



DAVIS-BACON & RELATED ACTS



Prevailing Wage Rate Laws Fact Sheet

Purpose/Definition

The Davis-Bacon Act requires that laborers and mechanics, employed on federally funded or financed projects, must receive no less than the prevailing wages being paid for similar work in the area. The act states that: "any contract in excess of \$2,000.00 for construction, alteration, and/or repair, including painting and decorating and which requires or involves the employment of laborers and/or mechanics shall contain a provision stating the minimum wage to be paid various classes of laborers and mechanics which shall be based upon the wages that will be determined by the Secretary of Labor to be prevailing for the corresponding classes."

Applicable Criteria

Prevailing wage rate laws are triggered under the following circumstances:

- CDBG funds used for construction costs on a new construction (under one roof) or rehabilitation housing project with 8 or more units (non or contiguous).
- HOME funds used for construction costs on a new construction (under one roof) or rehabilitation housing project with 12 or more units (non or contiguous).
- Commercial (non-residential) new construction or rehabilitation to buildings, which includes alteration, painting, etc., in excess of \$2,000.00 for construction costs.
- Site development work to include; sidewalk replacement, playground reconstruction, landscaping and roadway construction in excess of \$2,000.00 for construction costs.

Required Procedures, Timeline, Required Documentation

When residential, non-residential or site development construction projects are subject to the Davis-Bacon Act, and **prior to a contractual agreement with the City**, the recipient of federal funds shall:

- Solicit all bids, including subcontractors, using the appropriate Federal prevailing wage determination. The City's Labor Standards Officer will distribute the proper wage determination based upon the type of project.

Prior to Start of Construction and after Contract signing:

- Attend a Pre-Construction Conference with the Labor Standards Officer to discuss Davis-Bacon related procedures.