

## NCDOT Is Accepting Davis-Bacon Wage Surveys For Highway Construction Until 4/11/2012

APRIL 3, 2012



*Sen. James J. Davis (R-PA) and Rep. Robert L. Bacon (R-NY), co-sponsors of the 1931 Davis-Bacon Act. Photo Credit: Wikipedia*

The North Carolina Department of Transportation ("NCDOT"), in conjunction with Carolinas AGC ("CAGC") and the Carolinas Asphalt Paving Association ("CAPA"), is conducting a Highway Construction Wage Survey to determine the validity of the U.S. Department of Labor's prevailing wage determinations for North Carolina highway projects under the federal Davis-Bacon Act.

All highway contractors and subcontractors who performed construction, alteration and/or repair of roads, streets, highways, runways, taxiways, alleys, trails, paths, parking areas, bridges or other similar projects with a value greater than \$2000 between January 1, 2010 and December 31, 2011, whether financed by federal, state, municipal and/or private funds, are encouraged to participate in the survey.

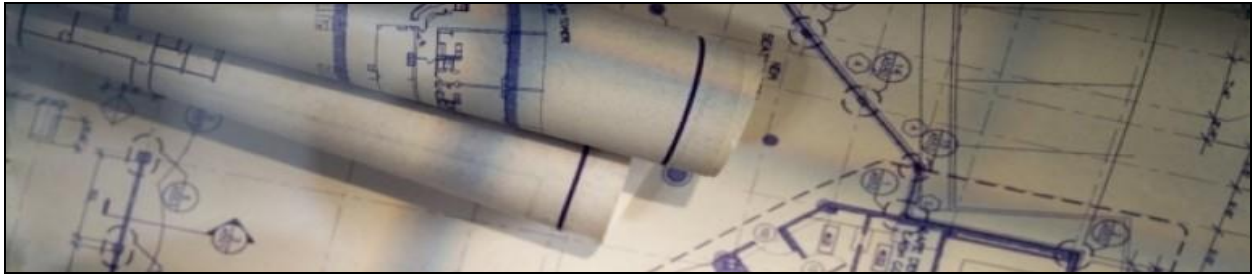
**Please note that the deadline for participation in the survey is Wednesday, April 11, 2012.** Additional information about the survey can be found [here](#). The survey can be filled out online [here](#).

The Davis-Bacon Act applies to contracts involving federal money for the construction, alteration, and/or repair of public buildings or public works. The Act requires all contractors and subcontractors to pay the various classes of laborers employed under such contracts the wage rates and fringe benefits determined to be prevailing for corresponding classes of employees engaged in work on similar projects in the locality. The applicable wage determination(s) must be included in the contract documents for pertinent projects. In addition, the Act requires that certain labor standards provisions be specified in the contract awarded to the successful bidder.



# N.C. Construction Law, Policy & News

Matthew C. Bouchard, Esq.  
919.719.8565  
[mcb@lewis-roberts.com](mailto:mcb@lewis-roberts.com)  
[www.nc-construction-law.com](http://www.nc-construction-law.com)



Because there is no state-level version of Davis-Bacon in North Carolina (some states have passed "Little Davis-Bacon" acts that are applicable to state-owned public construction projects; our General Assembly has not), the U.S. Department of Labor ("DOL") determines prevailing wages in North Carolina. The DOL makes its determinations by basing it on the hourly rate paid on public works projects to a majority of workers engaged in a particular type of work, classification, or craft within a given locality or nearest market area.

CAGC has criticized the wage determinations issued by DOL on September 30, 2011, which can be found [here](#), on the grounds that "[m]any of the determinations appear grossly inflated and atypical of actual wage averages." It has also expressed the following concerns:

[S]ome of the new determinations are 200% higher and vary wildly between adjoining counties. Not only are rates substantially higher, they are now separated into multiple categories where they were previously divided into only two: rural and metropolitan. To make matters worse, the determinations do not take into account skill level/experience required for some jobs -- designating higher wage rates for lower-skilled positions than for skilled positions.

The determinations forced the NCDOT to place a moratorium on lettings during December 2011 to adjust to the new wages. Contractors from all disciplines (utility, building, highway and specialty) are wrestling to comply with the determinations, paying one wage on private work and another on public projects. All this comes at a time when margins are low and contractors are doing all they can to keep overhead to an ultimate minimum.

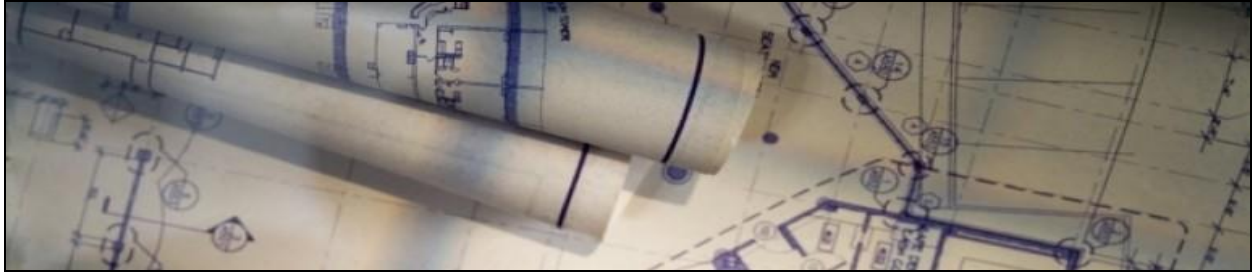
*(From "Davis-Bacon Throws Industry an Economic Body-Blow," a CAGC online article that can be found [here](#)).*

The current survey is a component of CAGC's efforts to review the most recent wage determinations and address its concerns as they pertain to highway projects. It is hoped that DOL would revisit its most recent wage determinations should the survey produce more complete and accurate information than what DOL relied upon in making its determinations at the end of last year. That's why broad-based participation by highway/heavy general contractors and subcontractors is so critical. Please consider



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Matthew C. Bouchard, Esq.  
919.719.8565  
[mcb@lewis-roberts.com](mailto:mcb@lewis-roberts.com)  
[www.nc-construction-law.com](http://www.nc-construction-law.com)



making some time in the next week to participate in this survey and help ensure fair and reasonable wage rates for highway projects in North Carolina.

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