



# McNamara-O'Hara Service Contract Act



WAGE AND HOUR DIVISION  
UNITED STATES DEPARTMENT OF LABOR

[dol.gov/whd](https://dol.gov/whd)  
1-866-4US-WAGE

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# SCA Coverage

The Service Contract Act applies to “any contract”

- 1) Made by the Federal Government or District of Columbia
- 2) Exceeds \$2,500
- 3) Includes use of service employees, and
- 4) Principal purpose is furnishing of services in the U.S.



# Contracts in the U.S.

- Any portion of a contract principally for services performed in the United States is covered
- All 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Outer Continental Shelf, American Samoa, Guam, Wake Island, Johnston Island, and the Northern Marianas
  - [Canton Island, Eniwetok Atoll, and Kwajalein Atoll](#) are no longer a part of the U.S. territories

29 CFR 4.112



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# Contracts to Furnish Services

The SCA does not define or limit the types of services that may be contracted for. Examples of service contracts:

- Security and guard services
- Janitorial services
- Cafeteria and food services
- Support services at Government installations

29 CFR 4.111 & 4.130



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# Use of Service Employees

- Section 8(b) of SCA defines service employee as:
  - Any person engaged in performance of contract, except
  - Employees who qualify for exemption as bona fide executive, administrative or professional employees under the FLSA (29 CFR Part 541)
- Employee coverage does not depend on contractual relationship

29 CFR 4.113 & 4.155



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# Requirements of SCA

Contracts in excess of **\$2,500** must contain labor standards clauses and:

- Minimum monetary wages and fringe benefits determined by Department of Labor (DOL)
- Recordkeeping - Posting requirements
- Safety and health provisions
- Statement of rates paid to federal employees

29 CFR 4.6



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# Requirements of SCA, continued

Payment of FLSA minimum wage for contracts of \$2,500 or less, or contracts exceeding without wage determination:

**FLSA Minimum Wage:                      \$7.25**



# “Any Contract”

- The SCA was intended to apply to “a wide variety of contracts,” and “the nomenclature, type, or particular form of contract used by procurement agencies is not determinative of coverage.”
- “It makes no difference in the coverage of a contract whether the contract services are procured through negotiation or through advertising for bids.”
- The contract does not have to be of direct benefit to the federal government, but can benefit the general public (such as a concessionaire contract)

29 CFR 4.110 & 29 CFR 4.111



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# Examples of Federal Contracting Agencies



Agencies or instrumentality

**Department of Defense (DOD)**



Wholly government-owned corporations

**U.S. Postal Service**



Non-appropriated fund activities

**Military post exchanges (PX's)**



Contracts entered into by the

**District of Columbia**

29 CFR 4.107 & 4.108



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# Contracts Not SCA Covered

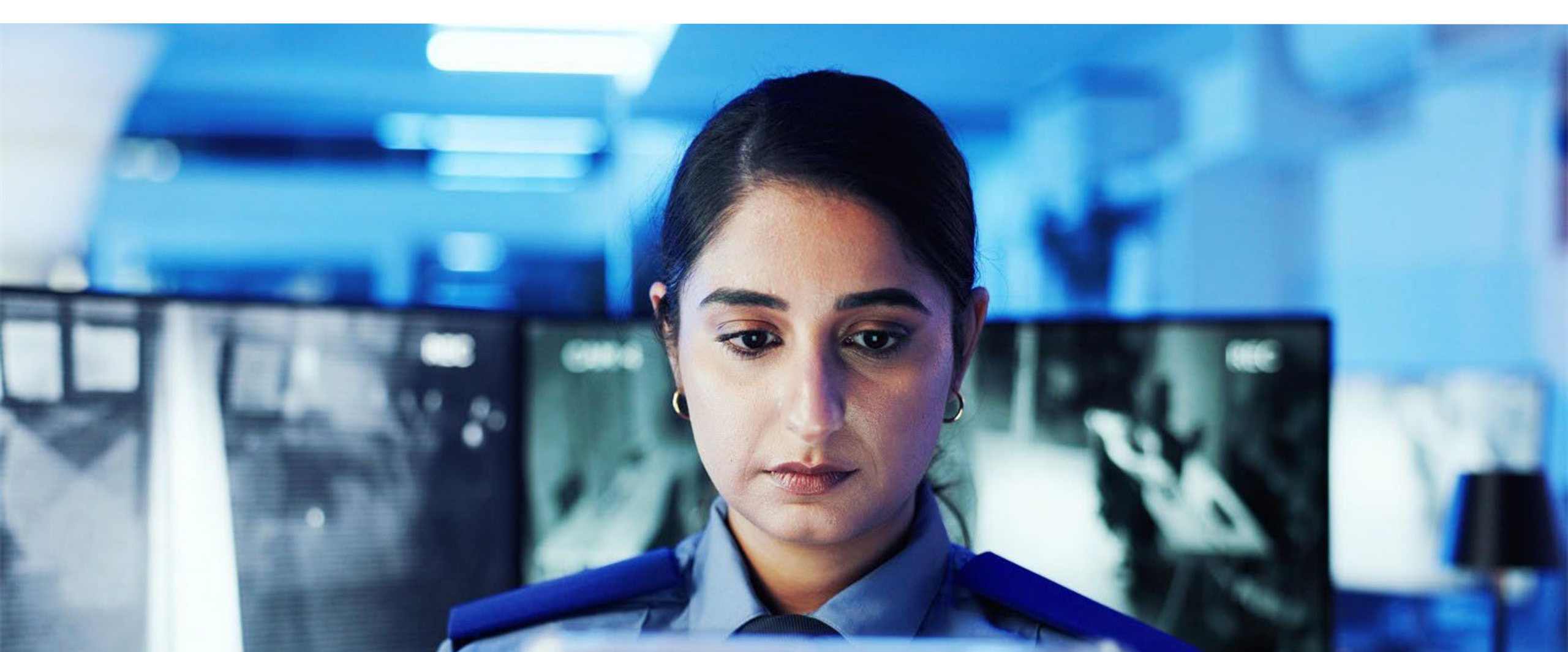
- Contracts primarily for something other than services, e.g., construction
- Contracts for leasing of space
- Contracts for professional services
- Federally-assisted contracts for services entered into by state governments, e.g., Medicaid and Medicare programs

