



DAVIS-BACON GUIDANCE AND COMPLIANCE BASICS

All SRF projects must follow Davis Bacon rules and regulations. That includes:

- Incorporating the current Davis Bacon wage determination(s) in Bid documents
- Ensuring Davis Bacon wages (base and fringe) are paid to all skilled trades and laborers working at the job site by collecting and reviewing weekly payrolls.
- Posting the Davis Bacon poster somewhere at the job site or on the construction trailer so all workers have access to it.

The SRF staff will no longer be pulling the Davis Bacon wage determinations for SRF projects. That will now be done by someone working directly on the project (consulting engineer, city staff, individual responsible for Davis Bacon compliance, etc.).

This is ONLY for projects funded solely with SRF. If the project is funded with CDBG and SRF, continue to use the CDBG Davis Bacon process.

If an additional job classification is needed, the SF 1444 still must be submitted to IFA to send to Department of Labor (DOL). IFA is technically the contracting entity for the federal funds.

Getting a wage determination to include in the bid documents.

- Determine the type of project – For water and wastewater projects in Iowa there are 3 wage determinations that are possible.
 - a. Heavy (and Highway) – this wage determination is used for projects that are NOT at the site of a mechanical treatment plant. For projects that consist of replacing sewer or water mains, lift stations, etc. this the wage determination to use.
 - b. Heavy Sewer/Water Treating Plant – this wage determination is used for projects at a mechanical treatment plant.
 - c. Building – For projects that consist of buildings. Buildings are defined as sheltered enclosures with walk-in access that house persons, machinery and/or equipment.
- Multiple wage determinations – Dept. of Labor has issued guidance (AAM 236) that states that when a project has construction items in a different category of construction, multiple wage determinations should be used when the cost of the different category of construction exceeds either \$2.5 million or 20% of the total project costs. The example that is often used is for a highway project where, in addition to constructing a highway, a rest area (enclosed building with rest rooms, etc.) is also built. If the cost of the rest area is more than \$2.5M, you cannot just use the Highway wage determination for the entire project. You must use the Highway determination for the road and the Building determination for the rest area. For SRF projects, this often occurs on relatively large projects at treatment plants where at least \$2.5 million of the project cost is spent on buildings that will house either people or equipment. In those situations, two wage determinations (Heavy Treating Plant and Building) must be put in the bid documents.

When two wage determinations are included in the bid documents, there must be an explanation detailing which parts of the projects use which wage determination.

Finding the wage determination – go to: beta.SAM.gov | [Search](#)

1. Select Iowa from the State drop down list.
2. Select the county where the project is located.
3. Select the Construction type
 - a) Heavy includes several different classifications:
 - o Heavy and Highway
 - o Heavy Sewer/Water Treating Plant
 - o Heavy River work – this one will NEVER be used on SRF projects
 - b) Building

The screenshot shows the search interface on beta.SAM.gov. On the left, the 'Select Domain' is 'Construction WDs (DBA)'. The 'Filter By' section includes:

- Location: State (Iowa), County/Independent City (Bremer)
- DBA Construction Type: Heavy
- Keywords: (empty)
- Status: Active (checked), Inactive (unchecked)
- Published Date: Anytime

 A 'Reset' button is at the bottom of the filters. The main results area shows 'Showing 1 - 3 of 3 results'. The first result is for 'Davis-Bacon Act WD #: IA20210002'. It lists the state as Iowa and provides a list of counties. To the right of the county list is a 'DBA Wage Determination' box containing:

- Modification Number: 1
- Construction Types: Heavy
- Published Date: Mar 11, 2021

 The second result is for 'Davis-Bacon Act WD #: IA20210028'. Its 'DBA Wage Determination' box shows:

- Modification Number: 0
- Construction Types: Heavy, Highway
- Published Date: Dec 31, 2020

 The third result is for 'Davis-Bacon Act WD #: IA20210003'. Its 'DBA Wage Determination' box shows:

- Modification Number: 0
- Construction Types: (empty)

Currently – Heavy Water/Sewer Treating Plant is the wage determination ending in 0003 and the Heavy and Highway wage determination ends in 0028. (Heavy River work ends in 0002). But DOL has changed the numbering system in the past.

Checking for updated wage determinations

The most current wage determination must be used for the project. DOL regulations state that if a wage determination has been updated more than 10 days prior to the submittal of bids, the new wage determination must be incorporated in the bid docs. So – check to make sure there haven't been any updates to the wage determination 10 days prior to receiving bids.

The screenshot displays a web application interface for checking wage determinations. On the left, there is a 'Filter By' sidebar with the following options:

- Select Domain:** Wage Determinations by ID
- Wage Determination Number:** A search box containing 'IA20210063'.
- Keywords:** An empty search box.
- Status:** Radio buttons for 'Active' (checked) and 'Inactive'.
- Published Date:** A dropdown menu set to 'Anytime'.
- Reset:** A button with a circular arrow icon.

