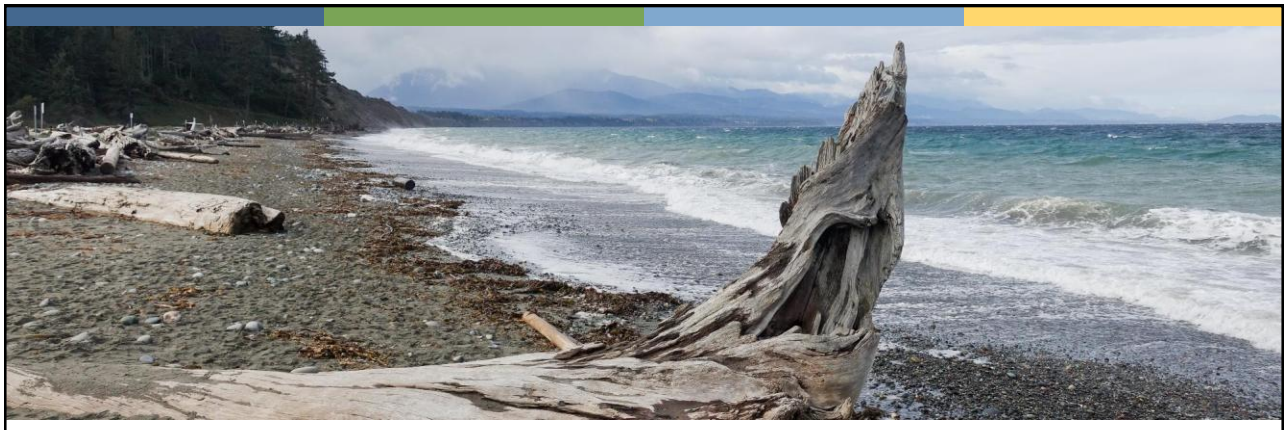


Project Design and Engineering

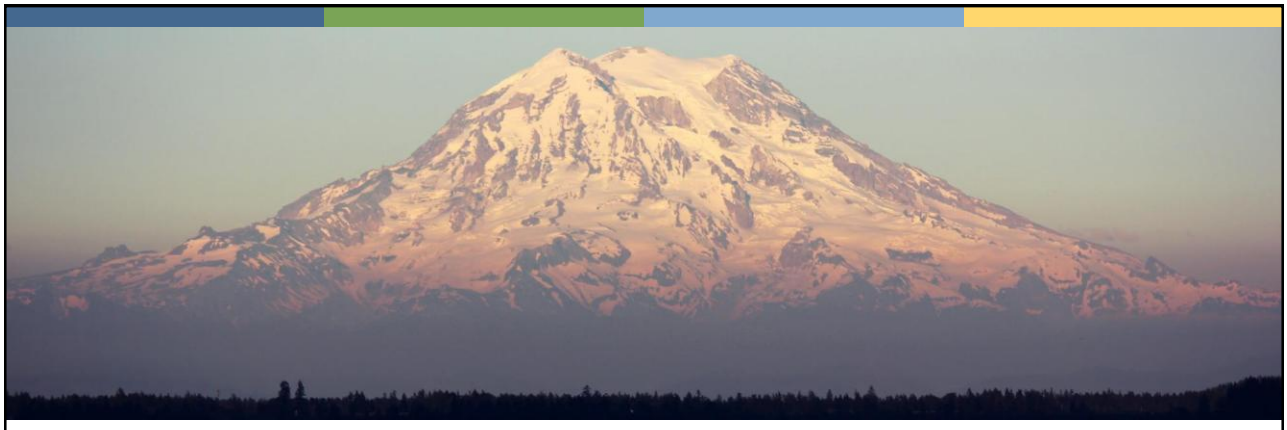
for Grant/Loan Recipients

Water Quality Program – Financial Management Section

July 13th, 2026

1

1



Welcome and Introductions

Share with us in the chat:

- Who are you?
- Who do you represent?
- What is your project?
- Any questions you are hoping to have answered?

2

2

Financial Assistance Engineering Team

David Dunn, P.E.
Statewide Technical Support
david.dunn@ecy.wa.gov
(564) 200-3429

Stephanie Allen, P.E.
Northwest & Southwest Region
stephanie.allen@ecy.wa.gov
(425) 295-5760

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Eastern & Central Region
kimberly.prisock@ecy.wa.gov
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3

3

AGENDA

So, you have a funding offer? Now what?

(Engineering perspectives)

1. From offer to executed agreement
2. Agreement Scope of Work
3. Managing the Agreement
4. Davis Bacon
5. American Iron and Steel (AIS) & Build America, Buy America (BABA)

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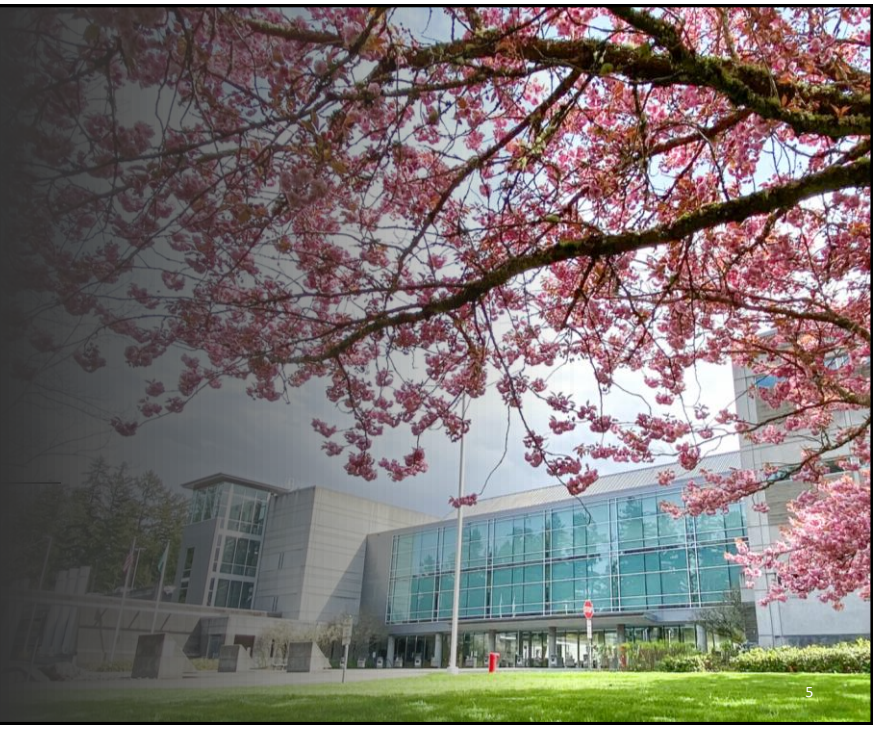
From Offer to Executed Agreement



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Two engineering specific forms are required to execute the agreement

- Cost Effectiveness certification
- Fiscal Sustainability Plan certification

These both look formal

Occasionally borrowers have questions.

