



TX Community Resiliency Program (CRP) LABOR STANDARDS – DBRA & Section 3 *A STEP-BY-STEP GUIDE*

Revised: 4/15/2025

STEP 1: ESTABLISH ORGANIZATIONAL PROCESS FOR DBRA AND SECTION 3

Subrecipient: Appoint Labor Standards Officer (LSO) (Form DB01) who will oversee the project's Davis-Bacon Related Acts (DBRA) administration and enforcement. The LSO may be an employee of the city, county or private consulting firm. The LSO must not be an employee of any construction company. The designated LSO may change during the grant period. If this occurs, the Subrecipient must appoint a new LSO and notify the Texas Department of Housing and Community Affairs (TDHCA) Labor Standards Specialist (LSS) within 30-days after the change.

Prior to Contract Procurement, conduct outreach efforts to eligible Section 3 businesses and workers including, but not limited to, open public meetings highlighting employment opportunities to eligible low-income residents or individuals in the service area and outreach to Texas or Local Workforce offices announcing Section 3 job opportunities to eligible low income individuals in service area (see the [CRP Section 3 & Project Construction Guidance](#)).

STEP 2: FEDERAL AND TDHCA LABOR STANDARDS PRE-CONDITIONS

Subrecipient: Establish management control systems related to labor standards requirements.

LSO: Obtain the current project applicable General Wage Determination (GWD) for the CRP contract prior to the solicitation of competitive sealed bids to ensure worker classifications and pay rates are correctly captured and incorporated in the construction procurement. Review the various wage decisions (by county) that apply to the project and choose the one that is appropriate for the type of work to be performed for the project and document the Labor file (Form DB02). Type of work and locations are listed on the first paragraph of the GWD.

The GWD is located at DOL-WHD prevailing wages by county at: <https://sam.gov/content/wage-determinations>

Note: If a worker classification is needed at the project and classification is not listed on the GWD, consider wages and fringe benefit amount, if applicable, for the needed classification when planning project bid package.

DOL Wage Rate Classifications

The publicized and contract specifications should identify as detailed as possible the segments of work to which the schedules will apply. The following description and illustrations are provided as guidance:

- **Highway Construction** – Highway projects include the construction, alteration or repair of roads, streets, highways, runways, taxiways, alleys, trails, sidewalks, paths, parking areas, and other similar projects not incidental to building or heavy construction.
- **Building Construction** – Building construction generally is the construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment, or supplies. It includes all construction such as structures, residential structures greater than four stories, the installation of utilities, and the installation of equipment, both above and below grade level, as well as incidental grading, utilities, and paving. Additionally, such structures need not be habitable to be building construction. The installation of heavy machinery and/or equipment does not generally change the project's character as a building. Building examples also include nursing homes and convalescent facilities, community centers, fire stations, commercial buildings, parking garages, and dormitories.
- **Residential Construction** – Residential projects for Davis-Bacon purposes are those involving the construction, alteration, or repair of single-family houses or apartment buildings of no more than four stories in height. This includes all incidental items such as site work, parking areas, utilities, streets, and sidewalks.
- **Heavy Construction** – Heavy projects are those projects that are not properly classified as either building, highway or residential. Unlike these classifications, heavy construction is not a consistent classification. Because of this catch-all nature, projects within the heavy classification may sometimes be distinguished on the basis of their particular project characteristics, and separate schedules issued. For example, separate schedules may be issued for dredging projects, water and sewer line projects, dams, major bridges, and flood control projects.

LSS: Confirms appointment of LSO (Form DB01) prior to approval of first administrative draw.

STEP 3: BID PHASE PREPARATION

Subrecipient/LSO: Ensure the competitive bid adheres to federal, state, and local procurement regulations. In addition, make sure the General Wage Decision (and any modifications) is current and included in the bid documents/package.

