

DRAFT AIA[®] Document A201/SC[™] - 1999

Federal Supplementary Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address):

THE OWNER:

(Name and address):

THE ARCHITECT:

(Name and address):

TABLE OF CONTENTS

MODIFICATIONS TO THE GENERAL CONDITIONS

- 1.5.1 Modification to Section 1.5, Execution Contract Documents
- 3.8.1 Modification to Section 3.8, Allowances
- 10.2 Modification to Section 10.2, Safety of Persons and Property

ARTICLE 15 MISCELLANEOUS SUPPLEMENTARY CONDITIONS

- 15.1 Materials and Workmanship
- 15.2 Federal Inspection
- 15.3 Lands and Rights-of-Way
- 15.4 Equal Opportunity
- 15.5 Certification of Nonsegregated Facilities
- 15.6 Minimum Wages
- 15.7 Withholding
- 15.8 Payrolls and Basic Records
- 15.9 Apprentices and Trainees
- 15.10 Compliance With Copeland Act Requirements
- 15.11 Subcontracts
- 15.12 Contract Termination: Debarment
- 15.13 Compliance With Davis-Bacon and Related Act Requirements
- 15.14 Disputes Concerning Labor Standards
- 15.15 Certification of Eligibility
- 15.16 Contract Work Hours and Safety Standards Act

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document should be used only with the AIA Document A201-1997, General Conditions of the Contract for construction. Do not use with other general conditions unless this document is modified.

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MODIFICATIONS TO THE GENERAL CONDITIONS

§ 1.5.1 Delete Section 1.5.1 and substitute the following:

§ 1.5.1 The Contract Documents shall be signed by the Owner and Contractor. If either the Owner or the Contractor or both do not sign all the Contract Documents, the Architect will identify such unsigned Documents. Such unsigned Documents shall be enumerated in the Owner-Contractor Agreement.

§ 3.8.1 Delete Section 3.8.1 and substitute the following:

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by these allowances shall be supplied for such amounts as the Owner may direct and by such persons as the Owner shall have determined by competitive bidding through public advertising. The Contractor shall purchase the items covered by these allowances by the award of subcontracts to the lowest responsive and responsible bidders.

§ 5.2.2 Paragraph Deleted

§ 10.2 Add the following Sections 10.2.8 through 10.2.11:

§ 10.2.8 The Contractor shall:

- .1 Comply with the standards issued by the Secretary of Labor at 29 CFR Part 1926 and 29 CFR Part 1910; and
- .2 Ensure that any additional measures the Owner determines to be reasonably necessary for the purposes are taken.

§ 10.2.9 If this Contract is for construction or dismantling, demolition or removal of improvements with any Department of Defense agency or component, the Contractor shall comply with all pertinent provisions of the latest version of U.S. Army Corps of Engineers Safety and Health Requirements Manual, EM 385-1-1, in effect on the date of the solicitation.

§ 10.2.10 Whenever the Owner becomes aware of any noncompliance with these requirements or any condition which poses a serious or imminent danger to the health or safety of the public or Owner's personnel, the Owner shall notify the Contractor orally, with written confirmation, and request immediate initiation of corrective action. This notice, when delivered to the Contractor or the Contractor's representative at the site, shall be deemed sufficient notice of the noncompliance and that corrective action is required. After receiving the notice, the Contractor shall immediately take corrective action. If the Contractor fails or refuses to take corrective action, the Owner may issue an order promptly stopping all or part of the Work until satisfactory corrective action has been taken. The Contractor shall not be entitled to any equitable adjustment of the Contract Sum or extension of the Contract Time on any stop work order issued under this Section 10.2.10.

§ 10.2.11 If the Contract will involve (a) Work of a long duration or hazardous nature, or (b) performance on an Owner's facility that, on the advice of technical representatives, involves hazardous materials or operations that might endanger the safety of the public or Owner's personnel or property, before commencing the Work the Contractor shall:

- .1 Submit a written proposed plan for implementing Section 10.2.8 - 10.2.11. The plan shall include an analysis of the significant hazards to life, limb and property inherent in Work performance and a plan for controlling these hazards; and
- .2 Meet with representatives of the Owner to discuss and develop a mutual understanding relative to administration of the overall safety program.

