Reports

Cases that involve certified payroll falsification may be referred to DOL for its investigation at the outset or referred to DOL for administrative review/hearings or other sanctions.

All referrals suggesting consideration for criminal prosecution must be submitted through the established hierarchy:



States may submit any such recommendation to DOL directly.

MORE INFO

Remember, if you have any questions or need assistance concerning labor standards requirements, help is always available. Contact the contract administrator for the project you're working on or the HUD Field Labor Standards staff in your area.

