August 30, 2013

Matthew N. Metz
Metz Law Group PLLC
701 Fifth Avenue, Suite 7230
Seattle, WA 98104

Dear Mr. Metz:

Thank you for your letter dated May 1, 2013 in which you requested a determination of the applicability of chapter 39.12 RCW to work you described. The work involves the application of insulation on the Mercer Hall project for the University of Washington, including the loading of the company truck with tools and materials for the project in the morning and the hauling and discarding of debris from the project.

This is a determination of the Industrial Statistician regarding coverage of the referenced work under Washington’s prevailing wage laws and is made pursuant to RCW 39.12.015. See the enclosed document, “Prevailing Wage Determination Request and Review Process.”

In the situation you describe, insulation workers upon arrival at the employer’s warehouse unload insulation scraps and garbage from the company’s trucks left over from the previous day and place the debris in the dumpster. The workers then load the same truck with the insulation materials they will use that day and drive the truck with the materials to the job site where they will work for most of the day. When they leave the public works job site, the workers load up the trucks with the waste from the day’s work and drive back to the warehouse. At the conclusion of the workday, the truck remains loaded with the referenced debris.

You ask whether prevailing wage rates must be paid for the time spent at the warehouse unloading construction site waste from a truck into a dumpster, loading insulation into the trucks, driving to the jobsite, and driving the waste-loaded truck back to the warehouse. Since your scenario refers to “workers” in the plural, this determination will answer your questions with respect to the worker who will drive the truck and any other worker who may be a passenger in the truck. With this in mind, your question has two aspects: (1) whether the work is compensable (“hours worked” for which wages must be paid, see enclosure); and (2) whether the compensation must be at prevailing wage rates.
Compensable Work
Regarding what constitutes “compensable time,” Washington’s Employment Standards law and rules apply: Time spent driving a company-provided vehicle from the employer's place of business to the job site is considered hours worked. Time spent riding in a company-provided vehicle from the employer's place of business to the job site is not considered hours worked when an employee voluntarily reports to the employer’s location merely to obtain a ride as a passenger for the employee’s convenience, is not on duty, and performs no work. Time spent driving or riding as a passenger from job site to job site is considered hours worked.

The truck driver worker’s compensable time begins from the time of check-in at the warehouse and will include all work performed during the day including the drive time back to the warehouse.

If the passenger worker is directed by the employer to start the work at the warehouse, then even if the worker performs no additional duties in connection with unloading waste from the truck and/or loading supplies, the worker’s “compensable time” begins from the time of check-in, or “clock-in” at the warehouse, including the ride to the public works job site. The trip back from the public works job site would also be compensable time.

Work Requiring Prevailing Wage Rates
The “compensable work” is also subject to the payment of prevailing wages if the worker is required to unload scraps and other materials from the company’s trucks left over from the day before. Prevailing wages are also required if, in preparation for the job, the worker must load specific materials (insulation materials, not the usual tools) into the truck in order to perform the day’s work. In that case, the prevailing wage rate would apply to the loading of the materials and continue until all public work ceases for the day. The return trip, hauling the debris to the employer’s place of business remains part of the public work for the day, and prevailing wage rates apply. Also, once at the employee’s place of business, if the worker must perform any additional work connected with the public work contract, such as unloading or cleaning the truck, that work is also compensable at prevailing wage rates.

When the work performed, whether loading, unloading, or driving, has been determined to be compensable at prevailing wage rates, then the question arises as to which prevailing wage rate(s) will apply. The Insulation Applicator, WAC 296-127-01337, prevailing wage rate would be appropriately applied to all work to insulate floors, walls, partitions, and ceilings which requires prevailing wage compensation and would include the loading and unloading of materials used in performance of such tasks. Insulation of mechanical systems or fire stop work would use the prevailing wage rate for the Heat and Frost Insulator, WAC 296-127-01303, and would include the loading and unloading of materials used in performance of such tasks. However, for the truck driving portion of the work, if time records are kept for that portion of the work and the rate is lower than the Insulation Applicator rate, an employer could apply the Truck Driver prevailing wage rate to that portion of the work. Carefully detailed records should be maintained in order to exercise this option.
Prevailing wage questions, particularly those surrounding travel time and work surrounding travel time, are quite fact specific. This determination is based upon the specific information you provided. If that information changes or differs in any from how it is described, the answer may also be different.

