


LABOR STANDARDS AND THE DAVIS-BACON ACT

COMPLIANCE AND MONITORING REQUIREMENTS




City of Detroit
Housing and Revitalization Department
Labor Compliance Unit


FEDERAL LABOR STANDARDS

- General purpose:
 - ✓ To ensure proper payment of wages to laborers and mechanics working on federally funded construction projects.
 - Summary of requirements:
 - ✓ Prevailing wages must be paid at least once per week
 - ✓ Premium pay for overtime hours worked
 - ✓ Unauthorized payroll deductions are prohibited
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LABOR STANDARDS' KEY OBJECTIVES

- Apply Federal labor standards properly
 - Support contractor compliance through education and guidance
 - Monitor contractor performance
 - Identify & follow-up on underpayments
 - Pursue debarment actions against repeat violators
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LABOR STANDARDS RESPONSIBILITIES

- Designate appropriate staff to monitor for compliance
 - Ensure bid documents, contracts & subcontracts contain Federal labor provisions & the applicable wage determination
 - Review certified payrolls reports & identify discrepancies through employee interviews
 - Maintain Labor Standards documentation as required
 - Submit enforcement reports to HUD
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THE DAVIS-BACON ACT (DBA)

- Enacted in 1931 and amended in 1935 & 1964.
 - Applies to Federal construction contracts over \$2,000.
 - Covers alterations, repairs, painting & decorating activities on federally funded construction projects.
 - Applies to laborers & mechanics.
 - Requires WEEKLY payment of prevailing wages.
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ADDITIONAL LABOR REGULATIONS

- Contract Work Hours & Safety Standards Act (CWHSSA)
 - ✓ Workers shall be paid 1.5 times their basic rate of pay for all hour worked over 40 hours in a work week.
 - Copeland Anti-Kickback Act
 - ✓ Requires payment of wages at least once a week
 - ✓ Prohibits unauthorized payroll deductions
 - Fair Labor Standards Act (FLSA)
 - ✓ Establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.
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SUBRECIPIENT'S RESPONSIBILITIES

- Attend Pre-performance conference
 - Submit Labor Standards documentation in a timely manner:
 - ✓ Weekly certified payrolls
 - ✓ One-time submission documents
 - ✓ Other supplemental L/S documents
 - Request technical assistance as needed
 - Submit payment requests in an accurate and timely manner to insure prompt reimbursement
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PAYMENT REQUESTS

- Labor Standards signs off on all CDBG PFR and Façade Improvement payments including;
 - ✓ construction payment requests;
 - ✓ payments to service companies i.e., architects, environmental companies and cleaning companies;
 - ✓ payments to suppliers;
 - ✓ acquisition (*when construction is included as a part of the contract*).
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REQUIRED DOCUMENTS FOR PAYMENT APPROVAL

- Submission of all required Labor Standards documents
 - Current Weekly Certified Payrolls
 - AIA documents
 - Sworn Statements
 - Waivers of Liens (if applicable)
 - Invoices and receipts
 - Letter from subrecipient/owner
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PAYMENT APPROVAL DELAYS

- Restitution is owed to employee(s).
 - Current payrolls have not been submitted.
 - Payment package missing required documentation.
 - Contractor fails to resolve outstanding issues.
 - Outstanding liens on the project.
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LABOR STANDARDS TEAM

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