

Davis-Bacon Guidance and Compliance Basics

All State Revolving Fund (SRF) projects must comply with Davis-Bacon wage regulations. This means:

- Including the current Davis-Bacon wage determination(s) in bid documents.
- Ensuring all skilled trades and laborers working on the job site are paid Davis-Bacon wages (base + fringe benefits) by:
 - Collecting and reviewing weekly payrolls
 - Performing periodic employee interviews.
- Posting the Davis-Bacon poster at the job site or construction trailer for worker access.

Who Is Responsible for Managing Davis-Bacon Compliance for an SRF Funded Project?

Each SRF-funded project must have a designated person responsible for Davis-Bacon compliance.

This may include:

- SRF borrower's consulting engineer.
- Borrower organization staff.
- A hired entity overseeing Davis-Bacon compliance on behalf of the borrower.

This does not include:

- Iowa SRF staff.

Which SRF Projects are Affected?

Davis-Bacon regulations apply to all SRF funded projects.

Key Davis-Bacon Rules

Who Do Davis-Bacon Rules Apply To?

- **Covered:** Laborers and mechanics performing manual or physical work with tools or trade skills.
- **Not Covered:** Architects, engineers, supervisors, software technicians, and other administrative or professional roles.

How are Davis-Bacon Wages Calculated?

Davis-Bacon wages consist of base pay + fringe benefits:

Example: \$17.55 (base) + \$7.75 (fringe) = \$25.30 total

Employers may choose to:

- Pay \$25.30 in cash.
- Pay \$14.55 cash + \$10.75 in benefits.
- Use a mix of cash, cash fringe, and benefits.

What Items are Covered by Fringe Benefits?

- **Covered:** Health insurance, pensions, vacation, holidays, and sick leave.
- **Not Covered:** Taxes (FICA, unemployment insurance).

How are Overtime Wages Calculated?

Workers must be paid 1.5 times the base rate for hours exceeding 40 per week.

How to Obtain a Wage Determination

Step 1: Identify Your Project Type

- Heavy (and Highway) - outside a mechanical treatment plant (e.g., sewer/water mains, lift stations).
- Heavy Sewer/Water Treatment Plant - inside a mechanical treatment plant.
- Building - Enclosed structures housing people, machinery, or equipment.

Step 2: Check if Multiple Wage Determinations Apply

If your project includes different construction types, you may need multiple wage determinations.

If costs for a separate (secondary) construction type exceed \$2.5 million or 20% of the total project cost, an additional wage determination is required.

Example: A treatment plant project spending \$2.5M+ on buildings must include both Heavy Treatment Plant and Building wage determinations in the bid documents.

Step 3: Find the Correct Wage Determination

- Visit [SAM.gov](https://sam.gov) and Click Search.
- Select:
 - Domain: Wage Determinations
 - Type: Construction (DBA)
 - State: Iowa
 - Select the county where the project is located.
 - DBA construction type: Heavy (includes Highway, Sewer/Water Treatment) or Building

How to Ensure You Are Using the Most Current Wage Determination

Before submitting bids, check if a new wage determination was issued at least 10 days prior to bid opening. Wage determination rates may be revised by EPA at any time, so always confirm you are using the latest version.

How to Request Additional or Missing Job Classifications

If a required job classification is not listed, do not substitute another wage rate. Instead:

- Complete Form SF 1444 <https://www.gsa.gov/reference/forms/request-for-authorization-of-additional-classification-and-rate>
- Ensure the proposed wage aligns with similar skilled trades.
- Submit it to SRF@dnr.iowa.gov.
- Apprentices must be registered in an approved apprenticeship program to work at lower wages.

Davis Bacon Compliance Activities During Construction

1. Post the Wage Decision & Employee Rights Poster

The prime contractor must display these at the job site or construction trailer.

<https://www.dol.gov/agencies/whd/posters/dbra>

2. Review Weekly Payrolls

Contractors & subcontractors must:

- Pay covered workers on a weekly basis.
- Submit weekly certified payrolls to the SRF borrower.

The person managing Davis-Bacon compliance on behalf of the borrower must:

- Review payrolls to ensure correct wages are paid.
- Payrolls are not sent to or reviewed by the DNR.

3. Use the Correct Payroll Form

- The U.S. Department of Labor provides a sample form. <https://www.dol.gov/agencies/whd/government-contracts/construction/payroll-certification>

- Payrolls should be numbered, with final payrolls marked “Final”.
- If no work occurs for a period, contractors must submit either:
 - A “No Work” payroll with dates. OR
 - A statement noting the time off-site

4. Conduct Wage Interviews

- Interviews should be conducted at least twice:
 - **First Interview:** Within two weeks of construction start begins
 - **Second Interview:** Near substantial completion while workers are still on site.
 - **Additional Interviews:** Every time a new subcontractor begins work on the project.

Davis Bacon Compliance Activities After Construction

Submit the Final Davis-Bacon Compliance Report

Near project completion, borrowers will receive a request to submit final documents to the Iowa Finance Authority (IFA).
Keep Records for Three Years

Prime Contractors & Borrowers: Retain project records and payrolls for three years after project completion.

Subcontractors: Maintain personnel files for three years.

Records must be made available for inspection by state and/or federal agencies.

Additional Resources

- Wage Determinations: <https://sam.gov>
- Wage and Hour Division: <http://www.dol.gov/agencies/whd/government-contracts>
- Protections for Workers under Bipartisan Infrastructure Law: <https://www.dol.gov/agencies/whd/government-contracts/protections-for-workers-in-construction>
- Prevailing Wage Resource Book: <https://www.dol.gov/agencies/whd/government-contracts/prevailing-wage-resource-book>
- Prevailing Wage Topic videos: <https://www.dol.gov/agencies/whd/government-contracts/construction/presentations>

For Questions, Contact:

SRF Project Compliance Section
Iowa Department of Natural Resources
SRF@dnr.iowa.gov