



Davis-Bacon

CDBG-DR & CDBG-MIT



When Does Davis-Bacon Apply?

The labor standards provisions in the Davis-Bacon Related Acts (DBRA) apply to contractors and subcontractors performing on federally-funded or -assisted contracts that:

- Exceed \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works; or
- Involve residential construction, alteration, or repair of:
 - » 8 single-family (not homeowner) houses located on contiguous lots; or
 - » 8 or more units on a single property (“property” is defined as one or more buildings on an undivided lot or on contiguous lots or parcels, which are commonly-owned and operated as one rental, cooperative or condominium project).

Subrecipients receiving CDBG-DR or CDBG-MIT funds must ensure that Davis-Bacon standards are applied appropriately to their projects by appointing a Labor Compliance Officer and working with construction contractors to achieve compliance.

Other applicable labor laws include the Federal Fair Labor Standards Act, Copeland “Anti-Kickback” Act, Contract Work Hours and Safety Standards

Act (CWHSSA), Louisiana Labor Standards and local laws and regulations, and LOCD-DR program requirements.

Note: the Davis-Bacon Act (DBA) applies to contracts directly with the federal government. LOCD-DR programs are governed by the DBRA, rather than the DBA.



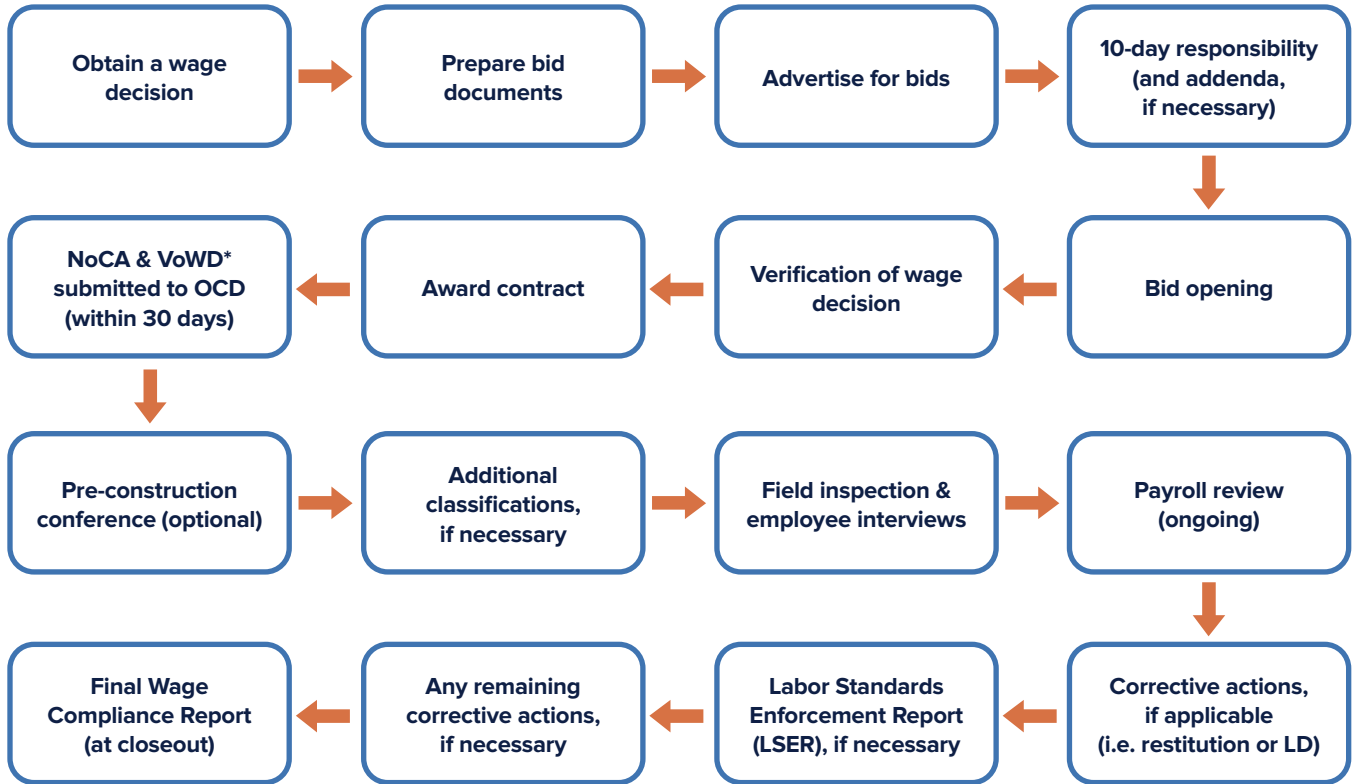
Guiding Principles

- **Ensure** the proper wage decision is utilized by reviewing the scope of work in bid packages and independent cost estimates.
- **Verify** the wage decision after the bid opening and before the award of the construction contract.
- **Guide** contractors to understand their Davis-Bacon responsibilities through contractual language, the preconstruction meeting (which is not required, but highly recommended), or other guidance.
- **Monitor** and review contractor submission of payrolls promptly to identify and correct deficiencies.
- **Compile** complete records evidencing compliance through every step of the labor process.



Davis-Bacon Road Map

These are the general labor steps taken by the appointed LCO:



* Notice of Contract Award and Verification of Wage Decision forms (Exhibits 4-14 & 8-6)



Common Issues

- Contractor does not specify worker’s exact classification(s).
- Classifications listed on payroll reports that are not listed in the effective wage decision (i.e. lack of additional classifications requested).
- Employees not paid the minimum prevailing wage rate specified in the wage decision (rate of pay issues are often associated with overtime hours worked).
- Statements of Compliance not signed by appropriate signee.
