



RURAL CAPACITY ASSISTANCE PROGRAM

Labor Standards Compliance Training

SESSION 4

Compliance & Advanced Topics

Enforcement response · multi-contractor projects · mixed funding · rural-ready tools

Wednesday, June 3, 2026 · 10:00–11:30 AM PT · Microsoft Teams

CAP Contract Alliance, LLC



Session 4 of 4 — bringing it all together

1

Foundations & Legal Framework

Why two rulebooks apply at once

COMPLETED

2

Certified Payroll & Documentation

Getting the WH-347 and BOLI addendum right

COMPLETED

3

Worker Interviews & Record Keeping

Proving compliance with clean records

COMPLETED

4

Compliance & Advanced Topics

Handling problems, complex projects & mixed funds

TODAY

What we will cover today

1

Common violations & prevention

The findings that show up most — and how to design them out

2

Enforcement action response

What to do in the first 72 hours when an agency calls

3

Corrective action & back wages

Building a plan and running the restitution math

4

Multi-contractor oversight

Managing the prime/sub responsibility chain

5

Mixed funding compliance

CDBG, ARPA/SLFRF and state funds on one project

6

Rural adaptations & templates

Right-sizing the work for a small shop

7

Technical assistance & support

Where to turn after today

By the end of this session you will be able to...

- ✓ Recognize the violations BOLI, US DOL and HUD find most often — and the controls that prevent them
- ✓ Respond calmly and correctly when an enforcement contact, audit or complaint arrives
- ✓ Build a corrective action plan and calculate back wages owed to a worker
- ✓ Oversee a project with multiple contractors and tiers of subcontractors
- ✓ Determine which labor rules attach when CDBG, ARPA and state dollars are braided together
- ✓ Run the whole program from rural-ready templates without a full-time compliance officer

PART ONE

Common Violations & Prevention

The fastest way to survive an audit is to never create the finding in the first place.

The findings we see again and again

Misclassification

Paying a laborer rate for work that falls in a higher-paid trade classification.

Fringe benefit shortfalls

Not paying the full fringe in cash, or claiming credit for benefits that don't qualify.

Apprentice / ratio errors

Using unregistered "apprentices," or exceeding the allowed apprentice-to-journey ratio.

Overtime miscalculation

Missing Oregon's stricter daily/weekly overtime, or computing OT on the base rate only.

Late or missing payrolls

Certified payrolls not filed weekly, or filed without a signed statement of compliance.

Improper deductions

Taking deductions that aren't permissible, or not grossing up a permissible voluntary deduction.

Most violations trace back to four root causes

Wrong wage determination

The contract attached the old book, the wrong county, or missed the “higher-of” comparison.

No upfront training

Crews and bookkeepers learned the rules after the first payroll, not before bid.

Weak document trail

The pay may have been right — but nothing on file proves it.

No internal review

Payrolls were filed but never checked against the wage determination before submission.

Design the violation out — before the first shovel

BEFORE BID

- Lock the correct wage determination into the bid documents
- Run the state-vs-federal “higher-of” check and document it
- Require Form HUD-4010 / PWR clauses in every tier of contract

AT PRECONSTRUCTION

- Hold a labor-standards kickoff with prime and subs
- Collect classifications and confirm registered apprentices
- Set the weekly payroll calendar and the single intake point

DURING THE WORK

- Review every certified payroll against the wage determination
- Spot-check fringe math and apprentice ratios
- Run periodic worker interviews and reconcile to payrolls

PART TWO

Enforcement Action Response

An agency contact is a process to manage — not an emergency to panic over.

Know who is knocking — and what they enforce

BOLI

Oregon Bureau of Labor & Industries

- State PWR law, ORS 279C.800–870
- Certified payroll & BOLI addendum
- Wage claims, civil penalties, ineligible list

US DOL

Wage and Hour Division

- Federal Davis-Bacon & Related Acts
- 29 CFR Parts 1, 3 and 5
- Debarment, withholding, restitution

HUD

Labor Relations / LR Specialist

- Davis-Bacon on CDBG-funded work
- Handbook 1344.1 Rev-3; Form HUD-4010
- Routes findings through the grantee

How an enforcement action usually starts

1

A worker complaint

Someone reports underpayment or misclassification to BOLI or US DOL.