6

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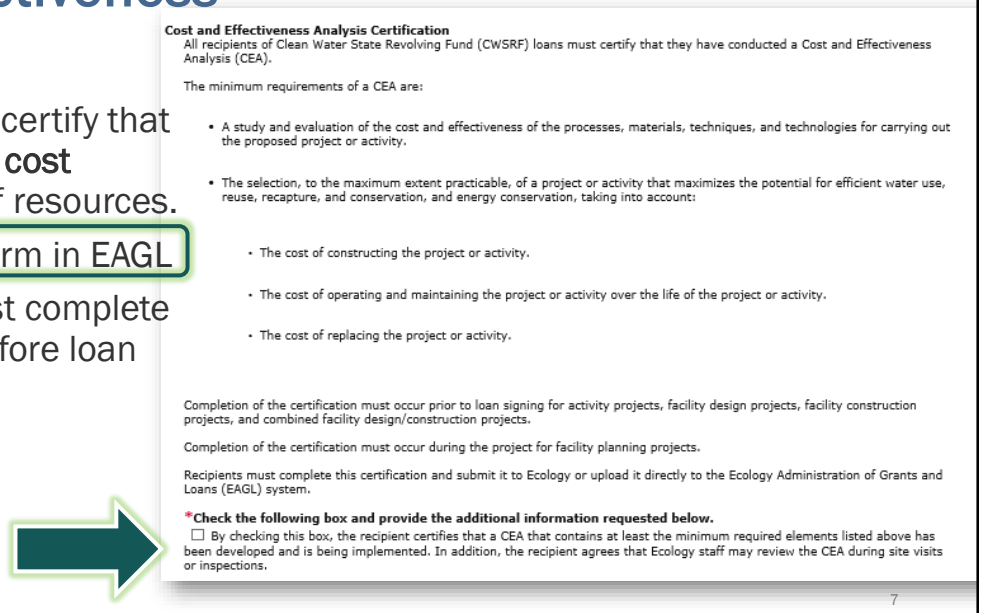
Cost Effectiveness

- Borrower must certify that the project is a **cost effective** use of resources.
- Certification Form in EAGL
- Recipients must complete certification before loan can be signed.



Cost and Effectiveness Analysis Certification

All recipients of Clean Water State Revolving Fund (CWSRF) loans must certify that they have conducted a Cost and Effectiveness Analysis (CEA).

The minimum requirements of a CEA are:

- A study and evaluation of the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity.
- The selection, to the maximum extent practicable, of a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account:
  - The cost of constructing the project or activity.
  - The cost of operating and maintaining the project or activity over the life of the project or activity.
  - The cost of replacing the project or activity.

Completion of the certification must occur prior to loan signing for activity projects, facility design projects, facility construction projects, and combined facility design/construction projects.

Completion of the certification must occur during the project for facility planning projects.

Recipients must complete this certification and submit it to Ecology or upload it directly to the Ecology Administration of Grants and Loans (EAGL) system.

***Check the following box and provide the additional information requested below.**

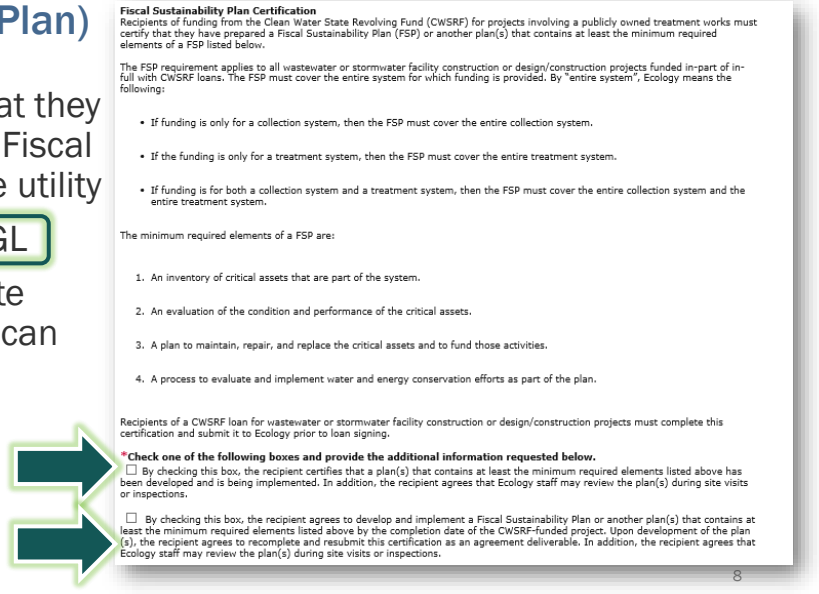
☐ By checking this box, the recipient certifies that a CEA that contains at least the minimum required elements listed above has been developed and is being implemented. In addition, the recipient agrees that Ecology staff may review the CEA during site visits or inspections.

7

7

Fiscal Sustainability Plan
(Asset Management Plan)

- Borrower must certify that they have (or will) implement Fiscal Sustainability Plan at the utility
- Certification Form in EAGL
- Recipients Must complete certification before loan can be signed



Fiscal Sustainability Plan Certification

Recipients of funding from the Clean Water State Revolving Fund (CWSRF) for projects involving a publicly owned treatment works must certify that they have prepared a Fiscal Sustainability Plan (FSP) or another plan(s) that contains at least the minimum required elements of a FSP listed below.

The FSP requirement applies to all wastewater or stormwater facility construction or design/construction projects funded in-part of in-full with CWSRF loans. The FSP must cover the entire system for which funding is provided. By "entire system", Ecology means the following:

- If funding is only for a collection system, then the FSP must cover the entire collection system.
- If the funding is only for a treatment system, then the FSP must cover the entire treatment system.
- If funding is for both a collection system and a treatment system, then the FSP must cover the entire collection system and the entire treatment system.

The minimum required elements of a FSP are:

1. An inventory of critical assets that are part of the system.
2. An evaluation of the condition and performance of the critical assets.
3. A plan to maintain, repair, and replace the critical assets and to fund those activities.
4. A process to evaluate and implement water and energy conservation efforts as part of the plan.

Recipients of a CWSRF loan for wastewater or stormwater facility construction or design/construction projects must complete this certification and submit it to Ecology prior to loan signing.

***Check one of the following boxes and provide the additional information requested below.**

☐ By checking this box, the recipient certifies that a plan(s) that contains at least the minimum required elements listed above has been developed and is being implemented. In addition, the recipient agrees that Ecology staff may review the plan(s) during site visits or inspections.

☐ By checking this box, the recipient agrees to develop and implement a Fiscal Sustainability Plan or another plan(s) that contains at least the minimum required elements listed above by the completion date of the CWSRF-funded project. Upon development of the plan (s), the recipient agrees to recomplete and resubmit this certification as an agreement deliverable. In addition, the recipient agrees that Ecology staff may review the plan(s) during site visits or inspections.

8

8

The Agreement Scope of Work

9

DEPARTMENT OF ECOLOGY State of Washington

Scope of Work (Engineering Elements)

For every element, think about:

- What are you doing?
- What is Ecology funding?
- How are you procuring it?
- Remember this is a contract between the two of us.
- So, the language will necessarily be formal.

10

10

Long Description

- Explains the overall project.
- Focus on WHAT, not WHY.
- Details about specific unit processes, or sizing.
- Describes all funded project elements.
- Clear and factual language.
- Is the basis of understanding for the project.
- Referenced by specific Task/Budget items.

11

11

Example Long Description

This project aims to improve water quality in -------- ------- through the design and construction of upgraded wastewater treatment facilities at the ---------- Wastewater Treatment Plant (WWTP) in the Town of --------- (RECIPIENT). The upgrades will enhance treatment performance and ensure compliance with the NPDES permit. Key water quality improvements include better control of BOD, TSS, Fecal Coliform, pH, Total Ammonia, and Temperature.

To achieve these goals, the project includes an engineering services contract to design several new treatment processes and operational systems, including:

- A new headworks screening structure.
- A new mechanical fine screen and bypass bar screen.
- New bioselector mixers.
- Two new floating aerators in the aeration basin.
- A new UV disinfection system structure.
- A Non-Potable Water (NPW) pump system.
- New influent and effluent flow meter instrumentation.
- Electrical and Instrumentation and Control (I/C) improvements

The project includes preparing approved plans and specifications, construction of the improvements by general contractor selected through competitive bid, and an engineering services contract for construction management.

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Task 1…

Task 1 is fixed and included in every agreement, but it is worth reviewing.

In Task 1, each RECIPIENT is committing to:

- Administration of the Grant and loan (maintain project records, payment requests, progress reports, close out report)
- Keep document of compliance with procurement laws
- Maintain effective communication. Update staff contact info.

