Federal Davis Bacon Act Guidance

1. **Bid process** – include wage rates and contract conditions as outlined in SRF Front End documents.
   Federal Wage Determinations online: [http://beta.sam.gov](http://beta.sam.gov)

2. **During Construction** the Loan Recipient will be responsible for the following:
   
   a. **OBTAIN WEEKLY PAYROLL AND STATEMENT OF COMPLIANCE.**
      Certified payrolls are to be submitted weekly by the prime contractor. The prime contractor is responsible to collect and submit the subcontractor payrolls and statement of compliance weekly to the Loan Recipient.
      
      Prior to submitting a disbursement request to the IFA for construction costs, the Loan Recipient should have all certified payrolls from the prime contractor and subcontractors and conduct payroll verification and employee interviews as described in this section to ensure compliance with state and federal requirements. Recommended forms are provided with Front-End Document Addenda (WH-347).

   b. **VERIFY JOB SITE POSTINGS ARE IN PLACE.**
      The prime contractor is responsible to post the following at the construction site: “Notice to All Employees” poster the required federal Poster (WH-1321).

   c. **VERIFY COMPLIANCE WITH PREVAILING WAGE REQUIREMENTS.**
      The Loan Recipient or their representative must periodically conduct spot checks of a representative sample of weekly payrolls, verify fringe benefits, and conduct employee interviews to ensure that the contractor/subcontractor is complying with requirements and paying the appropriate wage rates.
      
      Establish and follow a payroll review and employee interview schedule based on an assessment of the risks of noncompliance & length of contract. Conduct more frequent spot checks if risks are higher or if contractor/subcontractor noncompliance.

      Conduct immediate interviews in response to an alleged violation of the prevailing wage requirements.

      Conduct employee interviews in confidence. Form SF1445 or equivalent document for the interviews is required to memorialize interviews.

      Verify evidence of fringe benefit plans and payments of these plans by contractors and subcontractors who claim credit for fringe benefit contributions. Fringe benefits must be paid for each hour worked, including any overtime hours. The ½ time premium is not paid for fringe benefits. Fringe benefits must be bona fide, and if not paid in cash, must be paid to a third party plan.

      Periodically review contractors and subcontractors use of apprentices and trainees. Verify registration and certification of apprentices and trainees with respect to apprenticeship and training programs approved by USDOL or a state program; that contractors and subcontractors are not using a disproportionate number of laborers, trainees and apprentices. Conduct these reviews in accordance with the payroll and employee interviews.

      Maintain all labor standards records, including information on any restitutions (underpayments to laborers), on file. NOTE: Employees home address and social security number should not be on the certified payrolls.

      Loan Recipients must immediately report potential violations of the DB prevailing wage requirements to the SRF Compliance Officer. If the issue cannot be resolved through restitution, the SRF Program will submit the issue to federal authorities as required.

3. **Project Completion**
   
   a. **Submit a FINAL FEDERAL LABOR STANDARDS REPORT** to IFA at project completion. The form can be found on the IFA website [here](http://beta.sam.gov).

   b. Maintain labor standards records (certified payrolls, employee interviews, records of wage incidents, correspondence, debarment, search results, etc.) with the project files at the Loan Recipient’s office for a period of three years after construction completion. Such records shall be available on request of the IFA or EPA.
HELPFUL INFORMATION

IDENTIFY FEDERAL WORKER CLASSIFICATION. Payrolls must clearly identify the work classification for each employee. If a classification is missing from the State or Federal wage determinations contact the appropriate agency to secure the classification required.

Federal Request for Additional Classification and Rate US DOL
Submit the SF1444 form to the SRF Compliance Officer for review and submission to US DOL. Please have an internal review of the form completed prior to submittal. Do not have Prime contractors or subcontractors submit this form directly.

STATEMENT OF COMPLIANCE. A Statement of Compliance is required with each weekly payroll submittal.

TRACKING FORMS can aid in efficient payroll review and compliance monitoring. It is suggested that the labor standards officer prepare a matrix which identifies all project job classifications which are expected to be utilized during construction and compares each classification under the Federal and State wage decisions referenced in the Notice of Contract Award. Such a matrix will help demonstrate that the highest wage rate was paid for the classification being reviewed. Maintain tracking sheets and matrixes in your labor standards compliance files.

LABOR STANDARDS RECORDS. All prevailing wage records (certified payrolls, correspondence, employee interviews, debarment search results, etc.) will need to be on file and maintained by the Loan Recipient at project conclusion.