

DAVIS-BACON WAGE RATE APPLICABILITY AND COMPLIANCE REQUIREMENTS

DAVIS-BACON APPLICABILITY

Projects are subject to Davis-Bacon wage rates if one of the following are true.

1. The project will contain 12 or more HOME-assisted units under one construction contract. If the HOME is being provided by an agency other than KHC, it is that agency's responsibility to ensure Davis-Bacon compliance, not KHC's.
2. The project will contain 9 or more Project-Based voucher units. If the Project-Based vouchers are being provided by an agency other than KHC, it is that agency's responsibility to ensure Davis-Bacon compliance, not KHC's.
3. The project includes Risk-Sharing construction financing for new construction or substantial rehabilitation of 12 or more units. If a project will not request Risk-Sharing funds until permanent takeout, Davis-Bacon does not apply (unless required by another funding source).

It is illegal to split a project into more than one contract for the sole purpose of avoiding Davis-Bacon requirements. Davis-Bacon requires that laborers be paid an amount not less than the prevailing wage of the locality as predetermined by the U.S. Secretary of Labor. If you have any questions, you may contact KHC at mfcinspections@kyhousing.org.

OVERVIEW OF THE PROCESS

Submit a Wage Rate Request: A [wage rate request](#) must be submitted during the technical submission stage. Please allow 14 to 21 days for the receipt of your wage determination.

- Projects not being placed out for bid will be locked into a wage rate at the time the construction contract is signed (assuming the contract is signed shortly before the start of construction) or the start of construction or at loan closing with KHC, whichever comes first. The applicable wage rate determination and Davis-Bacon contract addendum must be included in the construction contract.

Bid/Contract Package Requirements: The applicable wage rate determination must be included in the bid package. The labor standards [contract addendum](#) must also be included in the bid package.

Ten-Day Call: No more than ten days prior to the bid opening and/or award of the contract, KHC must be contacted to determine if the wage decision(s) issued during your technical submission request is still current. Following this call, KHC will send the recipient a confirmation of this call.

- This call must be made no more than ten calendar days prior to the bid opening and/or award of contract. If the project is being bid, you must make this call early enough to allow at least seven calendar days before the bid opening to allow for any necessary addendum to the bid package, such as if the wage rates have been modified or superseded since they were issued.
- Failure to call and make the necessary adjustments if the rates have been modified/superseded can result in improper wage rates being considered in the bidding process. This can be expensive for the recipient since they are liable for most current rates.

Verify Contractor Eligibility: Recipients are responsible for verifying that any and all contractors utilized are not barred from working on federally funded projects.

Preconstruction Conference: The Davis-Bacon preconstruction conference must be held after the contract award, but prior to the start of construction. This is normally a part of the general KHC preconstruction conference; however, if construction is to begin before the KHC preconstruction conference, a Davis-Bacon specific conference must be scheduled. Please contact KHC to schedule this meeting at least 14 days in advance. Those attending the Davis-Bacon portion of a preconstruction conference must include a representative of the developer and the payroll clerk of the general (Primary) contractor/developer. The conference will include thorough instructions relative to all labor standards requirements. If the general contractor **and** its payroll clerk have had Davis-Bacon experience in previous KHC projects, they may contact KHC to discuss the possibility of reducing the Davis-Bacon preconstruction conference to a phone conversation.

Submission of Payrolls: Payrolls must be reviewed, and correct payrolls must be submitted to KHC on a weekly basis.

Notice of Start of Construction: Prior to the construction commencement, the primary contractor must send a notice of start of construction. However, KHC must have first issued its own Notice to Proceed.

Documentation: The recipient should maintain a file with the following documentation:

- copy of wage rate request
- copy of wage rate, along with any additional classifications if applicable
- bid/contract documents with labor standards provisions included
- contractor eligibility verification
- ten-day call verification
- payrolls
- notice of start of construction
- evidence of any violations and steps taken to resolve them

Violations: Violations of the labor standards requirements must be corrected.