

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



February 11, 1974

MEMORANDUM #115

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

SUBJECT: Survey, Raising Dollar Threshold, Davis-Bacon and Related Acts, Service Contract Act

The Commission on Government Procurement has recommended raising to \$10,000 the minimum level at which social and economic programs are applied to the procurement process. The Department of Labor is the lead agency within the Executive Branch in considering this important recommendation. Other agencies have a participating role.

If this recommendation is approved, legislation will be necessary to raise the threshold of the Davis-Bacon and related Acts from \$2,000 and the threshold of the Service Contract Act from \$2,500. The difficulty is that precise information is needed as to what would happen if this recommendation became law--that is, how many contracts and employees would lose wage determination protection. A sample survey was made covering January 1973 but it was found that this did not provide an adequate statistical base for a decision to be made one way or the other. Accordingly, it has been decided to run a survey for a full 6-month contract cycle covering all such contracts awarded in the period starting April 1, 1974 and running through September 30, 1974 (two quarters).

This survey has been officially approved. Here is how it is set up.

When a Notice of Intention to Make a Service Contract (SF-98) is responded to by the Department of Labor, a copy of a simple survey form (see attached Form WH-20(T)) will be sent with the response directly to the person who requested the wage determination.

The survey is a little more complex under the Davis-Bacon and related Acts. With respect to requests for project wage determinations--that is, those requested by an agency for a particular contract--the procedure will be exactly the same as under the Service Contract Act. The form (see attached Form WH-21(T)) will be enclosed with the Department of Labor's response to the wage determination request. However, where contracts are awarded incorporating a general (or area) wage determination

published in the Federal Register, there is no practical way for the Department of Labor to learn of the contract except through the awarding agency. Thus it is up to the contracting officer to take the initiative in sending in the survey form.

Each headquarters of a contracting agency is requested to advise local contracting officers to cooperate by completing the form and mailing it to the Wage-Hour Administrator in accordance with instructions on the form. Additional copies of the form will be furnished on request by this office or may be duplicated by photocopy. Any system of getting the completed form to us will do. In all cases, the form should be filled out and mailed to the Administrator as soon after award of the contract as possible.

This survey is very important and your full cooperation is urgently needed. If you have any question or suggestions please get in touch.



Warren D. Landis  
Acting Administrator  
Wage and Hour Division

Attachments - 4 sets of survey forms WH-20(T)(SCA)  
and WH-21(T)(DEBA)

NOTE: Please read the explanation on the reverse side and furnish the following information:

1. On the basis of the Department of Labor's response to "Notice of Intention to make a Service Contract"

(SF-98 # \_\_\_\_\_), a contract has been awarded -

a. Date \_\_\_\_\_ 1974  
(month/day)

b. Actual or estimated amount of contract \$ \_\_\_\_\_

c. Term of contract -

(1) Date of commencement \_\_\_\_\_  
(month, day, year)

(2) Date of termination \_\_\_\_\_  
(month, day, year)

If for an indefinite period or a fixed period of more than one year, explain -

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. The name and mailing address of the contractor is -

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Estimate the number of employees expected to work on the contract in a peak workweek and enter this number below (call the contractor, if necessary) -

\_\_\_\_\_  
(number)

\_\_\_\_\_  
(Signature) (Telephone No.)

\_\_\_\_\_  
(Agency)

\_\_\_\_\_  
(Address)

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



Contracting Officer - Service Contracts:

The Commission on Government Procurement has recommended raising to \$10,000 the minimum level at which social and economic programs are applied to the procurement process. The Department of Labor is the lead agency within the Executive Branch in considering this important recommendation. Other agencies have a participating role.

If this recommendation is approved, legislation will be necessary to raise the threshold for the application of the Service Contract Act from "in excess of \$2,500" to "in excess of \$10,000" (or some other figure). A sample survey was conducted for the month of January 1973 by the Department of Labor to determine how many contracts and employees would lose wage determination coverage as a result of a higher threshold. The survey did not provide sufficient depth to support a definite position for or against a change in the law. Accordingly, it has been decided to run a survey for a 6-month contract cycle - all service contracts awarded in the period starting April 1, 1974 and running through September 30, 1974 (two quarters).

