

# Anne Arundel County, Maryland

## Prevailing Wage and Local Hiring Law

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### Overview

Beginning with contracts executed on July 1, 2022, the Prevailing Wage and Local Hiring Law applies and is patterned after the Federal Davis-Bacon and State of Maryland's prevailing wage laws. It requires the prevailing wage be paid to workers on County-financed construction contracts; adding local hiring requirements. The prevailing wage rate is the rate paid for comparable work in the private sector within the County. The County's Wage Determinations are subject to the State of Maryland Wage Determination rates for Anne Arundel County for Highway Construction and/or Building Construction. Job classifications not listed will be required to request a rate determination with the Request for Additional Wage Rates form. In the event of a conflict between the County prevailing wage and local hiring statutes, the statute shall control.

It is the responsibility of each contractor and bidder submitting a quote or solicitation to Anne Arundel County to read, certify and attest to the County that they have read and agree to be bound by the prevailing wage and local hiring requirements of the County, including these guidelines, and agree to be bound to them. An affidavit must be provided attesting to the same in such form and substance as required by the County upon demand as an incorporated requirement to any contract or agreement.

In the event the state or federal prevailing wage law applies, the requirements of Maryland state law or federal law shall apply, provided however that local hiring requirements may still also concurrently apply. If the state prevailing wage applies, additional requirements as set forth in COMAR and state statute will be applicable including, but not limited to, notices to independent contractor and withholding of last payments for contracts until a certification and attestation is received by the County evidencing that all employees and contractors have been paid in accordance with state prevailing wage requirements.

[Find Information on the prevailing wage law for the State of Maryland](#)

# Documents and Resources

- Prevailing Wage and Local Hiring Law for Anne Arundel County, Maryland  
<https://www.aacounty.org/departments/county-council/legislation/bills-and-resolutions/72-21>
- Prevailing Wage and Local Hiring Handout(s)
  - a. <https://www.aacounty.org/test/departments/central-services/purchasing/prevailing-wage-law/forms-publications/local-hiring-vendor-handbook.pdf>
  - b. <https://www.aacounty.org/test/departments/central-services/purchasing/prevailing-wage-law/forms-publications/contract-requirements-policies.pdf>
- LCPtracker software [www.lcptracker.net](http://www.lcptracker.net)
- Prevailing Wage Rates <https://www.dllr.state.md.us/PrevWage/web/content/PWRequestRates.aspx>
- Prevailing Wage Complaint Form  
<https://www.aacounty.org/test/departments/central-services/purchasing/prevailing-wage-law/submit-complaint/>
- Prevailing Wage Law Information for the State of Maryland  
<http://dllr.state.md.us/labor/prev/>
- Prevailing Wage and Local Hiring Affidavit  
<https://www.aacounty.org/test/departments/central-services/purchasing/prevailing-wage-law/forms-publications/affidavit.pdf>
- State of Maryland FAQs  
<http://dllr.state.md.us/labor/prev/prevwagefaqs.shtml>

Should you have any questions or concerns, you are welcome to contact Prevailing Wage Notifications at [prevailing-wage-notifications@aacounty.org](mailto:prevailing-wage-notifications@aacounty.org)

**ANNE ARUNDEL COUNTY, MARYLAND**  
**PREVAILING WAGE GUIDANCE FOR CONTRACTORS**  
**LABOR LAW REQUIREMENTS CHECKLIST**

The federal, state, and county labor law requirements applicable to the contract are composed of, but not limited to, the following as required by Anne Arundel County Bill 72-21, which applies to contracts as set forth in the bill and statute. In the event of a conflict between the language of the statute and the below information, the statute will control. The Purchasing Agent may promulgate additional guidelines and requirements with thirty days posting and public comment period on the County’s Purchasing Department website as set forth in the law. The Purchasing Agent may issue clarifications and interpretations of the Prevailing Wage and Local Hiring Law in their discretion publicly or to an individual contractor upon request, but is not obligated to do so:

1. Payment of Prevailing Wage Rate

The award of a public works contract requires that all workers employed on the project be paid not less than the specified general prevailing wage rates by the contractor and its subcontractors. Prevailing wage determinations will be issued with the solicitation. The prevailing wage rates in effect for any given project are the rates that were in effect at the time that the solicitation for the project was issued. Prevailing wage determinations include a total package consisting of an hourly rate plus fringe benefits. Fringe benefits may be paid to the employee, or for the benefit of the employee to a bona fide ERISA approved program.

