



Oppose Efforts to Modify, Suspend or Repeal the Davis-Bacon Act

Issue Background:

The Davis-Bacon Act was enacted to establish local labor rates within construction projects contracted by the Federal government. The Act requires public works contractors to pay trades people no less than the wages that prevail on similar projects within the same region. Similar prevailing wage rate legislation was ultimately adopted by most states for bidding on state and local government projects.

Key Points:

- *The Federal Investment in Construction Activity Covered Under Davis-Bacon Significantly Affects the Economic and Social Stability of Local Communities.* The intent of the Davis-Bacon Act is to prevent the Federal government from undercutting local area labor standards when awarding contracts for Federal construction work throughout the United States or the District of Columbia.
- *The Construction Industry is Especially Vulnerable to Wage-Cutting Competition.* Project awards rarely depend solely on project design. The structure and the materials used to build it are among the most costly considerations, and the owner commonly specifies these items in detail. With limited opportunities to trim costs, contractors are inclined to underbid competitors by cutting wages.
- *The Act Does Not Set Specific Wage Rates That Contractors Must Pay Their Workers, Nor Does it Require Contractors to Pay Union Scale.* It simply requires that all contractors who bid on a Federally financed construction project base their bid on a common labor cost, and that competition focuses on matters of management, quality, safety, timeliness, and productivity, rather than primarily on wages.
- *Paying Workers a Prevailing Wage is an Investment in a Highly Skilled Workforce.* Low-wage, low-skilled workers often take longer to perform the work, are more vulnerable to job-site accidents, have not been trained as well as higher-paid workers, and need additional government assistance because they cannot provide adequately for their families. Conversely, higher wage earners have higher morale, offer greater productivity, receive good training, are proven to be safer on the job site, and contribute more to local economic development resulting from family-supporting wages.

NECA Position:

NECA opposes efforts to modify, suspend or repeal the Davis-Bacon act or remove existing prevailing wage law provisions from construction contracts that utilize Federal funds or assistance, including financing proposals providing Federal assistance to local projects.

Related Legislation:

Bill: Davis-Bacon Repeal Act (H.R. 2013)

Sponsor: Rep. Steve King (R-IA)

Number of Co-Sponsors: 2

Rep. Jason Chaffetz (R-UT)

Rep. Mike Pompeo (R-KS)

NECA Position: Oppose