- Complete and submit General Wage Determination Hourly Rate Issuance Notice (DB02) to LSS that is planned to be used in bid package;
- Complete and submit the Ten-Day Call (Form DB03) to LSS prior to bid opening date for verification that wage determination is current and receive approval; and
- Save a copy of the wage decision with the current date in labor standards file
- Conduct a Section 3 Presentation (see the [CRP Section 3 & Project Construction Guidance](#) and the [Sample Section 3 Presentation](#) on the [CRP webpage](#))

The Texas Department of Agriculture (TDA) *Appendix F – Bid and Contract Documents for Construction Contracts* provide guidelines and samples deemed acceptable by TDHCA. TDHCA revised Appendix F – Bid and Contract Documents for Construction Contracts to comply with CRP program requirements. Use the CDBG-CV *most recent* version *dated 1/19/24*. A copy of the proposed bid package and construction contract must be submitted to TDHCA LSS for review and approval before release of the bid package to ensure CDBG/CRP requirements are met. Below is the link to TDHCA CDBG-CV Appendix F:

[TDA Appendix F - Bid and Contract Documents for Construction Contracts – revised 1/19/24](#)

LSS: TDHCA must verify that the wage decision is appropriate for the project and must approve the wage decision *prior to* the bid opening date.

- Failure to obtain LSS approval may result in Labor Standards violation finding.
- General Wage Decision shall be locked-in on the date the bid is opened as long as the construction contract is awarded within 90-days of bid opening.
 - For more information on requirements to lock-in wage rates, please see: [29 CFR 1.6\(c\)\(2\)\(ii\)\(D\)](#) and [HUD’s Handbook on Federal Labor Standards Requirements](#) (Section 3-10, A).

Note: Wage rates may be modified until bids are officially open. The Ten Day Confirmation does not lock in wage rates. TDHCA considers five or more days prior to bid opening to be a reasonable amount of time to notify prospective bidders of any changes to the wage decision.

LSO: If the TDHCA wage decision has changed five to 10 days prior to bid opening, make sure to incorporate the revised wage as addendum into bid documents and advise all potential bidders.

- If the wage determination is modified four days prior to bid opening, cancel the bid opening date. Incorporate the revised wage decision, approved by TDHCA LSS, into the bid documents and set a new bid opening date.
- If the wage decision is modified and discovered after bid opening, **NOTIFY TDHCA LSS immediately**. TDHCA will determine whether the originally approved wage determination or modified wage decision must be included in bid package.
- If the construction contract is not awarded within 90-days of bid opening date, the wage decision is not considered locked-in, and must be confirmed once more. If the wage determination has been modified, the construction contractor will be responsible for complying with modified wage determination. ([29 CFR 1.6\(c\)\(2\)\(ii\)\(D\)](#))

STEP 4: CONSTRUCTION PHASE PREPARATION

- Subrecipient/LSO: Ensure the construction contract (or TDHCA CDBG-CV TDA Appendix F or approved equivalent) incorporates HUD Federal Labor Standards Provision ([HUD Form 4010](#)) clauses and project applicable DOL General Wage Decision. The HUD 4010 ensures the following labor standards requirements are included in conjunction with the construction contract:
- Description of hired contractors responsibilities regarding Davis-Bacon worker wages and weekly pay requirements;
 - Obligation of contractors compliance with applicable DBRA labor laws;
 - Provide remedies for violations of restitution pay and liquidated damages (Contract Work Hours Safety Standards Act penalties); and
 - Language permitting the LSO or authorized individual to enforce labor standards obligation and responsibilities.
- LSS: Reviews construction contract to ensure HUD Federal Labor Standards Provisions (HUD Form 4010) and applicable General Wage Determination are incorporated into the construction contract prior to execution.

