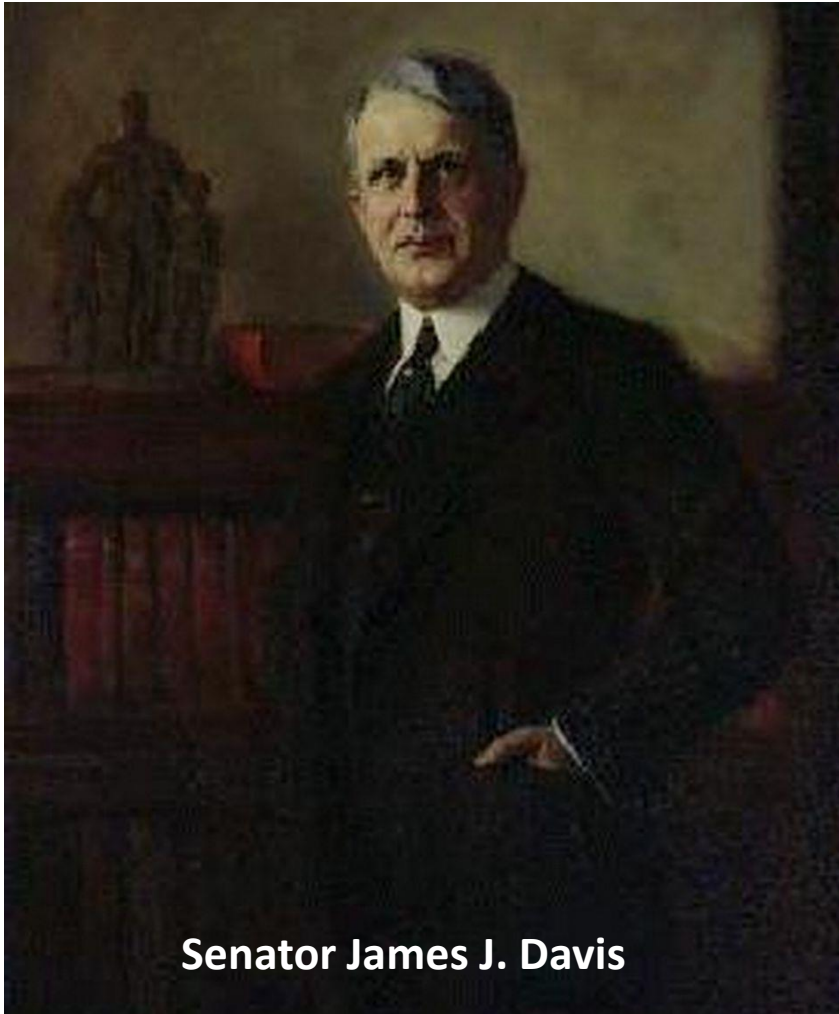


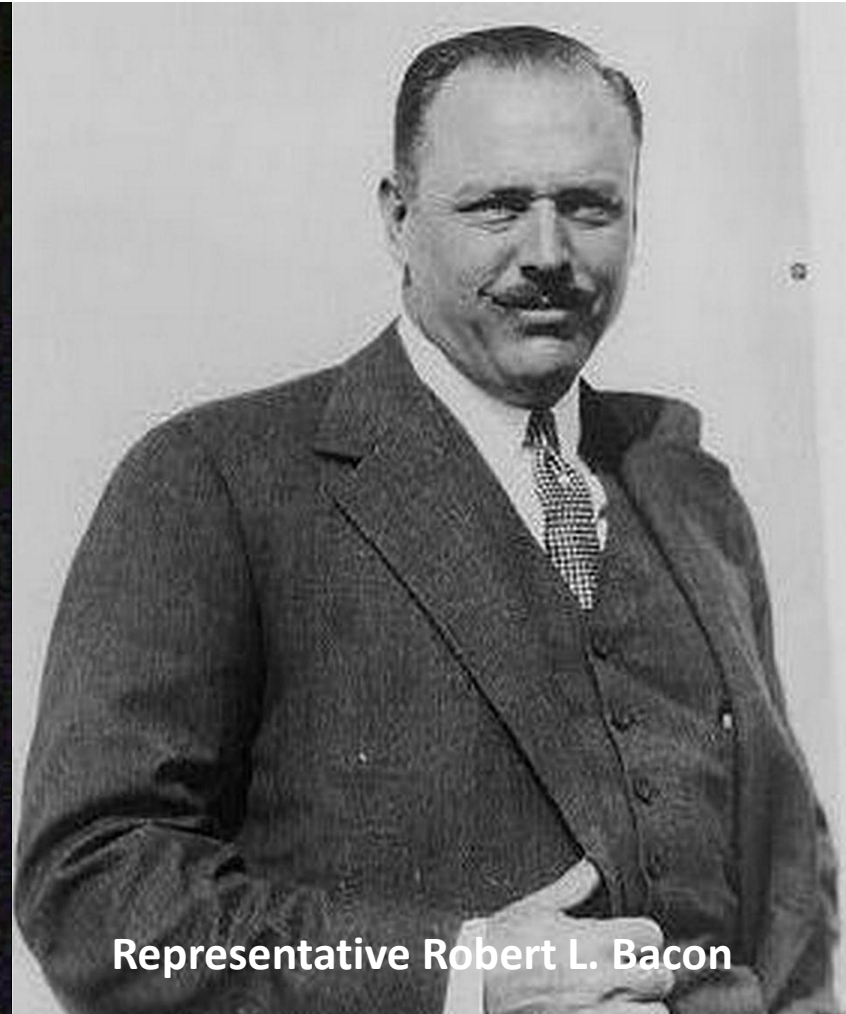


**Davis-Bacon Compliance**  
Certified Payroll Reviews

## Davis-Bacon Act (1931)



**Senator James J. Davis**



**Representative Robert L. Bacon**

## Davis Bacon – Background

- The Davis Bacon Act of 1931 requires contractors and sub-contractors to pay prevailing wage rates on Federal or Federally assisted construction contracts.
- Overall program responsibilities are administered by the U.S. Department of Labor (DOL).
- All Federal construction projects in excess of \$2,000 are subject to the Davis Bacon Act requirements.
- The federal Davis Bacon regulations are defined in the Code of Federal Regulations (CFR) at 29 CFR, Part 5.

## Davis Bacon – Responsibilities

- Compliance:
  - Review the scope of work of each covered project
  - Determine if the project is covered under Davis-Bacon requirements
  - Apply the appropriate wage determination sheet
    - **Residential** (Four stories or less)
    - **Building** (Over four stories)
    - **Highway** (Includes playground work)
    - **Heavy**
  - Review weekly Certified Payrolls for accuracy and reject inaccurate payrolls for resubmission.
  - Monitor overall compliance and submit complaints to the Department of Labor (if necessary).
  - Report to the U.S. Department of Housing and Urban Development (HUD) on a semi-annual basis.

