

Davis-Bacon and the Related Acts (DBRA)

Wisconsin Association of Housing Authorities Tuesday, April 18, 2023 Radisson Hotel, La Crosse, Wis

Davis-Bacon and Labor Standards Staff

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HUD's Role Davis-Bacon Act Enforcement

Ensure	Ensure Local Contracting Agencies (LCAs) apply DBRA requirements properly
Support	Support labor standards compliance
Monitor	Monitor LCA performance
Train	Train LCAs

KEY TERM	DEFINITION
Davis-Bacon Act (DBA)	The Davis-Bacon Act requires the payment of prevailing wage rates to all laborers and mechanics on Federal government construction projects in excess of \$2,000.
Contract Work Hours and Safety Standards Act (CWHSSA)	CWHSSA requires time and one-half pay for overtime (O/T) hours (over 40 in any workweek) worked on covered projects.
The Copeland Act aka Anti-Kickback Act	Makes it a Federal crime for anyone to require any laborer or mechanic (employed on a Federal or Federally-assisted project) to kickback (i.e., give up or pay back) any part of their wages. It requires every employer (contractors and subcontractors) to submit weekly certified payroll reports (CPRs) and regulates permissible payroll deductions.
Fair Labor Standards Act (FLSA)	Applies to any Labor performed – child labor requirements, overtime, federal minimum wage rates

U.S. Housing Act of 1937, as amended, Section 12(a)

....not less than the wages prevailing in the locality, as determined or adopted...by the Secretary, shall be paid to...all maintenance laborers and mechanics employed in the operation of the low-income housing project involved...

Public Housing - DBRA Applicability

For properties subject to a conventional Annual Contributions Contract, construction, rehabilitation, and maintenance work are covered by some type of prevailing wage to all maintenance laborers and mechanics engaged in the operation of low-income housing projects (Section 12(a) of the US Housing Act of 1937).

Agency-Contractor Guides

- (1) Davis-Bacon DB rates apply to public housing "development."
- (2) HUD Wage Rates HUD-determined prevailing wages apply to public housing maintenance work (including contracted routine maintenance and "non-routine" maintenance, as defined in Modernization regulations in §968.105).
- (3) Force Account DB and HUD wage rates apply to PHA employees ("force account" workers) as well as to contractor employees.
- (4) Threshold: No unit threshold for DB or HUD wage rate applicability to public housing. DB dollar threshold at \$2,000; \$2,000 dollar threshold for maintenance contracts.

Routine Maintenance Labor Relations Letter 93-01



Work that involves the regular upkeep and preservation of buildings, grounds, and facilities



Routine maintenance wage rates are determined or adopted by HUD



Agencies collect local wage data (Collective Bargaining Agreement, wage surveys) and submit HUD 4750 to DBLS biennially. <u>HUD4750</u>



DBLS reviews and works with HA to determine the Maintenance Wage Rate Determination; renewed biennially.



A HUD 52158 is issued for all work classifications (force account and anticipated contracts)

Sample 52158

Maintenance Wage Rate Decision	tment of Housing and	HUD FORM 52158		
		n Development of Labor Relations	(06/2006)	
Agency Name:	l	LR 2000 Agency ID No:	Wage Decision Type:	
Any City HRA		MN0000	☐ Routine Maintenance	
Some Street			☐ Nonroutine Maintenance	
Some Beach, MN 50000	E	Effective Date:	Expiration Date:	
		July 1, 2020	June 30, 2022	
Loretta Szweduik, CIRS		6-1-20		
HUD Labor Relations (Name, Title, Signature)		Date	DI VIMACE DATES	
		Date	RLY WAGE RATES	
(Name, Title, Signature)		Date	RLY WAGE RATES FRINGE BENEFIT(S) (if any)	
(Name, Title, Signature)		Date	1	

Development Projects (DavisBacon) regardless of budget source eg: operations, capital funds, disaster recovery funds

New construction

Reconstruction

A substantial improvement in the quality or kind or original equipment and materials

Remodeling that alters the nature or type of housing units falls within the purview of "development" (24 CFR 968.203)

Bidding Solicitation and Award

- Ensure that bid docs, contracts, & subcontracts contain federal labor standards clauses and applicable wage decision
 - Federal labor standards
 - Applicable wage decision

