

Davis Bacon Guide

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1.0 Davis Bacon Act

The Davis Bacon Act is a federal law that requires employees who work on federally funded construction or alteration of public building or works projects of \$2,000 or more to be paid the prevailing wage as determined by the Department of Labor.

2.0 Davis Bacon Act Key Terms and Definitions

- Certified Payroll
 - Payroll information that a contractor is required to submit on a weekly basis, the most common example of which is the WH347 form. Information on a Certified Payroll can be found in [Section 4.0](#). Information on the WH347 can be found in [Section 5.0](#).
- Prevailing wage
 - The minimum wage that a contractor can pay their employees. This may include both the rate of pay and fringe benefits. Fringe benefits are required to be paid to employees unless payments are made to appropriate programs for the benefit of said employees. Prevailing wage is determined by the Department of Labor and is based on what local workers in similar professions are paid. Information on finding the correct prevailing wage can be found in [Section 6.0](#).
- Employee
 - Any person who performs the work of a laborer or mechanic on the project regardless of the nature of their contractual relationship with the contractor
- Laborer or Mechanic
 - A worker whose duties are manual or physical in nature. Any worker who uses tools or who is performing the work of a trade. Their work is generally distinguished from mental or managerial work and does not apply to workers whose duties are primarily administrative, executive, professional, or clerical, rather than manual.
- Apprentice
 - An individual registered with an approved apprenticeship program. Only an apprentice can be paid less than prevailing wage. Approved programs are those that are registered with the Department of Labor (DOL) or DOL recognized State Apprenticeship Council (SAC), which in Michigan is done through the Department of Career Development (MDCD)
- Overtime
 - Any work on the project done in excess of 40 hours for all work done in a given work week is considered overtime. Overtime is to be paid as one and a half time straight pay plus fringe.

3.0 Responsibilities

3.1 Contractor

- The Contractor is responsible for full compliance of the Davis Bacon Act. This includes;
 - Paying employees prevailing wage on a weekly basis
 - Submitting weekly certified payrolls and making corrections as needed
 - Posting wage determinations at the work site
 - This includes posting a copy of the wage determination sheet and the DOL *Notice to All Employees* poster. Links to both can be found in the [Useful Links \(Section 8.0\)](#)
 - Keeping a copy of all payroll information, including certified payrolls, in their records for at least 3 years after the project is completed

3.2 Grantee

- The Grantee is responsible for the collection, review and assistance in the correction of certified payrolls as submitted by the contractor
- The Grantee will submit corrected certified payroll sheets to the Grant Manger for a final review
- Keeping a copy of all payroll information, including certified payrolls, in their records for at least 3 years after the project is completed

3.3 Grant Manger

- Verifying and ensuring compliance with the Davis Bacon. This includes;
 - Making sure employees are paid prevailing wage on a weekly basis
 - Making sure wage determinations are posted at work site.
 - Conducting employee interviews to verify compliance
- Final review of all certified payrolls
- Keeping a copy of all payroll information, including certified payrolls, in their records for at least 3 years after the project is completed

4.0 Certified Payroll

A certified payroll is a document that provides information to both verify and acknowledge compliance of the Davis Bacon Act by the contractor. The most common depiction is the WH 347 form. Contractors are free to use any form they want but they must contain the following information;

- Name of contractor/subcontractor
- Project location, contract number
- Name of Employee and ID number (last four digits of Social Security number)
- Weekly number of hours worked and rate of pay
- Gross amount earned, deductions made and actual wages paid
- Signed statement of compliance (see Certified Language; [Section 5.3](#))

Certified payrolls must be submitted on a weekly basis. If no work was done in a given week then a “No Work” statement must be submitted for the given week.

5.0 WH347 Form

While a contractor isn't required to use the WH347, this is the most common form used. Moreover, familiarizing with the content on this form will help when dealing with uncommon certified payroll submissions as a any form of submission must include all the information present in a WH347 form. To make it easier to understand, it has been divided into three parts here.

5.1 Information Section

This section provides the basic information regarding the grantee, contractor and payroll. While the information isn't necessarily critical to the payroll, it is useful for record keeping. Here's a basic rundown of the information required.

