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# Construction Policy Bulletin

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**CPB 09-4 American Recovery and Reinvestment Act Monthly Employment Reporting Requirements—Federal-Aid Contracts**

Effective Date: April 7, 2009

Approved:   
MARK LEJA  
Chief  
Division of Construction

Approval Date: April 6, 2009

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## Background

The American Recovery and Reinvestment Act (ARRA) of 2009 requires states to report jobs created or sustained on projects funded through the act. Caltrans must collect and report this employment information to the appropriate federal agencies. For Caltrans, these federal agencies are the Federal Highway Administration (FHWA), the Federal Transit Authority, and the Federal Aviation Administration.

## Existing Procedure

No procedure currently exists.

## New Procedure

All contracts advertised after March 24, 2009, and funded with ARRA funds include a specification that requires the contractor to complete a form indicating the number of jobs created or sustained for that project, the total number of hours worked by these employees, and the total base wages paid to them. This same information is reported for every subcontractor, as well as indicating whether the subcontractor is a Disadvantaged Business Enterprise (DBE). Resident engineers will provide the contractor with a copy of form CEM-1204, "American Recovery and Reinvestment Act Monthly Employment Report," at the start of the project. A copy of the form is available online at:

<http://www.dot.ca.gov/hq/construc/forms.htm>.

The contractor must complete form CEM-1204 and submit it to the resident engineer by the 5th of each month with information reported for the previous month. A form must be submitted each month after the start of the contract even if the total number of employees, hours and payroll are zero. The contractor's representative certifies this report. Any deficiencies in the submitted form must be referred to the contractor for correction. If the contractor does not submit a properly completed form by the 5th of the month, the resident engineer takes an administrative deduction on the next progress pay estimate. The deduction is to be 2 percent of the monthly progress estimate but no more than \$10,000 or less than \$1,000. The deduction is returned on the following progress pay estimate after the properly completed form is submitted. Refer to *Construction Manual*, Section 5-103F (1c), "Deductions," for details on this process.

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The resident engineer reviews the submitted form to see if the reported numbers are reasonable, the subcontractors working that month are included, and the form is signed by the contractor's representative. The original form is retained in the project records. The resident engineer transfers the total number of employees, hours, and payroll to form FHWA-1587, "Monthly Summary Employment Report," (a copy of this form is also available online) and emails the completed form to [CALTRANS.Recovery@dot.ca.gov](mailto:CALTRANS.Recovery@dot.ca.gov) no later than the 8th of the month.

The resident engineer must submit form FHWA-1587 each month after the start of the contract even if the total numbers for employees, hours, and payroll are zero or the contractor does not submit an acceptable form CEM-1204.

If you have questions, please contact John Bittermann, Division of Construction at (916) 654-4945 or [john\\_bittermann@dot.ca.gov](mailto:john_bittermann@dot.ca.gov).