



Employment Law Update for Government Funded Construction Projects

This update is directed to companies that may be performing construction and related services to government-funded projects. The U. S. Department of Labor's Wage and Hour Division ("WHD") has released guidance concerning the application of Davis-Bacon Act labor/prevaling-wage standards to work funded by the American Recovery and Reinvestment Act of 2009 ("ARRA," which is also known as the economic stimulus package passed in February 2009) and funded by certain tax-favored bonds. ARRA appropriates substantial funding for construction, alteration and repair of federal buildings and for infrastructure projects, such as roads, bridges, public transit, water systems, and housing. Federal agencies directly contracting for construction work using ARRA funds must ensure that bid solicitations and resulting covered contracts contain Davis-Bacon labor standards and wage determinations in accordance with the Federal Acquisition Regulations. Also, federal agencies must ensure that recipients of assistance funded by ARRA appropriations require contractors and subcontractors to pay laborers and mechanics employed on ARRA-assisted construction at least the Davis-Bacon prevailing wages. See <http://www.dol.gov/esa/whd/recovery/> for more information on the WHD's guidance concerning compliance with federal laws related to wages and other matters in connection with ARRA-funded projects.

I would have thought the David-Bacon Act and other laws referenced by the WHD would apply to ARRA-funded projects on their own terms in the absence of this guidance or any mention of it in ARRA, but since the WHD is emphasizing it and ARRA specifically references it, I wanted to make you aware of it. Please let me know if you need any assistance on these or any other issues.

Helpful links:

WHD information related to ARRA: <http://www.dol.gov/esa/whd/recovery/>

WHD memo to federal agencies: <http://www.dol.gov/esa/whd/recovery/AAM207.pdf>

Prevailing Wage Resource Book: <http://www.wdol.gov/docs/WRB2002.pdf>

Wage Determinations OnLine: <http://www.wdol.gov/Index.aspx>