



City of Cleveland's Certification and Compliance Reporting System



Payments & Subcontractor Compliance

Cleveland Area Business Code (a.k.a. Chapter 187):
Subcontracting Goals for certified MBE / CSB / FBE

Workforce & Wage Compliance

Fannie M. Lewis Cleveland Resident Employment Code
(a.k.a. Chapter 188):
Cleveland Resident Employment Requirement and Cleveland Low
Income Resident Employment Goal

- Monitors compliance with subcontracting goals to certified subcontractors throughout the course of the contract.
- Monitors payments to both certified and non-certified firms.
- Monitors payments from the City of Cleveland and other sources to the Prime Contractor / General Contractor.

City of Cleveland \$ → Prime \$ → Subcontractor

- Allows OEO to monitor construction worker hours, labor force demographics, Cleveland Resident worker hours, and Low Income Cleveland Resident worker hours.
- Allows contractors to create, review, certify and submit Certified Payroll Reports (CPR) via LCPtracker.
- Reviews Certified Payroll Reports for Prevailing Wage compliance.
- Monitors Living Wage compliance

To get started, please go to website:

<https://cleveland.diversitycompliance.com/>






To get started, please click the hyperlink button while in your B2Gnow account or go to website:

<https://prod.lcptracker.net/>








Mayor's Office of Equal Opportunity Contractor's Training Class Requirements Overview

Prime Contractor or General Contractor Responsibilities

<p>For Standard City of Cleveland Contracts:</p>	 	<ul style="list-style-type: none"> • Enter payments received by the City of Cleveland (where requested) • Enter payments made to subcontractors • From your "Contractor Account" – Enter certified payrolls for your construction workers on the project. <ul style="list-style-type: none"> ◦ Davis Bacon projects: Weekly payroll submittals ◦ State of Ohio Prevailing Wage (or non-prevailing wage projects): Monthly payroll submittals ◦ Living Wage Projects: Bi-weekly payroll submittals • From your "Prime Approver Account" – <ul style="list-style-type: none"> ◦ Review and approve payrolls entered by your subcontractors ◦ Ensure that all subcontractors who performed any construction are reporting payrolls ◦ Approve payrolls submitted by you and your subcontractors • Review all Cleveland Low Income Worker Verification Applications received from your employees and/or subcontractors and if they meet the income thresholds and have the proper documentation, then you submit information to the OEO compliance officer. If approved by the City of Cleveland's OEO office, you will receive an approval letter, then please check the "Low-Income" check box in the employee profile. • If it is a prevailing wage project – please collect and submit proper documentation for Apprentice(s) working on-site.
<p>For Projects that have received loans or grants from Community Development or Economic Development:</p> 	 	<ul style="list-style-type: none"> • Enter payments received from the Developer to document project's progress. • Prime can add subs and report all tiers; lower level subcontractor can add and report its own subs • Ensure that all subcontractors have been entered into B2Gnow. This is the first thing you should do. • Ensure that all the subcontractors performing labor entered in B2Gnow are also activated and assigned to the project in LCPTracker (and vice versa). • Subcontractors working under broker and/or suppliers should be entered in LCPTracker as working under the General Contractor. Brokers and Suppliers do not get activated or assigned in LCPTracker. Only subcontractors performing Labor get active and assigned in LCPTracker. • From your "Contractor Account" – Enter certified payrolls for your construction workers on the project • From your "Prime Approver Account" – <ul style="list-style-type: none"> ◦ Review and approve payrolls entered by your subcontractors ◦ Ensure that all subcontractors who performed any construction are reporting payrolls ◦ Approve payrolls submitted by you and your subcontractors • Review all Cleveland Low Income Worker Verification Applications received from your employees and/or subcontractors and if they meet the income thresholds and have the proper documentation, then you submit information to the OEO compliance officer. If approved by the City of Cleveland's OEO office, you will receive an approval letter, then please check the "Low-Income" check box in the employee profile. • If it is a Prevailing Wage Project – Please compile completed Apprentice Forms and Documentation and submit to your General Contractor so they can submit it the project's City of Cleveland Prevailing Wage Coordinator. • Ensure that all the construction subcontractors entered in B2Gnow are activated and assigned to the project in LCPTracker (and vice versa).