STEP 5: CONSTRUCTION CONTRACT AWARD

- LSS: Confirms appointment of LSO (Form DB01) prior to conducting TDHCA required preconstruction conference and approval of first administrative draw.
- Subrecipient: Prior to awarding and executing the construction contract, the LSO must verify that all prime contractors, including the principal owner(s) and their subcontractors, are cleared in the System for Award Management (SAM) [SAM.gov](#). TDHCA requires verification that the Prime is not debarred be sent to LSS prior to contract execution. To verify contractor eligibility status (not debarred, suspended, or otherwise excluded), click on the following link to search for active exclusions: <https://sam.gov/content/exclusions>. The LSO must print records of these verifications from the SAM.gov website and retain copies in the local files.
- New guidance from SAM.gov effective April 4, 2022 requires an “entity” (contractor) to be registered with SAM.gov **or** to obtain a Unique Entity Identification Number (UEIN). TDHCA is requiring the LSO to send verification that the hired **Prime** contractor has met one of the new sam.gov conditions below:
- i. a Unique Entity Identification Number (UEIN) **or**
 - ii. a registration with SAM.gov
- If **Prime** contractor does not have a Unique Entity Identification Number (UEIN) **or** is not registered on SAM.gov, click on the following link: <https://sam.gov/content/home>
- LSO must send a copy of the “Prime” contractor SAM.gov clearance and UEIN/or registration verification to the LSS prior to contract execution.

Attend (or assign a representative of the Subrecipient) and participate in the TDHCA sponsored preconstruction conference which covers DBRA labor laws and TDHCA labor standards. Conference participants must include the Subrecipient, LSO, and Prime, at a minimum. Pre-Construction Conference Report (Form DB04).

TDCHA will issue a Notice to Proceed (NTP) (Sample Form DB05) that serves to authorize project construction start. Receipt of the TDHCA Notice to Proceed is required prior to any construction activity. Release by TDHCA requires receipt of City Building Permit (or equivalent) or written authorization including verification of fee payment, if applicable.

Note: TDHCA LSS will send NTP to Subrecipient and appointed LSO.

Provide a copy of the NTP to Prime contractor prior to start of construction.

Prime: Obtain, at a minimum, a Unique Entity Identification Number (UEIN) or a registration with SAM.gov.

If **Prime** contractor does not have a Unique Entity Identification Number (UEIN) or is not registered on SAM.gov, click on the following link:

<https://sam.gov/content/home>

Review the published worker classifications, wages and fringe requirement, if applicable. Ensure DBRA laborer and mechanic pay mandates are represented accurately in the construction budget.

Display the DOL Employee Rights under the Davis-Bacon Act poster in an area accessible to all workers. Poster can be found on the following website: [Department of Labor | Workplace Posters](#).

Retain original labor records for three years after project construction is complete.

Ensure all contractors maintain hired workers' addresses and full social security number (SSN) during construction for no less than three years, and must make available to the prime contractor, HUD, and authorized individuals upon request.

Prime/LSO: Submission for all requests seeking additional classifications not listed on the applicable General Wage Determination (GWD) must adhere to the guidelines provided in the DOL Memorandum 213 located at: [Agency Memoranda | U.S. Department of Labor \(dol.gov\)](#) as outlined in the following steps.

1. Group published GWD worker classifications into four categories: (1) laborers, (2) trades, (3) power equipment operators, and (4) truck drivers.
2. Find the median wage listed for published workers' wages under the category (or categories) that apply to the proposed classification/wage.
3. Attach a letter from hiring contractor confirming:
 - Worker classification is used in construction industry; and
 - Proposed wage and fringe benefit, if applicable, is reasonable and comparable to GWD and local pay rates
4. Attach copy of project applicable GWD.

5. Complete the **Standard Form (SF) 1444** — Request for Authorization of Additional Classification and Wage Rate located at: [DOL DBRA Forms](#)
6. LSO is responsible for the accuracy of documents prior to sending completed documents to TDHCA (LSS) for conditional approval. LSS will send to DOL-WHD for final determination.
7. LSS will send LSO a conditional approval, and will forward request to DOL-WHD for final approval/denial determination.
8. Post all DOL-WHD written approved classification(s) and wage(s) in an area on-site visible to all workers. Note: DOL approval letters and DOL posters can be placed on the project sign and should be protected from inclement weather (i.e., placed inside plastic sheet protector and attached on project sign).
9. If DOL has not responded before the completion of the TDHCA CDBG-CV contract, the Final Wage Completion Report (Form DB13) may still be submitted. The LSO will be informed of how to certify labor standards compliance if this occurs.

Prime/LSO: Contractor(s) who distribute individual “start of construction” authorization notice(s) must send a copy to the TDHCA LSS. The date noted on the authorization to begin work is compared to the first payroll submitted by contractor to ensure compliance with DBRA payroll reporting mandates.

