

What is the Davis-Bacon Act?

The Davis-Bacon Act is a Republican-sponsored federal law first enacted in 1931 that requires contractors on public works projects to pay laborers and mechanics a *prevailing wage* set by the U.S. Department of Labor.

The law is designed to protect local businesses bidding against transient contractors whose bids on federal contracts are based on below-market wages.



- The prevailing wage for Davis-Bacon projects is based on surveys conducted by the U.S. Department of Labor.
- The prevailing wage is the wage paid the majority of tradesmen on similar projects.
- In areas where the majority of workers aren't paid the same wage, the prevailing wage is a weighted average of all the wage rates for each class of worker in the area.
- The prevailing wage for Davis-Bacon projects typically is not the wage set in labor union collective bargaining agreements.
- The prevailing wage is the union wage rate only in areas in which more than 50 percent of laborers and mechanics are paid union scale – about 25 percent of Davis-Bacon projects.
- A study of highway projects in Colorado found no significant difference in construction costs between Davis-Bacon projects and projects not subject to prevailing wage standards.
- Common compliance issues with Davis-Bacon projects include misclassification of workers and failure to pay the full prevailing wage, including fringe benefits, for all hours worked.

Ironworkers Local 229

5155 Mercury Point
San Diego, CA 92111

Phone: 858.571.5238

Website: www.local229.org