

U.S. DEPARTMENT OF LABOR  
WORKPLACE STANDARDS ADMINISTRATION  
WASHINGTON, D.C. 20210



September 15, 1971

MEMORANDUM #100

TO: All Government Contracting Agencies of the Federal  
Government and the District of Columbia

SUBJECT: EXECUTIVE ORDER 11615 OF AUGUST 15, 1971: EFFECT ON  
WAGE DETERMINATIONS UNDER DAVIS-BACON AND RELATED ACTS  
AND SERVICE CONTRACT ACT.

The Department of Labor has received a number of inquiries from contracting agencies concerning the effect of the Executive Order of August 15, 1971, providing for stabilization of prices, rents, wages and salaries on wage determinations issued pursuant to the Davis-Bacon Act and related Acts and the Service Contract Act.

Existing wage determinations issued under these Acts prior to August 15, 1971, will be applied as before and the Department of Labor will continue to issue wage determinations. However, in determining prevailing wages for purposes of the Davis-Bacon Act and related Acts and the Service Contract Act during the period covered by Section 1 of the Order the Department of Labor will consider only those wage rates and economic benefits which meet the specific requirements of the Order or are otherwise approved by those authorized to carry out the Order. Thus, all wage determinations issued under the Davis-Bacon Act and related Acts or the Service Contract Act take the Order into account and shall be accepted and applied by contracting agencies accordingly.

This principle is illustrated by the Question and Answer approved by the Office of Emergency Preparedness and quoted below:

- Q. A construction worker is employed on a non-Federal project at X number of dollars per hour. The contractor shifts the worker from that project to a Federal project, but he continues doing exactly the same work with exactly the same responsibilities. The Davis-Bacon Act requires a higher rate of pay for that job on Federal contracts than he had been receiving. May the worker's pay be increased?

- A. Yes, the rate attaches to the job in that locality. The wages applied to Federal contract activities are those wages established by determinations in the base period. If no rates had been established in the base period for that locality, a determination can be made but it must be calculated on the statutory base period ending August 14.

*Horace E. Menasco*

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Administrator