Subcontractor Responsibilities

<p>For Standard City of Cleveland Contracts:</p>	 	<ul style="list-style-type: none"> • For credit subcontractors will be contacted to confirm payment amounts; other subcontractors will not be required to confirm payment amounts. • Enter any payments to lower-tier subcontractors on a Cash basis every month. • Enter certified payrolls for your construction workers on the project. <ul style="list-style-type: none"> ◦ Davis Bacon projects: Weekly payroll submittals ◦ State of Ohio Prevailing Wage (or non-prevailing wage projects): Monthly payroll submittals ◦ Living Wage Projects: Bi-weekly payroll submittals • Distribute, collect, review that they meet income threshold, ID and tax documentation is included, and submit completed Cleveland Low Income Worker Verification Application(s) for Low Income Cleveland Resident workers to the Prime / General Contractor. If approved by the City of Cleveland's OEO office, you will receive an approval letter, once received, please check the "Low-Income" check box in the employee profile. • If it is a Prevailing Wage Project – Please submit Apprentice Forms and Documentation to the Prime / General Contractor.
<p>For Projects that have received loans or grants from Community Development or Economic Development:</p> 	 	<ul style="list-style-type: none"> • Confirm payments entered by Prime Contractor and/or General Contractor. • Enter any payments to lower-tier subcontractors, • Enter certified payrolls for your construction workers on the project. <ul style="list-style-type: none"> ◦ Davis Bacon projects: Weekly payroll submittals ◦ State of Ohio Prevailing Wage (or non-prevailing wage projects): Monthly payroll submittals ◦ Living Wage Projects: Bi-weekly payroll submittals • For your employees and/or subcontractors - Distribute, collect, review Cleveland Low Income Worker Verification Application(s) for Low Income Cleveland Resident workers (1st check that they meet income threshold, ID and tax documentation is included) and submit completed to OEO contract compliance officer. If approved by the City of Cleveland's OEO office, you will receive an approval letter, once received, please check the "Low-Income" check box in the employee profile if it is for one of your employees. • If it is a Prevailing Wage Project – Please collect from your subcontractors completed Apprentice Forms and



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		Documentation and submit to the project's City of Cleveland Prevailing Wage Coordinator.
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KEY REQUIREMENTS

CLEVELAND AREA BUSINESS CODE (§ Ch. 187) – Please read Notice to Bidders for more details.

Subcontracting ¹ (Dollars)	Threshold	Non-compliance Penalty	City of Cleveland's Monitoring System
Note: <u>Furniture, Fixtures, Equipment, Materials, and/or Supplies</u> – The project only receives 60% credit for the spend when items are purchased from a City of Cleveland Certified Supplier. 100% is only given if items are purchased from a City of Cleveland Certified Manufacturer.			
Public Improvement Contracts – <u>Vertical Construction</u>  MBE: 15% FBE: 7% CSB: 8%	Contracts over \$50k	Potential Penalties include: - Withholding of payment - Cancellation of contract - Disqualification of contractor Community Development and Economic Development Projects: <u>Non-compliance financial penalty of 10%</u> of financial assistance is imposed	 www.cleveland.diversitycompliance.com
<u>Horizontal Construction</u> CSB: 30%			
<u>Design Build Construction RFP</u> CSB: 40% or Custom %			
Professional Service Contracts – CSB: 10%			
Requirements / Standard Contracts – CSB: 20%			
Other types of Contracts – CSB: 20%			

FANNIE M. LEWIS CLEVELAND RESIDENT EMPLOYMENT LAW (§ Ch. 188) – Please read Notice to Bidders for more details.

