



U.S. Department of Housing and Urban Development

Seattle Regional Office
Seattle Federal Office Building
Office of Davis-Bacon & Labor Standards, DBLS
909 First Avenue, Suite 200
Seattle, WA 98104-1000

March 2, 2021

Ms. Anne F. Cook
Executive Director
Coquille Indian Housing Authority
2678 Mexeye Loop
Coos Bay, OR 97420

Dear Ms. Cook:

This letter transmits the report resulting from our remote monitoring review for FY 2020, including the Agency's response received January 12, 2021, of your compliance with federal labor standards under the US Housing Act of 1937, as amended.

On January 26, 2021, I conducted a remote review of your Davis-Bacon covered construction project and HUD-Determined maintenance activities. As part of the review, I also met with you and Mr. Lyman Meade, Jr. Deputy Director, for Coquille Indian Housing Authority, to determine if Agency systems satisfy labor standards responsibilities outlined under [Chapter 12, HUD Handbook 1344.1 REV-2, CHG 1](#), and [Federal Labor Standards Compliance in Housing and Community Development Programs Section 1.6](#). The review results are reported in the following area: Procurement, Monitoring, Routine Enforcement, Complaints/Investigations and HUD Determined Wage Rates.

The report includes one Monitoring area finding. Please provide a written response within the specified time frames where corrective actions are required and report to HUD when these actions are complete.

If you disagree with report conclusions, corrective actions or target completion dates, please notify me in writing within 30 days of this report on what you disagree with and why, and provide evidence supporting your position. If appropriate, propose revised corrective actions and target completion dates.

If you have questions regarding the report or need technical assistance to resolve report items, please contact me at (206) 220-5384, or you may write to me at the above address.

Sincerely,

/s/ Eugene Hairston

Eugene Hairston
Davis-Bacon & Labor Standards Officer
Office of Davis-Bacon & Labor Standards



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FEDERAL LABOR STANDARDS MONITORING REPORT

COQUILLE INDIAN HOUSING AUTHORITY

Methodology

US Department of Labor (DOL) regulations, 29 CFR 5.6 **Enforcement**, states that federal agencies are responsible for ascertaining whether Davis-Bacon (DB) covered contracts included federal labor standards clauses and applicable DB wage determinations. The regulation also charges federal agencies with a duty to ensure that DB-certified payrolls, employee interviews and related payroll documents are examined sufficiently to ensure compliance with the DB contract clauses and wage decisions. Accordingly, [Handbook 1344.1 REV.2, Federal Labor Standards Compliance in Housing and Community Development Programs, \(LSHB\), Chapter 12](#), requires that technical labor standards compliance reviews of local contracting agency's administration of HUD programs be performed selectively by HUD Office of Davis-Bacon & Labor Standards staff.

Coquille Indian Housing Authority (CIHA), a local contracting agency (LCA), was selected for review during the federal fiscal year 2020 based on national monitoring risk analysis factors established by the HUD Office of Davis-Bacon & Labor Standards. To conduct the monitoring, we used nationally formulated review checklists. The report follows the HUD [Departmental Monitoring Desk Guide](#) procedures regarding monitoring notice, exit conference, report letter format, follow-up, and closing. The results are reported in the following areas: Procurement, Monitoring, Routine Enforcement, Complaints/Investigations, HUD Determined Wage Rates.

Performance criteria originate under the Annual Contributions Contract through which your agency certifies it will ensure compliance with labor standards provisions including, but not limited to: US Housing Act of 1937, as amended [42 USC, 1437 (i)(j)]; Davis-Bacon Act (40 USC 276a - 276a-5); the Contract Work Hours and Safety Standards Act (40 USC 327-333); the Copeland Act (40 USC 276c); Regulatory Provisions of the US Secretary of Labor (29 CFR Parts 3 and 5) and of the Comprehensive Improvement Assistance Program (24 CFR Part 968). [HUD Handbook 1344.1, REV 2, Federal Labor Standards Compliance in Housing and Community Development Programs, \(LSHB\)](#) and related HUD labor standards letters and policies. Federal labor standards regulations and policy criteria may be accessed through the national [Office of Davis-Bacon & Labor Standards website](#).