29 CFR 4.134



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# Statutory Exemptions



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# SCA Statutory Exemptions

## SCA does not apply to the following:

- Contracts for construction of public buildings or public works covered by DBA
- PCA work required by contract – e.g. manufacturing or supplies
- Contracts for carriage of freight or personnel where published tariff rates are in effect (excluding mail haul contracts)



# SCA Statutory Exemptions, continued

- Contracts for services by communications companies (e.g., radio, telephone) subject to the Communications Act of 1934
- Contracts for public utility services, including electric light and power, water, steam, and gas
- Employment contracts providing for direct services to a Federal agency by individuals
- Contracts with the U.S. Postal Service principally for operation of postal contract stations





# Regulatory Exemptions



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# Authority to Grant Exemptions

## Standard:

- Necessary and proper in the public interest or to avoid serious impairment of government business; and
- Consistent with remedial purpose to protect prevailing labor standards



# FLSA Section 14(c) Workers

Contractors, who obtain FLSA Section 14 certificates for workers on SCA-covered contracts are:

- Allowed to pay less than prevailing wage, but
- Must pay prevailing fringe benefits
  - Health and welfare benefits in full
  - Vacation and holiday benefits based on “commensurate rate” and hours worked

29 CFR 4.6(o)



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# Regulatory Exemptions

SCA does not apply to the following:

- Postal Service contracts with common carriers
- Postal Service mail contracts with owner- operators (i.e., individuals, not partnerships)
- Certain items for “commercial services”

29 CFR 4.123(d)-(e)



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# Commercial Services

Contracts and subcontracts for maintenance, calibration, and repair of:

- ADP & office information/word processing systems
- Scientific & medical apparatus or equipment where the application of microelectronic circuitry or other technology of at least similar sophistication is an essential element
- Office/business machines where services performed by supplier or manufacturer

29 CFR 4.123(e)(1)



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# Commercial Services, continued

## For the following seven services:

1

Maintenance and servicing of motorized vehicles owned by Federal agencies

2

Issuance and servicing of credit, debit, or similar cards by Federal employees

3

Lodging, meals, and space in hotels/motels for conferences

29 CFR 4.123(e)(2))



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# Commercial Services, continued 2

4

Real estate services

5

Transportation on regularly scheduled routes

6

Relocation services

7

Maintenance services for all types of equipment obtained from manufacturer or supplier under a “sole source” contract



# Commercial Services Criteria

## Commercial services exemption criteria that must be met:

- Services offered and sold regularly
- Contract awarded on “sole source basis” or basis of factors in addition to price
- Services furnished at “market” or “catalog” prices
- Employee spends small portion of available hours on government contract
- Employee receives same compensation plan
- Contracting officer and prime contractor certify criteria can be met and complied with





# SCA Prevailing Wage Determinations



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# Basic Statutory Requirement

Sections 2(a)(1) and (2) of SCA provide that covered contracts in excess of \$2,500 contain a wage determination:

2(a)(1) = Wages

2(a)(2) = Fringe Benefits



# What is a Wage Determination (WD)?



WDs set prevailing wages and fringe benefits contractors, or their subcontractors, must pay covered service employees working under SCA-covered contracts



Wages are defined as monetary compensation provided to service employees



They are usually listed in the WD as minimum hourly rates



# Two Categories of Wage Determinations

- **Prevailing**
  - Area-wide /Standard WDs, Non- Standard WDs, Union Dominance WDs
- **4(c) Collective Bargaining Agreements**
  - Based on the previous contractor's collective bargaining agreement (CBA)



# What does a SCA Prevailing WD contain?

- WD Number and Revision
- Executive Order Language
- Localities
- Occupational Titles
- Wage rates
- Health & Welfare/ Fringe Benefits (H&W)