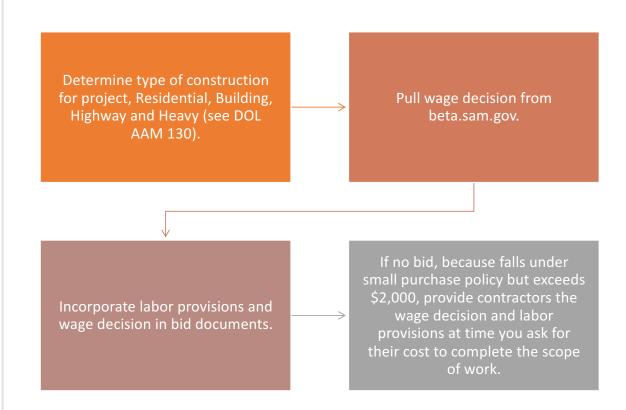
Check general contractor's eligibility **prior** to contract award

 The excluded parties' records, may be accessed on the System for Award Management (SAM).
 Place printed search in contract file.

Payroll Reviews

- Additional Classifications
- Apprentices, Deduction Authorizations, Owner/Operator verification

Davis-Bacon Contracts



Construction Contract Labor Provisions - PHAs

Contract Forms:

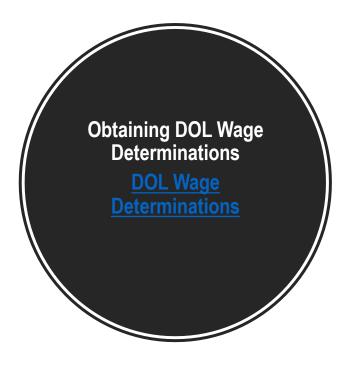
- HUD-5370 (Construction contracts >\$250,000, see Clauses 46 and 47)
- HUD-5370-EZ (Construction contracts \$2,000 \$250,000, see Clause 14); <u>HUD 5370EZ</u>
- HUD-5370-C (Non-construction contracts and Routine and Non-Routine Maintenance contracts, see Sections I >\$250,000 & II \$2,000 \$250,000).
- Forms are available at: HUDClips

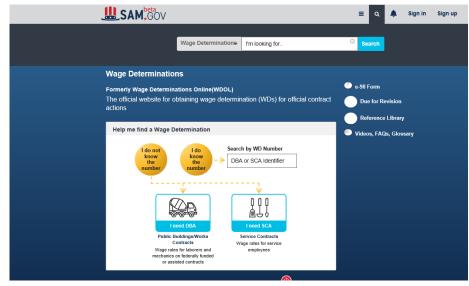
CONTRACT ADMINISTRATION Development Work (Construction)

Ways to incorporate the provisions:

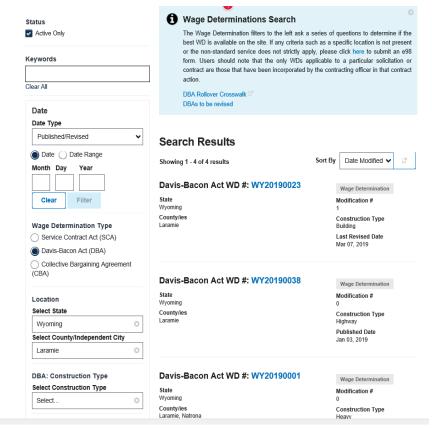
- 1. REFERENCE
- 2. **INCORPORATION** (into other documents verbatim)
- **3. ATTACHMENT** (recommended method)

See Labor Relations Letter 2006-03 Methods of Incorporation









Posting
Requirements
Locked-in WD and
Employee Rights
Poster
Employee Rights
Poster

"General Decision Number: WI20220023 06/17/2022

Superseded General Decision Number: WI20210023

State: Wisconsin

Construction Type: Residential

Counties: Dodge, Green, Jefferson, Lafayette, Sauk and Walworth Counties in Wisconsin.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a) (2)-(60).

Modification Number	Publication Date			
0	01/07/2022			
1	02/25/2022			
2	06/17/2022			

EMPLOYEE RIGHTS

UNDER THE DAVIS-BACON ACT

FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

WAGES	You must be paid exchange therefore against bread in the Cause Basson Wago Decision posted with the basics for the work price perform.
OVERTIME	You must be paid not been than one and one half three your basis rule of pay for all hours worked over 60 ms work week. There are few exceptions.
ENFORCEMENT	Conduct payments combine withheld to ensure workers receive responsed contribute pay-time, and imputited changes may explicit execution pay requirements are rectined. Extended controlled changes after controlled translations and discovered of controlled controlled controlled quite change pairs. A controlled value failure confident payment controlled controlled any first adjustment of an instruction processing, these parties required or controlled payment payments.
APPRENTICES	Appendix extent apply only to apprecise a properly registered under approved Federal or State expansion scales programs.
PROPER PAY	Eyou do not resin a proper pay, or regular further information on the applicable segme, constant the Coveranting Office fees the over





