

Requirements Under The American Recovery and Reinvestment Act of 2009

Wage Rate Requirements

When required by Federal program legislation, all construction contracts awarded by recipients of more than \$2000 must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). The American Recovery and Reinvestment Act of 2009, which has authorized federal assistance for both the State Revolving and Drinking Water Revolving Funds requires compliance with the Davis-Bacon Act.

Under the Davis-Bacon Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. A wage determination is the listing of wage rates and fringe benefit rates for each classification of mechanics and laborers for which the Department of Labor has determined to be prevailing in a given area for a particular type of construction. The current wage rates can be searched at this web site:

<http://www.access.gpo.gov/davisbacon/index.html>

The wage rates are listed for each county. In addition to knowing the location of the project, the type of construction (i.e. whether it is building; residential; highway or heavy construction) must be available. It is important that the wage rates included in the bidding documents are the most current available with revisions (modifications) at the time the project goes out for bid. The recipient must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation for bids. The MDEQ will not approve plans and specifications for bidding that do not contain the appropriate federal wage rates. In addition, each bidding document must contain boilerplate contract language, along with a copy of the Federal Labor Standards Provisions, which supplement Davis-Bacon.

Buy American

Additionally, the American Recovery and Reinvestment Act of 2009 requires compliance with Buy American for funds made available by this Act. Specifically, none of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. Each bidding document must contain boilerplate contract language.