2

A routine or for-cause audit

The agency requests payrolls, fringe records and interview documentation.

3

An interview mismatch

What a worker reported on site doesn't reconcile with the certified payroll.

4

A grantee monitoring finding

Your own review or HUD's flags an error before anyone else does.

The first 72 hours: a calm, documented response

1**Acknowledge in writing**

Confirm receipt, identify your point of contact, and note any stated deadline.

2**Preserve everything**

Freeze and back up payrolls, interviews, contracts and the wage determination — change nothing.

3**Assemble the file**

Pull the records the agency asked for; organize by contractor and by week.

4**Loop in the right people**

Notify the prime contractor, your project manager and — on HUD work — your LR Specialist.

5**Respond on time, factually**

Provide what was requested; don't volunteer conclusions or speculate about fault.

When the agency calls — do and don't

DO

- ✓ Stay cooperative and professional
- ✓ Keep one organized point of contact
- ✓ Put key communications in writing
- ✓ Correct genuine errors promptly
- ✓ Document every step you take

DON'T

- ✗ Don't alter or back-date records
- ✗ Don't coach or pressure workers
- ✗ Don't guess at answers you don't have
- ✗ Don't ignore a deadline — ask for an extension
- ✗ Don't admit fault before the facts are in

PART THREE

Corrective Action & Back-Wage Calculations

A finding isn't the end — a clear plan and correct restitution close it out.

A corrective action plan in five parts

IDENTIFY

Pin down what went wrong, which workers, which weeks, and which classifications.

QUANTIFY

Calculate the underpayment — wages and fringe — worker by worker, week by week.

REMEDiate

Pay restitution, correct the payrolls, and fix the practice that caused it.

DOCUMENT

Keep proof: corrected payrolls, signed receipts, and the cause/fix narrative.

PREVENT

Add the control that stops a repeat — a checklist step, a review, a training.

How a back-wage amount is built

Underpayment is computed for each worker, each classification, each week:

Required rate	Prevailing wage + full fringe (the HIGHER of state or federal)
– Rate actually paid	Hourly wage + any qualifying fringe actually provided
= Hourly shortfall	The per-hour gap owed to the worker
× Hours worked	All hours in the classification for the period
= Back wages due	Plus any overtime correction and applicable penalties

A worked back-wage example

Scenario: An electrician on a CDBG-funded water plant upgrade was paid **\$38.00/hr wage + \$9.00 fringe**. The applicable determination (higher of state vs. federal) requires **\$42.50 wage + \$14.25 fringe**. The worker logged **120 straight-time hours** over the period.

Required (wage + fringe)	$\$42.50 + \14.25	\$56.75/hr
Paid (wage + fringe)	$\$38.00 + \9.00	\$47.00/hr
Hourly shortfall	$\$56.75 - \47.00	\$9.75/hr
Hours in period	straight time	120 hrs
Back wages due	$\$9.75 \times 120$	\$1,170.00

Fringe counts. The \$5.25 fringe gap drove more than half of the amount owed.

Why getting ahead of it matters

Restitution

Back wages must be paid to every affected worker, with records of payment.

Withholding

Contract funds can be withheld to cover suspected underpayment until resolved.

Penalties

Civil penalties accrue — and Oregon adds placement on the ineligible (“debarred”) list.

Debarment

Repeat or willful violations can bar a contractor from public work for up to three years.

PART FOUR

Multi-Contractor Project Oversight

On a public works project, the grantee owns compliance — all the way down the chain.

Flow-down: the responsibility runs all the way down

Funding agency

BOLI / US DOL / HUD set the rules and audit compliance

Grantee (you)

Owens project compliance; monitors and certifies

Prime contractor

Includes clauses in every subcontract; collects payrolls

Subcontractors

Pay correct rates; file weekly certified payrolls

Lower-tier subs

Same obligations — no tier is exempt

Five oversight moves that scale

1

Make the prime your partner

Put primary monitoring duty on the prime in the contract — then verify their work.

2

Build a contractor roster

Track every contractor and sub, their classifications, and their payroll status in one place.

3

Tier your review

Full review of high-risk/high-dollar payrolls; sampled review of the rest.

4

Reconcile interviews to payrolls

Worker interviews are your independent check on what the paperwork claims.

5

Hold retainage to leverage

Tie final payment to a complete, clean labor-standards file.

