

Davis-Bacon Prevailing Wage Requirements

DAVIS-BACON PREVAILING WAGE

Enacted in 1931, the Davis-Bacon act applies to contracts and subcontracts with the United States and the District of Columbia for the construction, repair and/or alteration, including painting and decorating, of public buildings and public works. Subsequently, prevailing wage provisions have been incorporated into more than 60 federal statutes that create federally-assisted construction programs.

Prevailing wage laws take wage compensation rates out of the competitive bidding process on public projects. With uniform labor costs, contractors compete for public projects on skill, productivity, and management abilities—not on who can scrape together the cheapest workforce.

PROTECTS LOCAL COMMUNITIES

Davis-Bacon prevailing wage laws prevent low road contractors from undermining the wages and benefits of local families.

Quality construction depends on well-trained construction workers. Workers experienced in their crafts and in health and safety procedures are less likely to make mistakes and, hence, are more productive.

Construction work is undeniably dangerous — particularly when workers are inexperienced, unskilled, or under pressure to cut corners. Without Davis-Bacon, these hazards would be exacerbated. The U.S. Bureau of Labor Statistics has concluded that the existence of state prevailing wage regulations was associated with fewer injuries. At the national level, without this law, there could be an additional 76,000 new workplace injuries each year, including 30,000 more serious injuries resulting in missed days of work after accidents.

This means reduced earnings, a lower quality of life, and costly, long-term health care. Local communities benefit ultimately because Davis-Bacon produces better public construction competitively based on good management, good engineering, good design, and quality craftsmanship.

ATTACKS ON DAVIS-BACON

Some in Congress claim that this requirement means that contractors and subcontractors working on Federal projects are automatically obligated to pay union rates even though they are not party to a collective bargaining agreement. This claim is false. There is no statutory mandate that prevailing wage must be based on wage negotiated by labor unions.

The procedures adopted by the Department of Labor (DOL) make it extremely difficult for union wage rates to be recognized as the “prevailing wage.” According to the DOL, only about 25% of wage determinations are based on union collective bargaining agreements.

Members of Congress should protect public investments by standing strong against weakening Davis Bacon prevailing wage rules. Corporations do not pass the money they save from cuts in labor costs on to taxpayers.

Davis Bacon Protects Against

- **Unethical contractors undercutting the local workforce.**
- **Shoddy construction.**
- **Construction site accidents due to an unskilled and untrained workforce.**
- **Cost over-runs and delays.**