The State prevailing wage will apply to County capital projects valued over \$250,000 as shown in the approved Capital Budget and Program or to capital improvement contracts to which the County contributes funding with a value over \$5,000,000. Prevailing Wage must only be paid by capital construction contractors for direct and measurable construction activities. The prevailing wage does not apply to contracts that are funded with Federal funds, projects awarded without competition, contracts with another governmental entity, contracts that are joint or cooperative purchases, or is an emergency purchase, or design projects.

If an amendment or change order to the construction contract results in the value of the capital project exceeding \$250,000 then the prevailing wage will apply only to the work covered by the amendment or change order.

Subsequent changes to the budget for a project would not impact the applicability of the prevailing wage to the capital improvement construction contract.

2. Apprentices

All apprentices must be registered with the Maryland Apprenticeship and Training Council and currently enrolled in and attending appropriate classes, this person is considered “actively enrolled”. Only actively enrolled apprentices may be employed on the project at the apprentice prevailing wage rate.

Local Hiring

A contractor shall make best efforts to fill at least 51% of new jobs required to complete the Capital Improvement contract or Capital Project with Anne Arundel County residents. The contractor shall submit quarterly reports to the Department, on the form designated by the Director, which includes the following:

- The number of new hires needed for the contract during the reporting period;
- The total number of Anne Arundel County residents hired during the reporting period;
- The total number of all employees hired during the reporting period;
- Description of efforts made to fill the open positions with local County residents; and
- For a new hire during the reporting period, the new hire's name, last four numbers of their social security number, job title, hire date, address, and referral source.

3. Posting Requirements

Prevailing wage rates and rate changes are to be posted at the job site for workers to view.

4. Liquidated Damages and other Penalties.

On County financed capital improvement contracts, liquidated damages may be imposed upon contractors who do not comply with the County's Prevailing Wage Law or Local Hiring Law requirements as set forth by the County, including failure to meet required timeframes. Rates for liquidated damages will be set in the solicitation documents at the time of advertisement or if added/changed via addendum in addition to those set forth by law. Violations of local hiring may include other penalties as set forth in [Anprevailingwageratenotifications@aacounty.org](mailto:Anprevailingwageratenotifications@aacounty.org)ne Arundel County Bill 72-21.

5. Overtime and Holidays

Overtime shall be paid on work performed in excess of 10 hours per day, more than 40 hours per week, and work performed on Sundays and holidays. The following are holidays for the purposes of the County's Prevailing Wage Law: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Additional holidays may apply as noted in footnotes of the wage determination itself. It is the Contractor's responsibility to verify which holidays are applicable to their trade(s).

6. Jobsite Interviews

The County requires that a sample of employees be interviewed each month. The County will conduct interviews once a month, as well as verify that the prevailing wage rates are posted on the jobsite. Due to Homeland Security Requirements, all personnel on government job sites (be it Federal, State, County or Local Government) are required to carry photo identification on their person at all times and to show it upon demand.

7. Request

If a classification is not listed on the wage determination the Contractor may request the omitted classification from the County, by sending a request to [prevailing-wage-notifications@aacounty.org](mailto:prevailing-wage-notifications@aacounty.org), who will in turn pass the request onto to the State of Maryland, Dept. of Labor, Licensing & Regulation to attain the correct rate for that classification that

was not published. You may NOT arbitrarily borrow the rate and/or trade classification from another project within the County. Nor will you list employees as “Common/ Unskilled Laborers” because no other classification currently exists. Common/Unskilled Laborers are described by the State of Maryland Dept. of Labor, Licensing & Regulation herein on page 8. Common/Unskilled Laborers may perform the tasks listed and only those tasks. Any other tasks being performed using tools, even hand tools, that are not shown on the wage determination for the project will require an omitted classification request.

\*When requesting an omitted classification, you MUST submit this request in writing with a complete description of job duties and tools used by the classification.

8. Fringe Benefit

In order to complete a payroll audit, an authorized party for the Contractor must complete a fringe benefit statement listing the fringes being paid to all employees in each trade. Information listed on the fringe benefit statement must reflect the actual benefits paid to a third party on behalf of the specific employee. The fringe amount must show a per hour breakdown of the specific contributions (health, pension, etc.) for each trade and/or employee and the addresses of the payee plans. For contractors who pay medical benefits directly to a medical plan, such as Kaiser or Blue Shield, the monthly payment for each employee must be amortized into an hourly rate. (For example: Joe’s health premium is \$300 a month, that rate multiplied by 12 (months) divided by 2080 (hours), which yields an hourly rate of \$1.73 per hour). Similar amortization is allowed for vacation and holiday time paid. Calculations for paid time off (vacation, holiday, sick days) are based on days/year accrued multiplied by 8 (hours) per day at the employee’s regular rate and divided by 2080 (hours). In addition, the company policy shall be submitted with description of paid time off policies. For all 3rd party benefits paid on behalf of the employee, one month’s contribution report or premium statement showing employee full name and amount contributed should be submitted with the fringe benefit statement. (Fringe Benefit Statement available on eDocuments.)

