



CLIENT ALERT MUNICIPAL LAW



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The Public Works Employment Verification Act

Marjorie A. Brown, Esquire February, 2013

The Public Works Employment Verification Act (Act 127 of 2012) went into effect on January 1, 2013. All public work contractors and subcontractors must use the federal government's E-Verify system to ensure that all employees performing work on "public work" projects are authorized to work in the United States. Only public work contracts subject to the Pennsylvania Prevailing Wage Act must comply with these requirements. The Act is enforced by the Department of General Services.

Compliance is a precondition to being awarded a public works contract. Compliance involves (i) using the E-Verify Program operated by the Department of Homeland Security to verify the employment eligibility of a new employee, and (ii) completing and signing a "Public Works Employment Verification Form". In completing the verification form, which must be provided to the public body, the contractor/subcontractor acknowledges its responsibilities under the Act and verifies its compliance. The form is available online. Contracts awarded to contractors prior to January 1, 2013, but not yet executed, must comply with the Act.

Every contract (a) between the contractor and its subcontractor, and (b) between the subcontractor and its sub-subcontractor, must contain information about these new requirements. Penalties for noncompliance include fines ranging from \$250 to \$1,000 per violation and debarment from public work for up to one year. Willful violations can result in debarment for a three year period by court order.

The Department of General Services is authorized to conduct both complaint-based and random audits of public works contractors and subcontractors to ensure compliance. The Act includes provisions protecting employees from retaliation for reporting violations and cooperating with investigations.

Municipalities, school districts and public agencies should revise their standard bid documents to include notification of these new requirements.

About the Author: Ms. Brown focuses her practice on municipal law and real estate, zoning and land development. If you have any questions please contact Ms. Brown (mabrown@wispearl.com) or one of the attorneys in Wisler Pearlstine's Municipal Law or Real Estate, Zoning, and Land Development practice groups.

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