## Davis Bacon – Responsibilities

- Contractor or Sub-Contractor:
  - Pay the appropriate wages based on the wage determination sheet
    - Residential
    - Building
    - Highway
    - Heavy
  - Submit **accurate** weekly Certified Payrolls
  - Monitor personnel and provide details during on-site interviews

## Davis Bacon – Responsibilities

- Real Estate Development:
  - Conduct on-site interviews (ask for ID, site work related questions, etc.)
  - Monitor site work compliance
  - Submit timely payment to contractors and sub-contractors
  - Withhold payments for wage violations (if necessary)

## Davis Bacon – Sample Wage Determination Sheet (Residential)

- General Decision Number: MD170080
- Date: 01/06/2017
- State: Maryland
- Construction Type: Residential
- County: Montgomery

Position/Classification	Rate	Fringes
Bricklayer	\$19.77	\$0.00
Carpenter (excludes drywall hanging, and metal stud installation)	\$19.58	\$0.00
Cement Mason/ Concrete Finisher	\$18.50	\$2.00
Drywall Hanger and Metal Stud Installer	\$19.28	\$0.00
Electrician	\$26.50	\$7.80
Ironworker, ornamental	\$17.31	\$0.00

## Davis Bacon – Wage Determination Sheet

- Wage Determinations are updated at least annually.
  - Some classifications are updated more often. Some even more than once a month.
- If the contract is not signed within 90 days after bid opening, modifications to the wage determination must be incorporated into the contract when it is signed.