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On January 26, 2021, Eugene Hairston, Davis-Bacon & Labor Standards Specialist, Region 10, conducted a remote monitoring review of your agency's administration and enforcement of federal labor standards requirements. The examination was limited to the projects identified below selected for review as representative of current or recent activity subject to federal labor standards requirements:

Project Name	Contract Amt	
2646 Four Plex Painting Upgrades	\$6,545.00	Davis-Bacon
2606 Mexeye Loop Flooring Installation Project	\$5,677.92	Davis-Bacon
2606 Mexeye Loop Electrical Installation Project	\$3,234.75	Davis-Bacon
2606 Mexeye Loop Electrical Installation Project	\$3,547.00	Davis-Bacon
801 Miluk Drive Water Tank Installation Project	\$3,580.00	Davis-Bacon
HUD Determined Wage Rate Activity		
Reviewed Position Descriptions & Work Orders of Maintenance Staff		
Total		\$22,585.67

Summary

Based on the information gathered, we find your agency's overall labor standards performance is satisfactory. The report includes one Monitoring area finding.

Procurement

This portion of the review assesses the adequacy of systems used to prepare and execute procurements. This area's requirements correspond generally to Chapters 1-5 (B), 3-12, 5, 5-2, 5-3, LSHB and DOL regulations in 29 CFR parts 1.6 and 5.5.

Systems are in place to ensure the following elements of labor standards procurement are adequately addressed:

- CIHA has designated staff with primary responsibility with labor standards compliance.
- Procedures are established to document contractor eligibility prior to awarding contracts.
- Pre-construction conferences are conducted to inform contractors of their labor standards obligations.
- Procedures are established to ensure labor standards and applicable wage decision are incorporated in construction contracts.



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Monitoring

This portion of the review assesses the adequacy of systems used to monitor payrolls, employee interviews and related documents. This area's requirements generally correspond to Chapter 4, 5.6, Sections 5.8, 5.9, LSHB and DOL regulations in 29 CFR 3 and 5.6.

Systems are in place to ensure the following elements of labor standards compliance monitoring are carried out effectively.

- CIHA has process in place to ensure collection of all payrolls.
- Process in place to ensure payroll deduction are permissible per DOL regulations.
- Payroll certification statement are signed by employer or authorized representative.

FINDING 1 Employee Interviews

Employee interviews were not conducted for all projects reviewed. CIHA failed to conduct employee interviews on 801 Miluk Drive Water Collection Tank Installation Project and 2646 Fourplex Painting Upgrade Project. Mr. Meade, Deputy Director for CIHA received a letter from Mr. Rayce Stacey, of Stacey Plumbing & Mechanical, certifying to have met or exceeded all Davis-Bacon wage requirements for work performed each week for the rainwater collection tanks project. However, every effort should be made to ensure that these interviews are recorded on a HUD-11, Record of Employee Interview form.

The interview process is a critical tool and such interviews should be conducted in a manner consistent with on-site interviews conducted on projects/contracts subject to Davis-Bacon & Related Acts requirements. [HUD's Making Davis-Bacon Work – Practical Guide for States, Indian Tribes and Local Agencies](#) states that the contract administrator must periodically conduct interviews with the construction workers on the job site, gather information on the work performed and pay received and compare that information to the payroll reports.