- Employees misclassified on payroll reports (such as a “Carpenter” classified as a “Laborer”). Field inspections/employee interviews can be used to help determine proper classification(s).
- Overuse of the Laborer classification.
- Employees performing work in more than one classification not listed separately.
- Lack of Payroll Deduction Authorization (PDA) forms for non-standard employee deductions.



Recordkeeping

To demonstrate compliance with Davis-Bacon and labor standards, subrecipients must maintain the following items on file for their construction projects (this list is not comprehensive):

- Appointment of LCO to review payrolls and conduct employee interviews
- Copy of wage decision(s) applicable to the project
- Any additional classification requests needed for the project (and DOL response[s])
- Verification of Wage Decision (this form, along with the NoCA, should be submitted to OCD within 30 days of contract award)
- Employee interviews
- Evidence of contractor clearance (prior to contract award) for all prime contractors
- Preconstruction conference minutes and sign-in sheets, if applicable
- Weekly payrolls, any supporting documentation, and evidence of compliance review
- Final Wage Compliance Report as part of the closeout documents (Activity Completion Report)



Resources

Grant Implementation Manual for CDBG-DR and CDBG-MIT subrecipients: [LOCD-DR Grant Implementation Manual](#)

Direct text of the Davis-Bacon regulations on the Department of Labor (DOL) website: [The Davis-Bacon Act, as Amended](#)

US Department of Labor: <https://www.dol.gov/>

US DOL Wage and Hour Division (WHD): <https://www.dol.gov/agencies/whd>

US DOL WHD Davis-Bacon and Related Acts: <https://www.dol.gov/agencies/whd/government-contracts/construction>

System for Award Management (SAM): <https://sam.gov/content/home>

HUD Exchange: <https://www.hudexchange.info/>

DOL Field Operations Handbook: <https://www.dol.gov/agencies/whd/field-operations-handbook/Chapter-15#B15j00>

HUD 1344.1 Handbook: https://www.hud.gov/program_offices/administration/hudclips/handbooks/sech/13441

Davis-Bacon Guides: <https://www.hudexchange.info/resource/6717/davis-bacon-and-labor-standards-agency-contractor-guide-and-contractor-addendum/>

DOL WHD Prevailing Wage Resource Book (May 2015): <https://www.dol.gov/agencies/whd/government-contracts/prevailing-wage-resource-book>

HUD Federal Labor Standards Provisions: https://www.hud.gov/program_offices/administration/hudclips/forms/hud4

29 CFR Part 5 (DOL Regulations): <https://www.ecfr.gov/current/title-29/subtitle-A/part-5>

HUD Labor Forms: https://www.hud.gov/program_offices/davis_bacon_and_labor_standards/olrform

HUD Labor Relations Letters: https://www.hud.gov/program_offices/administration/hudclips/letters/lrletters