# Area-Wide Wage Determination Example

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| <p style="text-align: center;">REGISTER OF WAGE DETERMINATIONS UNDER<br/>THE SERVICE CONTRACT ACT<br/>By direction of the Secretary of Labor</p> <p style="text-align: center;"><i>Daniel W. Simms</i></p> <p>Daniel W. Simms<br/>Director</p> <p style="text-align: center;">Division of<br/>Wage Determinations</p>   | <p style="text-align: center;">U.S. DEPARTMENT OF LABOR<br/>EMPLOYMENT STANDARDS ADMINISTRATION<br/>WAGE AND HOUR DIVISION<br/>WASHINGTON, D.C. 20210</p> <p style="text-align: right;">Wage Determination No.: 2015-4281<br/>Revision No.: 14<br/>Date of Last Revision: 07/16/2019</p> |                  |          |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
|---|--|------------------|----------|------|--------------|--|--|--|-------|--------------------|--|-------|-------|---------------------|--|-------|-------|----------------------|--|-------|-------|--------------------------|--|-------|-------|----------------|--|-------|-------|-----------------------------------|--|-------|-------|------------------------------------|--|-------|-------|-------------------------------------|--|-------|-------|-----------------------|--|-------|-------|------------------------|--|-------|-------|---------------------------|--|-------|-------|----------------------------|--|-------|-------|------------------------------|--|-------|-------|-----------------|--|-------|-------|------------------|--|-------|-------|-------------------|--|-------|-------|----------------------------|--|-------|-------|-------------------|--|-------|-------|---------------|--|-------|-------|----------------|--|-------|-------|------------------------------------|--|-------|-------|-------------------------------------|--|-------|-------|--------------------------------------|--|-------|-------|--------------------------|--|-------|--|
| <p>Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.60 for calendar year 2019 applies to all contracts subject to the Service Contract Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at <a href="http://www.dol.gov/whd/govcontracts">www.dol.gov/whd/govcontracts</a>.</p>   |  |                  |          |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| <p>States: District of Columbia, Maryland, Virginia</p> <p>Area: District of Columbia Statewide<br/>Maryland Counties of Calvert, Charles, Prince George's<br/>Virginia Counties of Alexandria, Arlington, Fairfax, Falls Church, Fauquier, Loudoun, Manassas, Manassas Park, Prince William, Stafford</p>  |  |                  |          |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| <p>** Fringe Benefits Required Follow the Occupational Listing **</p>   |  |                  |          |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">CODE</th> <th style="text-align: left;">OCCUPATION TITLE</th> <th style="text-align: left;">FOOTNOTE</th> <th style="text-align: left;">RATE</th> </tr> </thead> <tbody> <tr> <td><b>01000</b></td> <td><b>Administrative Support And Clerical Occupations</b></td> <td></td> <td></td> </tr> <tr><td>01011</td><td>Accounting Clerk I</td><td></td><td>18.95</td></tr> <tr><td>01012</td><td>Accounting Clerk II</td><td></td><td>21.28</td></tr> <tr><td>01013</td><td>Accounting Clerk III</td><td></td><td>23.81</td></tr> <tr><td>01020</td><td>Administrative Assistant</td><td></td><td>34.06</td></tr> <tr><td>01035</td><td>Court Reporter</td><td></td><td>24.02</td></tr> <tr><td>01041</td><td>Customer Service Representative I</td><td></td><td>14.94</td></tr> <tr><td>01042</td><td>Customer Service Representative II</td><td></td><td>16.81</td></tr> <tr><td>01043</td><td>Customer Service Representative III</td><td></td><td>18.33</td></tr> <tr><td>01051</td><td>Data Entry Operator I</td><td></td><td>16.64</td></tr> <tr><td>01052</td><td>Data Entry Operator II</td><td></td><td>18.16</td></tr> <tr><td>01060</td><td>Dispatcher, Motor Vehicle</td><td></td><td>19.84</td></tr> <tr><td>01070</td><td>Document Preparation Clerk</td><td></td><td>17.75</td></tr> <tr><td>01090</td><td>Duplicating Machine Operator</td><td></td><td>17.75</td></tr> <tr><td>01111</td><td>General Clerk I</td><td></td><td>14.88</td></tr> <tr><td>01112</td><td>General Clerk II</td><td></td><td>16.24</td></tr> <tr><td>01113</td><td>General Clerk III</td><td></td><td>18.74</td></tr> <tr><td>01120</td><td>Housing Referral Assistant</td><td></td><td>25.29</td></tr> <tr><td>01141</td><td>Messenger Courier</td><td></td><td>16.71</td></tr> <tr><td>01191</td><td>Order Clerk I</td><td></td><td>15.29</td></tr> <tr><td>01192</td><td>Order Clerk II</td><td></td><td>16.68</td></tr> <tr><td>01261</td><td>Personnel Assistant (Employment) I</td><td></td><td>18.87</td></tr> <tr><td>01262</td><td>Personnel Assistant (Employment) II</td><td></td><td>21.11</td></tr> <tr><td>01263</td><td>Personnel Assistant (Employment) III</td><td></td><td>23.52</td></tr> <tr><td>01270</td><td>Production Control Clerk</td><td></td><td>25.59</td></tr> </tbody> </table> | CODE   | OCCUPATION TITLE | FOOTNOTE | RATE | <b>01000</b> | <b>Administrative Support And Clerical Occupations</b> |  |  | 01011 | Accounting Clerk I |  | 18.95 | 01012 | Accounting Clerk II |  | 21.28 | 01013 | Accounting Clerk III |  | 23.81 | 01020 | Administrative Assistant |  | 34.06 | 01035 | Court Reporter |  | 24.02 | 01041 | Customer Service Representative I |  | 14.94 | 01042 | Customer Service Representative II |  | 16.81 | 01043 | Customer Service Representative III |  | 18.33 | 01051 | Data Entry Operator I |  | 16.64 | 01052 | Data Entry Operator II |  | 18.16 | 01060 | Dispatcher, Motor Vehicle |  | 19.84 | 01070 | Document Preparation Clerk |  | 17.75 | 01090 | Duplicating Machine Operator |  | 17.75 | 01111 | General Clerk I |  | 14.88 | 01112 | General Clerk II |  | 16.24 | 01113 | General Clerk III |  | 18.74 | 01120 | Housing Referral Assistant |  | 25.29 | 01141 | Messenger Courier |  | 16.71 | 01191 | Order Clerk I |  | 15.29 | 01192 | Order Clerk II |  | 16.68 | 01261 | Personnel Assistant (Employment) I |  | 18.87 | 01262 | Personnel Assistant (Employment) II |  | 21.11 | 01263 | Personnel Assistant (Employment) III |  | 23.52 | 01270 | Production Control Clerk |  | 25.59 | <p>← The WD No# starts with 2015</p> <p>← The geographically localities are close by in proximity</p> <p>← There are over 300 occupations listed on the WD</p> |
| CODE  | OCCUPATION TITLE   | FOOTNOTE         | RATE     |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| <b>01000</b>  | <b>Administrative Support And Clerical Occupations</b>   |                  |          |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01011   | Accounting Clerk I   |                  | 18.95    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01012   | Accounting Clerk II  |                  | 21.28    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01013   | Accounting Clerk III   |                  | 23.81    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01020   | Administrative Assistant   |                  | 34.06    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01035   | Court Reporter   |                  | 24.02    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01041   | Customer Service Representative I  |                  | 14.94    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01042   | Customer Service Representative II   |                  | 16.81    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01043   | Customer Service Representative III  |                  | 18.33    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01051   | Data Entry Operator I  |                  | 16.64    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01052   | Data Entry Operator II   |                  | 18.16    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01060   | Dispatcher, Motor Vehicle  |                  | 19.84    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01070   | Document Preparation Clerk   |                  | 17.75    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01090   | Duplicating Machine Operator   |                  | 17.75    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01111   | General Clerk I  |                  | 14.88    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01112   | General Clerk II   |                  | 16.24    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01113   | General Clerk III  |                  | 18.74    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01120   | Housing Referral Assistant   |                  | 25.29    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01141   | Messenger Courier  |                  | 16.71    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01191   | Order Clerk I  |                  | 15.29    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01192   | Order Clerk II   |                  | 16.68    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01261   | Personnel Assistant (Employment) I   |                  | 18.87    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01262   | Personnel Assistant (Employment) II  |                  | 21.11    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01263   | Personnel Assistant (Employment) III   |                  | 23.52    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |
| 01270   | Production Control Clerk   |                  | 25.59    |      |              |  |  |  |       |                    |  |       |       |                     |  |       |       |                      |  |       |       |                          |  |       |       |                |  |       |       |                                   |  |       |       |                                    |  |       |       |                                     |  |       |       |                       |  |       |       |                        |  |       |       |                           |  |       |       |                            |  |       |       |                              |  |       |       |                 |  |       |       |                  |  |       |       |                   |  |       |       |                            |  |       |       |                   |  |       |       |               |  |       |       |                |  |       |       |                                    |  |       |       |                                     |  |       |       |                                      |  |       |       |                          |  |       |  |