I appreciate your interest in prevailing wage requirements and this opportunity to provide the determination you requested. If you have further questions, please let me know.

Sincerely,

L. Ann Selover
Industrial Statistician/Program Manager
Ann.Selover@Lni.wa.gov
(360) 902-5330

Enclosures: ES.C. 2 Policy
Prevailing Wage Determination Request and Review Process

cc: W. Eric Baisden
    Elizabeth Smith, Assistant Director
    for Fraud Prevention and Labor Standards
Prevailing Wage Determination Request and Review Process

RCW 39.12.015 is the basis for requesting a determination, since it provides:

All determinations of the prevailing rate of wage shall be made by the industrial statistician of the department of labor and industries.

If you disagree with a determination the industrial statistician provides, WAC 296-127-060(3) provides for a review process:

(3) Any party in interest who is seeking a modification or other change in a wage determination under RCW 39.12.015, and who has requested the industrial statistician to make such modification or other change and the request has been denied, after appropriate reconsideration by the assistant director shall have a right to petition for arbitration of the determination.

(a) For purpose of this section, the term "party in interest" is considered to include, without limitation:

(i) Any contractor, or an association representing a contractor, who is likely to seek or to work under a contract containing a particular wage determination, or any worker, laborer or mechanic, or any council of unions or any labor organization which represents a laborer or mechanic who is likely to be employed or to seek employment under a contract containing a particular wage determination, and

(ii) Any public agency concerned with the administration of a proposed contract or a contract containing a particular wage determination issued pursuant to chapter 39.12 RCW.

(b) For good cause shown, the director may permit any party in interest to intervene or otherwise participate in any proceeding held by the director. A petition to intervene or otherwise participate shall be in writing, and shall state with precision and particularity:

(i) The petitioner's relationship to the matters involved in the proceedings, and

(ii) The nature of the presentation which he would make. Copies of the petition shall be served on all parties or interested persons known to be participating in the proceeding, who may respond to the petition. Appropriate service shall be made of any response.

If you choose to utilize this review process, you must submit your request within 30 days of the date of the applicable industrial statistician's determination or response to your request for modification or other change. Include with your request any additional information you consider relevant to the review.

Direct requests for determinations, and for modification of determinations via email or letter to the prevailing wage industrial statistician:

L. Ann Selover  
Industrial Statistician/Program Manager  
Department of Labor & Industries  
Prevailing Wage  
P O Box 44540  
Olympia, WA 98504-4540  
Ann.Selover@Lni.wa.gov
Prevailing Wage Determination Request and Review Process

Direct requests via email or letter seeking reconsideration (redetermination) by the assistant director to:

Elizabeth Smith, Assistant Director
Department of Labor & Industries
Fraud Prevention and Labor Standards
P O Box 44278
Olympia, WA 98504-4278
Elizabeth.Smith@Lni.wa.gov

Direct petitions for arbitration to:

Joel Sacks, Director
Department of Labor & Industries
P O Box 44001
Olympia, WA 98504-4001

If you choose to utilize this arbitration process, you must submit your request within 30 days of the date of the applicable assistant director's decision on reconsideration (redetermination). Submit an original and two copies of your request for arbitration to the Director personally, or by mail. The physical address for the Director is 7273 Linderson Way, SW, Tumwater, WA 98501.

WAC 296-127-061 also contains the following provisions regarding petitions for arbitration:

In addition, copies of the petition shall be served personally or by mail upon each of the following:

   (a) The public agency or agencies involved,
   (b) The industrial statistician, and
   (c) Any other person (or the authorized representatives of such person) known to be interested in the subject matter of the petition.

   (2) The director shall under no circumstances request any administering agency to postpone any contract performance because of the filing of a petition. This is a matter which must be resolved directly with the administering agency by the petitioner or other party in interest.