U.S. Department of Labor Wage and Hour Division		PAYROLL (For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)			Rev. Dec. 2008
NAME OF CONTRACTOR <input type="checkbox"/>		ADDRESS			OMB No.: 1215-0149
OR SUBCONTRACTOR <input type="checkbox"/>		PERSONS ARE NOT REQUIRED TO RESPOND TO THE COLLECTION OF INFORMATION UNLESS IT DISPLAYS A CURRENTLY VALID OMB CONTROL NUMBER.			Expires: 12/31/2011
PAYROLL NO.	FOR WEEK ENDING	PROJECT AND LOCATION	PROJECT OR CONTRACT NO.		
C	D	E	F		

- A) Name of Contractor or Subcontractor
- B) Contractors address
- C) Payroll Number. Usually numbered sequentially with 1 being the first week that the contractor worked on the project. However sometimes contractors number the payroll based on the week in the year. In other words, payroll 1 is the first week in the year and 52 is the last week in the year. If payrolls are sequentially numbered in any manner then "No Work" forms aren't necessary
- D) The date on which the week ends
- E) The project name and location
- F) Project or Contract Number

5.2 Wages Section

This section is the most critical part of the payroll as it details the wages that the employees earned and will demonstrate if employees make prevailing wage or not. It is divided into three sections

5.2.1 Employee information

- A) The Employees name and last four digits of Social Security number. Must only be the last four as the full number will not be accepted and will have to be sent back for revision.
- B) Number of withholding exceptions
- C) Work classifications. This is used to see the work that the employee has done and to verify that he/she makes prevailing wage. To determine prevailing wage see prevailing wage in [Section 6](#).

(1)	(2)	(3)
NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	NO. OF WITHHOLDING EXEMPTIONS	WORK CLASSIFICATION
A	B	C

5.2.2 Hours and Wages

- A) Day and Date. Another way to verify that employees are working on a weekly schedule
- B) Hours per day. Should indicate the number of hours the employee worked on each particular day, both straight and overtime
- C) Total Hours. Should equal the hours per days listed in section B
- D) Rate of pay for straight and overtime. Straight pay has to be greater than or equal to prevailing wage. Overtime should be 1.5 times straight pay
- E) Gross amount earned for the project. This should be equal to total hours multiplied by rate of pay (C x D). This should reflect the amount the employee worked on the project for the week
- F) Total gross amount earned. This figure has to be greater than or equal to that in Section E. Here the contractor can use the full amount that was paid to the employee for that week, including work on other projects.

OT. Wkst.	(4) DAY AND DATE							(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED
	A	A	A	A	A	A	A			
	HOURS WORKED EACH DAY									
o	B	B	B	B	B	B	B	C	D	E
s	B	B	B	B	B	B	B	C	D	F

5.2.3 Deductions and Net Wages

(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS						(9) NET WAGES PAID FOR WEEK
	FICA	WITH-HOLDING TAX			OTHER	TOTAL DEDUCTIONS	
C	A	A	A	A	A	B	D

- A) Deductions
- B) Total deductions. Should be equal to the total of deductions under section A
- C) Total gross amount earned
- D) Net wages. Has to equal total gross amount minus total deductions (B – C)

5.3 Certified Language

The Certified Language is the information on the last page of the Davis Bacon Certified Payroll and is also known as the Statement of Compliance. This is also a crucial piece of the payroll as the contractor certifies here that all the information is accurate and in compliance with the Davis Bacon Act. This section in a way is a repeat of the information section mentioned earlier but it is necessary that all this information is filled out.

Date _____

I, _____ ^A _____ ^A
 (Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by _____ ^B
 (Contractor or Subcontractor) on the _____ ^C
 (Building or Work); that during the payroll period commencing on the _____ ^D day of _____ ^D, and ending the _____ ^D day of _____ ^D, all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said _____ ^B
 (Contractor or Subcontractor) from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C. F. R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

^E _____

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION
^F _____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

REMARKS:

^G _____

NAME AND TITLE	SIGNATURE
^A _____	_____

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

- A) Name and Title of the designated representative for the contractor
- B) Name of the Contractor
- C) Building or Location of where the work was done
- D) The dates that the work was done for this certified payroll. It is just another verification that work was done on a weekly basis
- E) The specific language that needs to be included to certify the payroll. Also section 4 indicates how fringe was paid. If (a) is selected then the contractor should have paid fringe benefits in to appropriate programs. If (b) is selected then fringe should be included in the rate of pay for the employees
- F) Any exceptions
- G) Remarks

6.0 Prevailing Wage

Contractors are required to pay their mechanic/laborer employees prevailing wage and to record their employee's payroll information on a certified payroll sheet like the WH347 form previously mentioned. Below is information on how to determine correct work classifications and prevailing wage, as well as exceptions to paying prevailing wage.

