

Resolution 1005

DAVIS-BACON REFORM

Whereas, the economic conditions and wage practices that led to the need for the enactment of the Davis-Bacon Act no longer exists, and

Whereas, collective bargaining guaranteed by the National Labor Relations Act have secured rates in keeping with applicable regional areas of the country, and

Whereas, these Acts have resulted in higher costs for Federal, State, Local Governments, and

Whereas, it has been determined that raising the threshold from the current \$2,000.00 to a more reasonable threshold of \$1 million dollars, would save the Department of Defense \$148 million to \$180 million dollars per year, and

Whereas, it is essential that the Federal Government seek every possible method to help reduce the Federal deficit, and

Whereas, the 1934 Copeland Anti-Kickback Act, makes kickbacks from the workers wages to the contractor illegal, and requires contractors to furnish weekly statements of wages paid each employee during the preceding week, and

Whereas, the Labor Department requires contractors to furnish weekly statements of wages paid each employee during the preceding week, and

Whereas, the Labor Department requires contractors to file a Statement of Compliance which includes complete weekly payroll records, and

Whereas, Federal, State and Local Governments pay for this duplication both to the contractor for preparing and providing the reports and for the cost of the agencies that audit them, and

Whereas, a "helper classification" is widely utilized by contractors on private construction jobs, and this provides opportunities to utilize minorities, females, handicapped, and young workers to develop skills and eventually become journeymen, and

Whereas, it has long been the intent of Congress "that wages paid on government projects mirror those paid for similar labor by private industry"

Now Therefore, BE IT RESOLVED, that the National Institute of Governmental Purchasing, Inc. recommends the Davis-Bacon Act be reformed as follows:

1. That the threshold on Federally funded or assisted construction programs and similar prevailing wage requirements on contracts under the Service Contracts Act be increased to at least \$1,000,000.00 (one million dollars)
2. Define "prevailing wage" as a span of wages existing in the locality the work is to be performed, rather than dictate a specific wage rate

Davis-Bacon Reform (continued):

1. Reduce reporting requirements.
2. Provide for a "helper classification".
3. Prohibit the use of "metropolitan project data" in establishing wage rates on rural projects.
4. Prohibit the use of wage data from "Federal projects" in Prevailing Wage Surveys.

Be it further resolved, that the National Institute of Governmental Purchasing, Inc. encourages the support of all Federal, State and Local agencies and respectfully requests their assistance in having the Davis-Bacon Reform Program as stated above, introduced, considered, and adopted.

The above resolution was adopted by the Board of Directors of the National Institute of Governmental Purchasing at its official meeting on the 27th day of July, 1987.

I certify that the above resolution was reviewed and ratified by the Board of Directors of the National Institute of Governmental Purchasing at its official meeting on the 11th day of November, 1995.

J. E. Brinkman, CPPO
Executive Vice President and Secretary