§ 11.1 Section Deleted

ARTICLE 15 MISCELLANEOUS SUPPLEMENTARY CONDITIONS

§ 15.1 MATERIAL AND WORKMANSHIP

§ 15.1.1 All equipment, material and articles incorporated into the Work covered by this Contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in this Contract. References in the Specifications to equipment, material, articles or patented processes by trade name, make or catalog number shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. The Contractor may, at its option, use any equipment, material, article, or process that, in the judgment of the Owner, is equal to that named in the Specifications, unless otherwise specifically provided in this Contract.

§ 15.1.2 The Contractor shall obtain the Owner's approval of the machinery and mechanical and other equipment to be incorporated into the Work. When requesting approval, the Contractor shall furnish to the Owner the name of the manufacturer, the model number and other information concerning the performance, capacity, nature and rating of the machinery and mechanical and other equipment. When required by the Contract Documents or by the Owner, the Contractor shall also obtain the Owner's approval of the material or articles which the Contractor contemplates incorporating into the Work. When requesting approval, the Contractor shall provide full information concerning the material or articles. When directed to do so, the Contractor shall submit samples for approval at the Contractor's expense, with all shipping charges prepaid. Machinery, equipment, material and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection.

§ 15.2 FEDERAL INSPECTION

§ 15.2.1 The authorized representatives and agents of the Federal Government shall, at all reasonable times, have access to the premises where any of the Work is located.

§ 15.2.2 The Contractor shall make available records, which include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data or in any other form, and other supporting evidence to satisfy contract negotiation, administration and audit requirements of the contracting agencies and the Comptroller General for three years after final payment or as specified below, whichever period expires first.

- .1 Accounts receivable invoices, adjustments to the accounts, invoice registers, carrier freight bills, shipping orders and other documents which detail the materials or services billed on the related invoices: Retain four years.
- .2 Material, work order or service order files, consisting of purchase requisitions or purchase orders for materials or services, or orders for transfer of material or supplies: Retain four years.
- .3 Cash advance recapitulations, prepared as posting entries to accounts receivable ledgers for amounts of expense vouchers prepared for employees' travel and related expenses: Retain four years.
- .4 Paid, canceled and voided checks, other than those issued for the payment of salary and wages: Retain four years.
- .5 Accounts payable records to support disbursements of funds for materials, equipment, supplies and services, containing originals or copies of the following and related documents: remittance advices and statements, vendors' invoices, invoice audits and distribution slips, receiving and inspection reports or comparable certifications of receipt and inspection of materials or services, and debit and credit memoranda: Retain four years.
- .6 Labor cost distribution cards or equivalent documents: Retain two years.
- .7 Petty cash records showing description of expenditures, to whom paid, name of person authorizing payment and date, including copies of vouchers and other supporting documents: Retain two years.
- .8 Payroll sheets, registers, or their equivalent, of salaries and wages paid to individual employees for each payroll period; change slips; and tax withholding statements: Retain four years.
- .9 Clock cards or other time and attendance cards: Retain two years.
- .10 Paid checks, receipts for wages paid in cash or other evidence of payments for services rendered by employees: Retain two years.
- .11 Store requisitions for materials, supplies, equipment and services: Retain two years.
- .12 Work orders for maintenance and other services: Retain four years.
- .13 Equipment records, consisting of equipment usage and status reports and equipment repair orders: Retain four years.
- .14 Expendable property records, reflecting accountability for the receipt and use of materials in the performance of a contract: Retain four years.
- .15 Receiving and inspection report records, consisting of reports reflecting receipt and inspection of supplies, equipment and materials: Retain four years.
- .16 Purchase order files for supplies, equipment, materials or services used in the performance of the Contract; supporting documentation and backup files including, but not limited to, invoices and memoranda; e.g., memoranda of negotiations showing the principal elements of subcontract price negotiations. Retain four years.
- .17 Production records of quality control, reliability and inspection: Retain four years.

