Inflation Reduction Act Guidance

# Cover Sheet and Instructions

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|  | | | APPROVED DOCUMENT – This document is approved by the Office of the President and Office of the General Counsel for use by the Facility. | | | | |
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| **PURPOSE OF DOCUMENT:** | Provides guidance on Inflation Reduction act prevailing wage and apprenticeship requirements | | | | | | |
| **CROSS-REFERENCE TO FACILITIES MANUAL:** | None | | | | | | |
| **CONTENTS:** | Inflation Reduction Act Guidance | | | | | | |
| **FOR USE WITH:** | Long Form, CM at Risk, Design Build, Multiple Prime, Brief Design Build, and Energy Savings Brief Design Build | | | | | | |
| **COMPLETED BY:** |  | Filling in | |  | Adding Text | X | No Data Required |
| **ITS USE IS:** |  | Required | | X | Optional | | |

**Modifications and Additions:**

1. This is a new required exhibit if 179d tax credits or Inflation Reduction Act funding is being pursued.

**END OF COVERSHEET AND INSTRUCTIONS**

# EXHIBIT - Inflation Reduction Act Guidance

{FACILITY SHALL UTILIZE THIS EXHIBIT IF THE PROJECT IS PURSUING INFLATION REDUCTION ACT TAX CREDITS OR 179D}

**The attached memorandum may be used as a guidance tool for contractors and designers on prevailing wage and apprenticeship requirements to secure Inflation Reduction Act (IRA) credits. The full requirements are outlined in the Supplementary Conditions to Article 14 of the General Conditions, and should be reviewed and referenced for compliance with the IRA. Contractor maintains all responsibility to comply with IRA requirements should the project be selected for IRA credits.**

1. **Prevailing Wage**
   1. The IRA requires that Contractors and Subcontractors pay at least Federal prevailing wage rates set and updated by the United States Dept. of Labor;
   2. California prevailing wage rates, as set by the California Department of Industrial Relations (DIR) are often higher than the Federal prevailing wage rate;
   3. There may be discrepancies in the wage classifications between Federal and State and in some instances no matching classification;
   4. The University requires that the Contractor use LCP Tracker as a tool to report prevailing wage compliance. This necessitates a set-up at the beginning of each project to ensure job classifications match, requiring Contractor and Owner staff time and possibly retaining a qualified consultant.
2. **Apprenticeship:** 
   1. The IRA requires a minimum percentage of total labor hours be performed by qualified apprentices:
      1. 12.5% for projects where construction began in 2023; and
      2. 15% for projects where construction begins in 2024 or after.
   2. Qualified apprentices must be dispatched from a registered apprenticeship committee;
   3. Contractors must agree to abide by the apprenticeship committee’s rules and regulations;
   4. Contractor must allow 5 days for the apprenticeship committee to fill the request for apprentices (which is different than the 3 day or 72 hour requirement of State apprenticeship requirements);
   5. The Contractor must use an appropriate Apprenticeship Dispatch Form, similar to a DAS 142 Form as evidence of compliance, and must document proof of delivery ; and
   6. The University requires that the Contractor use LCP Tracker to report apprenticeship requirements.