STEP 6: CONSTRUCTION PHASE – PRIME AND LSO PAYROLL RESPONSIBILITIES

Prime/LSO: Ensure **all** contractor contracts (Prime, Subs, Lower-tiers) incorporate HUD Federal Labor Standards Provisions (HUD Form 4010) and applicable General Wage Determination prior to execution of construction contract(s). HUD Form 4010 is located at [Labor Standards and Related Forms | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Ensure contractors submit complete weekly (every seven days) DOL Payroll WH 347 payrolls or TDHCA approved alternate payroll. [DOL Payroll - WH 347 \(Expires 9/3026\)](#)

Review weekly payrolls for accuracy and completeness. Follow up on all discrepancies and require contractor to submit revised (Correction) payroll – do NOT return original for correction.

Submit a copy of the “first” through “third” weekly payroll including support documentation (i.e., worker deduction authorization, DOL-ETA apprentice approval received for employee or contractor apprenticeship program hired) to the TDHCA LSS for review and approval.

First Weekly Payroll must include the following documents, if applicable:

- Employee Payroll Deduction Authorization (Form DB06) – All deductions must comply with the provisions of the Copeland Act Regulations, 29 CFR Part 3. If the WH 347-Payroll (Column #8) shows deductions other than those permitted by the Copeland Act (FICA, withholding or proper authority), the contractor must attach Form DB06 signed by employee and employer authorizing deductions. Deductions may include health insurance, 401K/pension contributions, etc.).

- Department of Labor Employment & Training Office Apprentice Certification – All hired apprentice employees or contractor apprenticeship programs (e.g., plumbers, electricians, etc.) must be approved by the DOL-ETA. Attach a copy of the DOL-ETA approved employee certification or apprenticeship program certification. No exceptions. State licensing apprentice programs must also be approved by DOL-ETA.
- Union Workers – Attach copy of DOL-ETA’s approval of union agreement that identifies classification and required wage rate pay. Agreement may also include apprentices and trainees.
- If an owner authorizes an individual to sign the payroll “Statement of Compliance” on his/her behalf, the first payroll shall include the Owner Authorization of Payroll Signatory (DB07) signed by owner and appointed signatory.

Subrecipient/Prime: To comply with Section 3 the Prime must document the labor hours performed by each eligible Section 3 employee and low-income status and attach verification of Section 3 worker or business eligibility. DBRA certified weekly payrolls may serve as verification of Section 3 labor worked hours **only** if payroll is supported by documentation that verifies worker low or very low income eligibility or business low income verification. The following Section 3 documentation should be attached to the first certified WH 347 Payroll where Section 3 eligible worker(s) or business (employer) appear:

- Worker self-certification eligibility verification or HUD Section 3 Employer Form (employer) (HUD Form 3746A)
- Section 3 Status Summary (Form S304)

LSO: Follow through with violations of the Contract Work Hours Safety Standards Act (CWHSSA) and impose liquidated damages (penalties), as needed

Collect amount owed in liquidated damages to send check to TDHCA who will send to HUD.

LSS: Assures reviewed weekly payrolls comply with DBRA mandates.

Works with Subrecipient/LSO to complete and process all CWHSSA violations.

STEP 7: CONSTRUCTION PHASE - PAYROLL REVIEW OBLIGATIONS

Worker Wage Restitution

Prime/Contractors: If underpayments of worker prevailing wages occur, the employer must pay wage restitution to affected employees/workers. Wage restitution must be paid promptly in the full amount owed to employee/worker, less any authorized deductions.

LSO Must notify the prime contractor in writing of any underpayments found during payroll or other reviews. See sample Notice of Payroll Violation (Form DB08). Notice to Prime must describe the underpayments and include instructions for computing and documenting the restitution owed to employee(s).

Advise prime contractor, in writing, he/she will have 30 days to correct assessed underpayments and provide verification of payment owed to employee(s).