# Area-Wide Wage Determinations

- Sequence numbers are between 2015-4000 or 2015-5000
- Approximately 400 occupations and wage rates are listed and grouped by several broad occupational categories
- OES cross-industry survey data provided by BLS is the primary data source



# Non-Standard Wage Determination Example

Page 1

| <p style="text-align: center;">REGISTER OF WAGE DETERMINATIONS UNDER<br/>THE SERVICE CONTRACT ACT<br/>By direction of the Secretary of Labor</p> <p style="text-align: center;"><i>Daniel W. Simms</i></p> <p>Daniel W. Simms                      Division of<br/>Director                                      Wage Determinations</p>   | <p style="text-align: center;">U.S. DEPARTMENT OF LABOR<br/>EMPLOYMENT STANDARDS ADMINISTRATION<br/>WAGE AND HOUR DIVISION<br/>WASHINGTON, D.C. 20210</p> <p style="text-align: right;">Wage Determination No.: 2018-0252<br/>Revision No.: 3<br/>Date of Last Revision: 07/16/2019</p> |          |                  |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|--|---|----------|------------------|----------|------|--|-----------------------------|--|--|--|------------------------|--|-------|--|--|--|-------|--|-------------------|--|--|--|-----------------------|--|-------|--|------------------|--|-------|--|-------------------|--|-------|--|-----------------------|--|--|--|------------------------|--|-------|--|--|--|-------|--|-------------------|--|--|--|-----------------------|--|-------|--|------------------|--|-------|--|-------------------|--|-------|
| <p>Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.60 for calendar year 2019 applies to all contracts subject to the Service Contract Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at <a href="http://www.dol.gov/whd/govcontracts">www.dol.gov/whd/govcontracts</a>.</p>  |   |          |                  |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
| <p>States: Indiana, Kansas, Kentucky, Louisiana, New York, North Carolina, Texas, Washington</p> <p>Area: Indiana County of Bartholomew<br/>Kansas County of Geary<br/>Kentucky County of Bullitt<br/>Louisiana Parish of Vernon<br/>North Carolina County of Cumberland<br/>New York County of Jefferson<br/>Texas Counties of Bell, El Paso<br/>Washington County of Pierce</p>  |   |          |                  |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
| <p style="text-align: center;">** Fringe Benefits Required Follow the Occupational Listing **</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">CODE</th> <th style="text-align: left;">OCCUPATION TITLE</th> <th style="text-align: left;">FOOTNOTE</th> <th style="text-align: left;">RATE</th> </tr> </thead> <tbody> <tr> <td></td> <td>Certified Athletic Trainer:</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Bartholomew County, IN</td> <td></td> <td>24.63</td> </tr> <tr> <td></td> <td>Counties: Bullitt, KY, Vernon, LA, Jefferson, NY</td> <td></td> <td>24.44</td> </tr> <tr> <td></td> <td>Bell, El Paso, TX</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Cumberland County, NC</td> <td></td> <td>25.32</td> </tr> <tr> <td></td> <td>Geary County, KS</td> <td></td> <td>24.60</td> </tr> <tr> <td></td> <td>Pierce County, WA</td> <td></td> <td>26.51</td> </tr> <tr> <td></td> <td>Registered Dietitian:</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Bartholomew County, IN</td> <td></td> <td>40.14</td> </tr> <tr> <td></td> <td>Counties: Bullitt, KY, Vernon, LA, Jefferson, NY</td> <td></td> <td>39.85</td> </tr> <tr> <td></td> <td>Bell, El Paso, TX</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Cumberland County, NC</td> <td></td> <td>41.28</td> </tr> <tr> <td></td> <td>Geary County, KS</td> <td></td> <td>40.10</td> </tr> <tr> <td></td> <td>Pierce County, WA</td> <td></td> <td>43.21</td> </tr> </tbody> </table> |   | CODE     | OCCUPATION TITLE | FOOTNOTE | RATE |  | Certified Athletic Trainer: |  |  |  | Bartholomew County, IN |  | 24.63 |  | Counties: Bullitt, KY, Vernon, LA, Jefferson, NY |  | 24.44 |  | Bell, El Paso, TX |  |  |  | Cumberland County, NC |  | 25.32 |  | Geary County, KS |  | 24.60 |  | Pierce County, WA |  | 26.51 |  | Registered Dietitian: |  |  |  | Bartholomew County, IN |  | 40.14 |  | Counties: Bullitt, KY, Vernon, LA, Jefferson, NY |  | 39.85 |  | Bell, El Paso, TX |  |  |  | Cumberland County, NC |  | 41.28 |  | Geary County, KS |  | 40.10 |  | Pierce County, WA |  | 43.21 |
| CODE   | OCCUPATION TITLE  | FOOTNOTE | RATE             |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Certified Athletic Trainer:   |          |                  |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Bartholomew County, IN  |          | 24.63            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Counties: Bullitt, KY, Vernon, LA, Jefferson, NY  |          | 24.44            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Bell, El Paso, TX   |          |                  |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Cumberland County, NC   |          | 25.32            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Geary County, KS  |          | 24.60            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Pierce County, WA   |          | 26.51            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Registered Dietitian:   |          |                  |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Bartholomew County, IN  |          | 40.14            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Counties: Bullitt, KY, Vernon, LA, Jefferson, NY  |          | 39.85            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Bell, El Paso, TX   |          |                  |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Cumberland County, NC   |          | 41.28            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Geary County, KS  |          | 40.10            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |
|  | Pierce County, WA   |          | 43.21            |          |      |  |                             |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |  |                       |  |  |  |                        |  |       |  |  |  |       |  |                   |  |  |  |                       |  |       |  |                  |  |       |  |                   |  |       |

