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P-Wage Policy
Gordon
Changes



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VICE CHANCELLORS -- ADMINISTRATION

Dear Colleagues:

Guidelines for Payment of Prevailing Wage Rates

We have made clarifying improvements to the Guidelines as a result of some recent interpretation problems. To enable your staffs to see the changes, we are including a "strike-out and red-line" version and a "clean" version, both of which reflect the changes.

Please call me or Director Carr at (510) 987-9132, if you have any questions about these changes.

Sincerely,

Michael J. Bocchicchio Sr., A.I.A.
Assistant Vice President--
Facilities Administration

cc: Senior Vice President Kennedy
Director Carr
Acting Director Zimmermann
Manager Olsen
Facilities Managers

UNIVERSITY OF CALIFORNIA
GUIDELINES FOR PAYMENT OF PREVAILING WAGE RATES
ON CONSTRUCTION AND MAINTENANCE CONTRACTS

The requirements for payment of prevailing wage rates on construction and maintenance contracts for public works projects are defined by Sections 1771 through 1775 of the California Labor Code. The University, in certain situations, must require the payment of prevailing wage rates on construction and maintenance contracts. The University also requires the payment of prevailing wage rates in some other situations where an exemption from the prevailing wage requirements could be claimed. These guidelines set forth when the University will require the payment of prevailing wage rates.

The following applies to all construction and maintenance contracts exceeding \$1,000 located in California, and involving the University of California:

1. The University of California will require payment of prevailing wage rates by contractors and subcontractors on construction and maintenance contracts which:
 - a) are contracted for using University of California contract documents, or any other contract documents, and for which any portion of the funds are furnished by the State of California.
 - b) are paid for with funds not furnished by the State of California and contracted for using University of California contract documents; and,
 - c) in situations where:
 - (i) the project is contracted for without using University of California contract documents, but the University owns the underlying land, and the University is the manager of the project; or
 - (ii) the University will be a lessee using more than 50 percent of the assignable square feet of the project in which the construction will be performed regardless of the source of funds, land ownership, or contract documents used.
2. The University of California will not require payment of prevailing wage rates by contractors and subcontractors on construction or maintenance contracts undertaken by developers on a campus or on property of The Regents of the University, including inclusion area land, where the project cannot, in the sole determination of

the responsible University administrator, be constructed economically or practically if the payment of prevailing wages is required, and where either of the following conditions exist:

- (i) the cost will be paid entirely with funds not furnished by the State of California, and the funds are furnished principally by students, faculty, staff, hospital patients, outside corporations, or donors or where the construction or maintenance contract is funded by loans which will be repaid by any of the above; or
 - (ii) the project is built for sale or lease to students, faculty, or staff without any funds being furnished by the State of California.
3. Upon an appropriate showing of exceptional need, the University's Senior Vice President -- Business and Finance may authorize an exception to the prevailing wage requirements of these Guidelines that permits a construction or maintenance project to proceed without the payment of prevailing wages.
4. As used herein, a contract will be considered a maintenance contract only if its performance requires a license under the Contractor's License Law of the State of California.