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Task: Planning

- Planning Doc (Feasibility Study, Tech Memo, Engineering Report, Feasibility Plan, Asset Management Plan, DOH LOSS Feasibility Plan)
- Work is typically done by engineering consultants. (Non-typical projects)
- Focuses on Cost Effectiveness.
- Environmental Information Document (planning)
  - Does your planning effort need CRR / IDP? Boring, test pits, potholing, investigative excavation.

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Task: Design

- Preparation of bidding document for construction (Design, plans and specs)
- Work is often done by engineering consultants. (Non-typical projects)
- STEP 4 projects have a 1-year deadline.
- Environmental Information Document (design)
  - Does your design effort need CRR / IDP? Boring, test pits, potholing, investigative excavation.
- Design level Energy Review.

15

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Task: Construction

- Work is usually performed by a contractor hired through a competitive low bid process. (Non typical projects)
- Is your project EQUIVALENCY? Requirements vary.
- Environmental Information Document (construciton)
- Inadvertent Discover Plan.
- Pre-Construction meeting. Have one. Invite ECY project manager.
- Utility Energy Audit

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Task: Construction Oversight

- "THE RECIPIENT WILL PROVIDE ADEQUATE AND COMPETENT CONSTRUCTION MANAGEMENT AND INSPECTION FOR THE PROJECT."
- Work is usually performed by a consulting engineer, sometimes by a separate project manager, or a different consultant than the project designer.
- Somebody responsible needs to be in charge of the contractor.
- Construction Quality Assurance Plan. (WAC 173-240-075)
- An up-to-date construction schedule. Resubmit if the schedule changes.

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Construction Quality Assurance Plan
(WAC 173-240-075)

How will "adequate and competent construction inspection" be provided?

The Construction Quality Assurance Plan answers that question.

- Construction schedule, including phasing
- Construction management organization, lines of communication, and responsibility
- Quality control testing
- Change order process- who will initiate, review, negotiate, and approve change orders?
- Record keeping for as-built drawings, field orders, and change orders
- Site inspection program

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Possible, less common tasks:

Task: As-Built Drawings.

- May be included in the loan agreement if you need financing for this task.
- This is a permit requirement. You have to do it even if the loan agreement does not include it.

Task: Operation and Maintenance Manual.

- May be included in the loan agreement if you need financing for this task.
- This is a permit requirement. You have to do it even if the loan agreement does not include it.

Task: Equipment and Tool purchase.

- Sometimes you just need to buy something, not build something.
- ALL PURCHASES MUST BE PRE-APPROVED.
- Ecology Equipment Purchase Report. (EAGL form)
- Disposition.

19

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Managing the Agreement

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Funded Contracts

- All contracts must be procured according to state law.
- All contracts must include Ecology Specifications.
  - Engineers, contractors, project managers, geo-tech, archeologists, value engineers, main contracts, subcontracts, ALL CONTRACTS.
- Upload the executed contract into EAGL. This is required before Ecology will pay any invoices associated with the contract.

21

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Contracts Requirements

- Contract Clauses – Include for Centennial and Clean Water SRF-funded projects
- Specification Inserts – Include for projects receiving Clean Water SRF funding
  - Specification Insert for construction contracts
  - Specification Insert for service contracts
  - Specification Insert for equipment pre-selection

CWSRF funding requirements - Washington State Department of Ecology

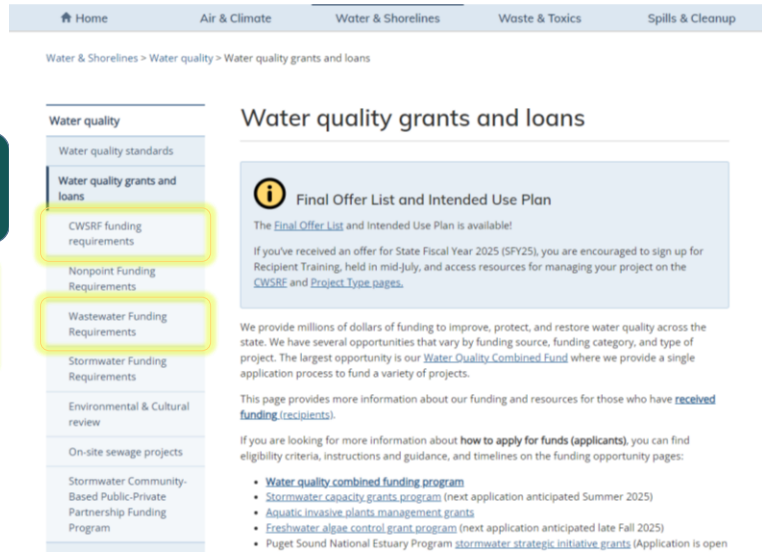
22

22

Water Quality Grant and Loan Website

Resources available on Ecology's website

CWSRF funding requirements



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Is your project:

- State Revolving Fund?
- Equivalency?

- Do you know how to find out?
  - Table 18 of the Final Offer List

24

24

State Revolving Fund requirements (related to engineering)

- SRF specification inserts
- Inadvertent Discovery Plan
- Suspension and Debarment
- Disadvantaged Business Enterprise (DBE)
- Funding Recognition (signage)
- Davis Bacon Prevailing Wage
- American Iron and Steel (AIS)

25

25

Equivalency Requirements (related to engineering)

- SRF specification inserts
- Inadvertent Discovery Plan
- Suspension and Debarment
- Disadvantaged Business Enterprise (DBE)
- Funding Recognition (signage)
- Davis Bacon Prevailing Wage
- American Iron and Steel (AIS)
- Build America, Buy America (BABA)

26

26

Funding Recognition

A sign is the most common option.

- Display Prominently
- Project Cost
- Facility Name, Project Name & Community
- Logos for Ecology and EPA.
- Project Specific Language

Other options exist for funding recognition.

Contact Ecology to Confirm the requirements for your Project!

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Sewer Revenue and User Rate plan

- Typically required for any recipient of hardship funds.
- Demonstrate how your user rates will be able to:
  - Operate and maintain the funded utility
  - Establish reserves
  - AND pay back your loan
-

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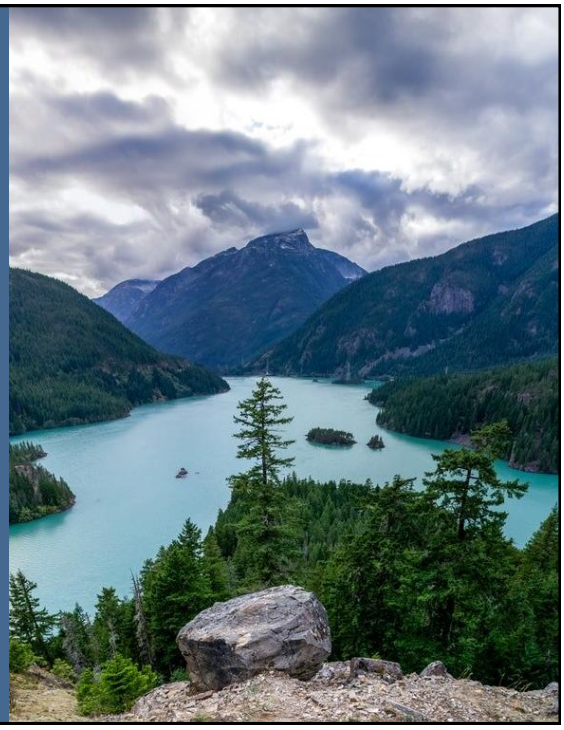
Davis Bacon



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Bidding Requirements: Davis-Bacon

- Confirm the correct Davis-Bacon Wage Determination is in the bid package.
- Confirm the required Davis-Bacon language is included in the advertisement for bids.
- Recipients should check for an updated wage determination
  - Check for new wage determinations ten days before bid opening.
  - *If an updated wage determination is published ten days prior to bid opening, the bid package must be updated by an addendum to include the updated wage determination*
  - If bid opening is postponed, recheck to see if an updated wage determination has been published.

