

VHDA'S DAVIS-BACON COMPLIANCE PROCESS

Background

Under section 1606 of Division A of the American Recovery and Reinvestment Act of 2009, contractors and subcontractors hired with Recovery Act funds are required to pay prevailing wages to laborers and mechanics in compliance with the Davis-Bacon Act.

The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government and District of Columbia construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.

This document is to inform Owner about the Davis-Bacon requirements for TCAP, and to advise the Owner about the process that VHDA will implement in its role as administering and enforcing Davis-Bacon requirements.

Please note that the Owner shall certify its agreement to comply with Davis-Bacon requirements in the TCAP Written Agreement document with VHDA, and that compliance with Davis-Bacon requirements is a condition of VHDA's agreement to provide TCAP funds.

VHDA has agreed to administer TCAP funds in accordance with the TCAP Program requirements and per the terms and conditions of a grant agreement with HUD. HUD has delegated certain labor standards responsibilities to TCAP grantees (i.e- VHDA) and thus, VHDA will administer a Davis-Bacon compliance program by putting into place a system which assures the following:

- a. Designating appropriate staff before the start of construction to ensure compliance with all applicable labor standards requirements and to act for and in liaison with HUD. The name(s) of staff must be provided to the appropriate HUD Field Office Labor Relations Staff.
- b. Establishing a construction contract management system which meets the standards of OMB Circular A-102, Attachment O.
- c. Informing in pre-construction conferences all contractors and sub-contractors performing contract construction work of their labor standards obligations.
- d. Ensuring that all bid documents, contracts, and sub-contracts contain Federal labor standards provisions and the applicable Department of Labor wage determination and that no contractor is ineligible for Federally-assisted work.
- e. Conducting on-site project inspections which include employee interviews and checking for posting of the Federal wage determination as well as the review of weekly contractor payrolls.
- f. Correcting all violations of labor standards promptly.

- g. Maintaining full documentation attesting to all administrative and enforcement activities with respect to Federal labor standards requirements, such documentation to be made freely available for HUD review. Such documentation shall include all weekly payrolls, copies of wage determinations and any applicable changes or modifications, notices of start of construction, on-site inspection reports and employee interviews, and any other records utilized in enforcement administration - including records of wage restitution made and preconstruction conference minutes.
- h. Complying with requirements imposed by HUD concerning special requirements of law, program requirements, and other administrative requirements.

The actual enforcement of labor standards, however, including project investigations and the performance of routine project compliance monitoring remains the overall responsibility of HUD.