The wage restitution is the difference between hourly wage paid to worker from date of hire and the wage rate published on applicable General Wage Determination [or **approved** DOL hourly wage, if employee is not listed]. The difference in the wage rates is called the adjustment rate. Multiply the employee(s) total number of hours where worker was underpaid by the adjusted rate to determine gross restitution amount owed to worker(s).

Prime: Responsible to the LSO for ensuring any restitution owed to employee/worker is paid. If the wage restitution is owed by hired subcontractor, Prime must review pay restitution and payment verification documentation is accurate prior to sending to LSO.

Worker Overtime Violations (Contract Work Hours Safety Standards Act)

Prime: Must inform and assess liquidated damages (penalties) to contractors who fail to pay workers the required overtime rate of 1.5 multiplied by base hourly wage for all hours worked in excess of 40 hours in a workweek (seven days).

Ensure hired contractor pays affected worker(s) owed overtime wage underpayment (difference between hourly wage amount paid and amount due) restitution or Prime is responsible for amount of over-time owed to worker(s)

LSO: Must send a formal Liquidated Damages Contractor Notice (Sample – Form DB09) to contractor no later than 30-days notifying of overtime underpayment restitution owed to each worker and amount of assessed liquidated damages. Liquidated Damages equals \$33 per day per worker per each day overtime is accrued (recorded on weekly payroll). **Note:** Due to inflation, penalties (liquidated damages) pay mandates are subject to change no later than January 15 of each year in accordance with the Federal Civil Penalties Adjustment Act Improvements of 2015. A table of DOL's current liquidated damages (and monetary penalties) are located at [DOL Penalties](#).

Prime/LSO: If an employer requests a reduction or complete waiver of liquidated damages assessed under one or both of the following reasons:

1. The computation of assessed liquidated damages is incorrect; and/or
2. The violation(s) occurred unintentionally notwithstanding the excuse of due care on the part of employer.

The employer must submit, in writing, request no later than 30-days from date of notice and must specify why a reduction or waiver is justified.

If Contractor is required to pay Liquidated Damages, follow these steps.

1. Complete and submit Liquidated Damages Remittance form (Form DB10).
2. Complete and submit Liquidated Damages Summary form (Form DB11).
3. Attach copy of corrected payroll(s) including verification of restitution payment to affected worker(s) (i.e., cancelled check or employee signed statement

- confirming restitution payment).
4. Attach contractor's check payable to Texas Department of Housing and Community Affairs for the owed amount of liquidated damages with verification of payment to worker(s) owed restitution (both sides of check or employee signature confirming payment).
 5. Place restitution owed to *unfound* workers in escrow for three years after construction completion. Annual outreach to locate unfound workers is mandatory for a period of three years after project construction completion.

LSS: Reviews support documentation submitted for completeness and accuracy.

Remits liquidated damages collected payments to HUD, who will send to the U.S. Treasury Department.

Correction Certified Payrolls

Prime: An employer is required to report the restitution paid on a correction certified payroll. The correction payroll will reflect the period of time for which restitution is due (for example, Payrolls #1 through #6; or a beginning date and ending date).

The correction payroll will list:

- each employee to whom restitution is due and their work classification;
- the total number of work hours involved (daily hours are usually not applicable for wage restitution);
- the adjustment wage rate (the difference between the required wage rate and the wage rate paid);
- the gross amount of restitution due; and
- deductions and the net amount actually paid.

Send to LSO the **Correction Certified** WH 347 Payroll (or TDHCA approved payroll form), including support documents, if applicable. Ensure authorized individual signs Statement of Compliance.

LSO: Must review **Correction Certified** WH 347 Payroll to ensure it is completed correctly and restitution amount paid is accurate (i.e., compare restitution difference with worker classification wage listed on project applicable General Wage Determination) and payroll is supported. Notify Prime, in writing, if discrepancies are noted and additional restitution payments are required. Submission of a supplemental correction payroll is required within 30-days.

Note: Except in the most extraordinary cases, HUD no longer requires employers to submit copies of restitution checks (certified, cashier's, canceled, or other) or employee-signed receipts or waivers.

Unfound Workers (Inability to locate worker)

Sometimes a worker moves and cannot be located. When this occurs, the Prime is held responsible for ensuring efforts are made to locate worker for a period of **three years after project completion** and is

held liable for any wage restitution owed to project worker(s), including project workers employed by subcontractor or lower-tier contractor.