31

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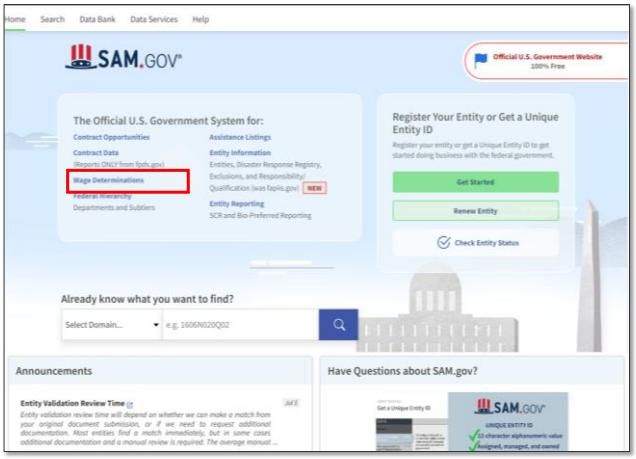
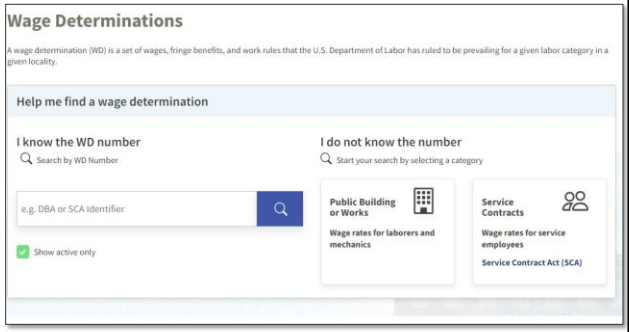
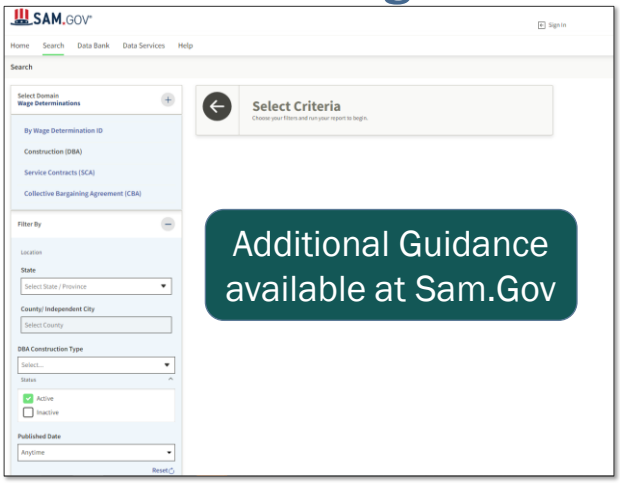
Davis Bacon Wage Determinations





SAM.gov | Wage Determinations

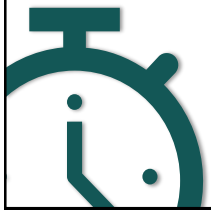
Davis Bacon Wage Determinations (continued)



SAM.gov | Wage Determinations

Davis Bacon during the project

- Collect contractor weekly payroll & confirm wages paid.
- Verify fringe benefits, and that they have been paid.
- Do not make progress payments if Davis Bacon documentation is not in order.
- Perform interviews with laborers to ensure wages paid.
- Always check, and confirm requirements are met throughout the entire life of the project.



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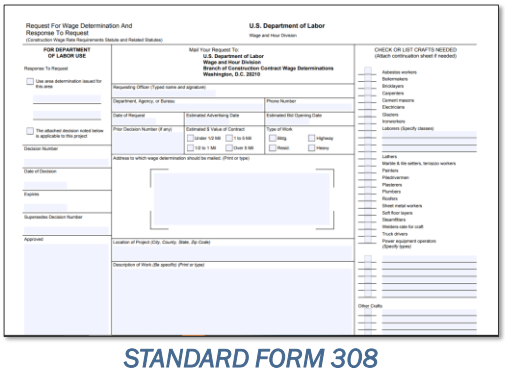
Additional Items

- What if a wage decision is not available?
- What if there is no wage classification and rate listed for my employee's job?



Request For Wage Determination And Response To Request

U.S. Department of Labor

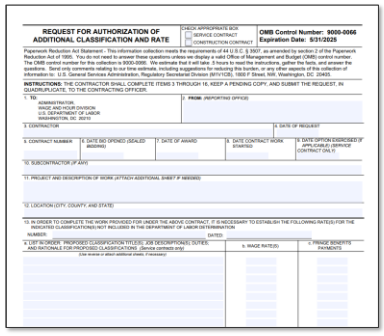
Wage and Hour Division

FOR DEPARTMENT OF LABOR USE

Mail Your Request To:
U.S. Department of Labor
Wage and Hour Division
Branch of Construction Contract Wage Determinations
Washington, D.C. 20210

CHECK OR LIST CRAFTS NEEDED
(Attach continuation sheet if needed)

STANDARD FORM 308



REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND RATE

OMB Control Number: 9000-0066
Expiration Date: 5/31/2028

STANDARD FORM 1444

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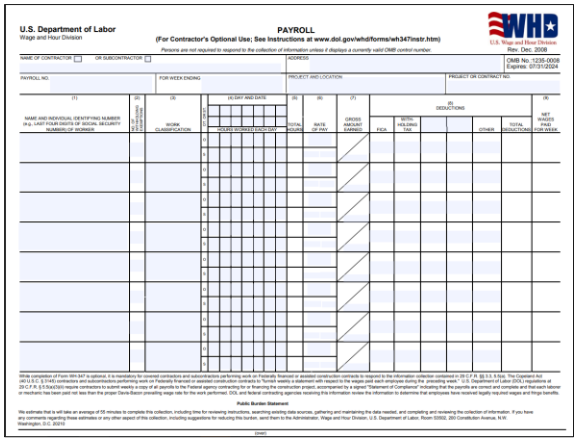
DEPARTMENT OF ECOLOGY State of Washington

Certified Payrolls



U.S. Department of Labor
Wage and Hour Division

PAYROLL

(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

WHD Wage and Hour Division
Rev. Dec. 2008

NAME OF CONTRACTOR ☐ OR SUBCONTRACTOR ☐ ADDRESS

OMB No. 1235-0008
Expires: 07/31/2024

PAYROLL NO. FOR WEEK ENDING PROJECT AND LOCATION PROJECT OR CONTRACT NO.

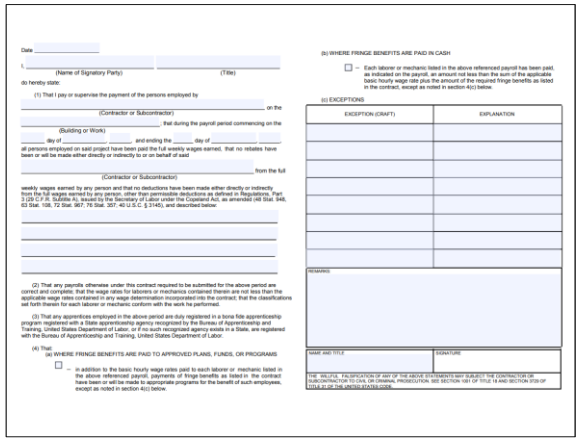
(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	(4) DAY AND DATE HOURS WORKED EACH DAY	(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS FICA	WITH-HOLDING TAX	OTHER	TOTAL DEDUCTIONS	(9) NET WAGES PAID FOR WEEK

While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Public Burden Statement

We estimate that it will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washington, D.C. 20210

(over)



Date _____

I, _____ (Name of Signatory Party) _____ (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by _____ (Contractor or Subcontractor) on the _____ (Building or Work), that during the payroll period commencing on the _____ day of _____, _____, and ending the _____ day of _____, _____ all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said _____ (Contractor or Subcontractor) from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor; or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

☐ – in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

☐ – Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS

NAME AND TITLE SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 3729 OF TITLE 31 OF THE UNITED STATES CODE.