§ 15.2.3 The Contractor shall make available the foregoing records and supporting evidence for a longer period of time than is required in Section 15.2.2 if:

- .1 A longer retention period is specified in the Contract; or

- .2 The Contractor, for its own purposes, retains the foregoing records and supporting evidence for a longer period. Under this circumstance, the retention period shall be the period of the Contractor's retention or three years after final payment, whichever period expires first.

§ 15.3 LANDS AND RIGHTS-OF-WAY

§ 15.3.1 Prior to the start of construction, the Owner shall obtain all lands and rights-of-way necessary for the execution and completion of Work to be performed under this Contract and shall deliver such Owner-furnished property and any other Owner-furnished property described in the Contract Documents to the Contractor, for use in connection with and under the terms of this Contract, together with any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as "Owner-furnished property").

§ 15.3.2 The delivery or performance dates for this Contract are based upon the expectation that Owner-furnished property suitable for use (except for property furnished "as is") will be delivered to the Contractor at the times stated in the Contract Documents or, if not so stated, in sufficient time to enable the Contractor to meet the Contractor's delivery or performance dates.

§ 15.3.3 If Owner-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Owner detailing the facts and, as directed by the Owner and at Owner's expense, either repair, modify, return or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Owner shall make an equitable adjustment in the Contract Sum.

§ 15.3.4 If Owner-furnished property is not delivered to the Contractor by the required time, the Owner shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused by the Contractor and shall make an equitable adjustment in the Contract Sum.

§ 15.4 EQUAL OPPORTUNITY

§ 15.4.1 If, during any 12-month period (including the 12 months preceding the award of this Contract), the Contractor has been or is awarded nonexempt Federal contracts or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with Sections 15.4.2 and 15.4.3 below. Upon request, the Contractor shall provide information necessary to determine the applicability of this Section 15.4.

§ 15.4.2 During performance of this Contract, the Contractor shall:

- .1 not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin.
- .2 take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. This shall include, but not be limited to:
 - (i) Employment;
 - (ii) Upgrading;
 - (iii) Demotion;
 - (iv) Transfer;
 - (v) Recruitment or recruitment advertising;
 - (vi) Layoff or termination;
 - (vii) Rates of pay or other forms of compensation; and
 - (viii) Selection for training, including apprenticeship.
- .3 post in conspicuous places available to employees and applicants for employment the notices to be provided by the Owner that explain this Section 15.4.
- .4 in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- .5 send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Owner advising the labor union or workers' representative of the Contractor's commitments under this Section 15.4, and post copies of the notice in conspicuous places available to employees and applicants for employment.

- .6 comply with Executive Order 11246, as amended, and the rules, regulations and orders of the Secretary of Labor.
- .7 furnish to the Owner all information required by Executive Order 11246, as amended, and by the rules, regulations and orders of the Secretary of Labor. Standard Form 100 (EEO-1), or any successor form, in the prescribed form to be filed within 30 days following the award, unless filed within 12 months preceding the date of award.
- .8 permit access to its books, records and accounts by the Owner or the Office of Federal Contract Compliance Programs (OFCCP) for the purposes of investigation to ascertain the Contractor's compliance with the applicable rules, regulations and orders.
- .9 include the terms and conditions of Sections 15.4.2 and 15.4.3 in every subcontract or purchase order that is not exempted by the rules, regulations or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each Subcontractor or vendor.
- .10 take such action with respect to any subcontract or purchase order as the Owner may direct as a means of enforcing this Section 15.4, including sanctions for noncompliance; provided that if the Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into litigation to protect the interest of the United States.

§ 15.4.3 If the OFCCP determines that the Contractor is not in compliance with Sections 15.4 or any rule, regulation or order of the Secretary of Labor, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations and orders of the Secretary of Labor, or as otherwise provided by law.

§ 15.5 CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to Contracts and Subcontracts exceeding \$10,000 which are not exempt from the provisions of Section 15.4, "Equal Opportunity," of this Article 15.)

§ 15.5.1 As used in this Section 15.5, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin because of habit, local custom or otherwise.