   (3) A petition for arbitration of a wage determination shall:

   (a) Be in writing and signed by the petitioner or his counsel (or other authorized representative), and
   (b) Identify clearly the wage determination, location of project or projects in question, and the agency concerned, and
   (c) State that the petitioner has requested reconsideration of the wage determination in question and describe briefly the action taken in response to the request, and
   (d) Contain a short and plain statement of the grounds for review, and
   (e) Be accompanied by supporting data, views, or arguments, and
   (f) Be accompanied by a filing fee of $75.00. Fees shall be made payable to the department of labor and industries.
1. The department has the authority to investigate and regulate “hours worked” under the Industrial Welfare Act.

“Hours worked,” means all hours during which the employee is authorized or required, known or reasonably believed by the employer to be on duty on the employer’s premises or at a prescribed work place. An analysis of “hours worked” must be determined on a case-by-case basis, depending on the facts. See WAC 296-126-002(8). See Administrative Policy ES.C.1.

The department’s interpretation of “hours worked” means all work requested, suffered, permitted or allowed and includes travel time, training and meeting time, wait time, on-call time, preparatory and concluding time, and may include meal periods. “Hours worked” includes all time worked regardless of whether it is a full hour or less. “Hours worked” includes, for example, a situation where an employee may voluntarily continue to work at the end of the shift. The employee may desire to finish an assigned task or may wish to correct errors, prepare time reports or other records. The reason or pay basis is immaterial. If the employer knows or has reason to believe that the employee is continuing to work, such time is working time.

An employer may not avoid or negate payment of regular or overtime wages by issuing a rule or policy that such time will not be paid or must be approved in advance. If the work is performed, it must be paid. It is the employer’s responsibility to ensure that employees do not perform work that the employer does not want performed.
The following definitions and interpretations of "hours worked" apply to all employers bound by the Industrial Welfare Act, even those not subject to the Minimum Wage Act. There is no similar definition of "hours worked" in RCW 49.46, the Minimum Wage Act, or in WAC 296-128, Minimum Wage rules. Therefore, these definitions and interpretations apply to all employers subject to RCW 49.12, regardless of whether they may be exempt from or excluded from the Minimum Wage Act.

2. What is travel time and when it is considered hours worked?

**Introductory statement to the policy:**

This policy is designed to provide general information in regard to the current opinions of the Department of Labor & Industries on the subject matter covered. This policy is intended as a guide in the interpretation and application of the relevant statutes, regulations, and policies, and may not be applicable to all situations. This policy does not replace applicable RCW or WAC standards. If additional clarification is required, the Program Manager for Employment Standards should be consulted.

This document is effective as of the date of print and supersedes all previous interpretations and guidelines. Changes may occur after the date of print due to subsequent legislation, administrative rule, judicial proceedings, or need for clarification. The user is encouraged to notify the Program Manager to provide or receive updated information. This document will remain in effect until rescinded, modified, or withdrawn by the Director or his or her designee.

The purpose of this policy statement is to update section two of Labor and Industries’ administrative policy ES.C.2 (section 2) pertaining to hours worked. Following the Stevens v. Brink’s Home Security decision, Labor and Industries committed to updating this section of the policy to reflect the Supreme Court decision in the Brink’s case and address ambiguity created by that case. [Stevens v. Brink’s Home Security, 162 Wn.2d 42, 169 P.3d 473 (2007)]. This policy is not intended to address or cover all employee travel time issues. Instead, it is limited to the particular issues raised in the Brink’s case regarding whether time spent driving a company-provided vehicle between home and the first or last job site of the day constitutes compensable "hours worked."

**Whether time spent driving in a company-provided vehicle constitutes paid work time depends on whether the drive time is considered "hours worked."**

Whether travel or commute time is compensable depends on the specific facts and circumstances of each individual employee, employer, and work week. If the travel or commute time is considered “hours worked” under RCW 49.46.020 and WAC 296-126-002(8), then it is compensable and the employee must be paid for this time. These statutory and regulatory requirements cannot be waived through a collective bargaining agreement or other agreement.