FORM WH-347

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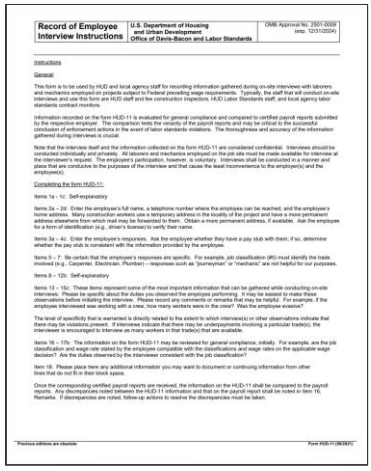
DEPARTMENT OF ECOLOGY State of Washington

Wage Interviews



Record of Employee Interview Instructions | U.S. Department of Housing and Urban Development, Office of Davis-Bacon and Labor Standards | OMB Approval No. 2501-0009 (exp. 12/31/2024)

Instructions

General

This form is to be used by HUD and local agency staff for recording information gathered during on-site interviews with laborers and mechanics employed on projects subject to Federal prevailing wage requirements. Typically, the staff that will conduct on-site interviews and use this form are HUD staff and fee construction inspectors, HUD Labor Standards staff, and local agency labor standards contract monitors.

Information recorded on the form HUD-11 is evaluated for general compliance and compared to certified payroll reports submitted by the respective employer. The comparison tests the veracity of the payroll reports and may be critical to the successful conclusion of enforcement actions in the event of labor standards violations. The thoroughness and accuracy of the information gathered during interviews is crucial.

Note that the interview itself and the information collected on the form HUD-11 are considered confidential. Interviews should be conducted individually and privately. All laborers and mechanics employed on the job site must be made available for interview at the interviewer's request. The employee's participation, however, is voluntary. Interviews shall be conducted in a manner and place that are conducive to the purposes of the interview and that cause the least inconvenience to the employer(s) and the employee(s).

Completing the form HUD-11:

Items 1a - 1c: Self-explanatory

Items 2a – 2d: Enter the employee's full name, a telephone number where the employee can be reached, and the employee's home address. Many construction workers use a temporary address in the locality of the project and have a more permanent address elsewhere, which can be difficult to verify in the field. Obtain a more permanent address, if available. Ask the employee for a form of identification (e.g., driver's license) to verify their name.

Items 3a – 4c: Enter the employee's responses. Ask the employee whether they have a pay stub with them; if so, determine whether the pay stub is consistent with the information provided by the employee.

Items 5 – 7: Be certain that the employee's responses are specific. For example, job classification (#5) must identify the trade involved (e.g., Carpenter, Electrician, Plumber) – responses such as "journeyman" or "mechanic" are not helpful for our purposes.

Items 8 – 12b: Self-explanatory

Items 13 – 15c: These items represent some of the most important information that can be gathered while conducting on-site interviews. Please be specific about the duties you observed the employee performing. It may be easiest to make these observations before initiating the interview. Please record any comments or remarks that may be helpful. For example, if the employee interviewed was working with a crew, how many workers were in the crew? Was the employee evasive?

The level of specificity that is warranted is directly related to the extent to which interview(s) or other observations indicate that there may be violations present. If interviews indicate that there may be underpayments involving a particular trade(s), the interviewer is encouraged to interview as many workers in that trade(s) that are available.

Items 16 – 17b: The information on the form HUD-11 may be reviewed for general compliance, initially. For example, are the job classification and wage rate stated by the employee compatible with the classifications and wage rates on the applicable wage decision? Are the duties observed by the interviewer consistent with the job classification?

Item 18: Please place here any additional information you may want to document or continuing information from other lines that do not fit in their block space.

Once the corresponding certified payroll reports are received, the information on the HUD-11 shall be compared to the payroll reports. Any discrepancies noted between the HUD-11 information and that on the payroll report shall be noted in Item 16, Remarks. If discrepancies are noted, follow-up actions to resolve the discrepancies must be taken.

Previous editions are obsolete | Form HUD-11 (06/2021)

Record of Employee Interview | U.S. Department of Housing and Urban Development, Office of Davis-Bacon and Labor Standards | OMB Approval No. 2501-0009 (exp. 12/31/2024)

The public reporting burden estimate for this collection of information is 15 minutes per response on average. This includes reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information collection request displays a currently valid OMB control number. The information collected ensures compliance with the Federal labor standards through recording interviews with construction workers. The information collected assists HUD in compliance monitoring of Federal labor standards. Any information collected is covered by the Privacy Act of 1974, and by 28 CFR 0.85(a)(5). Individuals are not required to provide information unless it displays a currently valid OMB control number. The information collected may always enforcement of any possible Federal labor standards violations if the information would have identified any. Comments concerning this burden statement or this collection should be sent to: National Director, Office of Davis-Bacon and Labor Standards, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410-7000.

Pursuant to 5 U.S.C. § 552a(e)(3), this Privacy Act Statement serves to inform you of the following concerning the collection of the information on this form:

A. **AUTHORITY:** Collection of the information solicited on this form is authorized by the Davis-Bacon Act as promulgated through Department of Labor Regulations under 29 CFR Part 5, and Reorganization Plan No. 14 of 1950. The primary purpose for soliciting this information is to determine if the wages paid by an employer on a project covered by the Davis-Bacon Act are in compliance with Federal labor standards.

B. **ROUTINE USES:** The information collected assures compliance with the Federal labor standards through recording interviews with construction workers on topics related to wages paid and work performed. The information collected is used to conduct enforcement actions to ensure restitution is paid to workers of covered projects are paid proper wages under the Davis-Bacon Act.

C. **CONSEQUENCES OF FAILURE TO PROVIDE INFORMATION:** The information collection is voluntary. Refusing to give information will not impact your status with your employer or the grantee/s. Failure to provide the information will limit the ability of HUD to determine if you were paid proper wages under the Davis-Bacon Act, and will limit the ability for HUD to seek restitution in the event a violation is found.

1a. Project Name | 2a. Employee Name

1b. Project Number | 2b. Employee Phone Number (including area code)

1c. Contractor or Subcontractor (Employer) | 2c. Employee Home Address & Zip Code

2d. Verification of classification(s)? Yes ☐ No ☐

3a. How long on this job? | 3b. Last date on this job before today? | 3c. No. of hours last day on this job? | 4a. Hourly rate of pay | 4b. Fringe Benefits? Vacation Yes ☐ No ☐ Medical Yes ☐ No ☐ Pension Yes ☐ No ☐ | 4c. Pay slip? Yes ☐ No ☐

5. Your job classification(s) (list all) — continue in block 18 if necessary

6. Your duties — continue in block 18 if necessary

7. Tools or equipment used — continue in block 18 if necessary

8. Are you an apprentice or trainee? Yes ☐ No ☐ | 11. Are you paid at least time and ½ for all hours worked in excess of 40 in a week? Yes ☐ No ☐

9. Are you paid for all hours worked? Yes ☐ No ☐ | 11. Have you ever been threatened or coerced into giving up any part of your pay? Yes ☐ No ☐

12a. Employee Signature | 12b. Date

12. Duties observed by the interviewer (Please be specific.)

14. Remarks — continue in block 18 if necessary

15a. Interviewer Name (Please Print) | 15b. Signature of Interviewer | 15c. Date of Interview

Payroll Examination

16. Remarks — continue in block 18 if necessary

17a. Signature of Payroll Examiner | 17b. Date

Previous editions are obsolete | Form HUD-11 (12/2021)

Record of Employee Interview | U.S. Department of Housing and Urban Development, Office of Davis-Bacon and Labor Standards | OMB Approval No. 2501-0009 (exp. 12/31/2024)

18. Additional Remarks

Previous editions are obsolete | Form HUD-11 (12/2021)

CONFIDENTIAL

FORM HUD-11

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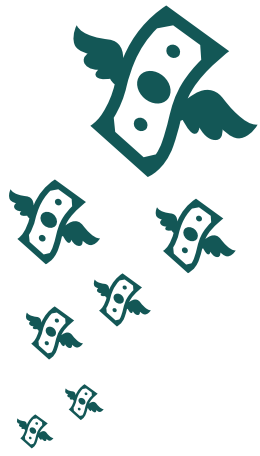
State Prevailing Wage

- All contractors are required to comply with the State Prevailing Wages for Public Works as required by Chapter 39.12 RCW.
- Project owners must clearly state the requirement in the bid document, and verify contractor responsibility.

