

## Davis-Bacon Prevailing Wage Requirements

Davis Bacon prevailing wages protect local standards on living and prevent low road contractors from undermining the wages and benefits of local families. The original Davis-Bacon Act enacted in 1931 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 that cost more than \$2,000.00. Since the first Davis-Bacon related act, Davis-Bacon prevailing wage provisions have been incorporated into more than 60 federal statutes that create federally assisted construction programs.

The Prevailing Wage law takes wage rates out of the competitive bidding process on public projects. With set labor rates, contractors compete for public projects on skill, productivity, and management abilities—not on who can scrape together the cheapest workforce!

The Davis-Bacon Act does not automatically apply to contracts and subcontracts for construction of projects that are federally-assisted in whole or in part without specific language that provides for the consistent application of prevailing wage requirements. Federal laws that include Davis-Bacon provisions are commonly known as “Davis-Bacon Related Acts.” **It is important for Members of Congress to include and protect prevailing wage requirements in any government infrastructure spending legislation to ensure that the job is done well and provides family sustaining prevailing wages.**

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 and neither supported by law nor the facts. There is no statutory mandate that prevailing wages must be based on wages negotiated by labor unions.

## Attacks on Davis Bacon/Prevailing Wages

There is a movement in cities and states across the country by corporate interests and extremists to end prevailing wages. They want to pay the lowest possible wages no matter what the impact is on the worker, communities, or the quality of the construction job. Attacks on prevailing wage laws, such as Utah’s repeal of Davis Bacon, has led to massive increases in cost overruns and expensive change

orders; state-financed road costs overruns tripled over the following decade because of low-ball practices. LIUNA members continue to strongly advocate for the protection of Davis Bacon coverage on current and future federal infrastructure legislation. Current prevailing wage attacks are ill founded with faulty information aimed to selfishly dismantle America’s infrastructure and economic stability.

# LiUNA!

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Moreover, the facts are that the procedure adopted by the U.S. Department of Labor (DOL) make it extremely difficult for union wage rates to be recognized as the “prevailing wage.” According to DOL only 25% of their wage determinations are based entirely on union wage rates.

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—especially when workers are inexperienced, unskilled, or under pressure to cut corners and work fast. Without Davis Bacon, these hazards would be exacerbated. The U.S. Bureau of Labor Statistics Survey (BLS) 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 or work after accidents. This means reduced earnings, a lower quality of life, and costly, long-term health care.

We all benefit ultimately because Davis-Bacon produces better public construction competitively based on good management, good engineering, good design, and quality craftsmanship. Just as we need to know the credentials of our doctors and others with whom we trust our lives, we also need to know the credentials of skilled workers who construct and install the infrastructure we depend on daily.