



FEDERAL CONTRACT REQUIREMENTS

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CIP Event

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What is an executed Subcontract and what should it include?

- Federally Funded Contracts have Special provisions that must be physically attached and/or incorporated in each subcontract. Such as:
 - Applicable Wage Rate, Project Specific
 - EEO Requirements
 - DBE requirements
 - FHWA 1273
 - Measurement and Payment Special Provision
 - Non-Discrimination Disclosure

What should you look for in a subcontract?

- Before signing a subcontract, review the following and make changes if you do not agree or are uncomfortable with the language.
 - Insurance Requirements
 - Liquidated Damages
 - Payments
 - Provisions
 - Offset Provisions
 - Retention/Retainage
 - Termination Fees

Letters required to be submitted by subcontractors?

- Contractors will request specific letters to be submitted for their files and some will be necessary for the Project Bulletin Board.
 - Contractor's Responsible Person
 - DBE Liaison
 - EEO Officer
 - Payroll Officer
 - Safety Officer

Material sources will be required for all material incorporated into the Project. Some materials must be obtained from a pre approved/qualified sources.

Payroll Requirements

- How often must payrolls be submitted?
 - Per the FHWA-1273 and the Code of Federal Regulations payrolls must be submitted weekly.
- Is there a certain form or format for payrolls?
 - Per the Department of Labor and requirements in the FHWA-1273, any format desired can be submitted that includes all of documentation required. An optional Form WH-347 is in the handout.
- What information must be included on the payrolls?
 - A Statement of Compliance must accompany the payroll.
 - Name, address and Social Security number of each worker.
 - The classification of each worker

Payroll Requirements Continued

- What information must be included on the payrolls?
 - A Statement of Compliance must accompany the payroll.
 - Name, Address and Social Security number of each worker, at least on the first payroll.
 - Classification of each worker per the applicable wage rate
 - Hourly Rate of Pay / Overtime Rate of Pay if applicable
 - Daily and Weekly Number of hours worked on contract
 - Deductions
 - Actual Wages Paid

Can a Subcontractor sub all or a portion of their work?

- No work can be subcontracted without the consent and approval of the prime contractor and TxDOT per Item 8.
- As a DBE subcontractor, you can subcontract 70% of your work upon approval from the prime contractor and TxDOT. Per the DBE Special Provision a DBE firm is responsible for at least 30% of the total cost of its Contract with its own work force.

What if I haven't been paid for my work, what should I do?

- What does subcontract language say?
 - Is your subcontract “Pay when Paid”? If so, has the prime been paid for your work?
 - Is your subcontract “Pay by Invoice”? If so, did you submit your invoice by the cut-off date.
 - Was your invoice correct? Corrections needed will hinder the payment process.
 - File a claim on the Prime Contractor's Bond Company.
 - Bonding information can be found on the TxDOT website at:
www.txdot.gov/business.html
- Then click on Contractor Payment Bond Information under Projects.

Audits

- Our projects are subject to various audits by Internal and External firms, especially by FHWA (Federal Highway Administration).
- We (TxDOT) will perform internal audits from our District Office per onsite visits or as a desk audit where specific information may be requested by mail.

Questions?