§ 15.5.2 By entering into the Agreement to perform the Work required under the Contract Documents, the Contractor certifies that the Contractor does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location its control where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of Section 15.4. The Contractor further agrees that (except where it has obtained identical certifications from proposed Subcontractors for specific time periods) the Contractor will obtain identical certifications from proposed Subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity clause; will retain the certifications in the Contractor's files; and will forward the following notice to such proposed Subcontractors (except if the proposed Subcontractors have submitted identical certifications for specific time periods).

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract under which the Subcontractor will be subject to the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semi-annually, or annually)."

§ 15.5.3 The Contractor agrees that a breach of this certification or a breach of a Subcontractor's identical certification is a violation of Section 15.4. The penalty for making false statements in certifications required by this Section 15.5 is prescribed in 18 U.S.C. 1001.

§ 15.6 MINIMUM WAGES

§ 15.6.1 Unless this Contract has been administratively exempted by the Secretary of Labor or exempted by 41 USC 356 (as interpreted in Subpart C of 29 CFR Part 4), this Contract is subject to Sections 15.6.2 through 15.6.6 and to all other applicable provisions of the Service Contract Act of 1965 and regulations of the Secretary of Labor (29 CFR Part 4).

§ 15.6.2 Each service employee employed in the performance of this Contract by the Contractor or any Subcontractor shall be paid not less than the minimum monetary wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor, or authorized representative, as specified in any wage determination attached to this Contract.

§ 15.6.3 If a wage determination is attached to this Contract, the Contractor shall classify any class of service employee which is not listed therein and which is to be employed under the Contract (i.e., the Work to be performed is not performed by any classification listed in the wage determination) so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed class of employees shall be paid the monetary wages and furnished the fringe benefits as are determined pursuant to the procedures in Section 15.6.2 through Section 15.6.4.

§ 15.6.3.1 This conforming procedure shall be initiated by the Contractor prior to the performance of Work by the unlisted class of employee. The Contractor shall submit Standard Form (SF) 1444, Request for Authorization of Additional Classification and Rate, to the Owner no later than 30 days after the unlisted class of employee performs any Work. The Owner shall review the proposed classification and rate and promptly submit the completed SF 1444 (which must include information regarding the agreement or disagreement of the employees' authorized representatives or the employees themselves together with the agency recommendation), and all pertinent information to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor. The Wage and Hour Division will approve, modify or disapprove the action or render a final determination in the event of disagreement within 30 days of receipt or will notify the Owner within 30 days of receipt that additional time is necessary.

§ 15.6.3.2 The final determination of the conformance action by the Wage and Hour Division shall be transmitted to the Owner who shall promptly notify the Contractor of the action taken. Each affected employee shall be furnished by the Contractor with a written copy of such determination or it shall be posted as a part of the wage determination.

§ 15.6.3.3 In the case of a contract modification, an exercise of an option or extension of an existing contract, or in any other case where a Contractor succeeds a contract under which the classification in question was previously conformed pursuant to Sections 15.6.2 through 15.6.4, a new conformed wage rate and fringe benefits may be assigned to the conformed classification by indexing (i.e., adjusting) the previous conformed rate and fringe benefits by an amount equal to the average (mean) percentage increase (or decrease, where appropriate) between the wages and fringe benefits specified for all classifications to be used on the Contract which are listed in the current wage determination, and those specified for the corresponding classifications in the previously applicable wage determination. Where conforming actions are accomplished in accordance with Sections 15.6.2 through 15.6.4 prior to the performance of Work by the unlisted class of employees, the Contractor shall advise the Owner of the action taken but the other procedures in Section 15.6.3.1 need not be followed. No employee engaged in performing Work shall in any event be paid less than the currently applicable minimum wage specified under section (6)(a)(1) of the Fair Labor Standards Act of 1938, as amended.

§ 15.6.3.4 The wage rate and fringe benefits finally determined under this Section 15.6.3 shall be paid to all employees performing in the classification from the first day on which Work is performed by them in the classification. Failure to pay the unlisted employees the compensation agreed upon by the interested parties or finally determined by the Wage and Hour Division retroactive to the date such class of employees commenced Work shall be a violation of the Service Contract Act of 1965 and this Contract.

