

How Not to Become Bacon Bits



1

Complying with Davis-Bacon Requirements

Cathy Brockmann– Commerce
Arlene Escobar - Commerce

Davis-Bacon applies to:

- Contracts with the federal government.
- Or
- Certain federally assisted contracts.
- For construction, alteration, or repair projects.
- For public buildings or public works projects.

3

Davis-Bacon only applies to construction contracts for more than \$2,000

Not

- consulting engineers.
- municipal staff.
- construction management.
- materials testing.
- supplies or equipment purchase.

4

Davis-Bacon requirements apply to:

- Clean Water and Drinking Water SRF funded projects since 2010.
- CDBG grants (All HUD programs).

- Separate state prevailing wage laws apply to all public works projects Statewide.

5

Bid Phase Requirements for Recipients

- Include required Federal language and forms in bid specifications (specs), advertisement and the contract.
- Include the most recent Federal Wage Determination (or Decision) for your area and project type in the bid specs and all contracts.
- Check for changes to wage determination 10 days prior to bid opening.
- Follow the six good faith efforts
- American Iron and Steel Act (if applicable)

6

What is a Federal Wage Determination and How Do You Pick it?

- A wage determination is a list of the prevailing wages for similar construction in your area of the state.
- Divided into 4 "schedules".
 - Heavy, Highway, Residential, and Building
- Each schedule contains wage rates for specific job classifications.
- You will choose the type based on the work that will need to be completed on your project.
- Can be found at www.wdol.gov

7

Which Wage Determination is the "Right one"?

- Residential – Single Family Houses and apartment complexes.
- Building – Other enclosed structures.
- Highway – Almost anything paved.
- Heavy – Everything Else (including Water and Wastewater projects) On occasion there are more than one type of Heavy.
- Your wage determination will need to be checked 10-days before your bid opening for any modifications.

8

What if US Department of Labor issues a new wage determination?

- The wage determination must be updated in your bid specs if:
 - The wage determination changes prior to 10 days before bid opening.
 - OR -
 - The contract is not awarded within 90 days of bids closing.
- **BEST PRACTICE:**



9

If preparing bid specs in May, we would have used mod-1.

If bid will be opened after July 16, update to mod-2.

If the bid opened July 15, but the contract is not awarded before October 13 (90 days) update to mod-3.

Or mod-4, if mod-4 is issued between now and October 13.

10

What if a classification is not on my determination?

- Generally try to use the existing classifications.
 - Can an existing classification perform the work?
- Submit additional wage rate classifications to your funding agency/project manager.
- The funding agency will request the classification from US Department of Labor.
 - Use Form SF-1444 for DWSRF and SRF
 - Use Form HUD 4230-A for CDBG
- **Identify additional classifications early it is taking up to 30 days for approval from USDOL**
- Coordinate with the contractor at the pre-construction meeting.

11

What is "Zone Pay"?

Hourly Zone Pay shall be paid on jobs located outside of the free zone computed from the city center of the following listed cities:

Seattle	Olympia	Bellingham
Auburn	Bremerton	Anacortes
Renton	Shelton	Yakima
Aberdeen-Hoquiam	Tacoma	Wenatchee
Ellensburg	Everett	Port Angeles
Centralia	Mount Vernon	Sunnyside
Chelan	Pt. Townsend	

Zone Pay:

0 - 25 radius miles	Free
26-35 radius miles	\$1.00/hour
36-45 radius miles	\$1.15/hour
46-55 radius miles	\$1.35/hour
over 55 radius miles	\$1.55/hour

- Zone pay applies if the job is located outside of listed cities.
- Zone pay is added to the base rate.
- This can affect overtime calculations
- A resource to assist you in determining if zone pay is applicable is a point to point calculator located at: <http://tjpeiffer.com/crowflies.html>

12

What are fringe benefits?

- Health Insurance
- Paid vacation or sick leave
- Paid holidays
- Pension plans
- 401k contributions

13

Wages and Fringe benefits

- The prevailing wage is the base rate + fringe shown.

	Rates	Fringes	
CEMENT MASON/CONCRETE FINISHER...	\$ 24.50	6.30	= \$30.80
LABORER: Common or General (Water and Sewer Lines).....	\$ 20.79	4.63	
LABORER: Landscape and Irrigation.....	\$ 12.27	2.73	
OPERATOR: Asphalt Plant.....	\$ 34.14	0.68	

- Contractor can pay any combination of base rate and bona fide benefit

\$30.80 Base Rate + \$0.00 Fringe

\$24.50 Base Rate + \$6.30 Fringe

\$15.00 Base Rate + \$15.80 Fringe

\$8.67 Base Rate + \$22.13 Fringe

14

What about overtime pay?

- Federal overtime standards are based on a 40 hour work week
- Workers are paid 1.5 times their base rate for every hour of overtime.
- Fringe benefits do not increase for overtime pay.
- Zone pay is an increase in the base rate, so zone pay is increased for overtime pay.
 - 10.00 base + 1.00 zone = 11.00 x 1.5 + fringe
- State Prevailing overtime may be different.

15

What is a Laborer and Mechanic?

- Workers whose duties are manual or physical in nature
- Includes apprentices in a bona fide program
- Does not include:
 - Timekeepers, inspectors, architects, engineers
 - Bona fide executive, administrative, and professional employees as defined under FLSA
- Working foremen are generally exempt
 - must be paid the Davis Bacon (DB) rate for the classification of work performed if more than 20% of their work week.

16

Site of the Work

- Davis-Bacon applies only to laborers and mechanics employed “directly on the site of the work”

17

Truck Drivers

- Truck drivers employed by the contractor or subcontractor are covered by Davis-Bacon for time:
 - Spent driving on the “site of the work,” and
 - Spent loading or unloading materials and supplies on the “site of the work,” if such time is more than *de minimis*

18

Questions?

- Contact Information
- **Cathy Brockmann**
- Cathy.brockmann@commerce.wa.gov
- 360-725-3098
- **Arlene Escobar**
- Arlene.escobar@commerce.wa.gov
- 360-725-2725

31