0 Additional Classifications

- Agencies can submit conformance requests directly to the DOL.
- Complete DOL form SF-1444 found at: <u>SF1444</u> and scroll down to "SF1444-13f.pdf" and download. Submit along with the wage decision and any support documentation directly to: <u>whd-cbaconformance_incoming@dol.gov.</u>
- Helpful link: <u>DOL Conformance Guide</u>

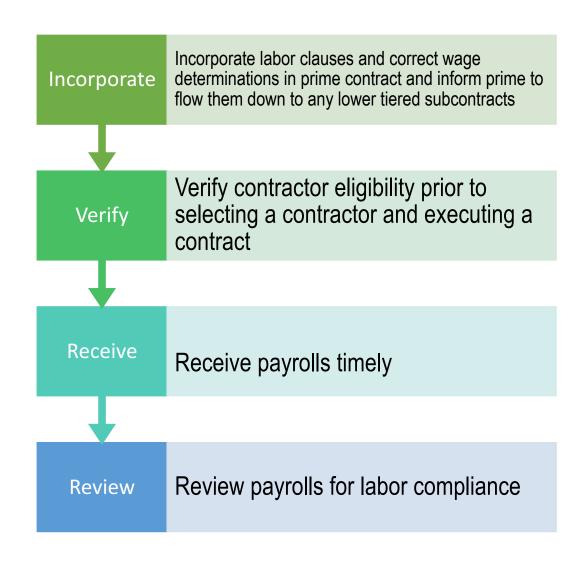
REQUEST	FOR AUTHORIZATION C)F	CHECK APPROPRIAT		OMB C	ontrol N	lumber: 9000-0066
ADDITIONAL CLASSIFICATION AND RATE			SERVICE CONT	10101			e: 5/31/2025
Paperwork Reduction Act Statement - This information collection meets t							
	t Statement - This information colle ou do not need to answer these qu						
The OMB control number	for this collection is 9000-0066. W	le estimate t	hat it will take .5 hou	rs to read the in	nstructions,	gather th	e facts, and answer the
	mments relating to our time estimat eral Services Administration, Regul						
	ONTRACTOR SHALL COMPLETE THE CONTRACTING OFFICER.	ITEMS 3 TI	HROUGH 16, KEEP	A PENDING C	OPY, AND	SUBMIT	THE REQUEST, IN
. TO:			2. FROM: (REPORTI	NG OFFICE)			
ADMINISTRATOR, WAGE AND HOUR D	OMISION						
U.S. DEPARTMENT	OF LABOR						
WASHINGTON, DC	20210						
CONTRACTOR					4.1	DATE OF F	ŒQUEST
CONTRACT NUMBER	6. DATE BID OPENED (SEALED	7. DATE OF	AWARD	8. DATE CONT	RACT WOR	к 9.	DATE OPTION EXERCISED (II
. Southwar Hombert	BIDDING)	DATE OF	- and the	STARTED	. Jan Hore		APPLICABLE) (SERVICE
						0	ONTRACT ONLY)
0. SUBCONTRACTOR (IF.	ANY)						
311 (10	,						
1. PROJECT AND DESCRI	PTION OF WORK (ATTACH ADDITION	IAL SHEET IF	NEEDED)				
2. LOCATION (C/TY, COU	NTY, AND STATE)						
	TE THE WORK PROVIDED FOR UNDE				ESTABLISH	THE FOLL	OWING RATE(S) FOR THE
	ATION(S) NOT INCLUDED IN THE DEF	PARTMENT O	F LABOR DETERMINA	TION			
NUMBER:			DATED:				
LIST IN ORDER: PROPO	SED CLASSIFICATION TITLE(S); JOB ROPOSED CLASSIFICATIONS (Service	DESCRIPTIO	N(S); DUTIES;	b. WAG	E RATE(S)		c. FRINGE BENEFITS PAYMENTS
AND RATIONALE FOR PE	(Use reverse or attach additional sheets, if rec		90			\rightarrow	PAYMENTS
	(,,					
	OF SUBCONTRACTOR REPRESENT	ATIVE	15. SIGNATURE AND	TITLE OF PRIM	E CONTRAC	TOR REP	RESENTATIVE
(IF ANY)							
6. SIGNATURE OF EMPLO	OYEE OR REPRESENTATIVE		TITLE		CHECK	APPROPRIA	TE BOX-REFERENCING BLOCK 13.
						AGREE	DISAGREE
O DE COMPI ETTE	BY CONTRACTING OFFICE	(OUEO''	10 100000F::=				
	BY CONTRACTING OFFICER						
THE INTERESTED P	AR 22.406-3 (CONSTRUCTION ARTIES AGREE AND THE CONTRACT	ING OFFICER	RECOMMENDS APP	ROVAL BY THE V	WAGE AND	HOUR DIV	ISION. AVAILABLE
	RECOMMENDATIONS ARE ATTACHE						
	ARTIES CANNOT AGREE ON THE PRO						E QUESTION BY THE WAGE
AND HOUR DIVISION	I IS THEREFORE REQUESTED. AVAIL (5		MATION AND RECOM the Department of Labor)	MENDATIONS A	HE ATTACH	ED.	
SIGNATURE OF CONTRAC	TING OFFICER OR REPRESENTATIVE	1	ITLE AND COMMERCI	AL TELEPHONE	NUMBER	DATE SU	JBMITTED
OF CONTRACT	THE STREET OF REPRESENTATIVE	-				l	

