

The following guidance for ARRA Monthly Employment Reporting will be in effect beginning January 1, 2010.

Sections 1201 and 1512 of the American Recovery and Reinvestment Act of 2009 (ARRA) require the submission of certain employment information from the Prime Contractor and all Subcontractors on all contracts funded in whole or in part with ARRA funding.

Form FHWA-1589 (Rev.3-25) will be used by the Prime Contractor to submit employment information to the Department.

Monthly information will include the total number of employees, total number of hours worked and the total gross amount paid to the employees. Each month, the Prime Contractor is responsible to submit one form which includes the information listed above for the Prime Contractor and for each Subcontractor working during the reporting month. The Prime Contractor and each Subcontractor working during the reporting month will be listed separately on the same form.

The Prime Contractor is responsible for ensuring that the Department receives the report within seven (7) business days following the end of the month being reported.

The preferred method of transmitting the report is for the Prime Contractor to download and complete the Microsoft Excel file and then e-mail the completed Microsoft Excel file to the Resident Engineer. It is also acceptable to transmit the report by fax or e-mail a scanned copy. Regardless of the method of transmission used, the signed original form must be provided to the Resident Engineer.

Total Number of Employees

The total number of employees reported for each contractor must include all people who are actively engaged in the project by the contractor in any of the following situations:

- Direct or on-the-project employment which is compensated by an hourly wage.
- Indirect or off-the-project employment which is compensated by an hourly wage. This will include people who work in the home office or telework from a home or other alternative location.
- Direct or on-the-project employment which is compensated by a salary wage.
- Indirect or off-the-project employment which is compensated by a salary wage. This will include people who work in the home office or telework from a home or other alternative location.
- Direct or indirect employment of engineering personnel, sampling and testing technicians, and lab technicians performing work directly in support of the project.

This report should not include any employment data which includes overhead or indirect cost. Employees who receive compensation for work performed which is directly related to the project, but their compensation cannot be separated between wages and indirect cost (such as profit, overhead or compensation for use of equipment) should not be included in the report.

The total number of employees reported for each contractor must not include material suppliers such as concrete, culverts, guardrail, and other miscellaneous items.

The total number of employees is reported as a whole number.

Total Number of Hours Worked

The total number of hours worked for each contractor must include a summation of all hours worked by the total number of employees reported. In the case of salaried employees, the contractor must track the number of hours the salaried employee is actively engaged in the project.

This must be reported as a whole number.

Total Gross Amount Paid to the Employees

The total gross amount paid to the employees for each contractor must include a summation of all payroll payments made to the total number of employees reported.

The total gross amount paid to the employees must not include overhead or in-direct cost.

In the case of salaried employees, the contractors must pro-rate the salary by multiplying the salary of the employee times the ratio of the number of hours worked while actively engaged in the project to the total number of hours worked by the employee.

This should be rounded to the nearest whole dollar and reported as a whole number.

Supporting Documentation of the Monthly Employment Report

The Resident Engineer Office should forward each monthly employment report to the Construction Office as soon as possible after the report has been reviewed. If the report was e-mailed to the Resident Engineer Office, it can be forwarded by e-mail to "sitemanager". If the report was faxed to the Resident Engineer Office, it can be faxed to the Construction Office. If the report was mailed to the Resident Engineer Office, it can be faxed or scanned and e-mailed to the Construction Office. Do not mail the report to the Construction Office.

It is not necessary for the copy of the report sent to the Construction Office to be signed by the Prime Contractor. However, regardless of the method of transmission from the Prime Contractor, the Resident Engineer Office is required to retain, in their files, the signed original report. The goal is to forward the report to the Construction Office as soon as possible, after it has been reviewed by the Resident Engineer Office.

Due to the fact that certified payrolls, which are submitted to the Department, may not contain supporting documentation for every employee included in the report, all contractors should be encouraged to retain supporting documentation for their employment data. It is the contractor's responsibility to provide supporting documentation in the event auditors request this information to verify the accuracy of the report.

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Example Scenarios

The following is a set of scenarios that describes the information which is required to properly document the monthly employment report to be submitted for each scenario.

