

Davis Bacon under the Recovery Act:

March 2011 UPDATE

AEA has determined that the only way to meet the record retention scale for these projects is to **require online filing** for all projects. Please instruct your **contractors** that they **must** use the **Department of Labor's online reporting system** and the name of their project must include **EECBG** somewhere in the title.

The following (published in November 2010) remains in effect as well:

This paper is intended to help the Cities receiving EECBG funds and Service Providers that are administering VEEP funds understand the Davis Bacon process.

AEA included the ARRA Davis Bacon requirements in our VEEP and the EECBG grants. Our understanding is that any contracts for construction or repairs done by any of those entities is subject to Davis Bacon.

AEA met with Warren Petrasek, with the Department of Labor, Wage and Hour, on 11/4/2010 and confirmed that the State Dept. of Labor (DOL) will receive and track certified payrolls for construction contractors who will be working on these projects. The DOL will do this as these construction projects are subject to both State "Little Davis Bacon" requirements as well the Federal Davis Bacon Law.

He also confirmed our understanding of the use of force account workers not subject to Davis Bacon as we previously discussed.

The way that DOL manages the program is:

- The grantee provides notice to DOL identifying their contractor on the project.
- DOL contacts the contractor; the contractor pays a fee, and receives Notice of Work (NOW) from DOL.
- The grantee requests a copy of the (NOW) from their contractor. AEA will ask that grantees submit a copy of the NOW to us for our records when they request reimbursement.
- As the project progresses the contractor submits the certified payrolls directly to DOL. DOL reviews and keeps the certified payrolls on file during the life of the project.
- When the project is complete the contractor submits a Notice of Completion (NOC) to DOL. Once DOL approves the NOC, the contractor submits it to the grantee for final payment.
- The grantee cannot make final payment to the contractor until it receives an approved copy of the NOC from the contractor.
- AEA receives a copy of the NOC from the grantee prior to making a final payment on grants that involve payments to construction contractors.
- When the project is complete the DOL purges the certified payroll files.

AEA is asking that if your project goes under contract and DB applies, a copy of the approved **Notice of Work** (issued from DOL) and a copy of the **Notice of Completion** (also issued from DOL) should be submitted to AEA when requesting reimbursement for contractor expenses.

This will help meet our reporting requirements to the Federal entities.

DOL is committed to helping these projects run smoothly in your City. Please contact them directly with any questions or concerns you or any of your contractors may have regarding meeting these requirements. This is their website and the offices are organized regionally in the state.

<http://www.labor.alaska.gov/lss/>