AUTHORIZED FOR LOCAL REPRODUCTION PREVIOUS EDITION IS USABLE

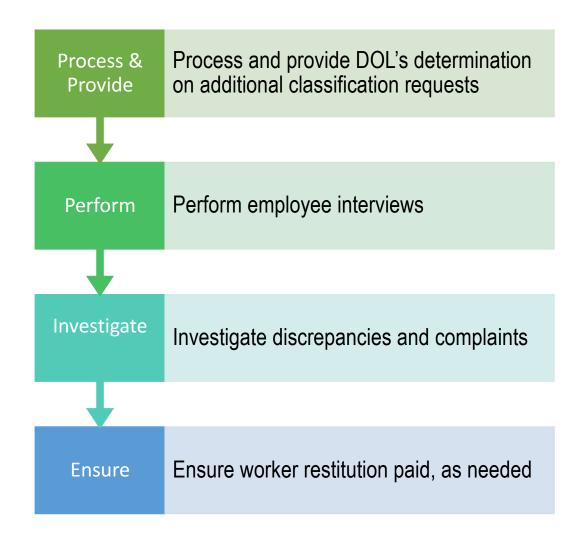
STANDARD FORM 1444 (REV. 4/2013)

Prescribed by GSA-FAR (48 CFR) 53.222(f)

Agency
Responsibilities
Contract/Project
Management



Agency
Responsibilities
Contract/Project
Management



Davis-Bacon Covered Contract Checklist

SAMPLE DAVIS-BACON PUBLIC HOUSING CHECKLIST **DEVELOPMENT CONSTRUCTION PROJECTS** Project subject to Davis-Racon Determine Category of Construction (https://beta.sam.gov/help/wagedeterminations) Note: Examples in each category below are not comprehensive, see DOL All Agency Memorandum 130 and 131 Residential (4 Stories or less) Building (non-residential and 5 stories or more) Highway (sidewalk, parking, roads) Heavy (all other, water/sewer liines, parks & playgroun Project Applicable Labor Standards Provisions (Projects under \$150,000) 5370 (Projects \$150,000+) (Contracted Maintenance) Correct Wage Decision and Labor Standards Provisions included in bid documents. (Ensure most current WD modification.) Correct Wage Decision and Labor Standards Provisions bound into contract. (Ensure most current modification.) LSP HUD Form: Effective Date of Wage Decision ("Lock-In") Formal Bid (10 day advertised bid, receipt of sealed bids scheduled bid opening) Lock-in is effective date Bid Opening Date telephone or written quotes) Lock-in is effective date

Certified Weekly Payrolls



Payroll Form WH347

U.S. Department of Labor

PAYROLL

U.S. Wage and Hour Division Rev. Dec. 2008

Wage and Hour Division

(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

NAME OF CONTRACTOR OR SUBCONTRACTOR ADDRESS OMB No.:1235-0008 Expires: 07/31/2024 PROJECT OR CONTRACT NO. PROJECT AND LOCATION PAYROLL NO. FOR WEEK ENDING (4) DAY AND DATE (1) (6) (8) DEDUCTIONS NAME AND INDIVIDUAL IDENTIFYING NUMBER GROSS WAGES (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY WORK TOTAL RATE AMOUNT HOLDING TOTAL PAID NUMBER) OF WORKER OTHER FOR WEEK

While completion of Form WiH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) contractors and subcontractors performing work on Federally financed or assisted construction contracts to 'furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Public Burden Statement

We estimate that is will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washindton, D.C. 20210

