

## **Davis-Bacon Act**

The Davis-Bacon Act, which requires government determined standard wages, applies only to federally funded or federally assisted construction projects. Local Davis-Bacon laws (standardized wages set by a local public owner) have been found to be illegal under Iowa law. *City of Des Moines v. Master Builders of Iowa*, 498 N.W.2d 702 (Iowa 1993). In this case a prevailing wage ordinance was struck down based upon arguments that the employee retirement act (ERISA) preempted the local wage ordinance and that the competitive bidding statute was violated by such a proposed local ordinance.

The Davis-Bacon Act applies to every contract competitively bid or negotiated for construction alteration or repair of public buildings or public works of \$2,000 or more to which the United States or District of Columbia is a party. It also applies to federal aided construction contracts of \$2,000 or more whenever the Davis-Bacon Act is incorporated by reference in the federal statute. Contractors and subcontractors must pay the “prevailing wage” for work covered under the Davis-Bacon Act. A prevailing wage is determined by wage surveys conducted by the Department of Labor which determine the Davis-Bacon rate per hour, including cost of fringe benefits.

The Fair Labor Standards Act and Contract Work Hours and Safety Standards Act require payment at time and a half for all hours worked over 40 in a week for nonexempt employees. Failure to properly comply with Davis-Bacon and other wage payment statutory requirements can subject a contractor to debarment as well as penalties, liquidated damages and attorney fees.