Prime: Place the restitution amount owed to unfound worker in an escrow account. Send LSO escrow account information including name of each affected worker and restitution amount owed.

LSO: Must document efforts made to locate worker(s) entitled to restitution pay throughout the DBRA federal compliance period. After three years, any amount remaining in the escrow account due to unfound worker(s) will be credited and/or forwarded to TDHCA. Seek additional guidance from TDHCA LSS.

STEP 8: CONSTRUCTION ON-SITE WORKER INTERVIEWS

LSO: Conduct periodic interviews of on-site construction work and record using **HUD Record of Employee Interview (HUD Form 11)**. Employee interview sampling should be used as a tool to target interviews to projects or groups of workers where violations are suspected or alleged instead of interviewing workers based on classification sampling basis. HUD considers targeting a far more efficient and effective means of utilizing on-site interview resources. Compare results with applicable DOL WH 347-Payroll and follow up with all discrepancies. Record resolution of discrepancies on HUD Record of Employee Interview (HUD 11).

LSO/Prime: Follow through with all CWHSSA violations.

STEP 9: CONSTRUCTION PHASE – Labor Disputes & Debarment

Administrative Review on Labor Standards Disputes

The labor standards clauses in the CDBG-CV contract and DOL regulations provide for administrative review of issues by TDHCA where there is a difference of views between the appointed LSO and any employer/contractor. The most common situations include:

- Findings of Underpayment – Compliance reviews of payrolls or other investigations may result in findings of underpayment. The employer/contractor will have an opportunity to provide additional information to the LSO that may explain apparent inconsistencies and/or resolve the discrepancies.
- Withholding – The LSO may cause withholding of payments owed to the prime contractor to ensure the payment of wages, which are belated to be due and unpaid. For example, a LSO may recommend to Subrecipient to hold the amount of restitution wages owed to workers from draw payment to Prime, if the Prime has not resolved underpayment citation or submitted verification that workers were paid owed restitution after having received 30 days written notification.
- Deposits and Escrows – If corrective actions or disputes continue after the project is completed, provisions must be made to ensure that funds are available to pay any wage restitution due. In these cases, TDHCA allows the project to proceed to final closings and payments, provided that the prime contractor deposits an amount equal to the potential liability for wage restitution and

liquidated damages in a special account. All worker restitution draws from the escrow account require review by the Subrecipient and/or appointed LSO. When a decision is rendered regarding wage payment(s) owed to workers, the LSO will send documentation that supports worker wage payment to the TDHCA LSS for review and final approval. The Subrecipient will then approve disbursement from the account to pay restitution owed to worker(s).

Escrow accounts are established for one or more of the following reasons:

- Where the parties (LSO and Prime) have agreed to amounts of wage restitution that are due but the employer has not yet furnished evidence that all the underpaid workers have received their back wages. The deposit in the escrow account is equal to the amount of restitution due to workers not yet supported by adequate documentation of payment. As proper documentation is received, amounts corresponding to worker owed wages are approved and released to the worker. Amounts for any workers who cannot be located are held in the escrow account for three years and sent to TDHCA as described above. See Step 7 – Unfound Worker.
- 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 is 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 required to be held by Prime. If the parties agree to the investigative findings, the amounts due to the workers will be disbursed from the escrow account in accordance with the schedule of wages due. Amounts for unfound workers will be retained as described Step 7.
- Where parties (LSO and Prime) do not agree on the escrow required amount, parties can request a TDHCA administrative hearing. While parties wait for the outcome of the administrative review, the escrow deposit must be equal to the original assessed amount of wage restitution and liquidated damages that have been determined due. Once a final decision is rendered, disbursements from the escrow account are made in accordance with the decision.

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 contracts for up to 3 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 Subrecipient/LSO or can be initiated by the DOL on its motion. Debarment proceedings are described at 29 CFR 5.12.

