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Prevailing Wage Laws

Quality Construction Alliance Position:

QCA supports prevailing wage provisions in current law and in innovative financing options being enacted by the Congress. QCA opposes repeal of the Davis-Bacon Act, in whole or part. Congress should act now to fund urgently needed infrastructure improvements and school construction while enforcing prevailing labor and benefit standards with uncompromised training program requirements. This is the quality effort the taxpayer expects. The improvement of the country's infrastructure and schools demand the highest quality and safest work product. To ensure best value, high quality construction, job-site safety, and to ensure a skilled workforce for the future through apprenticeship and training programs, Davis-Bacon prevailing wages should be applied with strict enforcement to all projects using federal dollars.

Issue:

The Davis-Bacon Act requires that the local prevailing wage rate be paid to various classes of laborers and mechanics working under federally financed or federally assisted contracts for construction, alteration, and repair of public buildings or public works.

In the current session of Congress a number of concerted attempts to repeal or undermine the Davis-Bacon Act have been unsuccessful, failing to generate any majority support. Efforts to include prevailing wage in projects using innovative financing were successful in the stimulus package passed in the 111th Congress. Prevailing wage laws should support all federal construction project funding to support local economic standards.

- Davis-Bacon is as valid today as it was when it was enacted more than 75 years ago. It still protects local economies and the interest of the government in job quality, cost-effective construction and safety.
- Objective studies show that the Davis-Bacon Act and its implementation at the state level protect builders, workers, and local economies alike, while maintaining competitive prices, job quality, and job-site safety—all of which suffer where Davis-Bacon requirements are removed. Projects in areas without Davis-Bacon frequently cost more per square foot than in areas with prevailing wage protections.
- Davis-Bacon's detractors suggest that coverage for so-called "innovative" financing is expansion of the Act. In fact, Davis-Bacon coverage has been applied to a variety of federal programs that provide financial assistance other than, or in addition to, the traditional method of financing construction with direct federal grants.
- Given the extended downturn in the construction industry, needed infrastructure authorizations should be expedited including full Davis-Bacon coverage. Every billion dollars in infrastructure funding that the government puts into the economy creates 47,000 jobs.
- Highly technical mechanical and HVAC systems required for infrastructure repair and new technology systems require highly skilled labor for installation. Application of the Davis-Bacon Act facilitates the bona fide apprenticeship programs that produce these skilled workers.
- Dr. Peter Phillips of the University of Utah found that when Kansas and other states he examined repealed their state prevailing wage laws, there were no significant savings in school construction costs. For example, in Kansas following repeal apprenticeship training fell 38 percent, employer contributions to pension and health funds decline 17 percent and worker injuries rose 19 percent



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