



LOWER TIER SUBCONTRACTORS

Please refer to your Contract regarding the proper procedures for having a low tier subcontractor perform work on this project. In summary, please make sure:

1. You have given written notification to Pro Construction of any construction subcontract at any tier for construction under your contract. This notification will include a copy of the lower tier subcontractor's W-9 and completed and signed Statement and Acknowledgement.
2. The lower tier subcontractor is aware that all requirements of your firm apply to their company also, i.e., insurance requirements, EEO/AA commitments, weekly certified payroll reports, safety meeting reports, and lien waiver requirements.
3. The lower tier subcontractor performs no work before (1) receiving approval from Pro Construction, and (2) submitting all necessary compliant insurance certificates.

Since our contract is with your company and not with your lower tier subcontractor, Pro Construction will not contact your lower tier subcontractor directly; all communication will be directed through you.

Your company is responsible for making sure the lower tier subcontractor's paperwork is in order and submitted, as applicable, in a timely manner. All paperwork from your lower tier subcontractor is to be submitted through you the Subcontractor. This includes insurance certificates and safety meeting reports. Please be aware that any missing paperwork from your subcontractor can affect the timeliness of your monthly progress payment.

1099 Workers / Independent Contractors Policy

It is the Owner's policy that contractors and subcontractor of any tier may not utilize independent contractors (sometimes erroneously referred to as 1099 employees) on our projects. A 1099 worker is not an employee of the contractor under whom he works; a 1099 worker is an independent contractor, and contractually, a lower-tier subcontractor.

In the event you anticipate using independent contractors / 1099 workers on this subcontract, you must first obtain Pro Construction's written approval prior to allowing them to commence work. If Pro Construction approves your request, your independent contractors will be subject to the terms and conditions within your contract, and will be required to complete applicable forms and comply with insurance requirements.

In addition, the Dept. of Labor considers your 1099 workers to be your employees for Davis Bacon and Related Acts purposes. Accordingly, all 1099 workers must be listed on the contractor's Weekly Certified Payroll Reports, and must be paid a wage that meets or exceeds

the prevailing wage for the classification of work they perform on this project, in accordance with the prevailing wage decision.

Please contact Pro Construction if you have any questions regarding the Owner's policy concerning 1099 workers.