"Hours worked" means all hours when an employee is authorized or required by the employer to be on duty on the employer’s premises or at a prescribed workplace. WAC 296-126-002(8).

There are three elements to the definition of hours worked:

1- An employee is authorized or required by the employer,
2- to be on duty,
3- On the employer’s premises or at a prescribed workplace.
If any of the three elements is not satisfied, then the time spent driving in a company-provided vehicle is not considered “hours worked.” The specific factors used to establish the “authorized or required” element are not listed in this policy. However, the element must be met for “hours worked” under the law.

Time spent driving a company-provided vehicle during an employee’s ordinary travel, when the employee is not on duty and performs no work while driving between home and the first or last job site of the day, is not considered hours worked.

Time spent driving a company-provided vehicle from the employer’s place of business to the job site is considered hours worked. Time spent riding in a company-provided vehicle from the employer’s place of business to the job site is not considered hours worked when an employee voluntarily reports to the employer’s location merely to obtain a ride as a passenger for the employee’s convenience, is not on duty, and performs no work. Time spent driving or riding as a passenger from job site to job site is considered hours worked.

Factors to consider in determining IF AN EMPLOYEE IS “on duty” when driving a company-provided vehicle between home and work.

To determine if the employee is on duty, you must evaluate the extent to which the employer restricts the employee’s personal activities and controls the employee’s time. This includes an analysis of the frequency and extent of such restrictions and control. Following is a non-exclusive list of factors to consider when making a determination if an employee is “on duty.” There may be additional relevant factors that the Supreme Court or L&I have not considered. All factors must be considered and weighed in combination with each other. The mere presence or absence of any single factor is not determinative.

1. The extent to which the employee is free to make personal stops and engage in personal activities during the drive time between home and the first or last job site of the day, or whether the vehicle may only be used for company business.

2. The extent to which the employee is required to respond to work related calls or to be redirected while en route.

3. Whether the employee is required to maintain contact with the employer.

4. The extent to which the employee receives assignments at home and must spend time writing down the assignments and mapping the route to reach the first job site before beginning the drive.

Factors to consider in determining if an employee is “on the employer’s premises or at a prescribed work place” when driving a company-provided vehicle between home and work.

To determine if a company-provided vehicle constitutes a “prescribed work place,” you must evaluate whether driving the particular vehicle is an integral part of the work performed by the employee. Following is a non-exclusive list of factors to consider when making a determination
if an employee is "on the employer's premises or at a prescribed work place." There may be additional relevant factors that the Supreme Court or L&I have not considered. All factors must be considered and weighed in combination with each other. The mere presence or absence of any single factor is not determinative.

1. Whether the nature of the business requires the employee to drive a particular vehicle provided by the employer to carry necessary nonpersonal tools and equipment to the work site.

2. The extent to which the company-provided vehicle serves as a location where the employer authorizes or requires the employee to complete business required paperwork or load materials or equipment.

3. The extent to which the employer requires the employee to ensure that the vehicle is kept clean, organized, safe, and serviced.

The following are two examples of how this policy may be used to determine whether or not drive time between home and the first or last job site of the day in a company-provided vehicle is compensable. These examples are illustrative and are not intended to create additional factors or address other scenarios where the facts differ from those below.

**COMPENSABLE EXAMPLE:**

1. In this example, the facts establish that the drive time between home and the first or last job site of the day in a company-provided vehicle is compensable. For purposes of this example, all of the following facts are present. The employee drives between home and the first or last job site of the day in a company-provided vehicle:

   - As a matter of accepted company practice, the employee is prohibited from any personal use of the vehicle, which must be used exclusively for business purposes; and

   - The employer regularly requires the employee to perform services for the employer during the drive time including being redirected to a different location; and

   - The employee regularly transports necessary nonpersonal tools and equipment in the vehicle between home and the first or last job site of the day; and

   - The employee receives his/her daily job site assignments at home in a manner that requires the employee to spend more than a de minimis amount of time writing down the assignments and mapping travel routes for driving to the locations.

