

Davis Bacon Act

The Davis Bacon Act requires workers to receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are determined by the Department of Labor and are issued in the form of a Federal Wage Determination. Any HOME-assisted project with twelve or more HOME designated units will be required to comply with the Davis Bacon Act regardless of how the HOME funds are used. If projects include VCDP funds then the trigger for Davis Bacon compliance is 8 units.

The HOME program staff will provide grantees guidance, necessary forms and materials when the Davis Bacon Act applies to a project.

The following summarizes the requirements of the Davis Bacon Act:

- ⇒ Wages must be paid at least once a week and in full, making only those deductions that are permitted by the Secretary of Labor.
- ⇒ Must display the Secretary of Labors' Wage Poster and Wage Determination Poster in a conspicuous place at the work site.
- ⇒ Must permit monitoring of your compliance with Federal Labor Standards including spot checks on the job site. These will include VHCB staff interviews of employees.
- ⇒ Must complete a number of forms and records and submit them with disbursement requests:
 - weekly payroll sheet (HUD form WH-347)
 - Contractor's Certification prior to disbursement of funds.
 - Subcontractor's Certification prior to disbursement of funds.

Generally, in construction projects where there is a general contractor it will be the general contractor's responsibility to complete the pre-construction interview, random interviews, sample employee interviews, and the weekly payroll sheets. In those instances where the grantee is acting as the general contractor, the grantee will need to complete the necessary items. VHCB will offer assistance to ensure compliance with these requirements.

Davis Bacon does not apply to volunteer labor. A volunteer is someone who receives no compensation; or is paid only expenses, reasonable benefits or a nominal fee to perform services for which he or she volunteered; and is not otherwise employed at any time in the construction work.

Davis Bacon does not apply to members of an eligible family who provide labor in exchange for equity or rent.