← The WD No. does not have to start with any particular sequence number

← The localities can be contract specific, regional or nationwide

← The occupations are contract specific



# Non-Standard Prevailing WDs

- Usually based on different data sources
- Data sources may be industry specific
- Often cover broader geographic areas
- May or may not cover occupations listed in the SCA Directory of Occupations



# Examples of Non-Standard WDs

Union  
Dominance

Food &  
Lodging

Halfway  
House

Nursing  
Home

Moving &  
Storage

Fast Food

Forestry

Forest  
Firefighting

Elevator  
Maintenance

Maritime

Mail hauling

Debt  
Collection

Barber &  
Beautician

Diving  
services



# Section 4(c) WDs Incumbent CBA

- Part of 1972 Amendments to SCA
- Statutory requirement
- Does not depend on issuance of a WD
  - Short-form WD should be issued
  - Based on incumbent CBA
  - Includes accrued, as well as prospective, wages and fringe benefits
- A contractor may be its own successor



# 4c Collective Bargaining Agreement

|   |   |
|---|---|
| <p>REGISTER OF WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT ACT<br/>By direction of the Secretary of Labor</p> <p style="text-align: center;"><i>Daniel W. Simms</i></p> <p>Daniel W. Simms<br/>Director</p> <p style="text-align: right;">Division of<br/>Wage Determinations</p>  | <p>U.S. DEPARTMENT OF LABOR<br/>EMPLOYMENT STANDARDS ADMINISTRATION<br/>WAGE AND HOUR DIVISION<br/>WASHINGTON, D.C. 20210</p> <p style="text-align: right;">Wage Determination No.: 2017-0871<br/>Revision No.: 3<br/>Date of Last Revision: 12/26/2018</p> |
| <p>Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.60 for calendar year 2019 applies to all contracts subject to the Service Contract Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at <a href="http://www.dol.gov/whd/govcontracts">www.dol.gov/whd/govcontracts</a>.</p>   |   |
| <p>State: District of Columbia<br/>Area: District of Columbia Statewide</p> <p>Employed on Department of Treasury contract for facilities maintenance services:</p> <p>Collective Bargaining Agreement between [REDACTED] and The International Union of Operating Engineers Local 99-99A, AFL-CIO, effective October 1, 2015 through September 30, 2020.</p> <p>In accordance with Sections 2(a) and 4(c) of the Service Contract Act, as amended, employees employed by the contractor(s) in performing services covered by the Collective Bargaining Agreement(s) are to be paid wage rates and fringe benefits set forth in the current collective bargaining agreement and modified extension agreement(s).</p>  |   |
| <p>Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors, applies to all contracts subject to the Service Contract Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is the victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <a href="http://www.dol.gov/whd/govcontracts">www.dol.gov/whd/govcontracts</a>.</p> |   |

← **The WD No. does not have to start with any particular sequence number**

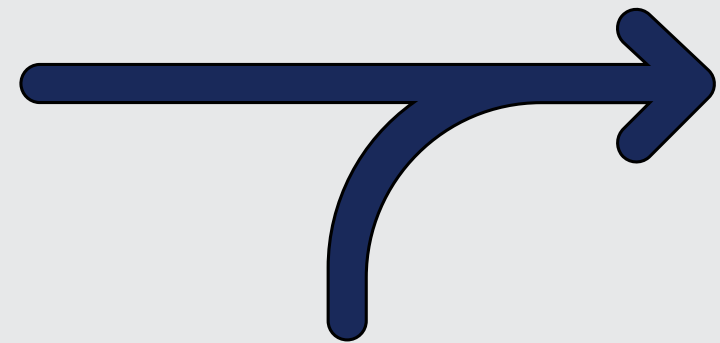
← **The localities are directly determined by the CBA provided by the contracting agency**

← **Instead of occupations, the contracting company, contracting agency and Union information is listed.**



# Application

- The CBA must be applicable to work performed on the predecessor contract in order to have application to the successor contract
- The successor contract must be for substantially the same services being provided in the same contract locations



# Provisions

## **Successor contractor must pay CBA rates:**

- Whether or not predecessor employees are hired
- Whether or not signatory to the CBA
- Obligations of Section 4(c) are self-executing
- Interpretation of CBA is based on the intent of the parties' signatory to CBA



# Limitations of Section 4(c)

Section 4(c) does not extend to other CBA provisions such as:

- Seniority
- Grievance procedures
- Work rules
- Overtime



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# Limitation on Self-Executing Application

Applies if the contracting officer (CO) provides the contractor and union with written notice of key procurement dates:

- IFB – CBA must be received by CO not less than 10 days before bid opening
- RFP (Request for Proposal) – CBA must be received before award if start is within 30 days, **or**
- RFP – Not less than 10 days before start if award is beyond 30 days



# Exception to the Application of Section 4(c) Requirement

The successor contractor is statutorily obligated to pay the CBA rates until the CBA is determined to be:

- “Substantially at variance” with locally prevailing rates (29 CFR § 4.10), or
- Not reached as a result of “arm’s-length” negotiations (29 CFR § 4.11)



# What is included in the Fringe Benefit Package?



**Health & Welfare  
(H&W) Rates**



**Vacation Pay**



**Holiday Pay**



# Fringe Benefits (on most prevailing SCA WDs)

## Health & Welfare (H&W) Benefits:

- 1996 Rulemaking -- Variance to permit nationwide benefits
- Updated in June
- Based on:
  - BLS Employer Costs for Employee
  - Compensation
  - Use data for all workers in Private Industry



# Fringe Benefits, continued

H&W rate is the total:

- Of all benefits not legally required
- Except vacation & holiday

H&W rate - two different methods of compliance:

- “Fixed cost” per employee, or
- “Average cost” (Discussed in Compliance Principles session)