Where conflicts arise between the State prevailing wage and Davis-Bacon Act prevailing wages the more stringent requirement shall govern.

Washington Department of Labor & Industries - Prevailing Wage Rates



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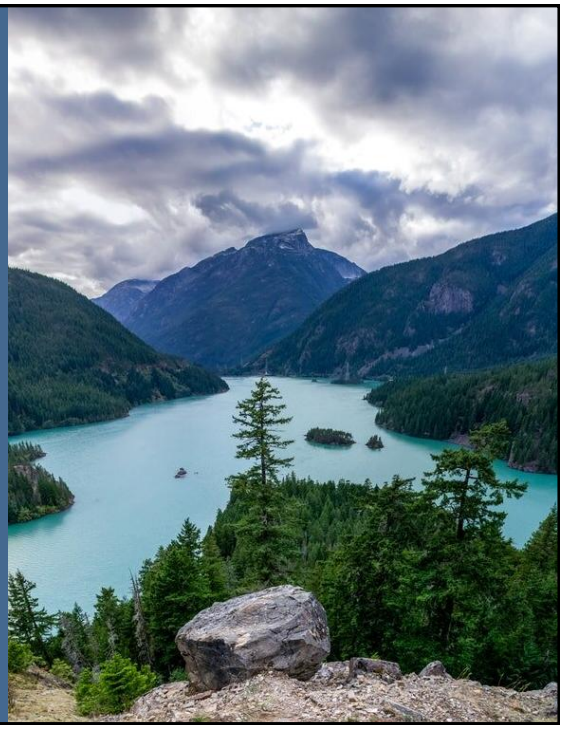
American Iron and Steel



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AIS Requirement

"No SRF funds shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless ~~all~~ 95% of the iron and steel products used in the project are produced in the United States."

- 100% of the manufacturing steps must occur in the United States.

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AIS Listed Products

- Lined or unlined pipes or fittings
- Manhole covers
- Municipal castings
- Hydrants
- Tanks
- Flanges
- Pipe clamps and restraints
- Valves
- Structural steel
- Reinforced precast concrete
- Construction materials

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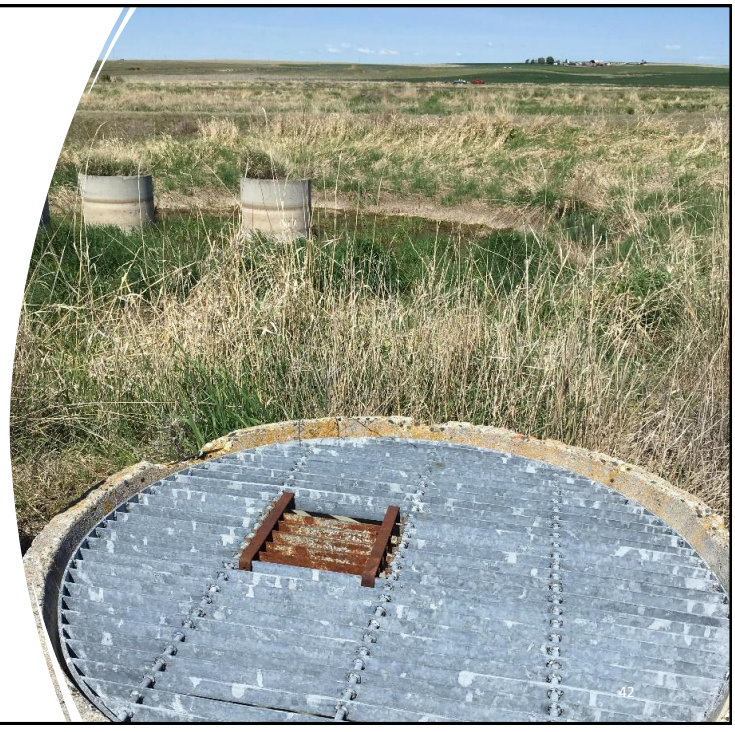
Reinforced Precast Concrete

- Includes pre-stressed concrete pipe
- Casting of the concrete product must take place in the US
- Reinforcing bar and wire must be produced in the US
- Cement and other raw materials not required to be from the US



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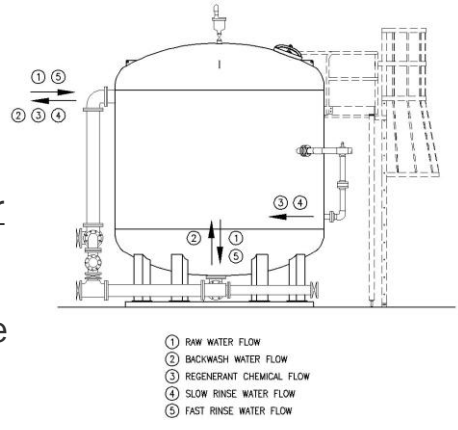
AIS – Packaged Systems

- AIS requirements apply to the final product as delivered to the work site. Other assemblies, such as a pumping assembly, are distinct products not listed and do not need to be made in the U.S. or composed of all U.S. parts.
- Non-covered products used in a larger non-domestic assembly, do not have to be domestically produced.



If a non-domestic package system, ensure it is clear what is provided by the package system manufacturer.

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AIS Waivers

- Waivers come in two types:
  - National
  - Project Specific

AIS National Waiver - De Minimis

- Allows a small amount of unknown or non-domestic origin materials:
  - Up to 5% of the total material costs
  - Maximum 1% for any single item
  - De minimis items must be "incidental to the project purpose"
- Need to document the material costs of the project
- Document all items covered with de minimis waiver
- "Permission" not needed to include items under de minimis waiver

AIS Waivers - De Minimis example

National De Minimis Waiver

- Allows an SRF project to use a small percentage of incidental products of unknown or non-domestic origin
- Up to **5%** of total project material cost
- Up to **1%** of total project material cost for any single item

AIS De Minimis List Example				
Total Materials Cost for Project			$ 185,000	
Product	Amount	Cost	Total Cost	% of Total Materials Cost
Galvanized Conduit Strap	20	$ 1.00	$ 20.00	0.011%
Galvanized Screws	40	$ 0.05	$ 2.00	0.001%
4" Stainless Steel Tee	2	$ 75.00	$150.00	0.081%
		Total	$ 172.00	0.093%

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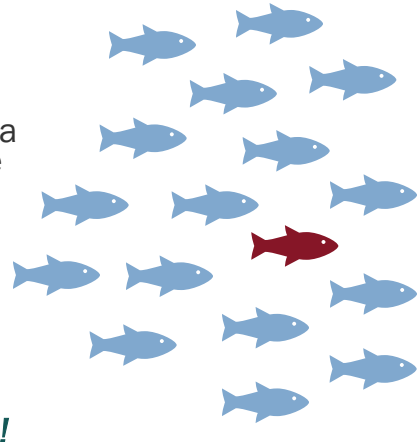
AIS - Specific Waivers

- **Availability Waiver:** A specific product is not produced in the U.S. in sufficient quantity, reasonably available quantities, or satisfactory quality.
- **Public Interest Waiver:** If AIS requirements for a specific product would be inconsistent with the public interest.
- **Cost/Expense Waiver:** If AIS requirements will increase the overall project cost by more than 25%.
- Waiver requests are evaluated and granted by EPA.



