

Determination of Federal Wage Rates

Federal Davis-Bacon prevailing wage rate determinations are required on all federal contracts except when the project is located off the federal-aid highway system. Local projects that are located on roadways classified as local roads or rural minor collectors are exempt from the Federal Wage Rate requirement. However, other federal-aid provisions still apply. If other federal funds are being used on a project located off the federal-aid highway system, Davis-Bacon rates may be required by the other federal agency that provides funds.

Governing Law (ISTEA of 1991, 23 U.S.C. 113(a), 23 U.S.C. 101(a)):

ISTEA of 1991 - PREVAILING RATE OF WAGE

Section 1006(g)(2) of the ISTEA amended 23 U.S.C. 113(a) to make Davis-Bacon wage rates applicable to, "work performed on highway projects on the Federal-aid highways." The term "Federal-aid highways" is defined (revised 23 U.S.C. 101(a)) as meaning highways eligible for assistance under this chapter (Title 23, Chapter 1) other than highways classified as local roads or rural minor collectors. Davis-Bacon prevailing rates of wage are, therefore, now applicable to all Federal-aid highway construction projects (NHS and non-NHS) except those located on highways classified as local roads or rural minor collectors.

23 U.S.C. 113(a)

Prevailing rate of wage

(a) The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the construction work performed on highway projects on the Federal-aid highways authorized under the highway laws providing for the expenditure of Federal funds upon the Federal-aid systems, shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, known as the Davis-Bacon Act (40 U.S.C. 276a).

23 U.S.C. 101(a)

Definitions and declaration of policy

(a) DEFINITIONS.—In this title, the following definitions apply:

(5) FEDERAL-AID HIGHWAY.—The term "Federal-aid highway" means a highway eligible for assistance under this chapter other than a highway classified as a local road or rural minor collector.