CDBG-DR

DAVIS-BACON 101 BRIEF

Davis-Bacon Objectives

Davis-Bacon establishes requirements for paying the local prevailing wages on public works projects for laborers and mechanics. CDBG-DR grantees and subrecipients must take steps to verify and demonstrate that they are complying with this requirement for all construction projects in excess of $2,000. Key objectives of Davis-Bacon requirements include:

- Apply Davis-Bacon requirements properly
- Support contractor compliance through education and guidance
- Monitor contractor performance
- Identify and follow up on underpayments
- Pursue debarment against repeat violators

✓ Defining a Property

Davis-Bacon applies to properties, which are defined as one or more buildings on an undivided lot or on contiguous lots that are commonly-owned and operated as one rental, cooperative, or condominium project. Examples of a Davis-Bacon property include:

- All commercial and public buildings
- 3 apartment buildings each with 5 units located on one tract
- 8 single-family rental houses on contiguous lots

Steps to Davis-Bacon Compliance

Subrecipients should follow the steps outlined below to remain compliant with Davis-Bacon requirements:

1. Designate a Labor Standards Officer
2. Obtain an Applicable Wage Decision
3. Include Wage Decision in the Bid Documents
4. Ensure Wage Rate is Current before Bid Opening
5. Confirm Recommended Construction Contractor's Eligibility Status
6. Award Construction Contract
7. Hold a Pre-Construction Conference
8. Contractor submits weekly Labor Standards Records
9. Review Project Payrolls during Construction
10. Perform On-site Interviews of Workers
11. Identify Situations of Non-Compliance, Issue Restitution Notices and Ensure Restitution is Quickly Paid and Resolved
12. Submit Construction Completion Reports to project file and/or GLO for Submission to HUD

Recordkeeping Requirements

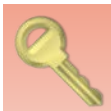
To demonstrate compliance with Davis-Bacon, subrecipients must complete specific forms provided by GLO and maintain them in a file for each construction contract. In some cases, these forms must be submitted to GLO. All GLO Davis-Bacon forms are located here.

Maintain in Files	Maintain & Submit to GLO
Copy of Wage Rate Issuance(s)	Appointment of Labor Standards Officer
Ten-Day Confirmation Forms	Additional Classification Request(s)
Eligibility/Verification printouts from SAM (for each prime and/or subcontractor)	Labor Standards Record
Pre-Construction Conference Report Minutes & Sign-in Sheets	Financial Interest Report
Supplemental Labor Standards Record (if any)	Liquidated damage fees (if any)
Monthly Section 3 Contractor Reports for contracts over $100,000	Certificate(s) of Construction Completion
Payrolls, with evidence of compliance review	Final Wage Compliance Reports
Employee interviews	
Compliance with Section 3, Fair Housing construction, EEO, and HUB mandates	
Interim inspection reports	
Wage violations (amount of restitution, number of hours and days)	

Common Indicators of Payroll Falsification

When reviewing payrolls for violations, keep a few common indicators in mind:

- Persistent patterns over time
- Anomalies and mistakes
- Employee ratios
- Misclassification
- Missing workers



Key Point

The Prime Contractor is responsible and will be held liable for any wage restitution that is due to any worker employed in the construction of the project, including workers employed by subcontractors.