



AUG 17 1994

MEMORANDUM NO. 177

TO: ALL GOVERNMENT CONTRACTING AGENCIES OF THE FEDERAL GOVERNMENT AND THE DISTRICT OF COLUMBIA

FROM: MARIA ECHAVESTE
Administrator

SUBJECT: Enforcement of the Davis-Bacon and Related Acts

An informed Federal contracting community continues to be one of the most effective means of ensuring that workers are afforded the protections to which they are entitled under prevailing labor standards statutes. In 1974 and in 1977, former Secretaries of Labor Peter Brennan and Ray Marshall issued memoranda to the heads of all the Federal contracting agencies underscoring the role of the agencies in the administration and enforcement of the Davis-Bacon and related Acts. As agencies reinvent and re-engineer their processes, I take this opportunity to again emphasize the importance of your agencies' efforts to secure meaningful enforcement of the Davis-Bacon labor standards statutes, and I ask your continued assistance towards effecting compliance with the requirements of this program.

President Truman, seeking to obtain coordination and consistency in the administration and enforcement of the Davis-Bacon and related Acts, sent Reorganization Plan No. 14 to the United States Congress in March 1950. While vesting in the Secretary of Labor the responsibility for prescribing standards, regulations and procedures to achieve the Plan's stated goals, the Plan also contemplates an active enforcement effort by those Federal agencies that award contracts and provide Federal assistance.

Our experience suggests that a proactive strategy which balances educating contractors on their obligations under the Davis-Bacon and related Acts with careful attention to payroll records and frequent on-site compliance visits effectively curtails inadvertent violations. In addition, the early detection of potential violations may control the need for protracted withholding of contract funds after completion of the contract work. Reasonable and resourceful efforts to resolve labor standards disputes will likewise stem the increasing flow of cases in lengthy and costly litigation processes.

The Wage and Hour Division recognizes the need to develop partnerships with the Federal contracting community to exchange ideas and explore concerns with those agencies who are involved in procedures central to this program. Attached to this memorandum is an

announcement for a prevailing wage conference which I hope will be the first step towards this goal. Although open to the general public, this conference is designed to highlight the role of Federal contracting agencies as well as determine the agencies' needs in the wage determination and enforcement components of the Davis-Bacon program. The conference will also include wage determination and enforcement sessions on the Davis-Bacon Act's companion prevailing wage legislation, the McNamara-O'Hara Service Contract Act. Thus, I encourage staff of the Federal agencies to participate in this effort to achieve coordinated and effective prevailing wage programs so that workers in both the construction and service industries profit from an educated contracting community.

Attachment