

Construction Contractors Guide to Completing a Davis-Bacon Wage Survey:

*Why
YOU Should
Participate
& How*



AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Quality People. Quality Projects.



Who is required to participate in a Davis-Bacon wage survey?

No one. Participation in a Davis-Bacon wage survey is voluntary. When contractors receive a letter from the U.S. Department of Labor (DOL) requesting construction wage data, many don't appreciate the importance of taking the time to complete the survey form. Some even believe it is intended only for federal and federally-assisted contractors who are required to comply with the requirements of the Davis-Bacon Act (DBA). ***The reality is that data is needed from all types of construction contractors, both federal and non-federal, so that a fair prevailing wage that represents a true average of what construction contractors pay laborers and mechanics may be established.***

In a 2011 report on methodological changes needed to improve Davis-Bacon wage surveys, the Government Accountability Office noted that "Of [DOL's] published wage rates as of November 12, 2010, about 63% were union-prevailing; in contrast, [only] about 14% of construction workers nationwide were represented by unions in 2010, according to BLS figures." This is evidence of the importance of contractor participation in the survey process.

When contractors don't participate, inaccurate rates may be adopted in DOL wage determinations as the "prevailing wage," which, on one hand, could force contractors working on Davis-Bacon jobs to pay significantly more than the truly prevailing wage rate in the county, or, on the other hand, could set an artificially low floor for wages on Davis-Bacon jobs, giving the lowest-paying employers a competitive edge in bidding and ultimately damaging the industry's ability to recruit skilled labor.

Whether or not your company does federal or federally-assisted work, completing the Davis-Bacon Wage Survey Report of Construction Contractor's Wage Rates (Form WD-10) is a chance to have input into the determination of the prevailing wage rates to be paid on direct federal or federally-assisted construction projects in the county where a company's project takes place.

Davis-Bacon Survey Announcement Letter

DOL periodically sends out survey announcement letters to both federal and nonfederal contractors, as well as interested third parties such as contractor associations and labor unions. DOL's current goal is to survey all types of construction (heavy, highway, residential, and building) in each state once every three years.

To be sure that your company is asked to participate in an upcoming survey, contact the DOL Regional Wage Specialist in your area to request notification when a Davis-Bacon wage survey is planned. Visit www.dol.gov/whd/programs/dbra/regions.htm to find the Regional Wage Specialist in your area.



**DAVIS-BACON
WAGE SURVEY**

**U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE & HOUR DIVISION**



(Date of Letter)

(Name of Company)
(Address)
(City) (State) (Zip Code)

Dear Sir or Madam:

The U.S. Department of Labor is conducting a wage survey of (Building, Heavy, Highway, and Residential) projects active and ongoing between (Begin Date) through (End Date) in the State of (State). This information will be used to establish prevailing wage rates as required under the Davis-Bacon and related Acts.

The wages being paid by your firm on any projects may affect the prevailing wage scale for future federally funded or assisted construction projects in this state. If your firm has been engaged in the construction of projects meeting the criteria of this survey, please complete a WD-10 form for each applicable project. WD-10 forms and a self-addressed postage paid envelope are included with this letter. **Completed WD-10s must be postmarked by (Return Date) to be included in the survey.**

In addition to the wages paid to your employees, it is also important that we receive a list, **as soon as possible**, of any subcontractors you employed on these projects so that we may contact them and request their participation. A form for this purpose is enclosed. Your subcontractor list in any form can also be faxed directly to this office.

Please be assured that all information provided will be kept confidential to the maximum extent possible under existing law. Information regarding the Davis-Bacon wage survey program as well as support for completing forms is available at the web site: <http://www.dol.gov/whd/programs/dbra/index.htm>. Project wage data may also be submitted by using the electronic WD-10 which is available at the web site:

<http://www.dol.gov/whd/programs/dbra/wd10/index.htm>

Thank you very much for your cooperation in this survey. If you have any questions or need additional forms, please do not hesitate to contact (Analyst) at the office listed below.