6.1 Looking up Prevailing Wage

- 1) Visit: <http://www.wdol.gov/wdol/scafiles/davisbacon/mi.html>
- 2) Scroll down to the county in which the project is taking place
- 3) Determine which category to use. Most often then not the category should be 'Building,' but it can differ depending on the work done.

County	Building	Heavy	Highway	Resident
Ingham:				
			HWY-MI7	
				R-MI118
		HVY-MI162		
	BLD-MI188			

- 4) Once inside the prevailing wage look up chart, using the "Ctrl + F" function or by scrolling, look up the work classification

6.2 Determining Prevailing Wage

(Electrician (Alarm/Low Voltage) as an example)

- 1) This depends highly on what is selected on page 2 of the certified payroll.
- 2) If (a) is selected then the rate of pay should be greater than or equal to the rate listed (\$22.00). Fringe should be paid to appropriate programs and equal to fringe listed (\$9.31). The contractor should provide a list of places where fringe is paid to and amounts
- 3) If (b) is selected then the rate of pay should be greater than or equal to the total amount of rate of pay and fringe (\$22.00 + \$9.31 = \$31.31).
- 4) Ultimately the contractor needs to prove that the employee was paid, through combination of wages and fringe, an amount that is equal to or greater than the rate of pay and fringe (\$31.31). In other words, if the contractor is paying an employee \$21.00 in wages and \$10.31 in fringe this would be acceptable because the total is equal to the prevailing wage.

ELEC0665-004 05/30/2010

Townships of Alaiedon, Aurelius, Delhi, Ingham, Lansing, Leroy, Locke, Meridian, Vevay, Wheatfield, White Oak and Williamson

	Rates	Fringes
ELECTRICIAN		
Alarm Installation & Low Voltage Wiring.....	\$ 22.00	9.31
Excludes Alarm Installation & Low Voltage Wiring.....	\$ 31.35	16.80

6.3 Looking up past Prevailing Wage

The prevailing wage sheets get frequently updated, but since Davis Bacon rates are set once the contract with the contractor has been finalized it becomes necessary to look up past prevailing wages.

- 1) Determine the wage determination number. You can find this at the top of the wage determination sheet or at the county look up website.

Wage determination sheet:

General Decision Number: MI100188 05/06/2011 **MI188**

State: Michigan

Construction Type: Building

County: Ingham County in Michigan.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

County look up website:

County	Building	Heavy	Highway	Resident
Ingham:				
			HWY-MI7	
				R-MI118
		HVY-MI162		
	BLD-MI188			

- 2) Visit: <http://www.wdol.gov/archdba.aspx>
- 3) Enter the wage determination number and year. Note that the years are organized by every two years. Be sure to include the 'MI' with the number for the wage determination number. Once this is done hit 'Search'

Archived Davis-Bacon Act Wage Determinations

When DBA WDs are revised, the current revision is available on WDOL.gov ([Selecting DBA WDs](#)). The old WD is archived on this page.(Archived WDs are for Information Purposes Only: [WDOL User's Guide: Sec. C.4.e](#))

Search: **2010** (Select "2003" for DBA WDs issued between June 13, 2003 and February 2, 2007).

Enter a DBA WD Number: **MI188** (Enter DBA WD numbers in the following format: two-letter abbreviation for the state, and the number of the WD. For example, DBA WD "VA030003" is entered "VA3"; DBA WD "MD030150" is entered "MD150")

- 4) This will generate a list of all the wage determinations sheets for that wage determination number for those two years. Select that date that you need and it will provide a wage determination sheet for that update.

Archived Davis-Bacon Act Wage Determinations

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Search: (Select "2003" for DBA WDs issued between June 13, 2003 and February 2, 2007).