## Davis Bacon – Examples of Bona Fide Fringe Benefits


- Life Insurance
- Health Insurance
- 401(k)/Pension
- Vacation
- Holiday
- Sick Leave

# Davis Bacon – Certified Payroll (blank)

**U.S. Department of Labor**  
Wage and Hour Division

**PAYROLL**  
**(For Contractor's Optional Use; See Instructions at [www.dol.gov/whd/forms/wh347instr.htm](http://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.*



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

NAME OF CONTRACTOR  OR SUBCONTRACTOR

ADDRESS

OMB No.: 1235-0008  
Expires: 02/28/2018

PAYROLL NO.

FOR WEEK ENDING

PROJECT AND LOCATION

PROJECT OR CONTRACT NO.

(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	(2) NO. OF HOLIDAY EXEMPTIONS	(3) WORK CLASSIFICATION	OT OR ST.	(4) DAY AND DATE							(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS					(9) NET WAGES PAID FOR WEEK
				MON	TUE	WED	THU	FRI	SAT	SUN				FICA	WITH- HOLDING TAX	OTHER	TOTAL DEDUCTIONS		
			O										/						
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# Davis Bacon – Certified Payroll (blank)

Date \_\_\_\_\_

I, \_\_\_\_\_ (Name of Signatory Party) \_\_\_\_\_ (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by \_\_\_\_\_ (Contractor or Subcontractor) on the \_\_\_\_\_ (Building or Work); that during the payroll period commencing on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and ending the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said \_\_\_\_\_ (Contractor or Subcontractor) from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

— In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

— Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE
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THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

## Davis Bacon – Certified Payroll Review

- Statement of compliance (Page 2)
  - The Statement of Compliance is the certification. It is located on the reverse side of a standard payroll form (WH-347).
  - Contractors must complete the identifying information at the top, particularly if they are attaching the Statement of Compliance to an alternate payroll form such as a computer payroll.
- Contractors must check either 4(a) or 4(b) if the wage decision contains a fringe benefit.
  - Checking 4(a) indicates that the contractor is paying the required fringe benefits through an approved plan or program.
  - Checking 4(b) indicates that the contractor is paying the required fringe benefit amounts directly to the employee by adding the fringe benefit rate to the basic hourly rate of pay.
- If the contractor is paying a portion of the fringe benefit to programs and the balance directly to the employee, he/she must explain those differences in box 4(c).

## Davis Bacon – Certified Payroll Review

- Signature
  - **Certified Payrolls must be signed with an original ink signature.**
  - The payroll must be signed by a principal of the firm (owner or officer such as the president, treasurer or payroll administrator) or by an authorized agent (a person authorized by a principal in writing to sign the payroll reports).
  - Signature authorization (for persons other than a principal) should be submitted with the first payroll signed by such an agent.
  - Signatures in pencil, signature stamps, photocopies, PDFs, and other facsimiles are not acceptable.

## Davis Bacon – Non-Compliance

- If a contractor or sub-contractor is willfully non-compliant under Davis-Bacon Requirements, the following penalties are applicable:
  - Withholding of payment
  - Future disbarment from contracts
  - Department of Labor investigation
  - Fines

## Davis Bacon – Payment

- Before payments can be released, HOC's Compliance division reviews outstanding payrolls to determine if payment can be released.
- Any discrepancies must be corrected by the contractor before HOC will release final payment.

# Questions?

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