PART FIVE

Mixed Funding Source Compliance

CDBG, ARPA and state dollars each carry their own strings. Braid them and the strictest rule wins.

One project, several pots of money

Rural infrastructure projects are often funded from more than one source. Each source decides whether — and which — prevailing wage rules attach. You apply them all at once.

CDBG (HUD Title I)

Federal Davis-Bacon applies to construction financed in whole or in part with CDBG. Administered in Oregon through Business Oregon.

ARPA / SLFRF

Davis-Bacon does NOT apply to projects funded solely with recovery funds — but does apply when braided with another federal program that requires it.

State funds

Oregon's PWR law applies to public works over the \$50,000 project threshold regardless of whether federal funds are present.

Does prevailing wage apply? A working decision path

Q1 Any federal construction dollars on the project?

If yes → federal Davis-Bacon attaches (CDBG, HOME, IIJA, or SLFRF braided with such funds). Check unit/\$ thresholds.

Q2 Is it solely ARPA/SLFRF?

Davis-Bacon generally does NOT apply — but Treasury labor-standards reporting can, and state PWR may still apply.

Q3 Public works over \$50,000 (aggregate)?

If yes → Oregon PWR applies. Remember: the \$50k tests the WHOLE project, not one contract.

Q4 Subject to BOTH state and federal?

Pay the HIGHER of the two rates; follow the stricter rule where they differ. ORS 279C.838.

Two regulatory developments to track in 2026

Davis-Bacon 2023 rule — mostly in effect

The modernized Davis-Bacon rule (effective Oct 2023) remains in force for the new prevailing-wage calculation, regular wage-determination updates, and expanded flow-down and recordkeeping. Three provisions — the material-supplier distinction, on-site truck-driver coverage, and “operation of law” — are under a nationwide injunction and revert to prior practice while the appeal and settlement talks continue.

Oregon HB 2688 — effective July 1, 2026

Signed July 2025, HB 2688 expands Oregon’s “public works” definition to cover certain bespoke, off-site fabrication and assembly (e.g., HVAC, electrical, ironwork, masonry) made for a specific public works project. It applies to procurements solicited or contracts entered on or after July 1, 2026 — just weeks from now. BOLI is issuing rules.

PART SIX

Rural Adaptations & Template Approaches

You don't need a compliance department. You need the right templates and a steady rhythm.

Compliance that fits a small shop



One binder, one owner

Name a single labor-standards point of contact and keep one master file per project.



A predictable rhythm

A weekly 30-minute payroll review beats a frantic pre-audit scramble every time.



Lean on the prime

Make the prime contractor do the first-line collection and screening — in writing.



Use the templates

Don't reinvent forms; start from the program toolkit and adapt the headers.



Ask early, not late

A five-minute question to BOLI or your LR Specialist prevents a five-figure finding.

Your rural-ready template toolkit

Every item below is in today's participant handout — ready to adapt and use.



Top-10 violations & prevention quick-reference



Enforcement response checklist (first 72 hours)



Back-wage calculation worksheet



Mixed-funding “which rules apply?” guide



Multi-contractor monitoring log



Project labor-standards file index

Technical assistance & ongoing support

Individual consultations

Scheduled phone/video sessions for project-specific compliance questions.

Document review

Send certified payrolls or a wage determination for a second set of eyes.

Rapid response

Urgent enforcement or deadline questions answered within 24–48 hours.

Resource library

Checklists, templates, and recorded sessions — yours to keep and reuse.

Where to verify — always go to the source

BOLI Prevailing Wage

oregon.gov/boli — PWR rate books (Jan/Jul), HB 2688 page, employer FAQ

US DOL Wage & Hour

dol.gov/agencies/whd — Davis-Bacon, wage determinations (SAM.gov)

HUD Labor Relations

Handbook 1344.1 Rev-3; Form HUD-4010; your assigned LR Specialist

Business Oregon

Program & contract questions — your OBDD project manager

Wage determinations and statutes change. Confirm the current rate book and wage determination before you rely on a number.

THANK YOU

That completes the four-part Labor Standards Compliance Training series.

Next steps: save your toolkit · reach out anytime for technical assistance.

CAP Contract Alliance, LLC

Rural Capacity Assistance Program · Contract FS2402A · Funded through Business Oregon

