
Chapter 1 OFFICE OF LABOR RELATIONS

1-1 **Office of Labor Relations.** The Office of Labor Relations (OLR) is responsible for the administration and enforcement of Federal labor standards provisions in HUD programs. These standards include those contained within the Davis-Bacon and Related Acts, the Copeland Act and the Contract Work Hours and Safety Standards Act. Additionally, the Office of Labor Relations is responsible for the administration and enforcement of prevailing maintenance wage requirements of the U.S. Housing Act of 1937 and the Native American Housing Assistance and Self-Determination Act of 1996.

1-2 **Reorganization Plan Number 14 of 1950.** Reorganization Plan #14 (March 13, 1950) was transmitted to Congress by President Harry Truman for the purpose of coordinating the administration of labor standards under various statutes relating to Federal construction and public works or to construction with Federally-financed assistance or guaranties. The Plan authorized and directed the Secretary of Labor to coordinate the administration of legislation relating to wages and hours on Federally financed or assisted projects by prescribing standards, regulations, and procedures to govern the enforcement activities of the various Federal agencies, and by making such investigations as the Secretary of Labor (SOL) deems desirable to assure consistent enforcement.

The authorities granted to the SOL under the Plan concern laws regulating wages and hours of workers employed on Federal (or Federally-assisted) contracts for public works or construction. These laws include the Davis-Bacon and Related Acts, the Copeland Act and the Contract Work Hours and Safety Standards Act.

The Plan reiterated that the actual performance of enforcement activities, normally including the investigation of complaints of violations, remain the duty of the respective agencies awarding the contracts or providing the Federal assistance. The Office of Labor Relations carries out HUD's responsibilities under Reorganization Plan #14. (See also Appendix I-1, *Reorganization Plan #14 of 1950.*)

1-3 **Organization.** The Office of Labor Relations (OLR) is organized in the Office of Departmental Operations and Coordination (ODOC). OLR consists of a Headquarters staff, headed by the Director of Labor Relations, and field staff located in Regional and select field offices. Regional Labor Relations Offices are headed by Regional Labor Relations Officers (RLROs) and Field Labor Relations Offices are staffed by Labor Relations Specialists (LRSs).

1-4 **Roles and responsibilities**

A. **Headquarters Office of Labor Relations (HQLR).** The Headquarters Office of Labor Relations (HQLR) and, specifically, the Director of Labor Relations, serves as the principal advisor to the Secretary of HUD and throughout HUD on matters concerning labor standards administration and

enforcement in HUD programs and associated interests. HQLR is responsible for policy development, guidance, supervision, oversight and provision of technical support to Regional and Field Labor Relations staff.

- B. **Regional Offices of Labor Relations (ROLR).** Regional Offices of Labor Relations are responsible for the proper administration and enforcement of Federal labor standards within the jurisdiction served by the respective Regional Office. The Regional Labor Relations Officer (RLRO) supervises the field Labor Relations staff located within the Region and provides technical support and advice to those staff. The RLRO serves as the principal advisor to the HUD Regional Director and to the Director of Labor Relations concerning labor standards and Labor Relations operational matters and associated interests within the Region. RLROs are also responsible for day-to-day labor standards administration and enforcement for the operational jurisdiction served by the Regional Office.
- C. **Field Offices of Labor Relations (FOLR).** Field Offices of Labor Relations and Labor Relations Specialists assigned to support Field Office program functions are responsible for the proper administration and enforcement of Federal labor standards within the jurisdiction assigned to the staff. The Field Labor Relations Director/Specialist (LRS) serves as the principal advisor to the RLRO and to the Field Office and Field Program Directors concerning labor relations and associated matters within the field jurisdiction.

1-5 **Delegations of Authority.** The Department published delegations of authority in the Federal Register on November 21, 2003. The Department delegated, via the Director of the Office of Departmental Operations and Coordination (ODOC), to the Director of the Office of Labor Relations all the authority of the Secretary of HUD with respect to labor standards administration and enforcement under the Davis-Bacon Act, the Copeland Act, the Contract Work Hours and Safety Standards Act, Reorganization Plan #14 of 1950, the labor standards requirements of various housing related statutes, and the regulations of the Department of Labor. The authority delegated includes the authority to determine or adopt prevailing wage rates, which is vested in the Secretary by certain statutes including the U.S. Housing Act of 1937 and the Native American Housing Assistance and Self-Determination Act, and the Hawaiian Homelands Homeownership Act of 2000.