\*If paying into a Pension program please indicate how often contributions are made (monthly/quarterly).

\*If the employer pays any part of the fringe benefit in cash (directly to the employee), this “cash fringe” should be included on the certified payroll form under “rate in lieu of fringes” and not on the fringe benefit statement.

Example of breakdown:

Employee Name	Regular Hourly Rate	Company Paid Monthly Health Premium	Hourly Health Rate	401K / Match	Paid Vacation	Paid Holidays	Total
Full Name	\$15.00	\$300.00	\$1.73	0	1 week = \$/29	6 days = \$.35	\$2.37
Full Name	\$18.00	\$200.00	\$1.15	\$4.50 per hour	2 weeks = \$/29	6 days = \$.35	\$2.37
Full Name	\$23.00	\$150.00	\$.87	3% = \$.69	3 weeks = \$/29	6 days = \$.35	\$2.37

Notes		Cannot include Employee's contributions	Monthly rate x 12 months / 2080 hours	Contributions must be made at least quarterly	# of days x 8hrs.x reg. rate / 2080 hrs.	# of days x 8hrs.x reg. rate/ 2080 hrs.	
Example for illustrative purposes only.							

\*Calculations for Healthcare are based on total per month –any employee deduction amounts =ER paid portion. ER paid amount should be x 12mo/yr divided by 2080 hrs/yr worked to get hrly credit amount.

\*Uniforms are not a valid fringe/deduction, nor are cell phones or auto allowance per the Dept. of Labor guidelines. If these items are being deducted from EE's then the per hour amount being deducted will be subtracted from the required total hourly wage paid which may create a wage violation.

9. Certified Payroll or Non Performance Documentation

Certified payroll or non-performance documentation is required for each week from the beginning of the contractor's/subcontractor's work on the project until completion of that contractor's/subcontractor's work. These documents must reflect a consistent 7-day work week for the entirety of the project. The certified payroll forms must be complete, listing the employee's correct name, address, social security number, hours worked per day, total hours worked per week, wages, deductions and check number. It is critical that the employee's craft classification be listed correctly. Employees must be classified and paid based on what type of work they are performing, not merely by title. It is acceptable for an employee to work in more than one trade category per day, but it is the employer's obligation to keep accurate records of the different types of work performed by the employee, and report it accordingly. Please note that certified payrolls must reflect the actual wages paid to employees and any required local hiring information and are signed under penalty of perjury, therefore any falsification of information is a felony.

NOTE: \*Please be aware non-performance statements must be submitted for weeks in which no work is performed.

10. LCP TRACKER

All certified payrolls are to be submitted through LCPtracker at [www.lcptracker.net](http://www.lcptracker.net). The Contractor will receive a temporary login name and password, by which they may enter LCPtracker and set up all subcontractors. The subcontractors will receive login information from the Contractor. LCPtracker may be accessed at: [www.lcptracker.net](http://www.lcptracker.net). All payrolls must be posted no later than 14 days after the close of the payroll period.

**Web Data Entry via the Data Entry Screens**

Contractors and subcontractors using LCPtracker predominantly use the web data entry screens. It typically takes an average subcontractor about one minute per employee to enter a payroll record. Total subcontractor average time to enter an entire week's Certified Payroll Report (CPR) is 15 minutes. Subcontractors who have less than 20 employees will most likely choose the web data entry

method. This method is a very simple process that allows a subcontractor to use the web forms and enter certified payroll data. Setup tables are used to increase efficiency and to reduce any duplicate data entry steps

### **Accounting Interface to Directly Upload**

Contractors can enter CPR data into LCPtracker with a direct upload of all employee payroll data in one file. Contractors with more than 20 employees should consider this method. This can be accomplished by utilizing the spreadsheet provided by LCPtracker. This spreadsheet directly interfaces to the subcontractor's accounting system. A subcontractor will map the data from their accounting system with the spreadsheet provided. The contractor can then use the upload feature in LCPtracker to send the file with all employees at one time. Some predefined spreadsheet interlaces are already available from the accounting companies (see list below.) Some of the companies on the attached list provide the interface for no charge, while others charge a small fee.

