

Bill No. 43-15
Concerning: Contracts and Procurement
Wage Requirements
Amendments
Revised: 1/28/2016 Draft No. 5
Introduced: October 20, 2015
Enacted: February 2, 2016
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmembers Elrich and Navarro
Co-Sponsors: Council President Leventhal and Councilmember Riemer

AN ACT to:

- (1) require certain contractors or subcontractors to submit certain payroll records to the Chief Administrative Officer;
- (2) specify the remedies for a violation of the wage or records requirements;
- (3) amend the causes for debarment or suspension; **[[and]]**
- (4) prohibit certain contractors or subcontracts from deducting certain amounts from an employee's paycheck; and
- (5) generally amend the County procurement laws.

By amending

Montgomery County Code
Chapter 11B, Contracts and Procurement
Section 11B-33A and 11B-37

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

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(f) *Exceptions to wage requirement.* The wage requirements of this Section do not apply to any employee:

- (1) who performs no measurable work related to any contract with the County;
- (2) who participates in a government-operated or -sponsored program that restricts the earnings of or wages paid to employees to a level below the wage required under this Section; or
- (3) who participates for no longer than 120 days in any calendar year in a government-operated or -sponsored summer youth employment program[[]; or
- (4) for whom a lower wage rate is expressly set in a bona fide collective bargaining agreement[]].

(g) *Wage reporting.*

- (1) The Director must insert into each contract subject to this Section a provision that requires a covered employer to submit to the Director a report (on a schedule determined by the Director) showing a summary of the wages paid to its employees, who performed direct, measurable work under the contract, by gender and race.
- (2) Each contractor and subcontractor must submit a complete copy of its payroll records for work performed on a contract covered by this Section to the Chief Administrative Officer or a designee within 14 days after the end of each [[payroll period]] quarter.
- (3) The payroll records must contain a statement signed by the contractor or subcontractor certifying that:
 - (A) the payroll records are correct; and

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(B) the wage rates paid are not less than those required by this Section.

(4) Each payroll record must include:

(A) the name, address, and telephone number of the contractor or subcontractor;

(B) the name and location of the job; and

(C) each employee's:

(i) name;

(ii) current home address, unless previously reported;

(iii) daily straight time and overtime hours;

(iv) total straight time and overtime hours for the payroll period;

(v) rate of pay;

(vi) fringe benefits by type and amount;

(vii) gross wages; and

(viii) the employer and the employee share of any health insurance premium provided to the employee.

(5) Each contractor or subcontractor must:

(A) keep payroll records covering work performed on a contract covered by this Section for not less than 5 years after the work is completed; and

(B) subject to reasonable notice, permit the Chief Administrative Officer or a designee to inspect the payroll records at any reasonable time and as often as the Chief Administrative Officer deems necessary.

(6) The Chief Administrative Officer or a designee must make payroll records obtained from contractors or subcontractors under this

108 withhold from payment due the contractor, pending a final
 109 decision, an amount sufficient to:

110 ~~[(i)]~~ (A) pay each employee of the contractor or subcontractor the
 111 full amount of wages due under this Section; ~~[[and]]~~

112 ~~[(ii)]~~ (B) satisfy a liability of a contractor for liquidated damages
 113 as provided in this Section; and

114 (C) reimburse the County for the cost of the audit.

115 (3) An employer must not discharge or otherwise retaliate against an
 116 employee for asserting any right under this Section or filing a
 117 complaint of violation. Any retaliation is subject to all sanctions
 118 for noncompliance with this Section.

119 (4) The sanctions of Section 11B-33(b) which apply to noncompliance
 120 with nondiscrimination requirements apply with equal force and
 121 scope to noncompliance with the wage requirements of this
 122 Section.

123 (5) Each contract may specify that liquidated damages for any
 124 noncompliance with this Section includes the amount of any
 125 unpaid wages, with interest, and that the contractor is jointly and
 126 severally liable for any noncompliance by a subcontractor. In
 127 addition, each contract must specify:

128 (A) that liquidated damages may be imposed on the contractor
 129 in the event that a [a] covered employer violates the wage
 130 reporting or payroll records reporting requirement in
 131 subsection (g), including for providing late or inaccurate
 132 payroll records; and

133 (B) that an aggrieved employee, as a third-party beneficiary,
 134 may by civil action enforce the payment of wages due

135 under this Section and recover any unpaid wages with
 136 interest, a reasonable attorney's fee, and damages for any
 137 retaliation for asserting any right under this Section.

138 (6) If a contractor or subcontractor fails to submit, or is late in
 139 submitting, copies of any payroll record or other report required to
 140 be submitted under this Section, the County may deem invoices
 141 unacceptable until the contractor or subcontractor provides the
 142 required records or reports, and may postpone processing
 143 payments due under the contract or under an agreement to finance
 144 the contract.

145 **11B-37. Debarment or suspension.**

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147 (c) *Causes for debarment or suspension.* The causes for debarment or
 148 suspension may include:

- 149 (1) conviction for commission of a criminal offense incident to
 150 obtaining or attempting to obtain a public or private contract or
 151 subcontract, or in the performance of the contract or subcontract;
 152 (2) conviction of embezzlement, theft, forgery, bribery, falsification
 153 or destruction of records, receiving stolen property, kickbacks or
 154 any other offense indicating a lack of business integrity;
 155 (3) conviction under state or federal antitrust statutes arising out of the
 156 submission of bids or proposals;
 157 (4) violation of County contract provisions of a character which is
 158 regarded by the Director to be so serious as to justify debarment
 159 action. These provisions may include:

- 160 (A) deliberate failure without good cause to perform under the
 161 specifications or within the time limit provided in the
 162 contract; or
- 163 (B) a record of failure to perform or of unsatisfactory
 164 performance under the provisions of one or more contracts;
 165 however, failure to perform or unsatisfactory performance
 166 caused by acts beyond the control of the contractor are not
 167 a basis for debarment;
- 168 (5) violation of the wage requirements in Section 11B-33A;
- 169 (6) any other serious cause the Director determines to be so
 170 compelling as to affect the competency or integrity of a potential
 171 contractor, including debarment by another public entity; or
- 172 ~~[(6)]~~ (7) violation of the ethical standards set forth in this Chapter or
 173 Chapter 19A.
- 174 (d) *Decision.* The Director must issue a written decision to debar or suspend.
 175 The decision must:
- 176 (1) state the reasons for the action taken; and
- 177 (2) inform the debarred or suspended person of the right to an
 178 administrative appeal, after the decision becomes final, to the
 179 Circuit Court under the Maryland Rules.
- 180 (e) The Director must send a copy of the decision to the person involved and
 181 the Chief Administrative Officer who may approve, revise, or remand the
 182 decision. If the Chief Administrative Officer takes no action within 5
 183 working days, the decision of the Director becomes final.
- 184 (f) *Appeal to court.* The debarred or suspended person may appeal the
 185 decision to debar or suspend to the Circuit Court under the Maryland
 186 Rules governing administrative appeals. The debarred or suspended

187 person and the County may appeal the decision of the Circuit Court to the
188 Court of Special Appeals.

189 *Approved:*

190 *Nancy Floreen* *February 3, 2016*
Nancy Floreen, President, County Council Date

191 *Approved:*

192 _____
Isiah Leggett, County Executive Date

193 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council Date