This survey of contracts awarded in these two quarters is designed to furnish adequate statistical data to show what would happen under the Service Contract Act if the Commission's recommendation became law. The survey includes only service contracts over \$2,500. When the Department of Labor responds to a Notice of Intention to Make a Service Contract (SF-98), a copy of this form will be enclosed with the number of the SF-98 entered in Item 1. This number is essential for control purposes.

The form should be completed by the contracting officer as soon after contract award as possible and sent to the Administrator, Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, Washington, D. C. 20210.

This report has been cleared in accordance with FPMR 101-11.11 and assigned Interagency Report Control No. 0010-DOL-OG-C.

Your help and cooperation is vital.

Ray J. Dolan  
Assistant Administrator

NOTE: Please read the explanation on the reverse side and furnish the following information:

1. A construction-type contract has been awarded -

a. Date \_\_\_\_\_ 1974.  
(month, day)

b. Total amount of contract \$ \_\_\_\_\_

2. This contract incorporated -

a. Wage Determination \_\_\_\_\_ furnished by the Department of Labor for this  
(number)  
particular project.

and/or

b. General Wage determination \_\_\_\_\_ published by the Department of Labor in the  
(number)  
Federal Register.

3. The name and mailing address of the contractor is -

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Estimate the number of employees expected to work on the contract in a peak workweek and enter this number below (call the contractor, if necessary) -

\_\_\_\_\_  
(number)

5. Period of performance -

a. Date contract work is expected to start \_\_\_\_\_  
(month, day, year)

b. Date contract work is expected to be completed \_\_\_\_\_  
(month, day, year)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Telephone No.)

\_\_\_\_\_  
(Agency)

\_\_\_\_\_  
(Address)

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



**Contracting Officer - Construction-Type Contracts:**

The Commission on Government Procurement has recommended raising to \$10,000 the minimum level at which social and economic programs are applied to the procurement process. The Department of Labor is the lead agency within the Executive Branch in considering this important recommendation. Other agencies have a participating role.

If this recommendation is approved, legislation will be necessary to raise the threshold for the application of the Davis-Bacon and related Acts from "in excess of \$2,000" to "in excess of \$10,000" (or some other figure). A sample survey was conducted for the month of January 1973 by the Department of Labor to determine how many contracts and employees would lose wage determination coverage as a result of a higher threshold. The survey did not provide sufficient depth to support a definite position for or against a change in the law. Accordingly, it has been decided to run a survey for a 6-month contract cycle - all construction-type contracts awarded in the period starting April 1, 1974 and running through September 30, 1974 (two quarters).

This survey of contracts awarded in these two quarters is designed to furnish adequate statistical data to show what would happen under the Davis-Bacon and related Acts if the Commission's recommendation became law. This survey includes construction-type contracts over \$2,000 awarded directly by the Federal government as well as such contracts awarded by States and local governments with Federal financial assistance. Contracts in excess of \$2,000 financed 25 percent or more by entitlement funds under the State and Local Fiscal Assistance Act of 1972 are also included in the survey.

If the contract is to incorporate a project wage determination - that is, a wage determination issued for the particular contract - the Department of Labor will enter number of the wage determination in Item 2.a. and enclose this form with the determination when it is sent to the requesting agency. If the contract incorporates a general wage determination - that is, a wage determination published in the Federal Register - the agency must enter the correct number of the wage determination in Item 2.b. These numbers are essential for control purposes.

The form should be completed by the contracting officer as soon after contract award as possible and sent to the Administrator, Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, Washington, D. C. 20210.

This report has been cleared in accordance with FPMR 101-11.11 and assigned Interagency Report Control No. O011-DOL-OG-C.

Your cooperation is vital.

Ray J. Dolan  
Assistant Administrator