### **Direct Payroll System Interface to LCPtracker (Small annual fee)**

The direct payroll system to interface LCPtracker will allow the use of existing export files from payroll systems as the upload source. Typically, this will be the existing Certified Payroll Report that is in an electronic format such as TXT, CVS or other file format. The contractor need only provide LCPtracker this file.

### **User Manual**

LCPtracker provides a comprehensive user manual that can be downloaded from the main login page of LCPtracker. This is a very useful manual, and describes exactly what steps the contractor and subcontractor need to take in order to submit CPR's electronically on LCPtracker.

### **Web-Based and Telephone Support and Training**

LCPtracker guarantees we will support and train your contractors and subcontractors on how to submit and utilize LCPtracker. We accomplish this by providing three different ways for a contractor to be trained to use the system and submit certified payroll data electronically.

- a. LCPtracker has online web-based video recorded training sessions. Contractors can access a series of short videos (2-10 min each,) as well as, support documents, highlighting key areas necessary for learning to use the LCPtracker system. These can be viewed at any time, and can be reviewed as necessary. Subcontractors can access these sessions from the main login page of LCPtracker at no-charge.
- b. LCPTracker Telephone Web Class – is offered on a weekly basis through the LCPTracker website. Contractor sessions are held every Tuesday at 9:00 a.m. PST and every Thursday at 7:30 am PST and 11:00 am PST. This training is free but requires you to sign up in advance. To do so please go to [www.lcptracker.net](http://www.lcptracker.net) and log in using your user name and password. Select eTraining from the top of the screen, highlighted in green. Then sign-in for a live web-based training session.
- c. LCPtracker will also provide unlimited telephone support to all contractors and subcontractors, provided the contractor has at least viewed the online training one time. LCPtracker will work

with the contractor until they can submit the CPR electronically at no charge. The support number is 714-669-0052 ext. 4.

The following is a list of Direct Accounting Interfaces that are now available for LCPTracker. Please contact the pertinent company directly for more information:

#### **ADP**

Points North - Certified Payroll Reporting Product Web Site - [www.certifiedpayrollreporting.com](http://www.certifiedpayrollreporting.com)

Points North - General Company Web Site - [www.points-north.com](http://www.points-north.com) Contact Mo - (888)561-2072, option 1 Email Inquiries - [info@points-north.com](mailto:info@points-north.com)

**ComputerEase** [JohnM@mycomputerease.com](mailto:JohnM@mycomputerease.com) John Meibers, (800) 544-2530 or Sue Hayes at [sueh@mycomputerease.com](mailto:sueh@mycomputerease.com) ComputerEase Training/Support

#### **Construction Partner, Inc.**

Russ Roy, [russroy@constructionpartner.com](mailto:russroy@constructionpartner.com) (916) 577-1064  
<http://www.coristructionpartner.com/features/labor-compliance.asp>

#### **Paychecks**

Points North - General Company Web Site - [www.points-nortli.com](http://www.points-nortli.com)  
Contact Info - (888)561-2072, option 1 [www.certifiedpayrollreporting.com](http://www.certifiedpayrollreporting.com)  
Email Inquiries - [info@points-north.com](mailto:info@points-north.com)

#### **QuickBooks**

1. Sunburst Software - Ben Smyth, [smyth@sunburstsoftwaresolutions.com](mailto:smyth@sunburstsoftwaresolutions.com) (802) 895-4929  
<http://www.simburstsoftwaresolutions.com/cps-lcptracker.htm>
2. Points North - <http://www.lcpti-acker.com/mterfaces.htm>. Fully compatible with QuickBooks Contractors Edition 07'and 08!
3. Points North - General Company Website - [www.points-north.com](http://www.points-north.com) Contact Info - (888)561-2072, option 1

#### **Timberline**

Event 1 sales-[www.eventlsoftware.com](http://www.eventlsoftware.com) (360) 567-3750  
<http://www.eventlsoftware.com/products/templates/index.html>

#### **Viewpoint Construction Software**

Viewpoint Construction Software ([www.viewpointcs.com](http://www.viewpointcs.com)) offers certified payroll reports that interface with LCPTracker's upload specifications. Please contact us for more information. See our Customer Area on <http://support.viewpointcs.com/>

#### **Visual ContrAcct software**

Event 1 Software (630) 355-8188 [www.jobcost.com](http://www.jobcost.com)

#### 11. Affidavit

The Contractor will be required to submit an affidavit certifying they have read and agree to all County prevailing wage requirements and laws, and that the party providing the financial statements and payroll is an authorized signatory for the Contractor.