- A. **Delegations of program authority within the Office of Labor Relations.** The Director of Labor Relations has retained or delegated the following program authorities within the Office of Labor Relations.
1. **Director of Labor Relations (HQLR)** retains program authorities and actions relating to:
 - a. Referrals/requests to DOL on reconsiderations of Davis-Bacon wage decisions, rulings, and additional classifications;

- b. Referrals/requests to DOL on DBRA/CWHSSA investigations on HUD program activity;
- c. Referrals to DOL for hearings/appeals on investigative or other findings of violation, and recommendations for administrative sanctions;
- d. Decisions relating to variations, tolerances, waivers and/or exemptions from the requirements of this handbook and any other directive or policy issued by the HUD Office of Labor Relations. (The Director of Labor Relations may not approve variations, tolerances, waivers and/or exemptions relating to statutory or regulatory requirements.); and
- e. Final decisions relating to the administration and enforcement of prevailing wage rates determined or adopted by HUD.

The Director of Labor Relations has delegated the following program authorities to RLROs and field LRS:

- 2. **Regional Labor Relations Officers** are hereby authorized and empowered to take the following actions within their assigned jurisdiction, and on certain cases or instances assigned to them by the Director of Labor Relations. Actions taken and decisions made by the RLRO may be subject to further review by, or appeal to, the Director of Labor Relations.
 - a. Review/make determinations of Federal labor standards applicability for HUD program activities;
 - b. Refer to HQLR unique and/or complex prevailing wage applicability determinations and other labor standards issues;
 - c. Approve the initiation of Federal labor standards investigations on HUD-assisted projects/contracts;
 - d. Render decisions on requests for reconsideration pertaining to findings of underpayment;
 - e. Recommend, through HQLR, the imposition of administrative sanctions including debarment and limited denials of participation
 - f. Approve reductions or waivers of CWHSSA liquidated damages totaling \$500 or less; recommend, through HQLR, reductions/waivers of CHWSSA liquidated damages totaling in excess of \$500;
 - g. Approve the imposition of deposit requirements on HUD multifamily development projects;
 - h. Approve disbursements from deposit accounts;
 - i. Recommend, through HQLR to DOL, any appeals, variances, tolerances and exemptions in the application of DOL regulations, directives, guidance and/or Davis-Bacon wage decisions;

- j. Refer, through HQLR to DOL, disputes, investigative findings, and other matters relating to Davis-Bacon prevailing wage rates for further review and disposition;
- k. Render decisions on requests for reconsideration pertaining to prevailing wage rates determined or adopted by HUD;
- l. Render decisions on disputes arising from the administration and/or enforcement of prevailing wage rates determined or adopted by HUD; and
- m. Undertake and/or oversee any program actions or authorities delegated to Field Labor Relations Specialists/Staff.

3. **Field Labor Relations Specialists/Staff** are hereby authorized and empowered to take following actions within their assigned jurisdiction and on certain cases or instances assigned to them by the RLRO. Actions taken and decisions made by the field LRS may be subject to further review by, or appeal to, the RLRO.

- a. Review/make determinations of Federal labor standards applicability for HUD program activities;
- b. Refer to the RLRO unique and/or complex prevailing wage applicability determinations and other labor standards issues;
- c. Issue determinations of back wages due and other findings of underpayment or labor standards violation;
- d. Issue notices of intent to assess CWHSSA liquidated damages; approve reductions or waivers of CHWSSA liquidated damages totaling \$100 or less; recommend, through the RLRO, reductions/waivers of CWHSSA liquidated damages totaling in excess of \$100;
- e. Conduct investigations of labor standards compliance as approved by the RLRO;
- f. Issue prevailing wage rates for maintenance laborers and mechanics;
- g. Approve training programs, including wage rates for trainees; associated with maintenance work subject to prevailing wage rates determined or adopted by HUD;
- h. Approve the payment of expenses, reasonable benefits, and/or nominal fees to bona fide volunteers;
- i. Conduct training and provide technical assistance to state and/or local agencies administering HUD programs;
- j. Conduct monitoring reviews to assess state, local and/or tribal agency labor standards performance; and
- k. Issue reports relating to state and/or local agency monitoring.

B. **Responsibilities of state, local and tribal agencies.** This handbook delineates certain labor standards responsibilities of state, local and tribal agencies (collectively referred to as Local Contracting Agencies or LCAs) that administer HUD programs subject to prevailing wage requirements.

