

**City of Gardner
Commercial Rehabilitation Program**

INFORMATION FOR CONTRACTORS ABOUT PREVAILING WAGES

This notice provides some important information about prevailing wages. The rules can be difficult to understand if you don't have experience with prevailing wages. If you have questions or need help, contact the Department of Community Development and Planning.

Prevailing wage requirements. Because this project is financed with public grant funds, contractors working on the project must comply with “prevailing wage” laws (Massachusetts General laws Ch. 149 and 40 United States Code 27). These state and federal laws set minimum wage rates – called the “prevailing wage” – for publicly funded projects. Contractors and subcontractors working on these projects must pay their workers the higher of the federal or state wage and file reports to show compliance. The City monitors the contractors to ensure compliance with the regulations.

How do I know what to pay? Contractors must pay the higher of the federal or state wage rates for each job classification. The federal and state wage rate schedules that apply to this project are included with the bid documents and with the rehabilitation contract. Find the correct job classification for each employee on each wage rate schedule. To calculate the federal wage rate add the fringes to the base rate. The state wage rates already include the fringe benefits, so use the total shown. Now compare the results and pay employees, in that classification, the higher dollar figure. Note that sometimes the rates change during the life of the contract. If so, the contractor will have to adjust the payroll accordingly. Also note that business owners or proprietors working on the project must pay themselves the correct prevailing wage for the labor they perform.

Post the wage schedules. Contractors must post the wage rate schedules at the job site so that they are available to employees.

File payroll reports. Contractors and subcontractors must submit weekly payroll reports using the forms provided with their contract. The report must be completed in ink and the certification must be signed by the owner or president of the company. The City will not release payment without approved certified payroll reports. Submit payroll reports to the City staff person who is your contact. A model payroll report is attached to this notice.

Monitoring and wage interviews. Department staff monitors contractors and subcontractors to ensure they comply with prevailing wage regulations. Staff members visit the work site to interview employees and review certified weekly payroll reports from contractors and subcontractors.

Penalties. Contractors and subcontractors who fail to make proper payment or complete required reports could be penalized. They can be disbarred from further public work, jeopardize their licenses, or face criminal or civil lawsuits.

For more information. If you have questions about prevailing wage regulations or need help, contact:

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115 Pleasant Street, Room 201, Gardner, MA 01440
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Monday - Friday 8 a.m. to 4 p.m.

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