

Taylor County Davis-Bacon Act Requirement Guidelines

Updated July 2017

What is the Davis-Bacon Act?



Protects communities and workers from non-local contractors underbidding local wage levels



What are the Davis – Bacon Act (DBA) Requirements?



- Payment of locally "prevailing wages" and "fringe benefits" to laborers and mechanics, as determined by the U.S.
 Department of Labor (DOL)
- Applies to direct Federal contracts
- Applies to "laborers" and "mechanics" of contractors and subcontractors

- Performing work on the "site of the work"
- Must be paid weekly
- Wage scale must be posted at the job site in both English and Spanish

Who is covered by DBA?



Laborers and Mechanics

Only those who work "on the site"



Who is <u>not</u> covered by DBA?



- Timekeepers, inspectors, architects, engineers
- Executive, administrative and professional employees



Working foremen

• Delivery truck drivers



DBA COMPLIANCE

Developing an internal compliance program is the best means to mitigate potential risk of significant DBA non-compliances. To enforce compliance Taylor County will:

 Ensure the County meets the Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and all other applicable federal and state regulations, standards, and statutes. 2. All applicable bid documents will include **DBA** compliance requirements to ensure potential contractors understand compliance standards prior to submitting a bid. 3. Ensure all contractors and grant recipients understand Taylor County's commitment to DBA compliance and compliance to all applicable federal and state regulations, standards, and statutes including the Code of Federal Regulations Part 200.

4. New contracts executed with contractors and applicable grant recipients and/or subrecipients will include compliance requirements.

 Appropriate County staff will review contractor invoices/requests for payment for DBA compliance prior to approving any payment to contractors.

For an Effective Compliance Program Taylor County will:

 Ensure appropriate County staff have knowledge and understanding of federal and state regulations, requirements, standards, and statutes related to DBA requirements, including CFR Part 200. Staff should include at a minimum engineering, finance department, project managers, and the grants department. Identify DBA requirements early – Have a complete understanding of grant contract/agreement requirements, project scope of work, and ensure bid and contractual documents clearly outline DBA requirements for contractors.



• Validate and verify subcontractor compliance – Primary contractors are responsible for the compliance of covered subcontractors. DBA – covered contracts shall include a mandatory flow down provision; therefore contracts must include contractual protections such as wage scale audit rights, certifications, withholding mechanisms and indemnifications in all subcontract agreements.

 Seek outside professional guidance from an attorney or other applicable source if so needed.



To Meet DBA Compliance Standards the County will:

- Conduct and/or participate in pre-construction meetings to ensure contractors and/or subcontractors understand DBA requirements
- Post WD and other labor information on site
- Conduct contractor employee interviews if needed and so applicable
- Collect certified payrolls (WH-347)
- Verify payrolls for WD compliance
- Report and correct discrepancies

<u>Consequences of Non-Compliance</u> with DBA

- Consequences of non-compliance can include the following:
 - Payment of back wages and fringe benefits to employees
 - Withholding of payments due the contractor on active contracts funded with federal grants
 - Contract termination
 - Personal liability for company officials
 - Debarment from all government contracts for a 3 year period and False Claims Act liability

- County risks not being reimbursed for federal and/or state grant funds expended.
- Grant agreement/contract may be terminated
- County may not be eligible for future federal and/or state grants for an extended period of time.

<u>DBA – Resources</u>

- Wage Determination Online <u>http://www.wdol.gov/</u>
- Contractors Guide to Prevailing Wage Requirements – <u>http://portal.hud.gov/hudportal/documents/hud</u> <u>doc?id=4812-LRguide.pdf</u>
- DOL Davis-Bacon and Related Acts Homepage http://www.dol.gov/whdcontracts/dbra.htm
- Code of Federal Regulations Part 200 <u>http://www.gpo.gov</u>