

Labor Standard Provisions -- Construction Contract

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1. FEDERAL MINIMUM WAGE RATE FOR THE CNMI:

- (a) The minimum rate of pay for this project shall conform to the wage increase passed by the US Congress as shown in the schedule of Prevailing Wages Rates below and shall be applied to all workers on this project whether employed by the contractor or by a subcontractor regardless of nationality while they are assigned on the island.
- (b) Progress payment application will be returned to the Contractor for non-compliance to the minimum wage rate. Engineer, Foreman/Supervisor shall be listed on the Contractor's payroll at an hourly wage.
- (c) In the event it is found by the Contracting Officer that any laborer or mechanic employed by the Contractor or any subcontractor directly on the site of the work covered by this contract has been, or is being paid at a rate of wage less than the minimum rate stipulated herein, the Contracting Officer may (1) by written notice to the Contractor terminate his right to proceed with the work, or such part of the work as to which there has been a failure to pay said required wages, or (2) prosecute the work to completion by contract or otherwise, whereupon such Contractor and his sureties shall be liable to the Government for any excess costs occasioned by the Government thereby.

GENERAL DECISION ON PREVAILING WAGE RATE

General Decision Number: CM20240002

Effective Date: January 5, 2024

Public Law: 110-28

State: NORTHERN MARIANA ISLANDS

CONSTRUCTION TYPE: Building, Residential, Heavy and Highway Construction Projects

**Schedule of Prevailing Wage Rates for the
Commonwealth of the Northern Mariana Islands**

OCCUPATION	HOURLY RATE (US DOLLARS)
	(Current)
Automotive Mechanic	7.25
Carpenter	7.25
Electrician	7.25
Equipment Operator	7.25
Heavy Equipment Mechanic	7.25
Laborer I & II (level 183)	7.25
Laborer III (level 5)	7.25
Lineman	7.25
Mason	7.25
Painter	7.25
Plumber	7.25
Power Plant Mechanic	7.25
Power Plant Operator	7.25
Refrigeration Mechanic	7.25
Roofer	7.25
Sheet Metal Worker	7.25
Surveyor Helper	7.25
Truck Driver	7.25
Welder	7.25
Warehouseman	7.25

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29 CFR 5.5(a) (1) (v).

In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

The General Decision on Prevailing Wage Rate effective date September 30, 2018, General Decision Number: CM20220002 & General Decision Number: CM20230002 were superseded by *General Decision Number: CM20240002 published on January 5, 2024*. Refer to SAM.GOV for reference.

WAGE DETERMINATION APPEALS PROCESS

(1) Has there been an initial decision in the matter? This can be:

- An existing published wage determination
- A survey underlying a wage determination
- A Wage and Hour Division letter setting forth a position on a wage determination matter
- A conformance (additional classification and rate) ruling

On survey related matter, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the **Davis-Bacon** survey program. If the response from this initial contract is not satisfactory, then the process described in (2) and (3) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determination. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D. C. 20210

2.) If the answer to the question in (1) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D. C. 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, and interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D. C. 20210

4.) All decisions by the Administrative Review Board are final.

2. STATEMENT OF COMPLIANCE:

INSTRUCTIONS FOR PREPARATION OF STATEMENT OF COMPLIANCE

This statement of compliance meets needs resulting from the amendment of the **Davis-Bacon Act** to include fringe benefits provisions. Under this amended law, the contractor is required to pay fringe benefits as predetermined by the Department of Labor, in addition to payment of the minimum rates. The contractor's obligation to pay fringe benefits may be met by payment of the fringes to the various plans, funds, or programs or by making these payments to the employees as cash in lieu of fringes.

The contractor should show on the face of his payroll all monies paid to the employees whether as basic rates or as cash in lieu of fringes. The contractor shall represent in the statement of compliance that he is paying to others fringes required by the contract and not paid as cash in lieu of fringes. Detailed instructions follow:

Contractors who pay all required fringe benefits:

A contractor who pays fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor shall continue to show on the face of his payroll the basic cash hourly rate and overtime rate paid to his employees, just as he has always done. Such a contractor shall check paragraph 4(a) of the statement to indicate that he is also paying to approved plans, funds or programs not less than the amount predetermined as fringe benefits for each craft. Any exception shall be noted in Section 4(c).