**NON COMPENSABLE EXAMPLE:**

2. In this example, the facts establish that the drive time between home and the first or last job site of the day in a company-provided vehicle is not compensable. For purposes of this example, all of the following facts are present. The employee drives between home and the first or last job site of the day in a company-provided vehicle:
The employer does not strictly control the employee's ability to use the vehicle for personal purposes. E.g., the employee, as a matter of accepted company practice, is able to use the vehicle for personal stops or errands while driving between home and the job site; and

The employee is not required to perform any services for the employer during the drive including responding to work related calls or redirection; and

The employee does not perform any services for the employer during the drive including work related calls or redirection.

3. What constitutes training and meeting time and when is it considered “hours worked”? Training and meeting time is generally interpreted to mean all time spent by employees attending lectures, meetings, employee trial periods and similar activities required by the employer, or required by state regulations, and shall be considered hours worked.

Time spent by employees in these activities need not be counted as hours worked if all of the following tests are met:

3.1 Attendance is voluntary; and

3.2 The employee performs no productive work during the meeting or lecture; and

3.3 The meeting takes place outside of regular working hours; and

3.4 The meeting or lecture is not directly related to the employee’s current work, as distinguished from teaching the employee another job or a new, or additional, skill outside of skills necessary to perform job.

If the employee is given to understand, or led to believe, that the present working conditions or the continuance of the employee’s employment, would be adversely affected by non-attendance, time spent shall be considered hours worked.

Time spent in training programs mandated by state or federal regulation, but not by the employer, need not be paid if the first three provisions are met; that is, if attendance is voluntary, the employee performs no productive work during the training time, and the training takes place outside of normal working hours.

A state regulation may require that certain positions successfully complete a course in Cardio-Pulmonary Resuscitation (CPR). The rules may require that in order to be employed in such a position the person must be registered with the state or have successfully completed a written examination, approved by the state, and further fulfilled certain continuous education requirements. However, should the employer require all employees to attend training, all employees attending the training must be paid for the hours spent in the training course.

Although the training course may be directly related to the employee's job, the training is of a type that would be offered by independent institutions in the sense that the courses provide generally applicable instruction which enables an individual to gain or continue employment with any employer which would require the employee to have such training, then this training would be regarded as primarily for the benefit of the employee and not the employer. In training of this type, where the employee is the primary beneficiary, the employee need not be paid for attending.
Where an employer (or someone acting on the employer's behalf), either directly or indirectly, requires an employee to undergo training, the time spent is clearly compensable. The employer in such circumstances has controlled the employee's time and must pay for it. However, where the state has required the training, as in the example stated above, a different situation arises. When such state-required training is of a general applicability, and not tailored to meet the particular needs of individual employers, the time spent in such training would not be compensable.

When state or federal regulations require a certificate or license of the employee for the position held, time spent in training to obtain the certificate or license, or certain continuous education requirements, will not be considered hours worked. The cost of maintaining the certificate or license may be borne by the employee.

4. What determines an employment relationship with trainees or interns?

As the state and federal definition of "employ" are identical, the department looks to the federal Fair Labor Standards Act for certain training conditions exempted from that act. Under certain conditions, persons who without any expressed or implied compensation agreement may work for their own advantage on the premises of another and are not necessarily employees. Whether trainees are employees depends upon all of the circumstances surrounding their activities on the premises of the employer. If all six of the following criteria are met, the trainees are not considered employees:

4.1 The training, even though it includes actual operation of the facilities of the employer, is similar to that which would be given in a vocational school; and
4.2 The training is for the benefit of the trainee; and
4.3 The trainees do not displace regular employees, but work under their close observation; and
4.4 The business that provides the training derives no immediate advantage from the activities of the trainees, and may in fact be impeded; and
4.5 The trainees are not necessarily entitled to a job at the conclusion of the training period; and
4.6 The trainees understand they are not entitled to wages for the time spent in the training.

5. What constitutes paid or unpaid work for students in a school-to-work program?

Students may be placed in a school-to-work program on a paid or unpaid basis. The department will not require payment of minimum wage provided all of the following criteria are met. If all five requirements are not met, the business will not be relieved of its obligation to pay minimum wage, as required by the Minimum Wage Act.

