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Using the Internet for Federal Wage Rates

I. BACKGROUND

The mandatory payment of predetermined minimum wage rates on federal-aid contracts is derived from the Davis-Bacon Act of 1931 as prescribed by 23 USC 113. The applicable "federal wage rates" must be physically inserted in the special provisions of the final contract package on all Federal-aid highway construction contracts and all related subcontracts exceeding $2,000, except for projects not located on Federal-aid routes (Note: Federal wage rates are applicable to all Recovery Act (ARRA) funded projects even if they are located on local roads or rural minor collectors). Presently the federal wage rates may consist of numerous pages and add considerable bulk to the contract package that is advertised and made available for bidders to review and use for preparing their bids. Also presently during the advertising period, any updates or revisions to the federal wage rates that occur up to 10 days before bid opening require an addendum be issued to all bidders and plan holders which physically include the revised federal wage rates.

Caltrans recently performed a test study of the advertising of federal-aid construction contracts by listing the Internet Website address where the applicable federal wage rates can be found instead of physically including the applicable federal wage rates in the contract package during advertising. As a result of the test study, the determination was made to continue using the Internet Website address during advertising rather than physically including the applicable federal wage rates.

Superseded by LPP 11-05

II. POLICY

During the advertising period, the applicable federal wage rates no longer need to be physically included in the advertising package for local agency Federal-aid contracts. However if not physically included in the advertising package, the applicable federal wage rates must be referenced with an Internet Website address where they can be found. Any revisions to the applicable federal wage rates, up to 10 days before bid opening, shall be identified by the issuance of an addendum with the corresponding Internet Website address of where the revisions can be found.

However, the final contract documents signed by the local agency and the contractor, including subcontracts, must still physically contain the applicable federal wage rates as revised by addendums, if any such addendums were issued.

III. PROCEDURE

A. Section 12.9 of the LAPM is revised as shown in Attachment 1 to this Office Bulletin.
B. Exhibit 12-D of the LAPM is revised as shown in Attachment 1 to this Office Bulletin.
C. Exhibit 12-E of the LAPM is revised as shown in Attachment 1 to this Office Bulletin.

IV. APPLICABILITY/IMPACTS

Applicable to all local agency Federal-aid construction projects over $2000 except those located on roadways classified as local roads or rural minor collectors (Note: Federal wage rates are applicable to all Recovery Act (ARRA) funded projects even if they are located on local roads or rural minor collectors). Impacts to Chapter 12 of the LAPM are as noted in Attachment 1 of this Office Bulletin.

Recommended: Eugene Shy 7/13/09
Eugene Shy, Committee Chair Date

Approved: Mohsen Sultan 7/13/09
Mohsen Sultan, Office Chief Date

Attachments:

Attachment 1 -- Revisions to Chapter 12 of the Local Assistance Procedures Manual (LAPM)

Superseded by LPP 11-05