



DATE: July 24, 2009

TO: Weatherization Assistance Program Grantees

FROM: Secretary Steven Chu
DEPARTMENT OF ENERGY *Steven Chu*
Secretary Hilda L. Solis *Hilda L. Solis*
DEPARTMENT OF LABOR

SUBJECT: Wage Rates for the Department of Energy's Weatherization Program

The Department of Energy is providing more than \$5 billion in funding from the American Recovery and Reinvestment Act (ARRA) to expand weatherization assistance programs (WAP) around the country. The funding will help states achieve their goal of weatherizing hundreds of thousands of homes, lowering energy costs for low-income families that need it, reducing greenhouse gas emissions, making low income homes healthier and more liveable, and creating green jobs across the country.

In order to ensure that the jobs that are created are good jobs, the ARRA legislation required that recipients of any ARRA-funded assistance pay laborers and mechanics employed by contractors at least the prevailing wages as determined under the Davis-Bacon Act (DBA) requirements.

As you know, the Department of Energy has asked the Department of Labor (DOL) to ensure that wage determinations for work on weatherization projects accurately reflect the local prevailing wage rates for this work. DOL is conducting wage surveys across the country to determine the appropriate wage determinations for weatherization work.

As explained below, state and local agencies should be weatherizing homes *now*.

Applicable Wage Rates Pending Survey Completion

While WAP grantees and contractors are waiting for the results of surveys, they may use Recovery Act funds to begin weatherizing homes so long as they pay construction workers at least the wage amounts currently listed at <http://www.wdol.gov/Index.aspx> for residential construction or another specific category for the job classification that they believe is most similar to the work to be performed by the employees or employees of the contractors that are utilized. The rates posted at the DOL website are minimums. If DOL issues different rates after the survey is complete, the proper wage determination, as issued by DOL, will be incorporated

into that contract or grant retroactively to the beginning of ARRA assisted or funded construction. The contractor/subcontractor and grantee/subgrantee must compensate employees for any increases in wages resulting from such change, and grantees and subgrantees may use Recovery Act funds they have already received to cover the cost of the adjustments. Projects starting after any new wage determinations are issued (or options exercised after new wage determinations are issued) should use the new wage determinations.

While DOL is conducting its surveys and developing project-specific wage determinations for weatherization work, DOE and DOL will focus on assisting WAP grantees and weatherization contractors in understanding their obligations under the Davis-Bacon Act and will not be planning any directed investigations of WAP.

Timeline for New Project Wage Determinations

The first round of project wage determinations for California, Connecticut, Illinois, Iowa, Maine, Massachusetts, Minnesota, Missouri, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin will be completed on or before August 14th. The remaining states and the District of Columbia will have completed project wage determinations on or before August 30th.

For additional information, please refer to

http://apps1.eere.energy.gov/weatherization/pdfs/energyweb_bullets.pdf on the Department of Energy's website, or contact DOL at 09WeatherizationSurvey@dol.gov.