Statement of Compliance

Date		(b) WHERE FRINGE BENEFITS ARE PAIR	D IN CASH
I, (Name of Signatory Party) do hereby state:	(Title)	as indicated on the payro	ic listed in the above referenced payroll has been paid, oil, an amount not less than the sum of the applicable lus the amount of the required fringe benefits as listed
do nereby state.			s noted in section 4(c) below.
(1) That I pay or supervise the payment of the persons emp	ployed by	(c) EXCEPTIONS	
	on the	(4)	
(Contractor or Subcontractor)		EXCEPTION (CRAFT)	EXPLANATION
	uring the payroll period commencing on the		
(Building or Work)			
, day of, and ending the			
all persons employed on said project have been paid the full wer been or will be made either directly or indirectly to or on behalf or			
	from the full		
(Contractor or Subcontractor)			
weekly wages earned by any person and that no deductions har from the full wages earned by any person, other than permissible			
3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and	the Copeland Act, as amended (48 Stat. 948,		
		REMARKS:	
(2) That any payrolls otherwise under this contract require correct and complete; that the wage rates for laborers or mecha applicable wage rates contained in any wage determination incor- set forth therein for each laborer or mechanic conform with the w	nics contained therein are not less than the porated into the contract; that the classifications		
(3) That any apprentices employed in the above period are of program registered with a State apprenticeship agency recognize Training, United States Department of Labor, or if no such recog with the Bureau of Apprenticeship and Training, United States D	ed by the Bureau of Apprenticeship and nized agency exists in a State, are registered		
(4) That: (a) WHERE FRINGE BENEFITS ARE PAID TO APPR	OVED PLANS, FUNDS, OR PROGRAMS	NAME AND TITLE	SIGNATURE
	paid to each laborer or mechanic listed in of fringe benefits as listed in the contract	THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE	STATEMENTS MAY SUBJECT THE CONTRACTOR OR
	programs for the benefit of such employees,		ON. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE

Reviews of Certified Payrolls

- Full name of employee. (Address and SSN must be on file and available upon request.)
- Properly classified according to the work actually performed
- Established work week (eg: Sun-Sat, Tues-Wed)
- Hours worked each week
- Gross and net wages properly calculated
- "Other" deductions documents submitted
- Overtime computed properly
- Statement of Compliance authorized original signature

Reviews of Certified Payrolls Typical Errors

- Work classification errors
- Copy or fax Statement of Compliance
- Inadequate/incomplete payroll information
- Missing 4 Digit ID Number
- One Statement of Compliance for multiple work weeks
- Other deductions
- Ratio of laborers to mechanics
- Unauthorized signature on Statement of Compliance

Apprentices & Sole Proprietors

- Apprentices can be paid less than Davis-Bacon prevailing wages <u>only</u> <u>under very controlled circumstances</u>.
 - Contractors must submit a copy of the individuals apprentice agreement, wage and benefit scale, level of completion in the program and ratio language. <u>DOL Field Operations Handbook 15e01 Apprentices</u>
- Sole Proprietors/Working Contractors
 - All laborers and mechanics are covered regardless of any contractual relationship alleged to exist. There is no exception to this for self-employed or sole proprietors on HUD funded projects.

Labor Relations Letter 96-01

Monitoring & Recordkeeping



Agencies monitored based upon annual risk analysis scores or if circumstances warrant (program area recommendation). On-site Monitoring Checklist



Agencies are required to retain specific records (See 8-7(b) of Handbook 1344.1 Rev 2) for a period of three years from the time of project completion.

Report Requirements & Deadlines

Semi-Annual Labor Standards Enforcement Report - HUD 4710
 <u>Semi-Annual Report</u>

Period 1 Oct 1 – Mar 31 Due first week of April

Period 2 Apr 1 – Sep 30 Due first week of October

- Maintenance Wage Rate Determinations (52158) Biennially HUD sends notice of renewal 90 days prior to end of Fiscal Year. HUD 4750
- 5.7 Report due immediately when one contractor owes more than \$1,000 in restitution. Submit to your Labor Standards Specialist.

A Brief Moment About Section 3

- Purpose from §135.1(a):
 - To ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible... be directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very-low income persons.
 - Section 3 clause is required to be included in construction contracts.

Section 3 Resources

- Website: www.hud.gov/section3
- Resource Hub: <u>HUD Section 3 (arcgis.com)</u>
- Guidebook: <u>Section 3 Guidebook: Welcome HUD Exchange</u>
- General e-mail: section3@hud.gov

What's New



Semi-Annual Report (HUD 4710) now able to submit online!



HUD Handbook 1344.1 REVISION 3



Worker Pocket Guide Worker Pocket Guide-2022

Any Questions



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