

Davis-Bacon Act

Introduction

The Davis-Bacon Act of 1931 is a U.S. federal law which established a requirement for paying prevailing wages on public works projects. All federal government construction contracts, and most contracts for federally assisted construction over \$2,000, must include provisions for paying onsite construction workers no less than the locally prevailing wages and benefits paid on similar projects.

Control Objectives:

To provide reasonable assurance that there is compliance with the provisions of the Davis-Bacon Act if such provisions are applicable to the agency.

A.	Control Environment:	Yes	No	N/A	Comments
1.	Does management understand the requirements to pay wages in accordance with the Davis-Bacon Act?				
2.	Has management properly communicated the requirements of the Davis-Bacon Act to staff, contractors, and subcontractors?				
3.	Does management understand its responsibility for monitoring compliance with the Davis-Bacon Act?				

B.	Risk Assessment:	Yes	No	N/A	Comments
1.	Are there mechanisms in place to identify contractors or subcontractors most at risk of not paying the prevailing wage rates?				
2.	Has management identified how compliance with the Davis-Bacon Act will be monitored and the related risks of failure to monitor for compliance?				

C.	Control Activities:	Yes	No	N/A	Comments
1.	Does the agency obtain the prevailing wage rates from the Federal Register or Department of Labor?				
2.	Are the prevailing wage rates and provisions of the Davis-Bacon Act posted at job sites?				
3.	Are contractors informed by procurement documents of the requirements for paying prevailing wage rates?				
4.	Are both contractors and subcontractors required to submit certifications and copies of payrolls?				
5.	Does the agency compare the prevailing wage rates with the rates paid by contractors or subcontractors based on payroll information submitted?				

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Example Information and Communication Questions:

D.	Information and Communication:	Yes	No	N/A	Comments
1.	Do reports provide sufficient information to determine if the requirements of the Davis-Bacon Act are being met?				
2.	Are Wage Rate Determinations from the Department of Labor reviewed and maintained on file by the agency?				
3.	Are channels of communication established for staff, contractors, and workers to report misclassifications or failure to pay prevailing wages?				
4.	Does the agency periodically interview contractors' or subcontractors' workers to verify the wage rates being paid?				
5.	Are such wage rates then compared to the prevailing wage rates?				

Example Monitoring Questions:

E.	Monitoring:	Yes	No	N/A	Comments
1.	Is an agency employee, or an outside consultant, assigned the specific responsibility to monitor contractors for compliance with the contract terms, including the Davis-Bacon Act provision?				
2.	Are on-site visits periodically performed to monitor classifications and wage rates?				
3.	Are monitoring reports from contractors independently compared or checked against other reports?				
4.	Are requests periodically made to the Department of Labor for findings regarding the existence of any discriminatory practices by either contractors or subcontractors?				
5.	Does management conduct reviews to ensure that certified payrolls are properly received?				