

**AMERICAN RECOVERY  
&  
REINVESTMENT ACT OF 2009  
(ARRA)**

**(Pub. L. No. 111-5)**

## **OVERVIEW OF LABOR STANDARDS COVERAGE UNDER ARRA**

ARRA Division A appropriates substantial funding for construction, alteration and repair of federal buildings and for infrastructure projects, such as roads, bridges, public transit, water systems, and housing.

- ◇ In accordance with existing DBA requirements, Federal agencies directly contracting for construction work using ARRA funds must ensure that bid solicitations and resulting contracts contain Davis-Bacon labor standards and wage determinations in accordance with the Federal Acquisition Regulations (FAR). *See* FAR 48 C.F.R. Subpart 22.4.
- ◇ Also, generally, under ARRA, Federal agencies must ensure that recipients of assistance funded by ARRA appropriations require contractors and subcontractors to pay laborers and mechanics who are employed on ARRA-assisted construction projects at least the Davis-Bacon prevailing wages.
- ◇ The Copeland “Anti-Kickback” Act and overtime pay requirements under the Contract Work Hours and Safety Standards Act (CWHSSA) also apply to ARRA funded construction.
- ◇ Under Reorganization Plan Number 14 of 1950, federal contracting or assistance-administering agencies have primary responsibility for Davis-Bacon enforcement to ensure that laborers and mechanics are paid at least the prevailing wage rates required by covered contracts. To ensure consistent and effective enforcement of worker protections, the Secretary of Labor has coordination and oversight responsibilities, including the authority to establish regulations and to investigate labor standards compliance as warranted.. The applicable regulations are found in 29 C.F.R. Parts 1, 3, 5, 6, and 7.
- ◇ Also, ARRA appropriations can be used to fund federal service contracts subject to the Service Contract Act (SCA), and federal contracts subject to coverage under the Walsh-Healey Public Contracts Act (PCA).
- ◇ The DBA with Reorganization Plan No. 14 of 1950, Copeland Act, CWHSSA, SCA, and PCA are available at: <http://www.dol.gov/whd/reg-library.htm>.

AAM No. 207, dated May 29, 2009, provides guidance on “Applicability of Davis-Bacon labor standards to federal and federally assisted construction work funded in whole or in part under provisions of the American Recovery and Reinvestment Act of 2009.”

ARRA Division B requires application of Davis-Bacon prevailing wage requirements to projects financed with certain tax-favored bonds: The law specifies that DBA requirements shall apply to projects financed with the proceeds of —

- (1) any new clean renewable energy bond (as defined in section 54C of the Internal Revenue Code of 1986) issued after the date of the enactment of this Act,
- (2) any qualified energy conservation bond (as defined in section 54D of the Internal Revenue Code of 1986) issued after the date of the enactment of this Act,
- (3) any qualified zone academy bond (as defined in section 54E of the Internal Revenue Code of 1986) issued after the date of the enactment of this Act,
- (4) any qualified school construction bond (as defined in section 54F of the Internal Revenue Code of 1986), and
- (5) any recovery zone economic development bond (as defined in section 1400U–2 of the Internal Revenue Code of 1986).

AAM No. 208, dated May 5, 2010, provides guidance on “Applicability of Davis-Bacon labor standards to construction financed with the proceeds of certain tax-favored bonds under section 1601 of Division B of the American Recovery and Reinvestment Act of 2009.”

The Wage and Hour Division has established a special ARRA website at ARRA <http://www.dol.gov/whd/recovery/>, where AAM Nos. 207 and 208, important links, and other information that may be particularly valuable to the Federal agencies, recipients of ARRA assistance, contractors, employees, and others who have an interest in the application of Davis-Bacon labor standards under ARRA are posted.