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WA State Prevailing Wage (SPW) Frequently Asked Questions for Contractors

What is Prevailing Wage?

Prevailing Wage is defined as the hourly wage, usual benefits and overtime, paid in the largest city in each county, to the majority of workers, laborers, and mechanics. Prevailing wages are established, by the Department of Labor & Industries, for each trade and occupation employed in the performance of public work. They are established separately for each county, and are reflective of local wage conditions. Rates are developed from surveys and collective bargaining agreements. Additional resources on the WA State Labor and Industries website can be found here:

- ➤ WA State Department of Labor & Industries: Prevailing Wage http://www.lni.wa.gov/TradesLicensing/PrevWage/default.asp
- ➤ Instructions for Registering and filing Intents and Affidavits for Prevailing Wage Intents and Affidavits (PWIA)

 http://www.lni.wa.gov/TradesLicensing/PrevWage/files/PWIAInstructions.pdf
- > SPW Forms & Publications http://www.lni.wa.gov/TradesLicensing/PrevWage/FormPub/default.asp
- ➤ WA State Department of Labor & Industries: Prevailing Wage Law Booklet http://www.lni.wa.gov/IPUB/700-032-000.pdf

Why do I need to start paying State Prevailing Wage (SPW) to participate in SLC's Community Energy Efficiency Program (CEEP) incentive program?

Sustainable Living Center (SLC) has received guidance from Washington State University Extension Energy Program that all work that is supported by incentive funds from the CEEP around the state and is subject to State Prevailing Wages (SPW). These requirements include paying State Prevailing Wage to employees for work done on projects qualifying for rebates, submitting Intents to pay SPW to the Department of Labor and Industries (L&I), and filing Affidavits with L&I after jobs are completed to certify that the appropriate SPW amounts were paid.

How is an employee's wage determined?

The determination of a workers prevailing rate of wage depends on the nature of work that is performed, regardless of the worker's job title. The nature of their work is called a classification.

What are the SPW rates and classifications for weatherization and energy efficiency related work?

Sustainable Living Center (SLC) has outlined on the "SLC Approved Contractor WA State Prevailing Wage Law Agreement" the wage rates for typical weatherization tasks, which have specific prevailing wage journey level rates for employees doing work in Columbia, Franklin and Walla Walla Counties. Different counties will have different prevailing wage rates per classification. Apprentices are defined as

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those workers for whom an apprenticeship agreement has been registered and approved by the state apprenticeship council. Under this law, any "helper" or other type of assistant who is not registered with the Washington State Apprenticeship and Training Council (WSATC) is to be considered a fully qualified journey level worker and must be paid the full journey-level wage. It is the contractor's responsibility to look up current effective SPW rates for each project awarded.

What is the Effective Date of the Prevailing Wage Rates?

The prevailing wage rates effective date for a project is the date the bid was written. These rates apply to that project, no matter how long it lasts, unless the Customer Participation Agreement Acceptance Form is awarded more than six months after the bids were written. For those contracts where the award was delayed more than six months, the prevailing wage rates effective date, would be the date of the award, those rates shall apply for the duration of the contract.

Current SPW wage rates can be accessed on the L&I search engine here:

http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp

What does Washington State's Prevailing Wage Program require me to file for work I perform on a public works project?

Public works contracts require that each and every employer on a public works project file two reports. You will need to file a Statement of Intent to Pay Prevailing Wages (Intent) form at the beginning of your public works project, and an Affidavit of Wages Paid (Affidavit) form when the project is completed. File the forms with L&I and, after L&I approves them, you will submit the approved form to the SLC. There is no minimum dollar contract amount. That is, Intent and Affidavit forms are required for every public works contract regardless of the size of the contract. The Intent form is filed immediately after the contract is awarded and before work begins. The SLC may not make any payments until contractors have an Affidavit that has been approved by the Industrial Statistician. The Affidavit form is not filed until after all the work is completed.

What does SLC require me to do to in regards to the CEEP incentive program and SPW compliance?

Sustainable Living Center (SLC) incentive protocols require that approved contractors will need to submit an "Intent" form with L&I when they have received a signed participation offer from SLC before work begins with a home/small business owner, in order to qualify initially for program incentive funds. Once an "Intent" form is submitted to L&I the contractor may complete the energy upgrade project with the home/business owner as scheduled. To remain compliant with SLC incentive program protocols, the contractor must submit an "Affidavit" form to the L&I when the job is completed.

