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Circular 85-20

July 1, 1985

<p>U.S. DEPARTMENT OF LABOR EMPLOYMENT AND TRAINING ADMINISTRATION</p> <p>Bureau of Apprenticeship and Training Washington, D.C. 20213</p> <p>Symbols: TDT/MMW</p>	<p><u>Distribution:</u></p> <p>A-539 All Tech. Hdqtrs.</p> <p>A-544 All Field Techs.</p>	<p><u>SUBJECT:</u> <u>CODE:</u> 607</p> <p>Application of Davis-Bacon Act</p> <p><u>ACTION:</u> Due date:</p>
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PURPOSE: To advise the staff of the Department's decision concerning the application of the Davis-Bacon Act to the construction of family housing units for Fort Drum, New York.

BACKGROUND: The decision by the agency's Wage and Hour Division was rendered in connection with a request by the Building and Construction Trades Department, AFL-CIO, that the Labor Department determine the applicability of the Davis-Bacon Act to contracts awarded under section 801 of the Military Construction Authorization Act of 1984.

The Labor Department has ruled that family housing built and financed by private firms for long term lease to the Federal Government is covered by the Davis-Bacon Act when the units are constructed on a military base but not when they are located on private land off the base.

ACTION: The attached copies of a press release (USDL 85-243), dated June 12, 1985, announcing the Department's decision are for distribution to all technical staff in your respective Regions.

Attachment

News

United States
Department
of Labor



Office of Information

Washington, D.C. 20210

Contact: Herb Cohen
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USDL 85-243

For Release: Immediate, Wednesday
June 12, 1985

LABOR DEPARTMENT ANNOUNCES DECISION ON APPLICATION OF DAVIS-BACON ACT TO CONSTRUCTION OF FAMILY HOUSING UNITS FOR FORT DRUM, NEW YORK

Family housing built and financed by private firms for long term lease to the Federal Government is covered by the Davis-Bacon Act when the units are built on a military base but not when they are located on private land off the base, the Labor Department has ruled.

The decision resolves an issue arising at Fort Drum, N.Y., in connection with an experimental program authorized by section 801 of the Military Construction Authorization Act of 1984. Under this two year program, each military department of the Defense Department is authorized to enter into contracts with developers under which the developers will construct, with private financing, pursuant to Defense Department specifications, family housing units for military personnel, either on or near military bases. Upon completion of the buildings, the developers undertake to lease them to the Government for up to twenty years.

The Department's decision was made by its Wage and Hour Division, which administers the Davis-Bacon Act, a federal law which requires generally that wages paid on federal construction be no lower than those determined by the Secretary of Labor to be prevailing in the locality for similar work.

The total potential construction at Fort Drum is roughly \$1 billion. The section 801 family housing unit construction that will not be on the Fort Drum base is valued at approximately \$110 million, approximately eleven percent of the planned construction activity.

The Wage and Hour Division's decision was rendered pursuant to a request by the Building and Construction Trades Department, AFL-CIO, that the Labor Department determine the applicability of the Davis-Bacon Act to contracts awarded under the section 801 program.

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