Contractors who pay no fringe benefits:

A contractor who pays no fringe benefits shall pay to the employee and insert in the straight time hourly rate column of his payroll an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on the basic or regular rate plus the required cash in lieu of fringes at the straight time rate. To simplify computation of overtime, it is suggested that the straight time basic rate and cash in lieu of fringes be separately stated in the hourly rate column, thus \$3.25/.40. In addition, the contractor shall check paragraph 4(b) of the statement to indicate that he is paying fringe benefits in cash directly to his employees. Any exceptions shall be noted in Section 4(c).

Use of Section 4(f). Exceptions:

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the employees as cash in lieu of fringes. Any exceptions to Section 4(a) or 4(b), whichever the contractor may check, shall be entered in Section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid the employees as cash in lieu of fringes, and the hourly amount paid to plans, funds, or programs as fringes.

U.S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION

STATEMENT OF COMPLIANCE

Date _____

I, _____, _____ do hereby state:
(Name of Signatory Party) (Title)

(1) That I pay or supervise the payment of the persons employed by

(Contractor or Subcontractor)

on the _____; that during the payroll period
(Project name)

commencing on the _____ day of _____ 20____ and ending the _____ day of _____, 20____, all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either

directly or indirectly to or on behalf of said _____
(Contractor or Subcontractor)

from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulation, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948.63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. 276c), and described below.

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classification set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

- In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- Each laborer or mechanic listed in the above referenced payroll has been paid as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in Section 4(c) below.

(c) EXCEPTIONS

EXCEPTIONS (CRAFTS)	EXPLANATION

REMARKS	
NAME AND TITLE	SIGNATURE
<p>THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OR THE TITLE 31 OF THE UNITED STATES CODE.</p>	

3. OVERTIME COMPENSATION

- (a) The Contractor shall not require or permit any laborer or mechanic in any workweek in which he is employed on any work under this contract to work in excess of 40 hours in such workweek unless the laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 40 hours in such workweek. The "rate of pay", as used in this clause, shall be the amount paid per hour, exclusive of the Contractor's contribution or cost for fringe benefits, and any cash payment in lieu of providing fringe benefits, or the basic hourly rate contained in these provisions.

- (b) In the event of any violation of the provisions of paragraph (a), the Contractor shall be liable to any affected employee for any amounts due, and to the Government for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph (a) in the sum of \$10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of the standard workweek of 40 hours without payment of the overtime wages required by paragraph (a).

4. PAYROLLS AND BASIC RECORDS

- (a) With ten (10) days of issuance of Notice to Proceed, The Contractor shall submit to the Contracting Officer a list of employees to be assigned to this project. The Contractor shall maintain such basic records and payroll records relating thereto during the course of the work and shall preserve them for a period of three years after final payment for all laborers and mechanics working at the site of the work. Such records shall contain the name and address of each such employee, correct classification, rate of pay (including rates for contribution for or costs assumed to provide fringe benefits), daily and weekly number of hours worked, deductions made, and actual wages paid.

- (b) The Contractor shall submit biweekly, a copy of all payrolls to the Contracting Officer. The Contractor shall be responsible for the submission of copies of payrolls of all subcontractors. The copy shall be accompanied by a statement signed by the Contractor indicating that the payrolls are correct and complete, that the wage rates contained therein

are not less than those determined herein, and that the classifications set forth for each laborer or mechanic conform with the work performed.

- (c) The Contractor shall make the records required under this clause available for inspection by the Contracting Officer or his duly authorized representatives and shall permit the Contracting Officer or his duly authorized representatives to interview employees during working hours on the site of the work.

5. WITHHOLDING OF FUNDS

- (a) The Contracting Officer may withhold or cause to be withheld from the Contractor, so much of the accrued payments or advances as may be considered necessary (1) to pay laborers and mechanics employed by the Contractor or any subcontractor on the work the full amount of wages required by this contract, and (2) to satisfy any liability of any Contractor for liquidated damages under Clause 2, "Overtime Compensation".
- (b) If any Contractor fails to pay any laborer or mechanic employed or working on the site of the work, all or part of the wages required by this contract, the Contracting Officer may, after written notice to the Contractor, take such action as may be necessary to cause suspension of any further payments or advances until such violations have ceased.

6. SUBCONTRACTS

The Contractor agrees to insert the Labor Standard Provisions hereof in all subcontracts let under this contract.

7. CONTRACT TERMINATION--DEBARMENT

A breach of any clause herein specified may be grounds for termination of the contract, and for debarment of the Contractor from government contracting.

END OF LABOR STANDARD PROVISIONS