§ 15.6.4 If the term of this Contract is more than one year, the minimum monetary wages and fringe benefits required to be paid or furnished thereunder to service employees under this Contract shall be subject to adjustment after one year and not less often than once every two years, under wage determinations issued by the Wage and Hour Division.

§ 15.6.5 The Contractor or Subcontractor may discharge the obligation to furnish fringe benefits specified in the attachment or determined under Section 15.6.3 by furnishing equivalent combinations of bona fide fringe benefits, or by making equivalent or differential cash payments, only in accordance with Subpart D of 29 CFR Part 4.

§ 15.6.6 In the absence of a minimum wage attachment for this Contract, neither the Contractor nor any Subcontractor shall pay any person performing Work under this Contract (regardless of whether the person is a service employee) less than the minimum wage specified by section (6)(a)(1) of the Fair Labor Standards Act of 1938. Nothing in this Section 15.6 shall relieve the Contractor or any Subcontractor of any other obligation under law or contract for payment of a higher wage to any employee.

§ 15.6.7 If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

§ 15.7 WITHHOLDING

§ 15.7.1 The Owner shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the Contractor under this Contract or any other Federal contract with the same Contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements which is held by the same Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the Contractor or any Subcontractor the full amount of wages required by the Contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the Work, all or part of the wages required by the Contract, the Owner may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance or guarantee of funds until such violations have ceased.

§ 15.8 PAYROLLS AND BASIC RECORDS

§ 15.8.1 Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the Work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the Work. Such records shall contain the name, address and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under Section 15.6.7, that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. If the Contractor employs apprentices or trainees under an approved program, the Contractor shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

§ 15.8.2 The Contractor shall submit weekly for each week in which any Work is performed a copy of all payrolls to the Owner. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under Section 15.8.1 (This information may be submitted in any form desired. Optional Form WH-347 (Federal Stock Number 029-005-00014-1) is available for this purpose and may be purchased from the Superintendent of Documents U.S. Government Printing Office, Washington, D.C. 20402). The Contractor is responsible for the submission of copies of payrolls by Subcontractors.

§ 15.8.3 Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or Subcontractor or his or her agent who pays or supervises the payment of the persons employed under the Contract, which shall certify the following:

- .1 That the payroll for the payroll period contains the information required to be maintained under Section 15.8.1 and such information is correct and complete;

- .2 That each laborer or mechanic (including each helper, apprentice and trainee) employed on the Contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in the Regulations, 29 CFR Part 3; and
- .3 That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of Work performed, as specified in the applicable wage determination incorporated in the Contract.

§ 15.8.4 The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by Section 15.8.3.

§ 15.8.5 The falsification of any of the above certifications may subject the Contractor or Subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.

§ 15.8.6 The Contractor or Subcontractor shall make the records required under Section 15.8.1 available for inspection, copying or transcription by the Owner or authorized representatives of the Owner or the Department of Labor. The Contractor or Subcontractor shall permit the Owner or representatives of the Owner or the Department of Labor to interview employees during working hours on the job. If the Contractor or Subcontractor fails to submit the required records or to make them available, the Owner may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

§ 15.8.7 The Contractor or Subcontractor shall maintain payrolls and basic payroll records during the course of the Work and shall preserve them for a period of three years from the completion of the Contract for all laborers and mechanics, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Nothing contained in this Section 15.17.1 shall require the duplication of records required to be maintained for construction work by Department of Labor regulations at 29 CFR 5.5(a)(3) implementing the Davis-Bacon Act. The records to be maintained under this Section 15.8.7 shall be made available by the Contractor or Subcontractor for inspection, copying or transcription by the authorized representatives of the Owner and the Department of Labor, and the Contractor or Subcontractor shall permit such representatives to interview employees during working hours on the job.

§ 15.9 APPRENTICES AND TRAINEES

§ 15.9.1 Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the Work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State apprenticeship agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State apprenticeship agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of Work actually performed. In addition, any apprentice performing Work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the Work actually performed. Where the Contractor is performing construction on a Project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or Subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman's hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State apprenticeship agency recognized by the Bureau, withdraws approval of an

apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the Work performed until an acceptable program is approved.

