



CDBG-CV LABOR STANDARDS GUIDELINES

Overview

The Davis-Bacon Act applies to all construction work that is financed in whole or in part by a Community Development Block Grant (CDBG) in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Many federal laws that authorize federal assistance for construction through grants, loans, loan guarantees, and insurance are Davis-Bacon “Related Acts” (DBRA). The Related Acts include provisions that require Davis-Bacon labor standards apply to most federally assisted construction. Examples of Related Acts include the Federal Aid Highway Acts, the Housing and Community Development Act of 1974, and the Federal Water Pollution Control Act.

The Related Acts require that workers be paid overtime for all hours worked in excess of 40 hours a week, that employers do not compel workers to forfeit any portion of their wages (except for permissible deductions), and that employers submit weekly certified payroll reports.

Basic Provisions/Requirements

Contractors and sub-contractors must pay laborers and mechanics employed directly upon the site of the work at least the locally “prevailing wages” (including fringe benefits), listed in the Davis-Bacon wage determination in the contract, for the work performed. Davis-Bacon labor standards clauses must be included in covered contracts. The Davis-Bacon prevailing wage is the combination of the basic hourly rate and any fringe benefits listed in a Davis-Bacon wage determination. The contractor’s obligation to pay at least the prevailing wage listed in the contract wage determination can be met by paying each laborer and mechanic the applicable prevailing wage entirely as cash wages or by a combination of cash wages and employer-provided bona fide fringe benefits. Prevailing wages, including fringe benefits, must be paid on all hours worked on the site of the work. Apprentices or trainees may be employed at less than the rates listed in the contract wage determination only when they are in an apprenticeship program registered with the Department of Labor or with a state apprenticeship agency recognized by the Department. Contractors and sub-contractors are required to pay covered workers weekly and submit weekly certified payroll records to the contracting agency. They are also required to post the applicable Davis-Bacon wage determination with the [Davis-Bacon poster \(WH-1321\)](#) on the job site in a prominent and accessible place where they can be easily seen by the workers.

Davis-Bacon Wage Determinations

Davis-Bacon wage determinations are published on the [Wage Determinations](#) website for contracting agencies to incorporate them into covered contracts. The prevailing wages are determined based on wages paid to various classes of laborers and mechanics employed on specific types of construction projects in an area.

A pre-construction meeting is required for all Grantees with construction projects which will involve at a minimum the contract manager, prime contractor, and CDBG staff.

Typical Problems

- 1) Misclassification of laborers and mechanics.
- 2) Failure to pay full prevailing wage, including fringe benefits, for all hours worked (including overtime hours).

- 3) Inadequate recordkeeping, such as not counting all hours worked or not recording hours worked by an individual in two or more classifications during a day.
- 4) Failure of to maintain a copy of bona fide apprenticeship program and individual registration documents for apprentices.
- 5) Failure to submit certified payrolls weekly.
- 6) Failure to post the Davis-Bacon poster and applicable wage determination.

Relation to State, Local, and Other Federal Laws

The [Copeland "Anti-Kickback" Act](#) prohibits contractors from in any way inducing an employee to give up any part of the compensation to which he or she is entitled under his or her contract of employment, and requires contractors to submit a weekly statement of the wages paid to each employee performing DBRA covered work.

Contractors on projects subject to DBRA labor standards may also be subject to additional prevailing wage and overtime pay requirements under State (and local) laws. Also, overtime work pay requirements under [Contract Work Hours and Safety Standards Act \(CWHSSA\)](#) and the [Fair Labor Standards Act](#) may apply. Under Reorganization Plan No. 14 of 1950, (5 U.S.C.A. Appendix), the federal contracting or assistance administering agencies have day-to-day responsibility for administration and enforcement of the Davis-Bacon labor standards provisions and, in order to promote consistent and effective enforcement, the Department of Labor has regulatory and oversight authority, including the authority to investigate compliance.

Additional Davis-Bacon Labor Standards resources

[A Contractor's Guide to Prevailing Wage Requirements for Federally Assisted Construction Projects](#)

Bidding Information Forms:

- [Form SC-51 - Bidding Information and Contractor Eligibility](#)
- [Form SC-37 - Debarment Certification \(Prime Contractor\)](#)
- [Form SC-38 - Debarment Certification \(Subcontracts\)](#)
- [Payroll Compliance Certification](#)
 - [Payroll Compliance Certification Instructions](#)
- [Record of Employee Interview in English | Historial de Entrevista del Empleado](#)
- [Report of Additional Classification | Report of Additional Classification Instructions](#)
- [U.S. Department of Labor Memos 130 - 131](#)
- [Form SC-56 - Wage Decision Request](#)
- [Form SC-57 - Employee / Employer Wage Scale Agreement](#)
- [Form SC-46 - Wage Restitution Enforcement Report](#)