

Breaking Down the Barriers to Prevailing Wage Work:

How Construction Partner Helps Contractors Manage Public Works Projects



Changes within the construction industry are prompting both union and non-union contractors to pursue government-funded public works projects. But wading through the complex prevailing wage and reporting requirements can be daunting. Companies that overcome these accounting issues, however, put themselves in a growth position even when the private construction economy falters.

Ro's Precise Painting is one example. A non-union commercial painting contractor located in Fresno County, California, Ro's was founded by Romeo (Ro) and Luz Garza more than 15 years ago. At a time when many construction businesses are struggling, Ro's is growing, partly because it performs government work. Prevailing wage jobs, like prisons and schools, have become a core component of the company's painting business. To handle the accounting, Certified Payroll and reporting requirements of these projects, Ro's uses Construction Partner software, a solution that was recommended by fellow painting contractor, Randy Thompson Painting.

We recently spoke with Ro's office manager, Veronica Calderon, about the challenges associated with prevailing wage projects and how Construction Partner helps contractors enter this lucrative market.

form or that each county has a different payroll rate. So ABC hosted this seminar to teach contractors about the laws and requirements associated with prevailing wage projects.

Construction Partner: What happened after the seminar?

Veronica Calderon: At the end of the seminar, the presenter asked if anyone had ideas on how to make the prevailing wage process easier. I spoke up and said, 'We have a software program called Construction Partner and it's one of the easiest, most user-friendly programs I have ever used. It basically does everything for you.' At least four people lined up to ask me more about Construction Partner because they were just so lost.

Construction Partner: You recently attended a prevailing wage seminar sponsored by the Associated Builders and Contractors (ABC) association that covered topics like public works project requirements, how to determine prevailing wage pay rates and Certified Payroll record keeping. This was supposed to be a refresher course for you, but what did you discover?

Veronica Calderon: We discovered that, with Construction Partner, we were doing everything right! At the seminar, though, everyone was talking about how a lot of the residential work is gone because nobody is building houses. So many contractors are looking into commercial work that is government funded because they know that's where the money is right now.

The problem is, many non-union contractors don't understand how to handle prevailing wage payroll. They don't know things like how to send a DAS140

Construction Partner: You haven't always used Construction Partner. Can you give us an after example of how it helps with prevailing wage accounting?

Veronica Calderon: Before Construction Partner we used Peachtree by Sage and spreadsheets. If John Doe worked on five different prevailing wage jobs during one payroll cycle, Peachtree couldn't handle the different pay rates for those jobs. This seems crazy now, but for each employee we would cut a separate paycheck for each job so that our Certified Payroll report would be accurate. One employee might get five or six paychecks each pay period!

Construction Partner handles multiple pay rates by job – and so much more. When we first started using it, we were in shock because it just makes Certified Payroll so easy and accurate. Plus, there are checks and balances that keep us from making mistakes. If we enter nine hours of regular time for a single day, for example,

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About Construction Partner

For more than 20 years, Construction Partner has been a leading provider of powerful, integrated construction accounting, job costing and estimating software that is easy to implement, easy to learn and affordable to maintain. Contractors of all sizes and specialties across the U.S. rely on Construction Partner software to automate and simplify their accounting processes. Companies that use Construction Partner report increased efficiencies, more accurate job costs and a low total cost of ownership.

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Construction Partner gives us a red flag since anything over eight hours is overtime on a prevailing wage job. Catching things like that early saves so much time.

Here's another example. We used to hand write every single employee's name and earnings on our quarterly earnings reports. Now, we just push a couple of buttons in Construction Partner and the completed form prints out on plain paper. The software does everything for us.

Construction Partner: What other reports and forms does

Construction Partner produce for you?

Veronica Calderon: There are so many. A lot of our jobs are OCIP projects, which are owner-insured projects. At the end of each OCIP project, we go through an audit. When I simply print a form that has all the requested information, the auditor is usually astounded.

At the end of the month, we can print reports in minutes that tell us things like how much we paid in health benefits or how much 401(k) contributions were made. I'm not sure how Luz accurately managed all this information in spreadsheets before Construction Partner. I don't know that we ever incurred fines for inaccurate reporting, but the risk is pretty high if you're doing these things manually.

We pre-lien most of our jobs 20 days after we start the project and Construction Partner will warn us if we haven't sent out our preliminary notice, which is created using the software. We can also generate waivers and releases for projects and Construction Partner documents each step.

Construction Partner: Producing AIA progress billings is vital on prevailing wage jobs. How does Construction Partner handle this?

Veronica Calderon: I used to create progress billings manually using Excel. But Construction Partner has AIA billing in Accounts Receivable that has automated the entire process. And the software gives you choices to meet specific requests. On one of our recent projects we were asked to round billings to the nearest dollar. Construction Partner gives us that option.

We enter a schedule of values for each project, which keeps our progress billings on track. We're much less likely to under-bill a project because our projections and billings are much more accurate now.

Construction Partner: Is there any way you can quantify the efficiencies that you've gained from using Construction Partner?

Veronica Calderon: Our revenues were very strong last year and we're on track to generate even higher revenues this year. Still, we manage our entire accounting operations with just three people and Construction Partner. Having information at our fingertips allows us to grow our revenues without adding accounting staff.

Construction Partner: Do you think having the right construction software is the biggest hurdle for contractors that want to take on prevailing wage work?

Veronica Calderon: Absolutely. I think having the right software makes a world of difference. Construction specific-accounting software has helped us out so much compared to using generic software. I honestly don't know how we functioned before Construction Partner.

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