# Other Fringe Benefits (on most prevailing SCA WDs)



**VACATION PAY**



**HOLIDAY PAY**



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# Developing SCA Prevailing Wage Rates

- Wage rates are based on survey data
- Rates must reflect a consistent wage and salary structure
- The measure of central tendency is median (midpoint in distribution)



# Basis for Prevailing WDs

The best available data – usually Bureau of Labor Statistics (BLS) surveys

- WDs may also be based on:
  - Non-appropriated Fund (NAF) surveys
  - Wage Board surveys and rates, or
  - GS locality pay schedules



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# BLS Surveys

- Occupational Employment Statistics (OES) survey
- OES data is the primary data source



# OES

- Surveys every metropolitan and non-metropolitan area in US
- Samples 400,000 establishments annually for a three-year total of 1.2 million establishments
- Does not level workers within an occupation
- Data are used for ETA's Foreign Labor Certification programs



# Importance of Salary Structure for SCA

- Surveys produce estimates with resulting anomalies in the data
- Wage increases are capped at 10% annually
- SCA wage rates are retained when the survey data is below the current SCA WD rate



# Locality Basis of WDs

- Locality has an elastic and variable meaning under SCA
- Regionwide and Nationwide WDs





# Obtaining an SCA Wage Determination



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# Obtaining Wage Determinations

Agencies must obtain a new WD at least once every two years.

- A new WD may be required each year if:
  - The contract is subject to annual appropriations; or
  - An annual contract option being exercised
  - Most contract extensions, even if shorter than one year, require a new WD

29 CFR 4.143 – 4.145



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# Obtaining an SCA WD

- Agencies have the option to
  - [download a WD directly from the website, or](#)
  - [submitting an e98 to DOL at www.sam.gov](http://www.sam.gov)
- Approaches no longer utilized include the Blanket WD program, MOUs with agencies, and paper Standard Form (SF) 98 and 98a

29 CFR 4.4



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# Clarifying Common Misconceptions

- Federal agencies must obtain a SCA WD or request a WD (by e98) for any contract in excess of \$2,500
- WHD will issue a SCA WD for any contract that may involve more than five service employees
- For contracts with fewer than five service employees, WHD has the option of issuing a WD



# Consolidated (Standard) Prevailing SCA WDs

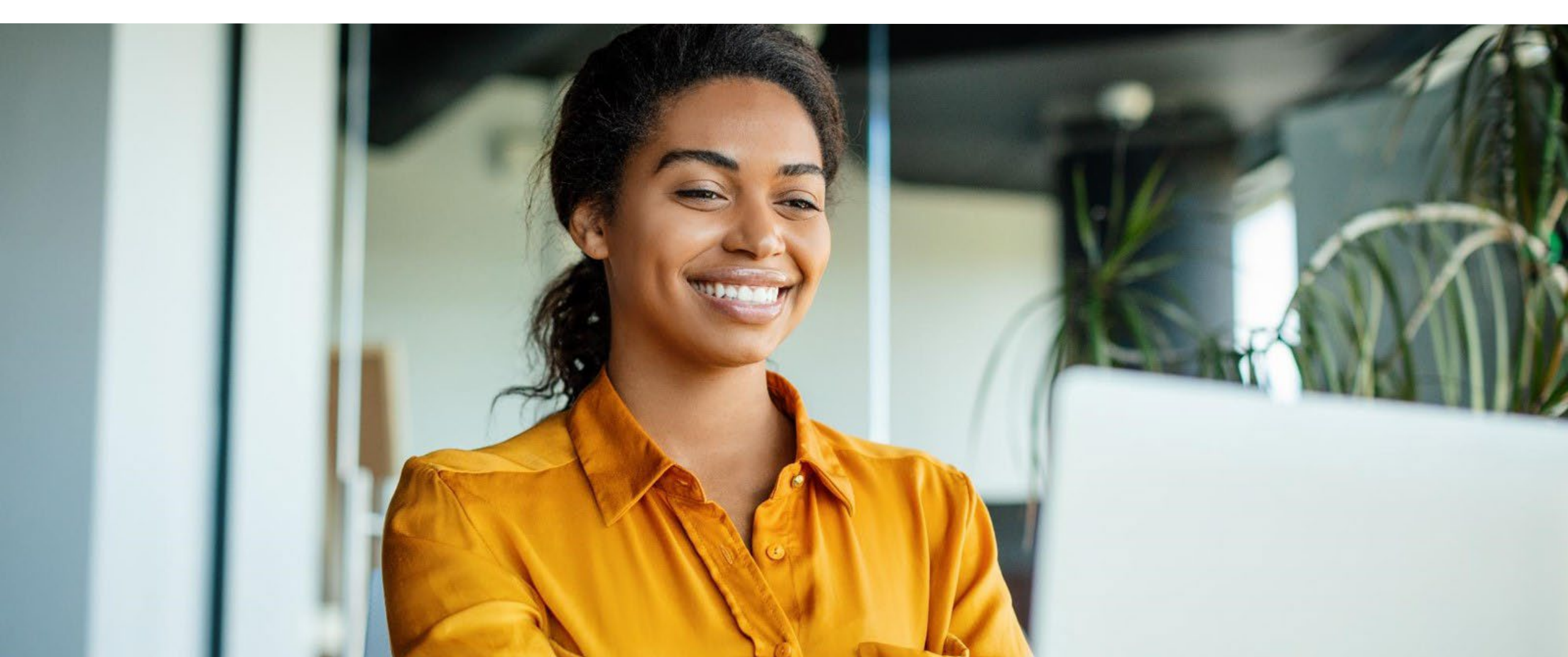
- 2015-4000 or 2015-5000 WD numbers
- Wage rates for approximately 400 occupations grouped by several broad occupational categories
- Based primarily on BLS cross-industry survey data
- Occupations are defined in the SCA Directory of Occupations



# SCA Directory of Occupations

- Contains standard position descriptions for most SCA occupations listed on prevailing WDs
- Contains Federal Grade equivalencies
- If a WD occupation is not listed in the Directory, the position description may be included on WD





# WWW.SAM.GOV (An E-Government Initiative)



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# SAM.GOV

Created by an inter-agency task force including DOL, DOD, OMB, GSA, DOE, and the National Technical Information Systems