Sincerely,

(Graphic Signature)

(Printed Name)

Regional Wage Specialist

Enclosures

U.S. Department of Labor
Wage and Hour Division
(Regional Office Address)
(City, State, & Zip Code)
Phone: (Region phone number)
Fax: (Region fax number)

How wage survey data are used

To issue a wage determination for a construction type in a given area, DOL must have sufficient data to determine prevailing wages for at least 50% of key job classifications. Key job classifications, according to DOL, are those determined necessary for one or more of the four construction job types.

After collecting survey data from contractors, if DOL finds that one rate is paid to a majority (over 50%) of the workers in a specific craft in a specific area, then that rate becomes the Davis-Bacon prevailing wage rate.

Example:

<u>Number of Carpenters</u>	<u>Hourly Rates of Pay</u>
15	\$22.00
5	\$20.80
45	\$23.50
10	\$18.35
<u>7</u>	\$20.00
82 (total)	

The prevailing rate in this case is \$23.50, since over 50% (45 out of 82) receive the same rate.

If a majority rate cannot be determined, DOL will use a weighted average rate. This is based on the total amount of wages paid divided by the total number of workers included in the survey information.

Example:

<u>Number of Carpenters</u>	<u>Rates of Pay</u>
15	\$22.00
5	\$20.80
25	\$23.50
10	\$18.35
<u>7</u>	<u>\$20.00</u>
62 total	\$1,345.00

$\$1,345 \div 62 = \21.69

The prevailing rate in this case is \$21.69, calculated by dividing the total amount paid per hour for each worker (\$1,345) by the total number of workers (62).

Instructions for the WD-10 Davis-Bacon Wage Survey Report of Construction Contractor's Wage Rates

- Use blue or black ink.
- Hand-print letters/numbers.
- Use one block for each letter; number; period, or space. If you use a typewriter or printer to complete this form, ignore the block spacing.
- Fill in circles completely.
- Use one WD-10 form for each construction project.

Form WD-10 is machine readable, and should not be copied. For additional forms, please contact (1-866-487-9243), OR fill out and submit your forms electronically at www.dol.gov/whd/programs/dbra/wd-10.htm

KEY TERMS

Apprentice -- A person employed and registered in a bonafide apprenticeship program. (If these Apprentices/Trainees are in a formal program approved by the U.S. Dept. of Labor; Bureau of Apprenticeship and Training (BAT), or a state apprenticeship agency recognized by BAT, then information regarding wages and fringe benefits need not be provided.)

Helper -- A person that helps or assists and whose duties are distinct from the journey level class and laborer:

General/Prime Contractor --The principal contractor on the project.

Subcontractor -- A contractor working on the project responsible for specific work but not the overall project. You are not a subcontractor for purposes of this survey if you supplied only materials.

Subcontractor List -- A machine-readable form for reporting the names and addresses of any subcontractors used by the contractor/subcontractor on the project being reported.

Trainee -- A person registered in a construction occupation program.

FORM SIDE 1

Sections 1 and 2 – Contractor and Submitter Information.

1. Fill in with information about your company.
2. Fill in with information about the submitter of the form.

Sections 3, 4, 5, and 6 – Project Information

3. Fill in information about the construction project your company worked on and the project's location and description.
4. Fill in one circle to identify if the project was subject to a federal or state wage determination.
5. Fill in one circle to identify yourself as either the general/prime contractor or a subcontractor:
 - a. Indicate if you had no subcontractors, OR if you did, then indicate whether you are enclosing a list of subcontractors along with the WD-10 form, or if you submitted a list earlier.
 - b. If you were the prime/general contractor; provide the date any work began on this project, the date the project ended (indicate if actual or estimated date), and the total project value.
 - c. If you were the subcontractor; provide the date your work stated and ended (indicate if actual or estimated date) and the subcontract value.
6. Mark the type of construction project your company worked on. If none of the construction types match your project, fill in the circle next to OTHER, and indicate the type of construction in the blocks. If you selected APARTMENT BUILDING, NURSING/ASSISTED LIVING FACILITIES, or RESIDENTIAL, indicate the number of stories, and fill in the circle if there was a kitchen and/or a bath in each unit.