Ecology will help prepare waiver request!

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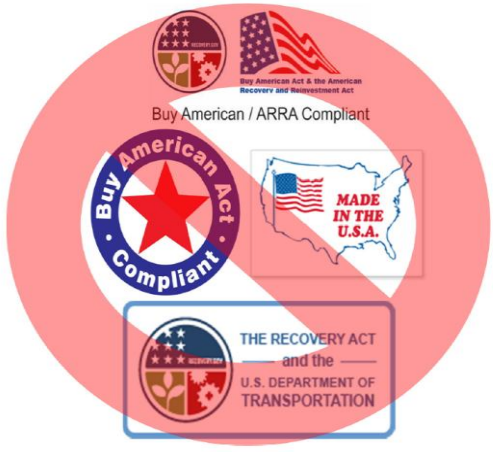
Documenting AIS Compliance

- Vague general statements, labels, or marketing material are not enough.
- You want to have product specific certification letters.



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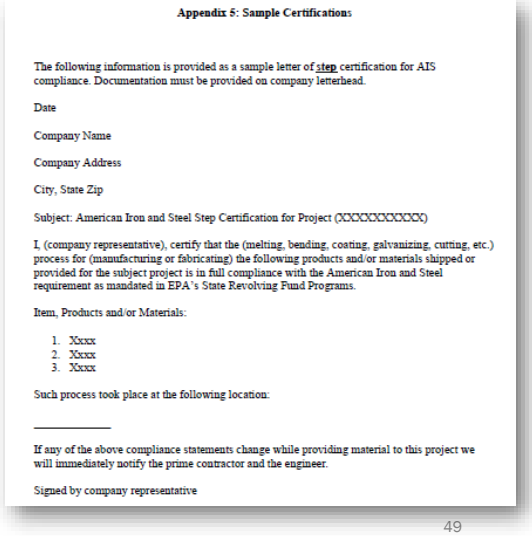
Documenting AIS Compliance

Certification letters

1. List the specific products delivered to the site.
2. List manufacturing locations (city and state).
3. Reference recipients specific project.
4. Directly state that all manufacturing occurred in the US.
5. Include signature of a company representative.



Appendix 5: Sample Certifications

The following information is provided as a sample letter of step certification for AIS compliance. Documentation must be provided on company letterhead.

Date

Company Name

Company Address

City, State Zip

Subject: American Iron and Steel Step Certification for Project (XXXXXXXXXX)

I, (company representative), certify that the (melting, bending, coating, galvanizing, cutting, etc.) process for (manufacturing or fabricating) the following products and/or materials shipped or provided for the subject project is in full compliance with the American Iron and Steel requirement as mandated in EPA's State Revolving Fund Programs.

Item, Products and/or Materials:

1. Xxxx
2. Xxxx
3. Xxxx

Such process took place at the following location:

_____

If any of the above compliance statements change while providing material to this project we will immediately notify the prime contractor and the engineer.

Signed by company representative

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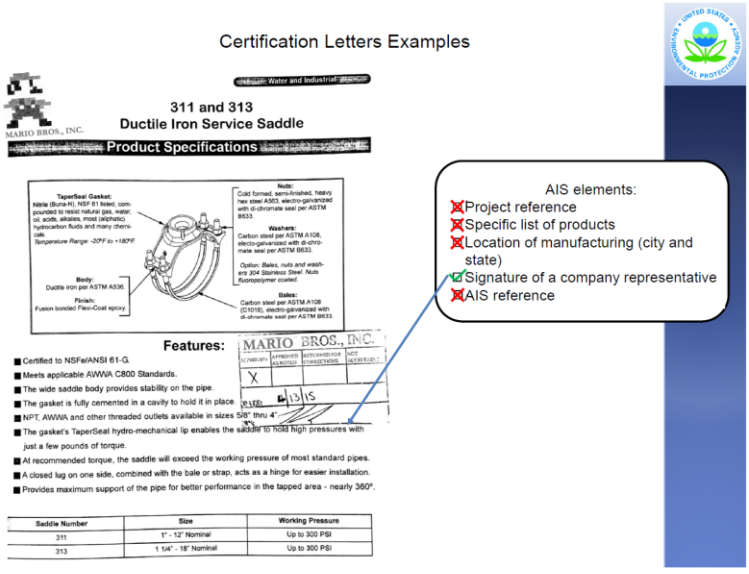
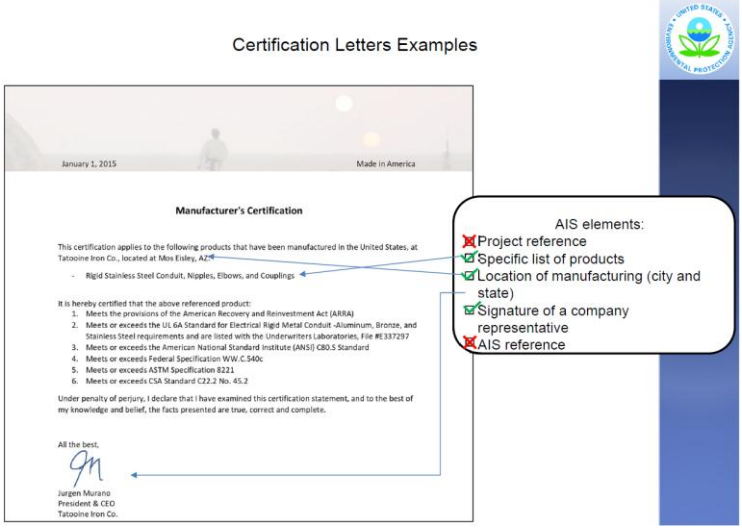
Example AIS Documentation



Example AIS Documentation (Continued I)



Example AIS Documentation (Continued II)

Certification Letters Examples

MINAS MORGUL

Minas Morgul Steel, Inc.
1245 Barad Dur Ave.
Mordor, Middle Earth
+1 555 867 5309

Material Certification

August 29, 2017
Gondor Supply Co.
3477 One Ring Ln.
Fort Tirith, IA 50501

RE: Job Name: Saruman Contracting
Project#: Hobbiton Water Treatment Plant, The Shire, WY
Order Type: Submittal

QUANTITY	DESCRIPTION
30	8550350 66-S VLV BOX 26T 36B 1.5 WTR

Dear Valued Partner:

We hereby certify that the iron used to make the construction castings manufactured by MMS for the above referenced project is in full compliance with ASTM A48, Class 35B and AASHTO M105 for gray iron castings and ASTM A536, Grade 70-50-05 for ductile iron castings. Thank you for specifying and using products manufactured by Minas Morgul Steel, Inc.

The above listed castings are melted and manufactured 100% in the United States of America at our foundries in Moria, OK and Isengard, MI. These castings comply with the applicable provisions of the Code of Federal Regulations 23 CFR 635.410 BUY AMERICA Requirements.

We also certify that the above listed products supplied to the subject project are in full compliance with the American Iron and Steel (AIS) requirement as mandated in EPA's State Revolving Fund Programs.

Meriadoc Brandybuck
Product Quality Manager
Minas Morgul Steel, Inc.

