



CONTRACT LABOR RELATIONS FACT SHEET

This Fact Sheet provides the potential federal contractor with basic information regarding federal contractor labor standards in construction and service contracting. If you have any questions regarding this information, please contact the NAVFAC HQ Labor Advisor, Ms. Lynn H. Forbes (360) 396-0272/DSN 744-0272 or Lynn.Forbes@Navy.Mil.

Note: All referenced material is hyperlinked.

Federal Contractor Labor Standards: Wage Laws

Contracting agencies are responsible for ensuring the full and impartial enforcement of labor standards on construction contracts. The U.S. Department of Labor has sole enforcement responsibility on government service contracts. The U.S. Department of Labor, Wage & Hour Division has administrative and oversight responsibility of all federal prevailing wage laws.

The [Construction Wage Rate Requirements statute, formerly known as the Davis-Bacon Act](#) requires payment of prevailing wages to laborers and mechanics employed on federal and federally-assisted construction projects. NAVFAC has a compliance guide for contractors posted on the [Navy Acquisition One Source site](#).

- [Contractor Guide to the Davis-Bacon Act – December 2013](#)

The [Service Contract Labor Standards statute, formerly known as the McNamara-O'Hara Service Contract Act of 1965](#) requires payment of prevailing wage rates and fringe benefits to service employees employed on contracts to provide services to the federal government.

The [Contract Work Hours and Safety Standards statute, formerly known as the Contract Work Hours and Safety Standards Act](#) requires contractors and subcontractors on federal contracts to pay laborers and mechanics at least one and one-half times their basic rate of pay for all hours worked over 40 in a workweek. This statute also prohibits unsanitary, hazardous, or dangerous

working conditions in the construction industry on federal and federally financed and assisted projects.

The [Copeland "Anti-Kickback" Act \(40 U.S.C. 3145\)](#) prohibits a contractor or subcontractor from inducing an employee to give up any part of his/her compensation to which he/she is entitled under his/her contract of employment. The Act's implementing regulations requires a contractor and subcontractor to submit a weekly statement of the wages paid each employee performing covered work during the preceding payroll period.

[Contracts for Materials, Supplies, Articles, and Equipment Exceeding \\$15,000, formally known as the Walsh-Healey Public Contracts Act](#) requires payment of minimum wage rates and overtime pay on federal contracts to manufacture or furnish materials, supplies, or equipment.

Federal Contractor Labor Standards: EEO Laws

The U.S. Department of Labor, [Office of Federal Contract Compliance Programs \(OFCCP\)](#) administers and enforces three equal employment opportunity laws that apply to Federal government contractors and subcontractors, including construction contractors:

Executive Order 11246, as amended (E.O. 11246) prohibits discrimination and requires affirmative action to ensure that all employment decisions are made without regard to race, color, religion, sex or national origin.

Section 503 of the Rehabilitation Act of 1973, as amended (Section 503) prohibits discrimination and requires affirmative action in the employment of qualified individuals with disabilities.

The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (VEVRAA) prohibits federal contractors and subcontractors from discriminating in employment against protected veterans, and requires these employers to take affirmative action to recruit, hire, promote, and retain these veterans.

Additional On-Line Labor Resources

- [Wage Determinations Online \(www.wdol.gov\)](http://www.wdol.gov) - Online service and construction general wage determinations, general informational about

labor standards, and federal contracting agency labor advisor contact information

- [U.S. Department of Labor \(dol.gov\)](https://www.dol.gov) – Wage & Hour Division – Compliance Assistance on Government Contracts
- [Defense Procurement and Acquisition Policy \(DPAP\)](#) – Labor Information for Service & Construction Contracts
- [DoN Acquisition One Source](#) – Navy Contract Labor Standards & Relation Information
- NAVFAC Business Management System ([BMS](#)) – Labor Processes
 - S-17.2.9 – Wage Determinations
 - S-17.4.12.1 – Labor Relations
 - S-17.4.12.2 – Payroll Reviews
 - S-17.4.12.3 – Labor Interviews
 - S-17.4.12.4 – Labor Standards Investigations
 - S-17.4.12.5 – Labor Standards Enforcement Reports
 - S-17.4.12.6 – Project Labor Agreement