- The purpose was two-fold:
  - To meet the Presidential initiative for e-government
  - To enhance the public's ability to obtain WDs



# SAM.GOV Resources



Provides access to:

- SCA Wage Determinations (WDs)
- Davis-Bacon Act (DBA) Wage Decisions
- Archived SCA and DBA WDs



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# SAM.GOV Resources, continued

- 5th Edition of the Service Contract Directory of Occupations
- E98
- Agency Labor Advisors
- DOL and FAR regulation cites
- Users guide
- AAMs



# SAM.GOV Advantages

- The system is menu driven
- Reduces WD processing time
- Ensures consistent application of labor standards
- Provides an “alert” service to notify users of the latest update



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# Obtain SCA WDs on SAM.GOV

- On SAM.gov homepage:
  - Select “Wage Determinations” on the upper left side of the page
  - Respond to each logic question
- Two “Standard” prevailing WDs for each locality:
  - Odd-Numbered WD
  - Even-Numbered WD



# Obtain SCA WDs, continued

“Non-Standard” prevailing WDs:

- SAM.gov selection process will prompt user
- Menu will provide a drop-down listing 20 specific service industries
- If no WD is available on SAM.gov, the CO must use the “e98” system



# Monitoring SCA Wage Determinations

## Effective WDs are:



WDs received timely by agency



Required to be included in contracts



Published in SAM.gov (date at top of WD)  
each Tuesday



Issued by DOL (date found next to WD#)



“Published” date and “Issued” date are  
different to reflect time needed to process



# Alert Service

- Contracting officers and the public may select to be notified of revisions to SCA WDs
- Specific contract action
- “Standard” WDs
- “Non-Standard” WDs
- E-mail notification for period of time or date



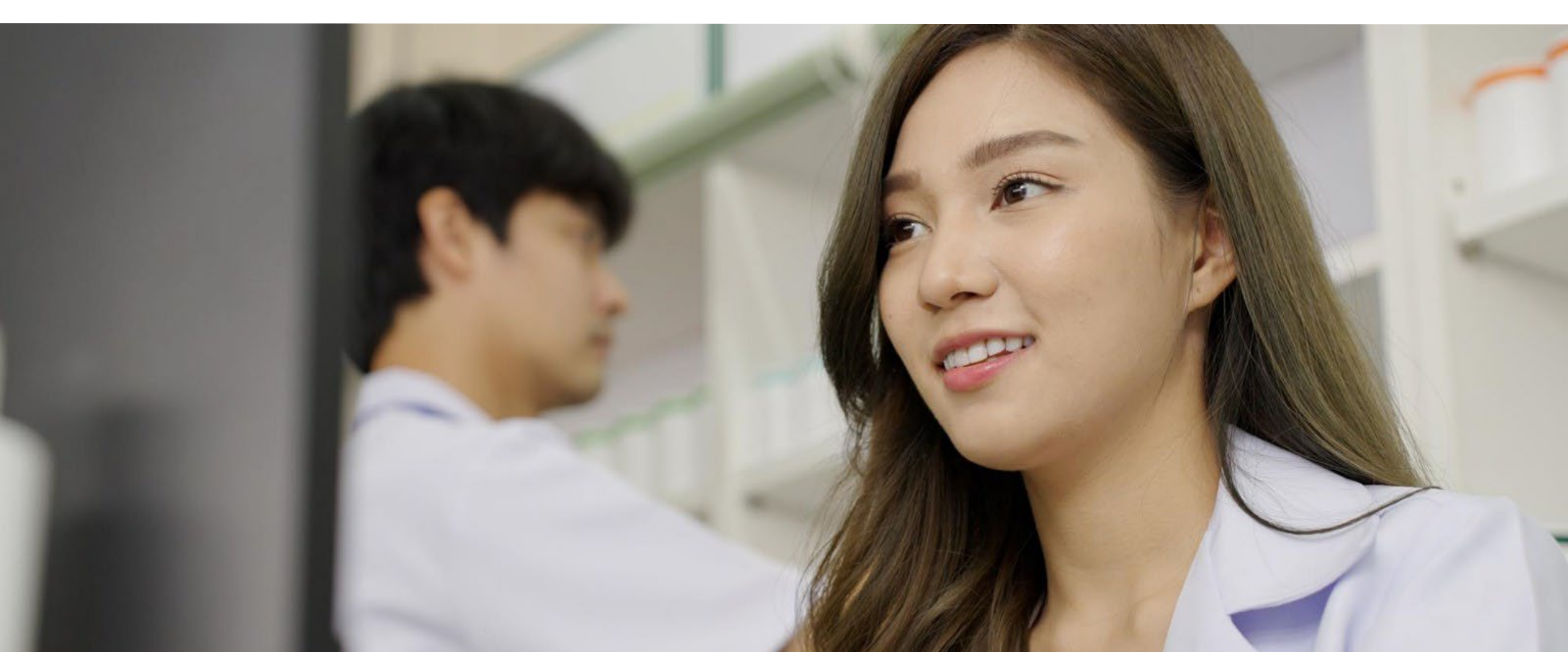
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# Archived SCA Wage Determinations

- Current WDs are published and accessible
- Prior revisions to WDS are maintained in the “Archived SCA WD” database
- Archived WD Number must be known
- May not be used without DOL approval





# SCA Conformance Process



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# What is a Conformance?

Conformance is the process used to add occupational classes to a contract after it has been awarded.