FORM SIDE 2

Section 7 – Classification and Fringe Benefits

If you only supplied materials, and no employees worked on the project, then fill in the circle marked "Only

Supplied Materials;" skip the rest of section 7, and sign and date the form.

The remainder of section 7 requests multiple types of information per classification. Fill in each item as defined and described as follows:

Classification(s) are the position titles of jobs within your company (e.g., Carpenter; Electrician, Laborer; Crane Operator, etc.). Fill in one classification per line. If the workers in a classification are paid more than one hourly rate or different fringe benefits, please list them on separate lines. If more than 6 classifications and wage rates need to be listed for a project, report the additional classifications and wage rates on a new WD-10. On the new WD-10 fill out only Sections 1, 3, and 7.

Type of Work Performed - Explain the type of work that each classification performs (e.g., Laborer: landscape, unskilled, pipelayer; Carpenter: carpentry, drywall; Operator: backhoe, etc.).

Examples:

CLASSIFICATION	
LABORER	
TYPE OF WORK PERFORMED	
UNSKILLED	

CLASSIFICATION	
CARPENTER	
TYPE OF WORK PERFORMED	
CARPENTRY & DRYWALL	

CLASSIFICATION	
OPERATOR	
TYPE OF WORK PERFORMED	
BACKHOE	

Peak Week Ending Date is the week you had the largest number of employees in a classification.

Number of Employees is the largest number of employees working in this classification on this project.

Hourly Rate is the dollar amount you paid employees per hour working in this classification.

CBA -- If the employee is paid under a Collective Bargaining Agreement, fill in the circle that represents "Yes", otherwise fill in the circle that represents "No."

Fringe Benefits are paid in addition to the hourly rate. Report only the costs or contributions incurred by your company, NOT the employees. Do not include costs paid by the employer that are required by Federal, State, or local law such as worker's compensation or unemployment insurance. Fill out the information under each fringe benefit that applies.

- Health & Welfare – Medical or hospital care, or insurance to provide such care, life insurance, long- or short-term disability, sickness, or accident insurance.
- Pension (401k, etc.) – Retirement/401k, defined contribution plans (including savings and thrift, deferred profit sharing and money purchase pension), annuity cost, or cost of insurance to provide such a benefit.
- Apprentice Training – Defrayment of the cost of apprenticeship or similar training programs.
- Vacation & Holiday – The payment of compensation for holidays and vacation.
- Additional Fringe – If you are not sure of the category of the fringe benefit(s), enter the rate information in the column, and specify the fringe type in the "Description of Any Additional Fringe" field at the bottom of the form.
- Fringe benefits can be paid by a straight dollar amount, or by a percentage of the basic hourly rate. Indicate the cost or contribution your company paid to this classification during the peak week of this project.

If the fringe benefits were paid by a straight dollar amount:

- Dollars (\$) per Employee (EMP) per
- Mark the circle before \$ per EMP per
- Fill in the dollar value in the blocks provided. Include the decimal position when you fill in the dollar amount. Do not include the \$ sign. (Example: 1.50 for one dollar and fifty cents.)
- Indicate how often this dollar value was paid in the block following \$ per EMP per with the values as follows: H for Hourly, D for daily, W or weekly, M for monthly, and A for annually/yearly.

Example - If an employee was provided a straight dollar amount of \$1.50 on a weekly basis for health and welfare:

HEALTH & WELFARE
<input checked="" type="radio"/> per EMP. per Wk
% OF HOURLY RATE
1 . 5 0

Item 8 – Comments or Remarks and Signature

- Comments or remarks – Provide comments or additional information.
- Signature – Submitter must sign and date the form.

Information about Davis-Bacon Wage Surveys, including dates of current and future surveys, may be obtained at the Davis-Bacon and Related Acts web site at www.dol.gov/whd/programs/dbra/index.htm

For detailed information about Davis-Bacon wage surveys in your area, contact your local AGC chapter.