The main results area shows 'Showing 1 - 1 of 1 results' and a 'Sort by' dropdown set to 'Published Date'. The results table displays the following information:

Davis-Bacon Act WD #: IA20210063		DBA Wage Determination
State	Iowa	Modification Number
Counties	Bremer	1
		Construction Types
		Building
		Published Date
		Mar 11, 2021

At the bottom of the results area, there are navigation controls: '< 1 of 1 >' and 'Results per page 25'.

Missing Job Classifications

Sometimes the proper job classification is not listed on the wage determination. **You cannot just use a wage from another wage determination.** After the contract is awarded, IFA (or IEDA for CDBG projects) must officially request the addition of the missing job classification and wage rate. Contractors and/or subcontractors must complete [SF 1444](#) describing the job classification needed and the proposed wage. Copies of the form can be found here: <https://www.gsa.gov/Forms/TrackForm/32870>. Once completed send to waterquality@iowafinance.com so it can be submitted to DOL.

The proposed wage must be consistent with the other wages on the determination. For DOL to approve the proposed wage, it must be similar to the wages of other skilled trades with similar training on the determination. If a wage for the job classification is listed on the wage determination, a different wage cannot be proposed.

Apprentices are not listed on the wage determinations because their wages are determined by the specific apprenticeship program. Apprentices can work on the project if they are registered in an approved apprenticeship program.

Who is covered under Davis-Bacon: “Laborers and Mechanics” are covered under Davis-Bacon. They are defined by DOL as workers whose duties are manual or physical in nature (including those workers who use tools or who are performing the work of a trade). Those NOT included are architects, engineers, supervisors, software technicians, archeologists, or others whose work is considered administrative, managerial or professional in nature.

Apprentices may be employed at less than the listed wage rates if they are in an apprenticeship program registered with DOL or with a state apprenticeship agency recognized by DOL.

Base Rate and Fringe benefits: The wage determination splits the total wage into a base rate and fringe benefits. The prevailing wage obligation can be met by any combination of cash wages and fringe benefits.

Assume the wage determination lists \$17.55 base rate and \$7.75 fringe = \$25.30 total wage

1. All Cash – the total wage of \$25.30/hour can be paid in cash.
2. Cash & Benefits – a combination of cash and benefits may be used to together.
\$14.55 (cash) + \$10.75 fringe (payment toward benefits) = \$25.30
3. Cash Base + Cash Fringe + Benefits: \$16.55 (cash) + \$6.00 (fringe in cash) + \$2.75 (fringe benefit)

Fringe Benefits: Fringe benefits must be paid for all hours worked on the project – both straight time and overtime. Fringe benefits can include: life insurance, health insurance, pension, vacation, holidays and sick leave. **Workers compensation, unemployment compensation, FICA or state withholding cannot be counted as fringe benefits.**

Overtime: All hours worked in excess of 40 hours per week must be paid 1½ times the base rate listed in the determination.

During Construction

1. **Post the Wage Decision and Notice to All Employees POSTER**
The prime contractor is required to display a copy of the applicable wage decision and Davis-Bacon Poster at the job site. If there is no clear “job site”, the poster and wage determination can be posted at the construction trailer or any general location where workers could see it.
2. **Review Weekly Payrolls for all Contractors and Subcontractors**
Contractors and subcontractors are required to pay covered workers weekly and submit weekly certified payroll records to the person identified as responsible for Davis-Bacon compliance. It is the responsibility of that compliance monitor to confirm that the proper wages are paid to all covered workers on the project. Payrolls are not sent to or reviewed by IFA.
3. DOL has a sample payroll form, but any payroll form can be used as long as it shows the same information. Davis-Bacon wages are minimums; contractors can pay their workers

more. It is beneficial if the contractors number their payrolls with the last payroll identified as final. If there will be a gap of time between weeks on site, contractors should either send a statement noting the time they'll be off-site or send a payroll stating "no work" and document the dates.

After Construction

1. **Final Davis Bacon Compliance Report** -- When the project is nearing completion, the borrower will receive a letter requesting final documents regarding the project. Included with that letter is a Davis-Bacon final compliance checklist. The person responsible for Davis-Bacon compliance for the project completes the form and returns it to IFA.
2. **Retention Schedule** -- The borrower and prime contractor are responsible for maintaining the project records and payrolls for three years following the completion of the entire project. Sub-contractors must retain their own personnel files for three years.
3. **Inspections** -- The contractor or subcontractor shall make these required records available for inspection, copying, or transcription by authorized representatives of the borrower, IFA, Environmental Protection Agency or the Department of Labor.

Resources:

Basic DOL Davis Bacon information:

<https://www.dol.gov/agencies/whd/government-contracts/construction>