SLC approved contractors will be encouraged to contact and work with SLC staff for the first three projects requiring SPW through the incentive program. This will help provide training and support for the contractors in the SPW process, while also providing assurance that projects are compliant with residential rebate program and SPW requirements.

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SLC will strive to provide ample training and technical assistance to Approved Contractors so that they can learn and understand the L&I system. SLC will notify all approved contractors of trainings and workshops, as well as providing opportunities for one-on-one coaching and technical assistance.

Do I have to pay for the Intent and Affidavit requirements?

Yes. There is a \$40 filing fee for each Intent and Affidavit contract form submitted through L&I. These fees can be paid using Visa, MasterCard, Discover and American Express credit cards, or by check. Approved contractors are encouraged to bundle up to 10 jobs on one Intent if possible.

What is the estimated time from when an "Intent" or "Affidavit" form is submitted until approval confirmation is given by L&I?

There is no specific timeline from L&I regarding turnaround for intents and affidavits. The average turnaround time of 3 to 5 days, but this timeline is subject to change without notice.

What does SPW require for sole proprietorship, partnership or officer/owners?

Sole Proprietors, Partners, and Officer/Owners: Sole owners of their own businesses who perform the actual work themselves on public works projects are not required to pay themselves the prevailing wage rates. Partners in a partnership who own at least 30 percent of a company are likewise not required to pay themselves prevailing wage rates. The President, Vice President and Treasurer of a corporation are not required to pay themselves prevailing wage, as long as each owns at least 30 percent of the corporation. These companies are not exempt from the remaining requirements of the statute. Specifically, they are still responsible for filing Intent and Affidavit forms. Any worker performing actual work on the project who owns less than 30 percent of the company is not exempt and must be paid the prevailing wage rate. [Also see RCW 39.12.100, adopted in 2009 which establishes criteria for independent contractor determination for prevailing wage purposes.]

How do I file the forms?

You may file your forms manually, using paper forms. Most employers on public works projects file their Intents and Affidavits using L&I's electronic web-based Prevailing Wage Intents and Affidavits (PWIA) system. You will need to register to file forms using the PWIA system, and you accomplish this through Secure Access Washington, SAW, a system designed to protect the integrity of the forms you file. To learn more about what is required for this registration, please visit the L&I web site at Getting Started Filing Intents and Affidavits.

http://www.lni.wa.gov/TradesLicensing/PrevWage/basics/default.asp

From that same location, at <u>"Step-by-Step: Creating a PWIA Account"</u> you may print out step-by-step instructions for the SAW registration and PWIA account set-up process.

For the purposes of filing an Intent, who is the "Awarding Agency"? Who is the "Awarding Agency Contact"?

"Awarding Agency" is Sustainable Living Center

Awarding Agency Contact is Chinelle Carrington

Awarding Agency Phone: 509.524.5218

Awarding Agency Email: admin@slcww.org

What if I need help with registering through the SAW system?

Contact Web Customer Support for SAW assistance only as follows:

• E-mail: Web Customer Support (WebSupport@LNI.wa.gov).

• Phone: Weekdays between 8 a.m. and 5 p.m., call 360-902-5999.

What about certified payroll records? Don't I need to file those forms too?

Washington's Prevailing Wage Program does not require you to file such reports unless there is a request. Certified payroll records are required to be filed with L&I only if requested by L&I as part of an investigation, or if requested by an "interested party." If you are requested by L&I's Prevailing Wage Program to file certified payroll record, further information is available at: http://www.lni.wa.gov/FormPub/Detail.asp?DocID=1923.

What are my payroll records requirements?

Contractors must keep accurate payroll records for **three years** following the date of acceptance of the project by the awarding agency. Payroll records must show the name, address, Social Security number, trade or occupation, straight time rate, hourly rate of usual benefits and overtime hours worked each day and week, including agreements to work up to 10-hour days, and the actual rate of wages. Upon receiving a written request by any interested party, the contractor must, within ten days, submit Certified Payroll Records to the awarding agency and the department.