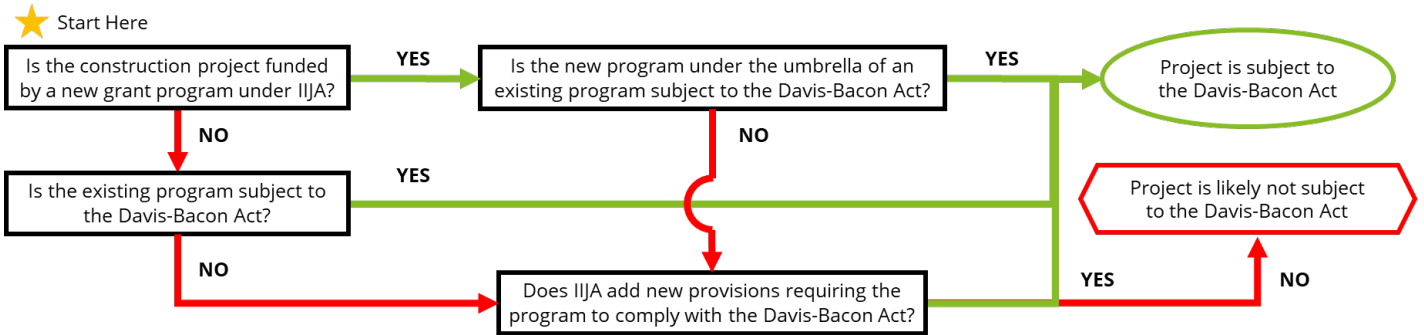




# The Davis-Bacon Act Fact Sheet

October 2023

The Davis-Bacon Act applies to federally-funded or assisted (covered) contracts over \$2,000 for the construction, alteration, or repair of public buildings or public works.<sup>1</sup> The Davis-Bacon Act requires laborers and mechanics employed on federal covered contracts to be paid no less than the locally prevailing wages for corresponding work on similar projects in the area.<sup>1</sup> The following process tests if the Davis-Bacon Act applies to a construction project funded or assisted through the Infrastructure and Investment Jobs Act (IIJA):<sup>2</sup>



## Covered Worker

Covered workers perform job duties that are physical and manual in nature, including:

- Laborers and mechanics, including apprentices, trainees, and helpers<sup>3</sup>
- Watchmen or guards in contracts subject to the Contract Work Hours and Safety Standards Act<sup>3</sup>
- Working foremen who devote > 20% of their time during a workweek to mechanic or laborer duties<sup>3</sup>

## Compliance

A wage determination is a document published by the U.S. Department of Labor (DOL) on [sam.gov](https://sam.gov) detailing the prevailing wages (base hourly rate and fringe benefits) for each labor classification in a predetermined geographical area for a particular type of construction.<sup>4</sup>

	Rates	Fringes
PLUMBER (Includes HVAC Pipe Installation).....	\$ 30.08	11.56

The funding recipient is responsible for searching for and determining the appropriate wage determination. To do so, the funding recipient must select the applicable:

- State
- County
- Construction Type (building, residential, highway, or heavy)<sup>5</sup>

The funding recipient must include Davis-Bacon Act labor standards clauses and applicable wage determinations in covered construction contracts.<sup>6</sup>

## Payroll Reporting Requirements

- Covered workers shall be paid weekly.<sup>3</sup>
- For covered contracts over \$100,000, covered workers must be paid one and one-half times their basic rate for all hours over 40 in a work week.<sup>7</sup>
- The funding recipient must review certified weekly payrolls for compliance and maintain records for three years after the completion of the project.<sup>2</sup> Records may be requested by DOL during investigations.

## Compliance Monitoring and Investigations

- The funding recipient must ensure covered workers are listed, classified properly, and paid the amount reported on the payroll by performing the following monitoring activities:
  - Performing periodic employee interviews;
  - Confirming payroll deductions; and
  - Reviewing daily site reports.<sup>2</sup>

Noncompliance findings can lead to debarment, withholding of contract funds, or civil or criminal prosecution.<sup>2</sup> Funding recipients must comply with requirements and requests during investigations.<sup>2</sup>

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Sources: (1) Davis-Bacon and Related Acts Fact Sheet; (2) Requirements for Covered IIJA Projects; (3) FAQs: Protections for Workers; (4) FAQs Relating to Wage Determinations; (5) Construction Types; (6) Contract Provisions; (7) Overtime Pay