Enter a DBA WD Number: (Enter DBA WD numbers in the following format: two-letter abbreviation for the state, and the number of the WD. For example, DBA WD "VA030003" is entered "VA3"; DBA WD "MD030150" is entered "MD150")

Search results for MI188:

MI100188 MOD 1 REVISED 05/06/11 MI188 **...
wdol/scafiles/archive/davisbacon/2010/mi188.r1

MI100188 MOD 0 REVISED 04/15/11 MI188 **...
wdol/scafiles/archive/davisbacon/2010/mi188.r0

Dates of the update

6.4 Exceptions to Prevailing Wage

- 1) Apprentices. An apprentice does not need to be paid the prevailing wage rate but rather a percentage of the prevailing wage rate as determined by their wage schedule in their approved apprenticeship program.
 - i) An apprentice certification would be required to verify that the employee is in fact a registered apprentice with an approved apprenticeship program. Approved programs are those that are registered with the Department of Labor (DOL) or DOL recognized State Apprenticeship Council (SAC), which in Michigan is done through the Department of Career Development (MDCD)
- 2) Owners. Business owners who owns at least a *bona fide* 20% equity interest in the enterprise in which they are employed and who are actively engaged in its management are considered exempt from Davis Bacon salary requirements. One has to meet both requirements to be considered exempt.
- 3) Non-mechanic/laborer employees. Other employees, like secretaries or office assistants, are exempt from the Davis Bacon act.
- 4) Government employees working on the project are exempt from the Davis Bacon salary requirements

7.0 Frequent Mistakes

- **Missing information**
 - Payroll numbers and Contract/Project numbers are the most common of missing information. This information is generally miscellaneous and is nothing to get worried about. Generally, these should be filled in if there is something else wrong with the forms and other corrections will be needed anyway.
 - Missing employee ID numbers. The forms need to include the last four digits of an employee's Social Security for their employee ID
 - Missing information regarding wages, deductions, and hours worked. Sometimes information is missing that is necessary to verify total hours worked, information regarding wages, or information regarding the deductions. All this information must be filled in because they are necessary to verify the math on the forms
- **Incorrect Work Classification**
 - Classifications like "Journeyman," "Foreman," and "Apprentice" are not the correct work classifications. These need to be corrected to reflect the official work classification on the wage determination sheets in order to verify that the employee's made prevailing wage
 - The best information is the official work classification number (e.g. ELEC0655-004) because it allows the reviewer to go directly to the work classification that is being referred to. While classifications like "Electrician" and "Plumber" are fine and can usually be looked up, sometimes there are multiple classifications for that title. This is primarily a problem for the "Laborer" classification as there are usually multiple "Laborer" classifications.
- **Incorrect Certified Language**
 - Whenever the WH347 form is updated, the certified language is updated as well to reflect any changes in laws and codes that may have occurred. Contractors who frequently work on Davis Bacon projects occasionally forget to update these forms and have outdated or incorrect certified language. A good way to verify the certified language is the set of codes in the middle of page 2
- **Full Social Security number instead of only last four digits**
 - Only the last four digits must be included. If all nine are included then the certified payroll must be sent back and the first five digits either redacted or removed entirely.
- **Math Errors**
 - Any math errors need to be corrected or explained.

8.0 Useful Links

- WH 347 Form
 - <http://www.dol.gov/whd/forms/wh347.pdf>
- DOL Guide to WH 347 Form
 - <http://www.dol.gov/whd/forms/wh347instr.htm>
- DOL Guide to Davis Bacon
 - <http://www.dol.gov/compliance/laws/comp-dbra.htm>
- Prevailing wage sheets look-up
 - <http://www.wdol.gov/wdol/scafiles/davisbacon/mi.html>
- Past prevailing wage sheet look-up
 - <http://www.wdol.gov/archdba.aspx>
- ARRA Guide
 - http://www.deq.state.va.us/export/sites/default/cap/documents/ARRA_Handbook_3.0.pdf
- Davis Bacon Field Operations Handbook
 - http://www.dol.gov/whd/FOH/FOH_Ch15.pdf
- Notice to Employees Poster
 - <http://www.dol.gov/whd/regs/compliance/posters/fedprojc.pdf>