Accordingly, LCAs are authorized, empowered and responsible for undertaking the following responsibilities. Actions taken and decisions made by LCAs may be subject to further review by, or appeal to HUD Labor Relations staff.

1. **Designate appropriate staff** prior to any work subject to prevailing wage requirements, to ensure compliance with all applicable labor standards requirements and to act for and in liaison with HUD. Provide the name(s) of the staff to the appropriate HUD Labor Relations staff.
 2. **Establish a construction contract management system** which meets the standards of HUD regulations at 24 CFR Part 85, Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.
 3. **Inform, support and oversee any subordinate program participants** (e.g., subrecipients, grantees) concerning labor standards requirements and responsibilities. Ensure full labor standards compliance regarding any activities undertaken by subordinate program participants.
 4. **Ensure that all bid documents, contracts and subcontracts** for work subject to Federal prevailing wage requirements contain the appropriate labor standards provisions and the applicable Federal wage rate decision.
 5. **Ensure that no contract is awarded to a contractor that is ineligible** (e.g., debarred) to participate in Federally-assisted programs.
 6. **Conduct on-site inspections including interviews with laborers and mechanics** employed on the prevailing wage-covered work. Ensure that the applicable Federal wage decision is posted at the job site and, for work subject to Davis-Bacon requirements, ensure that the Davis-Bacon poster (WH-1321) is posted with the applicable wage decision.
 7. **Review certified payroll reports and related documentation.** Identify any discrepancies and/or violations. Ensure that any needed corrections are made promptly.
 8. **Maintain full documentation** of Federal labor standards administration and enforcement activities, such documentation to be made freely available for HUD review. Documentation associated with work subject to Davis-Bacon requirements must also be made freely available to the U.S. Department of Labor (DOL).
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9. **Refer any potential criminal or complex enforcement matters to HUD,** in addition to debarment recommendations and liquidated damage assessments for Contract Work Hours and Safety Standards Act (CWHSSA) overtime violations.
10. **Comply with all HUD requirements** including special statutory, program and/or other requirements.
11. **Prepare and submit to HUD Federal labor standards enforcement reports** as required in DOL regulations at 29 CFR Part 5, §5.7.
12. **State agencies additionally:**
 - a. May communicate directly with DOL concerning its administration and enforcement of Federal labor standards provisions, or may communicate through HUD, at the state's discretion.
 - b. Must monitor **its** grantees' labor standards performance to assess the grantee performance of labor standards responsibilities.
 - c. Must ensure corrective actions are taken for any deficiencies noted in grantee performance reviews.
 - d. Must collect and submit to DOL or to HUD all enforcement reports required in DOL regulations at 29 CFR, Part 5, §5.7. (See also Chapter 10, *Reports – Davis-Bacon and Related Acts.*)

1-6 **Primary labor standards objectives and core work activities.** HUD has identified 5 primary labor standards objectives for itself and for LCAs. In addition, HUD has defined core work activities for its field operations.

A. Labor standards objectives.

1. **Apply prevailing wage requirements properly.** Make certain that prevailing wage and reporting standards are applied where required. Ensure that any exemptions, exceptions or limitations are identified.
2. **Support labor standards compliance.** Provide training, technical support and oversight to program participants, including contractors and subcontractors, to ensure that program participants understand their obligations under Federal labor standards.
3. **Monitor contractor performance.** Conduct reviews of certified payroll submissions and other information to ensure that employers comply with labor standards requirements including the payment of prevailing wages to laborers and mechanics.

4. **Investigate probable violations and complaints.** Thoroughly explore any evidence of violations, especially allegations of underpayment. Ensure full resolution of substantiated violations.
 5. **Pursue debarment and other available sanctions against repeat labor standards violators.** Implement a no-tolerance policy toward employers and any other program participants who repeatedly violate prevailing wage requirements and/or fail to properly carry-out their labor standards responsibilities.
- B. **HUD Labor Relations core work activities.** Labor Relations' key program responsibilities and tasks have been defined for HUD field operations in terms of the item or activity involved, the expected product or outcome, the timing for performance credit, and the source document and associated recordkeeping. These definitions are contained in the document entitled *Labor Relations Core Work Activities* (see Appendix I-3.) LCAs are not required to observe the core work activities but may find these definitions helpful in the implementation of their own labor standards administration and enforcement program.

Related Appendices

- I-1 Reorganization Plan #14 of 1950
- I-2 Delegations of Authority
- I-3 Labor Relations Core Work Activities