29 C.F.R. 4.6(b)(2)



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# Adding a Missing Classification of Work

- Work not performed by a class on WD
- Proposed rate must bear a reasonable relationship to those listed on WD:
  - No single formula
  - Look at comparable classes on WD
  - No specific analytical process to determine conformable rate



# Impermissible Uses

## Conformances may not be used to:

- Artificially subdivide classes listed in WD
- Combine two or more classes listed in WD to create a new class
- Establish a job level lower than lowest level listed in WD for a job classification family (Computer Operator I through V)
- Establish helper and trainee classifications



# Conformance Requests

The contractor prepares the conformance request (SF 1444) or other format:

- Proposes a class of worker and job description
- Proposes an hourly wage rate and rationale
- Submits the request to the contracting agency no later than 30 days after the employee begins performing work on the contract



# Conformance Requests, continued

## Contracting agency:

Reviews the conformance request

Makes a recommendation

Submits the request form (SF 1444) to DOL for final action through [www.sam.gov](http://www.sam.gov)

Receives DOL response within 30 days



# Developing Wage Rate for Conformance

Proposed rate must bear a reasonable relationship to those listed on WD:

- No single formula
- Look at comparable classes on WD
- No specific analytical process to determine conformable rate



# Updating Conformed Rates

- Two methods may be used:
  - Submit a new conformance request
  - “Indexing”
- Calculate overall percent change between rates in previous and new WD for classes used on contract
- Overall percent change is applied to conformed rate to obtain updated rate
- Contracting agency must be advised, not DOL

29 CFR 4.6(b)(iv)(B)



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# Example Of Indexing

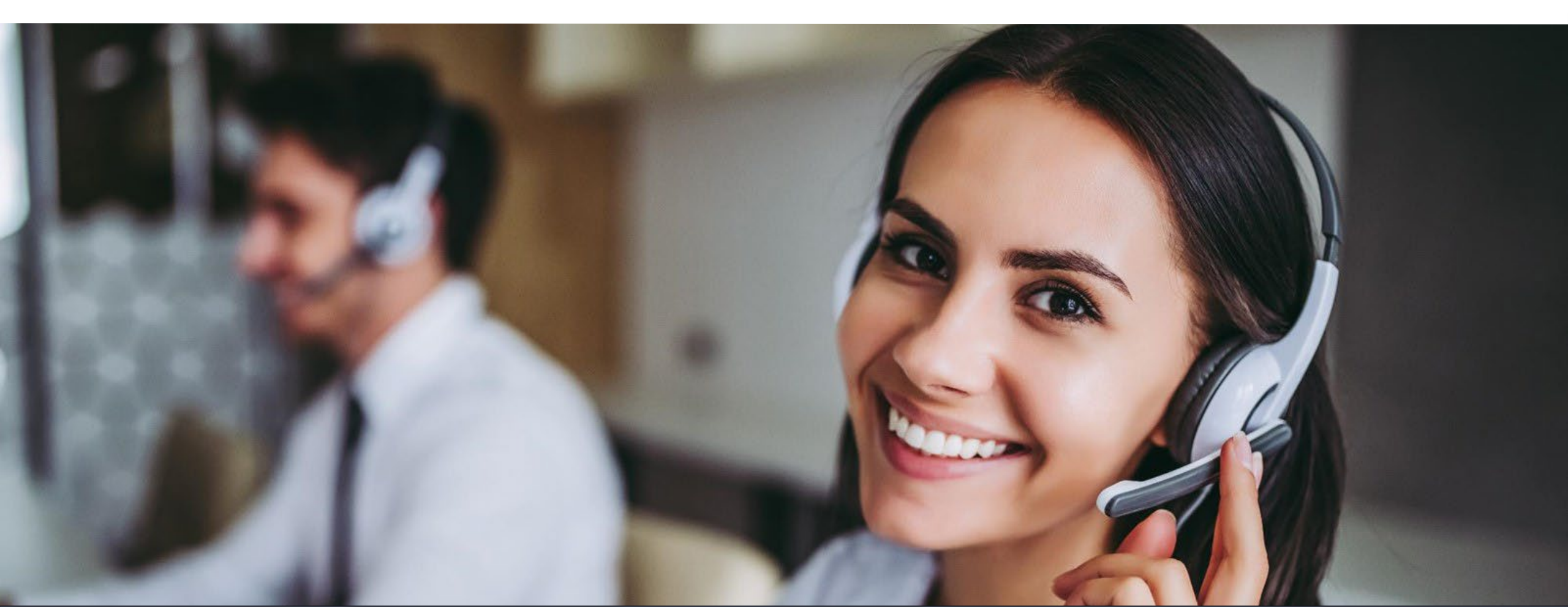
|                    | <u>WD Rev. 8</u> | <u>WD Rev. 9</u> | <u>%</u> |
|--------------------|------------------|------------------|----------|
| Secretary I        | \$10.00          | \$10.80          | .08      |
| Accounting Clerk I | \$10.50          | \$10.71          | .02      |
|                    |                  |                  | .10/2    |
|                    |                  |                  | = 5%     |

Previously conformed class:

Account Collector  $\$12.50 + 5\% =$

**New indexed rate of \$13.13**





# Review and Reconsideration of SCA WDs and Conformances



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# Review and Reconsideration

- Must be timely submitted:
  - Prior to the Opening of Bids for an Invitation for Bids (IFB)
  - No later than 10 days before:
    - Commencement of a negotiated contract
    - Exercise of contract option
    - Extension
- Within 30 days, Administrator will issue a decision or notify that more time is needed



# Supporting Data

Must provide supporting data that includes:

- Current survey of contract location and contested occupation
- Based on statistical sample of population
- Identifies who conducted the survey and the statistical methods utilized
- Administrator ruling may be appealed to ARB



# Administrative Review Board (ARB)

- Independent review body to which any final ruling of the Administrator of the Wage and Hour Division or decision of an Administrative Law Judge (ALJ) may be appealed
- Decision of the ARB is a final administrative action
- Title 29 C.F.R. Part 8 provides timeframes and procedures for ARB SCA appeals



# Branch of SCA Contact Info



Email Inquiries To:  
[sca.inquiries@dol.gov](mailto:sca.inquiries@dol.gov)



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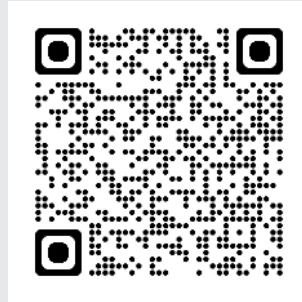
[dol.gov/whd](https://dol.gov/whd)  
1-866-4US-WAGE

# Thank you!

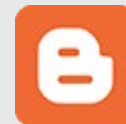
## Questions?

Please ask here today.

Have questions later? Please go to our website: [dol.gov/whd](https://dol.gov/whd)



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