§ 15.9.2 Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the Work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman's hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed in the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman's wage rate in the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate in the wage determination for the classification of Work actually performed. In addition, any trainee performing Work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate in the wage determination for the Work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the Work performed until an acceptable program is approved.

§ 15.9.3 Equal Employment Opportunity

The utilization of apprentices, trainees and journeymen under this Contract shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

§ 15.10 COMPLIANCE WITH COPELAND ACT REQUIREMENTS

§ 15.10.1 The Contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this Contract.

§ 15.11 SUBCONTRACTS

§ 15.11.1 The Contractor shall insert in any subcontracts the provisions contained in Sections 15.7 through 15.16 and such other provisions as the Owner may by appropriate instructions require, and also a provision requiring Subcontractors to include these provisions in any sub-subcontracts. The Contractor shall be responsible for compliance by any Subcontractor or Sub-subcontractor with Sections 15.7 through 15.16.

§ 15.11.2 Within 14 days after award of the Contract, the Contractor shall deliver to the Owner a completed Statement and Acknowledgment Form (SF 1413) for each subcontract, including the Subcontractor's signed and dated acknowledgment that the provisions required by Section 15.11.1 have been included in the subcontract.

§ 15.11.3 Within 14 days after the award of any subsequently awarded subcontract, the Contractor shall deliver to the Owner an updated and completed SF 1413 for such additional subcontract.

§ 15.12 CONTRACT TERMINATION: DEBARMENT

§ 15.12.1 A breach of the contract provisions contained in Sections 15.8 through 15.11, 15.13 and 15.15 through 15.16 may be grounds for termination of the Contract, and for debarment as a contractor and subcontractor as provided in 29 CFR 5.12.

§ 15.13 COMPLIANCE WITH DAVIS-BACON AND RELATED ACT REQUIREMENTS

§ 15.13.1 All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3 and 5 are incorporated by reference in this Contract.

§ 15.14 DISPUTES CONCERNING LABOR STANDARDS

§ 15.14.1 Disputes concerning labor standards requirements shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6 and 7 and not the dispute-resolution provisions of this Contract. Disputes within the meaning of this Section 15.14.1 include disputes between the Contractor (or any of its Subcontractors) and the Owner, the U.S. Department of Labor, or the employees or their representatives.

§ 15.15 CERTIFICATION OF ELIGIBILITY

§ 15.15.1 By entering into this Contract, the Contractor certifies that neither the Contractor nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

§ 15.15.2 No part of this Contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

§ 15.15.3 The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

§ 15.16 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

§ 15.16.1 Sections 15.16.2 through 15.16.5 apply only if this Contract is subject to the Contract Work Hours and Safety Standards Act. As used in this Section 15.16, the terms "laborers" and "mechanics" include watchmen and guards.

§ 15.16.2 Overtime Requirements. No Contractor or Subcontractor contracting for any part of the Work which may require or involve the employment of laborers or mechanics (see Federal Acquisition Regulation (FAR) 22.300) shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such Work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

§ 15.16.3 Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of Section 15.16.2, the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and Subcontractor shall be liable to the United States (in the case of Work done under contract for the District of Columbia or a territory, to such District or such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, employed in violation of Section 15.16.2 in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by Section 15.16.2.

§ 15.16.4 Withholding for Unpaid Wages and Liquidated Damages. The Owner shall upon the Owner's own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any money payable on account of Work performed by the Contractor or Subcontractor under any such Contract or any other Federal contract with the same Contractor or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or Subcontractor for unpaid wages and liquidated damages as provided in Section 15.16.3.

§ 15.16.5 Subcontracts. The Contractor or Subcontractor shall insert in any subcontracts exceeding \$100,000 the provisions set forth in Section 15.16.2 through 15.16.4 and also a provision requiring the Subcontractors to include these provisions in any sub-subcontracts. The Contractor shall be responsible for compliance by any Subcontractor or Sub-subcontractor with the provisions set forth in Section 15.16.2 through 15.16.4.