

A CONTRACTOR'S GUIDE TO DAVIS BACON

The prime contractor is responsible for the full compliance of all contractors and subcontractors on Davis Bacon projects. The prime contractor will be held accountable for any wage restitution for underpayment. He/she should review each sub-contractor's payrolls for compliance prior to submitting them to The Minneapolis Department of Civil Rights.

Davis Bacon Wage Decision "Lock-In" is based on:

- The formal bid opening date as long as the construction contract is awarded within 90 days.
- If the construction contract isn't awarded within 90 days of the formal bid, the date the construction contract is awarded is the lock-in date.
- If there is no formal bid opening, the date the construction contract is signed is the lock-in date.
- If construction begins prior to a formal bid opening or the contract award date, the date that construction began locks in the rates.

The prime contractor is responsible for posting a copy of the wage decision and a copy of the DOL poster called "Notice to Employees" in a conspicuous area of the job site.

Contractor Profile Sheet: Must be turned into the general contractor prior to construction.

Certified Payroll Reports:

- Contractors and sub-contractors must submit a weekly certified payroll (CPR) to the prime contractor beginning the first week the company works on the project and for every week after until their work is completed.
- Contractors can use their own payroll form provided it has **all the same info** as **DOL's Payroll WH-347**.
- The first time an employee appears on the payroll, include his/her address and SSN. After that, the address and SSN need only be reported if there is a change.
- Number the payrolls beginning with #1 and mark the last payroll "Final".
- "No Work" payrolls should be submitted whenever there is a temporary break in a contractor's work. If there is an extended period of no work, send a note to the prime and an approximate date when your company will return to the project.
- **MCDR requires payrolls by 10th of the month** so get them to the prime contractor prior to the 10th.
- All contractors must keep basic records for a Davis Bacon project for at least 3 years after completion of the project.

Payrolls must include:

- 1. Project name**
- 2. Contractor's name and address**
- 3. Week ending date**
- 4. Work classification**
 - For trades such as laborers and power equipment operators, designate what group they belong to.
 - If there are employees that work in more than one job classification, the contractor can pay the wage rates specified for each classification only if accurate time records showing the time spent in each classification are supplied.
 - If not, these employees must be paid the highest wage rate of all of the classifications of work performed.
- 5. Apprentice or journeyman**
 - The first time an apprentice appears on a payroll, the contractor must provide apprentice certification papers from the DOL showing the wage rate and ratio of apprentices to journeymen.

- The maximum number of apprentices that can be on the job site cannot exceed the ratio of apprentices to journeymen allowed in the approved program.
- If no certification is provided, or if the proper ratio is not used, the apprentice must be paid the full rate listed on the wage decision for the classification of work that they perform.

6. Hours worked

7. Rate of pay

- Overtime hours are defined as all hours worked in excess of 40 hours in any work week.
- Overtime hours must be paid at no less than one and one-half times the regular rate of basic pay + the straight-time rate of any required fringe benefits.

8. Gross wages earned

9. Deductions

- Show the amount of deductions from the gross earnings.
- “Other” deductions in pay should be identified (for example, Savings Account or Loan Repayment).
- Any voluntary deduction (not required by law or by an order of a proper authority such as a court) must be authorized in writing by the employee. A short note is all that is needed and should accompany the first payroll on which the deduction appears.

10. Net pay

11. Statement of compliance

- It is located on the reverse side of a standard payroll form (WH-347)
- Check either 4(a) or 4(b) if the wage decision contains a fringe benefit
- Checking 4(a) indicates that fringe benefits are being paid to an approved plan or program
- Checking 4(b) indicates that fringe benefits are being paid directly to the employee by adding the benefit to the basic hourly rate.
- If the contractor is paying a portion to an approved plan and a portion to the employee, explain those differences in 4(c).

12. Signature:

Make sure the payroll is signed with an original signature (owner or officer of the company, treasurer or payroll administrator)

Fringe Benefits:

- Fringe benefits can include health insurance premiums, retirement contributions, life insurance, vacation and other paid leave.
- Fringe benefits do not include employer payments or contributions required by other Federal, State or local laws such as SSI.
- Although a company’s fringe benefits and basic hourly rates may differ from the wage decision, the company’s fringe benefits + the basic hourly rate must equal the total amount shown in the wage decision (basic + fringe).
- Example: Wage decision shows basic rate as \$25 + \$10 fringes. Company pays \$20 basic + \$15 fringe.

Site of Work:

- The “site of work” is where the Davis Bacon wage rates apply, usually the boundaries of the project.
- “Site of work” can also include adjacent or virtually adjacent property used by the contractor in the construction of the project, like a fabrication site that is dedicated exclusively, or nearly so, to the project.

Supply and Installation Hours:

Non-construction site manufacturing and incidental installation hours, such as setting an appliance in place and plugging it in should not be included in Davis Bacon payrolls. Also do not include delivery hours.

Field Interviews will be conducted to verify wage rates.