12. Prevailing Wage Bond

The Contractor will be required to submit a payment bond for prevailing wage as a condition of solicitations being accepted as responsible and responsive. The Contractor must submit a cost estimate that sets forth the cost of prevailing wage and rates at the time of solicitation that may be used in the tabulation and assessment of prevailing wage bonds for sufficiency. Prevailing Wage Payment Bonds may be used by the County to assess the liquidated damages penalty related to wage set by statute for non payment to employees and subcontractors that the Contractor has not paid in the discretion of the Purchasing Agent after a final finding of a violation.

13. Cost Estimates

In the sole discretion of the Purchasing Agent, both a non prevailing wage cost estimate and a prevailing wage cost estimate, as well as a prevailing wage payment bond, may be required at the time a capital improvement project exceeds the threshold or at the time of solicitation if it may be reasonably ascertained that the capital improvement contract or capital project contract will exceed the amounts required.

14. Liquidated Damages

Liquidated damages related to wages may not be assessed until such time as the threshold amount has been met unless guidance from courts requires that liquidated damages are to be applied retroactively. Such liquidated damages shall be considered a part of any contract executed as set by the statute and as set by the County for failure to provide documentation and/or reporting. Liquidated damages benefiting the third party employee are hereby incorporated with the statute into any applicable contract meeting the capital improvement project threshold. Liquidated damages that are set contractually by the purchasing agent for failure to provide documentation may be assessed at any time if required by the solicitation.

15. Local Hiring Reporting

Contractors must provide all reporting data required by the County's local hiring law as required by the law and must use any form provided by the County for reporting purposes. Failure to comply with the local hiring law may result in a finding of a violation by the Purchasing Agent or Director of Central Services. A violation will be deemed a breach of any agreement or contract with the County under which all default penalties will be applicable. Local hiring requirements include quarterly reporting to Central Services and/or their designee on the form designated by the Purchasing Agent which contain the following with regards to qualifying capital improvement projects of \$1,000,000 or more and capital projects of \$5,000,000 of 1) the number of new hires needed for the contract reporting period, 2) the total number of Anne Arundel County residents hired during the reporting period, 3) the total number of all employees hired during the contract period, 4) best efforts made to fill the open positions with Anne Arundel County residents; and 5) for a new hire during the reporting period: name, last four digits of the social security number, job title, hire date, and address.

16. Violations of the Local Hiring Law

If the Purchasing Agent finds that the Contractor violated the local hiring law and it is found that the violation was intentional the Director of Central Services may in their sole discretion find that the contractor, any of its principals, or any firm, corporation or partnership in which the Contractor has an

interest, may not be awarded on any County contract for one year from the date of the final decision. If a Contractor is late in submitting local hiring reports required to be submitted pursuant to the Anne Arundel County Code, the County may postpone processing payments due under the contract until the required reports are submitted.

17. Appeals and Final Determinations for Prevailing Wage and Local Hiring Violations

In lieu of hearings, all appeals or determinations will be done through written testimony at the discretion of the Director of Central Services. Reasonable accommodations will be granted upon request. If the Director of Central Services determines that a Contractor has not made best efforts or reported as required for local hiring as required, the Director of Central Services shall issue a written decision detailing the basis for the determination. A Contractor may appeal a written decision of the Director that the Contractor violated a provision of this section to the Purchasing Agent within ten working days after receiving a copy of the decision. If the Contractor does not appeal the Director's decision within ten working days after receipt for either prevailing wage or local hiring, the Purchasing Agent's decision on the appeal is not subject to the appeal. The Purchasing Agent may investigate appeals provided prior to that time, request written testimony which must be provided to continue an appeal, or even conduct a hearing, as the Purchasing Agent deems necessary for the review of the appeal.

18. Definition of Unskilled Construction Laborer's Work

Laborers may NOT assist mechanics in the performance of the mechanic's work, NOR USE TOOLS unique to established trades.

Their work should be confined to the following manual tasks:

1. Digging and filling holes and trenches.
2. Loading, unloading and stockpiling materials.
3. Cleaning and sweeping.
4. Driving stakes.
5. Placing concrete and asphalt (not finishing).
6. Stripping forms.
7. Ripping out material which is to be discarded.
8. Clearing and grubbing.

19. Definition of Unskilled Helpers and Trainees Work

ALL contractors shall employ only competent workers and apprentices and may NOT employ an individual classified as a HELPER or TRAINEE.