



Oregon

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To: Resident Engineers
Resident Engineers - Consultant Projects
Transportation Project Managers / Local Agency Liaisons Region Assurance Specialist
Office of Engagement and Civil Right

From: Scott Aker - Contract Compliance Specialist

Subject: Outline and Oversight of Apprenticeship Requirements

The purpose of this memo is to provide an overview of the Apprenticeship requirements and outline the oversight provided by the RE Office and the Office of Engagement and Civil Rights (OECR) to ensure statewide consistency regarding noncompliance and reduction in payment.

Apprenticeship Goal

The Apprenticeship Goal is applicable for projects with a contract price that exceeds \$3 million. The Contractor is required to employ Apprentices to perform at least 12 percent of the hours Worked under the Contract by the Contractor's employees in Apprenticeable Occupations. This requirement also applies to any Subcontractor with a subcontract of \$750,000 or more. Work hours performed by Apprentices and employees in Apprenticeable Occupations for Subcontractors whose subcontracts are valued below \$750,000 **at the time of subcontract consent** do not count toward the Apprenticeship Goal. Beginning January 1, 2027, the 12 percent Apprenticeship Goal will increase to 15 percent. All Contract Work hours for applicable Apprenticeable Occupations and Apprentices count toward the Apprenticeship Goal, including Work performed after Second Notification under 00140.90 & 00150.90, prior to issuance of Third Notification. This includes punch list items, final trimming, and cleanup Work.

Reporting

- Contractor is required to submit weekly, the [BOLI Enhanced WH-38E](#) form to BOLI with a copy to the Agency. Failure of the Contractor to provide weekly reports may result in withholding of payment as provided in ORS 279C.845(7).
- Upon satisfactory completion of all On-Site Work, including all punch list items, final trimming, and cleanup according to 00140.90, the Agency will request from the Contractor, and the Contractor must provide the Agency, a final report, which will contain the following information for the Contractor and each subcontractor subject to the Apprenticeship requirements:
 - Total amount of Work hours that workers performed in each Apprenticeable Occupation
 - Total amount of Work hours performed by Apprentices
 - Number of hours subject to calculation of reduction in payment

Agency/OECR Review of the Final Report

- The RE Office will notify the OECR Field Coordinator once it has confirmed that all On-Site Work has been completed according to 00150.90(a), including punch list items, final trimming and cleanup according to 00140.90.

- Review of the Final Report will be coordinated between the RE Office and OECR to determine whether the Final Report accurately reflects Apprenticeship hours as reported in the Contractor's weekly submissions.
 - The OECR Field Coordinator assigned to the Project will provide to the RE Office a worksheet summarizing the Apprenticeship hours for the Project along with any applicable calculations of the reduction in payment.
 - If the summary worksheet shows the Apprenticeship Goal has not been met, the RE Office will create a **Reduction in Payment** as detailed below.
 - If the Contractor's Final report is not accurate, the RE Office will transition the Final Report to Revision Requested.
- After the Final Report has been verified, the Project RE will transition the document to "Approved by Project RE" and the OECR Field Coordinator will transition the document to "Accepted/Approved by Civil Rights" according to the applicable Document Directory for the Project.
- The approved Final Report is a prerequisite to the issuance of Third Notification under 00150.90(b).

Noncompliance and Reduction in Payment

The Agency will reduce payment due to the Contractor if the Contractor does not meet the Apprenticeship Goal. The reduction will be the equivalent of the difference between the total number of work hours that Apprentices in Apprenticeable Occupations should have performed to meet the apprenticeship requirement, less the total number of work hours that Apprentices in Apprenticeable Occupations actually performed, multiplied by \$15 per hour:

- The OECR summary worksheet will be accompanied by calculations of any applicable reduction in payment.
- For projects administered exclusively in Doc Express, the reduction will be made by applying a 6000 series adjustment in the Contract Payment System equal to the reduction.
- For projects administered in AASHTOWare Project in conjunction with Doc Express, the reduction will be made by applying a Contract adjustment in AASHTOWare Project equal to the reduction.

Assessing a Preliminary Reduction

If sufficient information indicates a high likelihood that a reduction in payment will be applicable on the Project, the RE Office may apply a preliminary reduction near Second Notification based on the Apprenticeable hours reported at that time. Such preliminary reduction may not account for Apprenticeable hours Worked between Second and Third Notification. The final reduction amount must be based on the OECR summary worksheet and the associated calculations and may result in a positive or negative Final Payment on the Project.

Consideration should also be made by the RE Office that any money owed by the Contractor for failing to meet the Apprenticeship Requirements may not be available to be returned to the budget for the Project. The RE Office should plan accordingly to stay under the contract authorization amount.

The RE Office should review the Apprenticeship requirements, including the associated documentation required of the Contractor and Subcontractors, at the preconstruction conference.

ODOT REs, please share with your support staff.

Transportation Project Managers, and RE-CPs, please forward this information to the Local Agencies and Consultants administering ODOT Projects.

Thank you for your assistance