AIS elements:
- ☑ Project reference
- ☑ Specific list of products
- ☑ Location of manufacturing (city and state)
- ☑ Signature of a company representative
- ☑ AIS reference

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DEPARTMENT OF ECOLOGY
State of Washington

Strategies for AIS Compliance

Design
- Verify domestic product availability
- Communicate issues early

Construction
- Coordinate with Contractor
- Expect the letters with the submittals
- Explain proper certification letters
- Pre-bid and pre-construction conferences
- Clear, consistent communication

Verify if waiver(s) will be needed (product specific or de minimis)

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Tracking AIS Compliance

- Use two tracking spreadsheets
  1. Track every specification section
     - Is this for an "iron and steel product?"
     - Did the manufacturer certify it is domestic?
     - **Recipient MUST have a certification from the manufacturer for every "iron, steel, and precast product"**
  2. Track De Minimis items
     - Document Materials Costs.
     - Quantify percentage of Material Cost.

Shop Drawing No.	Subcontractor/ Supplier	Reference Drawing No.	Reference Spec No.	SUBMITTAL DESCRIPTION	AMERICAN IRON AND STEEL CERTIFICATIONS	Approved	Approved As Noted	Not Approved - Resubmit	Rejected	REMARKS/COMMENTS
1	Oldcastle Precast	Sheet 10	02605	Precast Lid - Tarnsfer Pump Statio	NO		X			CONFIRM LID DIMENSIONS AND PROVIDE AIS FOR REBAR
2	Cemex		03300	Concrete Mix Designs	N/A			X		Slump and Air Emtrainment not to spec.

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AIS Documentation Verification

What to expect during site visits:

American Iron and Steel (AIS)
☐ Recipient maintains records for Iron and Steel products?
☐ Spot check of Certifications for completeness and adequacy. 1. the name of the manufacturer, 2. what product(s) they are certifying, 3. what manufacturing processes they were responsible for, 4. the location of the manufacturing facility, and 5. a signature of a manufacturer's responsible party.
☐ Recipient cross checks received equipment against the certifications to ensure compliance
☐ Recipient reviews change orders for AIS requirements
☐ Recipient documentation of *de minimis* Iron and Steel products • Listing of all *de minimis* products and their material cost. • Documentation of the total material cost for the project. • Total cost of the *de minimis* items is less than 5% of the total materials cost
☐ Has the Recipient had any difficulty finding domestic providers for Iron and Steel products?
☐ Offer the Recipient assistance with a waiver for any Iron and Steel products.

Records should be stored and maintained for a minimum of 3 years!

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Build America, Buy America (BABA)

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DEPARTMENT OF ECOLOGY State of Washington

BABA Requirement

Almost

- "[N]one of the funds made available for a Federal financial assistance program for infrastructure…may be obligated for a project unless ~~all~~ 95% of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States."
  - **Iron/Steel:** 100% of the manufacturing processes, from melting to coatings, must occur in the US.
  - **Manufactured Products:** The final manufacturing process and assembly of the product must take place in the US. At least 55% of the total cost of all components must be US sourced.
  - **Construction Materials:** 100% of the manufacturing steps must occur in the United States.

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BABA – What isn't covered?

- Raw materials in their natural, unprocessed state.
  - Soil, sand, gravel, compost, backfill
  - Raw wood (not dimensional lumber)
  - Cement and cementitious materials;
  - Aggregate binding agents/additives
    - Wet concrete (not precast)
    - Hot mix asphalt

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Reinforced Precast Concrete II

- Under AIS this is "Iron/Steel" →
  - 100% domestic manufacturing.
- Under BABA this is a manufactured product.
  - Final manufacturing in the US and at least 55% of all components must be US sourced.
- AIS controls. Source your precast with 100% domestic manufacturing.

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BABA National Waiver - De Minimis

- Allows a small amount of unknown or non-domestic origin materials:
  - Up to 5% of the total project costs
  - No 1% single item cap
  - De minimis items must be "incidental to the project purpose"
- Document all items covered with de minimis waiver
- "Permission" not needed to include items under de minimis waiver

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BABA General Waiver – Small Projects

- General applicability public interest waiver.
- BABA requirements are waived for Small Projects,
- Small projects are projects where the Federal (equivalency) assistance agreements from all sources, including subawards are less than $250,000.

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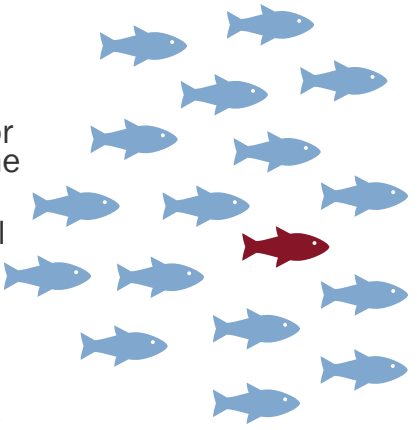
BABA - Specific Waivers

- **Availability Waiver:** A specific product is not produced in the U.S. in sufficient quantity, reasonably available quantities, or satisfactory quality.
- **Public Interest Waiver:** If BABA requirements for a specific product would be inconsistent with the public interest.
- **Cost/Expense Waiver:** If BABA requirements will increase the overall project cost by more than 25%.
- Waiver requests are evaluated and granted by EPA.

Ecology will help prepare waiver request!



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Documenting BABA Compliance

Certification letters

1. List the specific products delivered to the site.
2. List manufacturing locations (city and state).
3. Reference recipients specific project.
4. Directly state that all manufacturing occurred in the US.

   -or- directly state that final manufacturing and assembly took place in the US, and that at least 55% of the total cost of all components are US sourced.
5. Include signature of a company representative.

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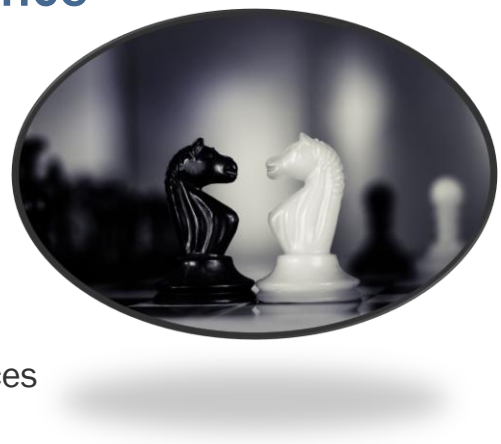
Strategies for AIS Compliance



Design
- Verify domestic product availability
- Communicate issues early

Construction
- Coordinate with Contractor
- Expect the letters with the submittals
- Explain proper certification letters
- Pre-bid and pre-construction conferences
- Clear, consistent communication

Verify if waiver(s) will be needed (product specific or de minimis)

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BABA from multiple sources

- While AIS started as a SRF funding requirement amended into the clean water act and safe drinking water act.
- BABA is a requirement for any federal funding program from its inception.
- If you have multiple funding sources, you may have multiple agencies requiring BABA.
- The “cognizant Agency” is the program that provided more funding for the project.
- The cognizant Agency is responsible for compliance and Waivers.

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Questions & Discussion

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Resources

- Water Quality Grants and Loans - Washington State Department of Ecology
- Washington Administrative Code (WAC)
  - General sewer plan (173-240-050)
  - Engineering report aka facility plan (173-240-060)
  - Plans and specifications (173-240-070)
  - Construction quality assurance plan (173-240-075)
  - Declaration of construction complete (173-240-090)
- Washington Department of Labor & Industries
  - Washington Prevailing Wage Rates
- Revised Code of Washington (RCW)
  - Contracts for Architectural and Engineering Services (39.80.010)
- Davis Bacon wages:
  - Davis Bacon Act on U.S. Department of Labor's website
  - EPA memo regarding Davis Bacon requirements
  - Guidance for David Bacon compliance
  - Sam.Gov - Wage Determinations
- AIS on EPA's website
- Build America, Buy America (BABA) on EPA's website
- Made in America Office (MIAO) website

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Thank you!

David Dunn, P.E.
david.dunn@ecy.wa.gov
564.200.3429

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