Total Employment Hours	Threshold	Non-compliance Penalty	City of Cleveland's Monitoring System	Special Note
<u>Cleveland Resident Employment:</u> 20% of Total Construction Hours	Public Improvement Projects where City expends \$100k or more	<u>Financial Penalty in the amount of 1/8 of 1% of the total contract for every percent shortfall.</u>	 https://prod.lcptracker.net/	<ul style="list-style-type: none"> Cleveland Low Income Worker Verification Application <ul style="list-style-type: none"> ID & Tax documents are required in order to determine Low Income status. If Cleveland Low Income Worker is approved <ul style="list-style-type: none"> A letter will be issued to the Prime Contractor. The worker is approved for 5 years.
<u>Certified Low Income:</u> 4% of 20% (Cleveland Resident) ²				

CONSTRUCTION WORKER WAGES	PREVAILING WAGE ³ for Construction Projects (§ Ch. 123.08)			
	*** Apprentices need to be pre-approved before you can enter payrolls into LCPtracker. "Form CF 16" and "documentation" is required for every Apprentice.			
	Description	Threshold	Look Up Wages	Monitoring System
Davis-Bacon	*** Federal funded and/or assisted Projects *** <ul style="list-style-type: none"> <u>Construction Contracts:</u> \$2,000 for all types of construction projects 	Dept. of Labor Website	 https://prod.lcptracker.net/	
Ohio's Prevailing Wage Ohio Revised Code 4115	*** Non-Federally Assisted Public Funds *** <ul style="list-style-type: none"> <u>Vertical Construction Contracts:</u> \$250,000 for new construction, or \$75,000 for other as of 01/01/20 <u>Horizontal Construction Contracts:</u> \$93,292 for new construction, or \$27,9250 for other as of 01/01/20 	Ohio Dept. of Commerce Website		
FAIR EMPLOYMENT LAW (§ Ch. 189)				
Living Wage	<ul style="list-style-type: none"> <u>Construction Employees:</u> All construction projects monitored via LCPTracker have a Living Wage Requirement For Non-Construction Employees <u>Service Contracts:</u> (Bids or RFPs includes Prof. Service Contracts): \$25k with 20 or + employees <u>Financial Assistance Contracts:</u> \$75k (except for residential housing) 	Minimum of \$10 per hour	 https://prod.lcptracker.net/ <u>Living Wage Projects</u> have only one classification in the system.	

¹ Subcontractors must serve a "Commercially Useful Function" – actively performing, managing, or supervising the work involved. No "Pass-thru subcontractors" allowed. In addition, Subcontractors must be certified in specific trade of work in order for the Prime Contractor to get credit for using them as a "certified subcontractor" to meet MBE/FBE/CSB goals.

² In other words, contractor needs to employ a Low income worker for "8 hours" for every 1000 construction hours billed.

³ Combo of basic hourly rate and any fringe benefits (medical insurance, pensions, life insurance, disability & sickness ins., accident insurance, vacation and holiday pay, etc.)



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	A	B
Depends on Type of Contract	Standard City Contracts Projects are typically approved by Board of Control 	Projects which are partially or fully funded and approved by City's Development Departments <ul style="list-style-type: none"> ○ Community Development ○ Economic Development
1) Who sets up the subcontractors	OEO Compliance Officer	The Prime or General Contractor
2) How is the City of Cleveland Payments recorded to the Prime in B2Gnow?	Currently, contractors record payments in monthly Audits in B2Gnow. In the future, it will be done automatically via an interface between B2Gnow and the City's financial management system.	General Contractor must record all payments made to the Prime Contractor to fund the construction of the project.

Questions regarding:	Contact:
1. Subcontracting Requirements (§ ch. 187) 2. Cleveland Resident Employment Requirements (§ ch. 188) 3. Low Income Cleveland Resident Worker Verification Process and/or Application	<ul style="list-style-type: none"> • General Contractor • City Project Manager • OEO Compliance Officer • City of Cleveland OEO Webpage: www.city.cleveland.oh.us/oeo
4. Prevailing Wage Requirements (State or Federal (Davis-Bacon)) or Living Wage Requirements 5. Apprentice Documentation Requirements for Prevailing Wage Projects	<ul style="list-style-type: none"> • General Contractor or Prime Contractor • Project's Prevailing Wage Coordinator • City of Cleveland Prevailing Wage Webpage: www.city.cleveland.oh.us/oeo
6. Becoming a City Certified Firm <ul style="list-style-type: none"> • CSB • MBE • FBE 	<ul style="list-style-type: none"> • B2Gnow – www.cleveland.diversitycompliance.com • Certification Officer: Nora Singleton 216-664-4155