Scenario 1 – Contractor with direct employees only

All employees completed 22 hours of work on an ARRA project during the reporting month. The Supervisor worked a total of 44 hours during the week when she was actively engaged on the ARRA project.

- 1 Supervisor paid \$1000/week
- 2 Carpenters paid \$18/hour
- 2 Laborers paid \$10/hour

Total number of employees: 5

Total number of hours worked: 110

Total amount paid: \$1732

- 1 Supervisor paid $\$1000 * (22/44)$ = \$500
- 2 Carpenters paid $\$18 * 22$ = \$792
- 2 Laborers paid $\$10 * 22$ = \$440

Scenario 2 – Contractor with direct and indirect employees

Employees directly on the project completed 30 hours of work on an ARRA project during the reporting month. The Supervisor worked a total of 40 hours during the week when she was actively engaged on the ARRA project.

The Office Manager completed 3 hours of work related to this ARRA project during the reporting month, while working a total of 40 hours during the week when he was actively engaged on the ARRA project.

- 1 Supervisor paid \$1000/week
- 1 Office Manager paid \$1100/week
- 4 Operators paid \$18/hour
- 8 Laborers paid \$11/hour

Total number of employees: 14

Total number of hours worked: 393

Total amount paid: \$5633

- 1 Supervisor paid $\$1000 * (30/40)$ = \$ 750
- 1 Office Manager paid $\$1100 * (3/40)$ = \$ 83
- 4 Operators paid $\$18 * 30$ = \$2160
- 8 Laborers paid $\$11 * 30$ = \$2640

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Scenario 3 – Contractor with direct employees including Surveying firm and Concrete Producer

The Contractor hired a surveying firm to stake out a bridge. The surveying crew spent 5 hours on the project staking out the bridge.

The crew consisted of:

- 1 Party Chief paid \$25/hour
- 1 Instrument Person paid \$20/hour
- 1 Helper paid \$10/hour

During the same month, the Contractor constructed several bridge footings totaling 30 cubic yards which required 12 hours of work by a concrete producer. This required the concrete producer to be directly engaged in the ARRA project during this month. The concrete producer's employees included the following people:

- 1 Batch Plant Operator paid \$21/hour
- 1 Truck Driver paid \$12/hour

The Contractor's employees directly on the project completed 100 hours of work on the ARRA project during the reporting month. The Supervisor worked a total of 120 hours during the three weeks when she was actively engaged on the ARRA project.

- 1 Supervisor paid \$1000/week
- 4 Operators paid \$18/hour
- 8 Laborers paid \$11/hour

Total number of employees: 16

Total number of hours worked: 1315

Total amount paid: \$17108

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| • 1 Party Chief paid \$25 * 5 | = \$ 125 |
| • 1 Instrument Person paid \$20 * 5 | = \$ 100 |
| • 1 Helper paid \$10 * 5 | = \$ 50 |
| • 1 Supervisor paid \$1000 * (100/120) | = \$ 833 |
| • 4 Operators paid \$18 * 100 | = \$7200 |
| • 8 Laborers paid \$11 * 100 | = \$8800 |

The concrete producer is not included in this report because they are a supplier of materials.

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Scenario 4 – Contractor with direct and trucking employees

Employees directly on the project completed 40 hours of work on an ARRA project during the reporting month. The Supervisor worked a total of 40 hours during the week when she was actively engaged on the ARRA project.

- 1 Supervisor paid \$1000/week
- 1 Operators paid \$18/hour
- 2 Laborers paid \$11/hour

The Contractor hired 10 truckers who each own their own trucks and are self-employed. Each trucker will be paid \$60/hour which is compensation for their time and the use of their truck. During this month, each trucker was employed 40 hours on the ARRA project.

Total number of employees: 4

Total number of hours worked: 160

Total amount paid: \$2600

- 1 Supervisor paid \$1000 * (40/40) = \$1000
- 1 Operators paid \$18 * 40 = \$ 720
- 2 Laborers paid \$11 * 40 = \$ 880

The truckers should not be included in this report since their compensation cannot be separated between wages and indirect cost (such as profit, overhead or compensation for use of equipment).