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Criteria:	Cause:	Effects:
<ul style="list-style-type: none"> U.S. Department of Labor regulations: 29 CFR 5.5(a) (3) (iii); HUD Handbook 1344.1, REV-2, CHG-1; Ch.5, Para 5-2 (A) 6; See 5-8 C 1-6 	<p>CIHA’s LSO missed an opportunity to fulfill this requirement.</p>	<ul style="list-style-type: none"> The primary system for corroborating certified payrolls or employer payroll records is missing; and Potential underpayment of employees

CORRECTIVE ACTIONS:

Within 30 days of this report:

1. Review [HUD Handbook 1344.1, REV-2, CHG-1, CHP 5-8, C \(1-6\); 8-8 \(A\) 5&6; 8-14 \(B\) 1&2](#); for guidance for conducting on-site and or mail-out interviews;
2. Review [HUD’s Labor Relations Desk Guide, “Making Davis-Bacon Work – A Practical Guide for States, Indian Tribes and Local Agencies”](#). Use this guide as a compliment for guidance and instruction in addition to HUD Handbook 1344.1, Rev-2, Federal Labor Standards in HUD Programs;
3. Create a project review checklist to establish policies and procedures for employee interviews and use it as a monitoring review guide for Davis-Bacon & HUD Determined maintenance wage rate activities. Submit a copy of the checklist to this office and follow up with a conference call to discuss your plan of action;
4. Conduct on-site or mail-out interviews on all active/open projects missing interviews and compare it to the respective employer’s corresponding records; the results of the comparison, including any discrepancies, shall be noted in the space provided for the payroll examiner’s comments; the payroll examiner shall sign and date each HUD-11 at the completion of such comparison; and if there is evidence of discrepancies and underpayments; then it must be brought to the employers attention to be resolved; and report the results to the HUD Davis-Bacon & Labor Standards Office in writing and follow up with an conference call;
5. Prepare a Corrective Action Plan (CAP) after the Agency’s receipt of the Final remote monitoring report. The plan should be sent to my attention and should detail:
 - Determination of root cause;
 - Description of proposed corrective action to address root cause(s);
 - Application of a preventative action to prevent future recurrence of the problem or related issue;
 - The date the action is expected to be completed and, current status of the action item.



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6. Finally, CIHA will send its designated labor standards officer and staff to attend future Davis-Bacon / Federal labor standards training in Fiscal year 2021.

Routine Enforcement

This portion of the review assesses the adequacy of routine enforcement systems necessary to secure corrections for "face of the record" violations such as incomplete or missing payroll related documents, underpayments and interview discrepancies. This area's requirements correspond generally to Chapter 3, Sections 3-4 and 6-2, LSHB and DOL regulations 29 CFR 5.6, 5.7.

Systems are in place to ensure the following elements of labor standards routine enforcement are adequately addressed:

- Technical assistance is available to facilitate corrective actions when needed.
- 5.7 Semi-Annual enforcement reports submitted to HUD in a timely manner.

Complaints/Investigations

This portion of the review assesses the adequacy of systems used to resolve worker complaints and conduct labor standards investigations. This area's requirements correspond generally to Chapters 4, 5 and 6, LSHB and DOL regulations 29 CFR 5.7 (a), 5.9, 5.11 and 5.12.

LCA has not received any employee complaints; therefore, no investigations and no need for referrals to HUD.

HUD-Determined Wage Rates

This portion reviews the recipient's routine and non-routine maintenance operations, classifications and practices to ensure correct classification and payment of wages to maintenance workers employed by the LCA or its contractors. This area's requirements generally correspond to Chapters 7-23, LSHB and HUD regulations 24 CFR 1000.16 (b).

Systems are in place to ensure the following elements of labor standards HUD-determined wage rates are adequately addressed:

- Agency's personnel policies for maintenance laborers and mechanics are acceptable.
- Position descriptions describe work performed by maintenance staff.
- Maintenance records list hourly rates, hours worked, fringe benefits and deductions.
- Maintenance classifications and wage rates identified in its current budget correspond to



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the current HUD Determined Maintenance Wage Rate Form 52158.

- Employees are working within assigned classifications.

filename: Remote Monitoring Report Coquille Indian Housing Authority pgs revised 3/2/21

location: Y2021 Regions 8 9 & 10 Workload

2-10-21