STEP 10: CONSTRUCTION PHASE – CONTRACTOR AND ON-SITE OBSERVATIONS

Prime/LSO: Report fraud, waste, or abuse if you believe or suspect that money or assistance TDHCA uses for its operations, or money or assistance that TDHCA has provided to an organization, person, or affordable housing property may have been lost, stolen, or misused.

For more information, visit TDHCA's Report Fraud, Waste and Abuse ([TDHCA](#)) page or call toll free 1-800-TX-AUDIT (1-800-892-8348).

STEP 11: CONSTRUCTION COMPLETION AND RETAINAGE RELEASE

Subrecipient/LSO: Submit accurately completed TDHCA Final Wage Compliance Report (Form DB13) to TDHCA Labor Standards Specialist. Attach list of all contractors (Prime, Subs and lower-tier) hired during construction including, name, address, contract amount and telephone (optional).

Submit Certificate of Construction Completion (Form DB12) for project.

Section 3

Upon completion of project, complete and submit Section 3 Final Cumulative Summary Report (Form S302) to assigned staff. Receipt and approval of the Final Report is tied to release of last project draw.

RECORDKEEPING

Subrecipient/LSO: Establish record keeping procedures and files that demonstrate compliance with federal and state labor:

Subrecipient Main Labor File:

- A. Appointment of Labor Standards Officer (Form DB01)
- B. Copy of project applicable General Wage Determination (Form DB02)
- C. Ten Day Confirmation Form (approved by TDHCA LSS) Form (DB03)
- D. Preconstruction conference participation evidence (form and sign-in/attendance sheet) (Form DB04)
- E. TDHCA Notice to Proceed (receipt date prior to project start of construction) (Sample DB05)
- F. Final Wage Compliance Report (Form DB13)
- G. Certificate of Construction Completion (Form DB12)
- H. List of all hired contractor names, address, amount of contract award and telephone (optional)
- I. List of all hired workers' full social security numbers from the prime and subcontractors.
- J. Maintain all hired workers records that document the hours worked and Section 3 status (certification that documents Section 3 status) for prime and subcontractors.

HUD Recordkeeping Requirements per [Section 3 Final Rule Training and Materials](#):

- Records showing total labor hours worked by all workers
- Records showing labor hours worked by Section 3 workers and Targeted Section 3 workers
- Documentation of awarded contracts/subcontracts to business concerns that provide economic opportunities to Section 3 workers per the prioritization requirements
- Documentation outlining qualitative efforts made to meet goals/requirements
- Worker, Targeted Section 3 Worker, and Section 3 business certifications

Contractor File:

- A. Contractor clearance verification printout from [SAM.gov](https://sam.gov) for each Prime/Contractor hired on project
- B. Executed construction contract that incorporates HUD Federal Labor Standards Provisions (HUD 4010) and project DOL Wage Determination
- C. DOL WH 347 Payroll (or TDHCA approved payroll) original weekly payrolls with required documentation (including Section 3 worker or business eligibility) and evidence of compliance review
- D. Worker wage violations and corrective actions (evidence of restitution payment) (Form DB10, if applicable)
- E. Employee Interviews (HUD Form 11) including support documentation
- F. Additional Classification Standard Form (SF) 1444 — Request for Authorization of Additional Classification and Wage Rate request(s) approved conditionally by TDHCA LSS and DOL-WHD **final** approval
- G. Contract Work Hours Safety Standards Act (CWHSSA) overtime violations assessed to contractors and corrective actions (Forms # DB09, DB10, and DB11 (as applicable) and support documentation
- H. Certificate(s) of Construction Completion (COCC) (Form DB12)
- I. All contractor written communications

FEDERAL LABOR LAWS

- DAVIS-BACON ACT (40 USC Chapter 31, Subchapter IV)
- CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (CWHSSA)
- COPELAND (ANTI-KICKBACK) ACT (18 USC 874; 40 USC 3145)
- FAIR LABOR STANDARDS ACT
- HOUSING AND COMMUNITY DEVELOPMENT ACT (Section 110)

Davis-Bacon Regulations: The Department of Labor has published rules and instructions concerning Davis-Bacon and other labor laws in the Code of Federal Regulations 29 CFR Parts 1, 3, 5, 6 and 7.