5.1 The training program is a bona fide program certified and monitored by the school district or the Office of the Superintendent of Public Instruction; and
5.2 A training plan exists that establishes a link to the academic work, e.g., a detailed outline of the competencies to be demonstrated to achieve specific outcomes and gain specific skills. The worksite effectively becomes an extension of the classroom activity and credit is given to the student as part of the course; and
5.3 The school has a designated district person as an agent/instructor for the
worksite activity and monitors the program; and

5.4 The worksite activity is observational, work shadowing, or demonstrational, with no substantive production or benefit to the business. The business has an investment in the program and actually incurs a burden for the training and supervision of the student that offsets any productive work performed by the student. Students may not displace regular workers or cause regular workers to work fewer hours as a result of any functions performed by the student, and

5.5 The student is not entitled to a job at the completion of the learning experience. The parent, student, and business all understand the student is not entitled to wages for the time spent in the learning experience.

If a minor student is placed in a paid position, all requirements of the Minimum Wage Act, the Industrial Welfare Act, and minor work regulations must be met. Minor students placed in a paid position with public agencies are subject to the Industrial Welfare Act.

Public agencies are not subject to the state minor work regulations, but they are subject to payment of the applicable state minimum wage. Note: Public agencies employing persons under age 18 are subject to the federal Child Labor Regulations and should contact the United States Department of Labor for specific information on hours and prohibited occupations.

6. What constitutes “waiting time” and when is it considered “hours worked”? 

In certain circumstances employees report for work but due to lack of customers or production, the employer may require them to wait on the premises until there is sufficient work to be performed. “Waiting time” is all time that employees are required or authorized to report at a designated time and to remain on the premises or at a designated work site until they may begin their shift. During this time, the employees are considered to be engaged to wait, and all hours will be considered hours worked.

When a shutdown or other work stoppage occurs due to technical problems, such time spent waiting to return to work will be considered hours worked unless the employees are completely relieved from duty and can use the time effectively for their own purposes. For example, if employees are told in advance they may leave the job and do not have to commence work until a certain specified time, such time will not be considered hours worked. If the employees are told they must “stand by” until work commences, such time must be paid.

7. Is there a requirement for “show up” pay?

An employer is not required by law to give advance notice to change an employee’s shift or to shorten it or lengthen it, thus there is no legal requirement for show-up pay. That is, when employees report to work for their regularly scheduled shift but the employer has no work to be performed, and the employees are released to leave the employer’s premises or designated work site, the employer is not required to pay wages if no work has been performed.
8. What constitutes “on-call” time and when is it considered “hours worked”?  
Whether or not employees are "working" during on-call depends upon whether they are required to remain on or so close to the employer's premises that they cannot use the time effectively for their own purposes.

Employees who are not required to remain on the employer's premises but are merely required to leave word with company officials or at their homes as to where they may be reached are not working while on-call. If the employer places restrictions on where and when the employee may travel while “on call” this may change the character of that “on call” status to being engaged in the performance of active duty. The particular facts must be evaluated on a case-by-case basis.

9. What constitutes preparatory and concluding activities and when is this time considered “hours worked”?

Preparatory and concluding activities are those activities that are considered integral or necessary to the performance of the job. Those duties performed in readiness and/or completion of the job shall be considered hours worked. When an employee does not have control over when and where such activities can be made, such activities shall be considered as hours worked.

Examples may include the following:

9.1 Employees in a chemical plant who cannot perform their principle activities without putting on certain clothes, or changing clothes, on the employer's premises at the beginning and end of the workday. Changing clothes would be an integral part of the employee's principle activity.

9.2 Counting money in the till (cash register) before and after the shift, and other related paperwork.

9.3 Preparation of equipment for the day's operation, i.e., greasing, fueling, warming up vehicles; cleaning vehicles or equipment; loading, and similar activities.

10. When are meal periods considered “hours worked”?

Meal periods are considered hours worked if the employee is required to remain on the employer's premises at the employer's direction subject to call to perform work in the interest of the employer. In such cases, the meal period time counts toward total number of hours worked and is compensable. See Administrative Policy ES.C.6.