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The Right Price Is....

Davis-Bacon Wage Determination  
Updates



# Introducing Our Contestants

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- Leslie Duchene, CBRE
  - Director, Chief FHA Underwriter
- Rachel Hayes, Berkadia
  - Vice President, Deputy Chief Underwriter
- Paul Siegel, Dominion Due Diligence
  - AEC Project Manager
- Tim Sovold, U.S. Department of HUD, Denver
  - Technical Branch Chief
- Moderator – Kimberly Taynton, BWE
  - Vice President and Senior HUD Underwriter

# What Agencies are Involved with Wage Determinations?

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- The Davis-Bacon Act (DBA) was passed in 1931 and applies to the National Housing Act (NHA), as a related Act.
- The U.S. Dept. of Labor (DOL) has overall regulatory and oversight authority to determine prevailing wages.
- The Wage and Hour Division (WHD) is part of DOL and administers the Davis-Bacon program.
- The NHA requires the U.S. Dept. of HUD to ensure prevailing wages are paid for work performed on FHA-Insured Multifamily Projects.
- Project specific determinations reside with HUD's Office of Davis-Bacon and Labor Standards (DBLS).
  - DBLS administers and enforces Davis-Bacon standards for HUD.



# Latest Updates - AAM 236

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- Issued by the Wage & Hour Division (WHD) of the Department of Labor in December 2020.
- Purpose – to update the previous \$1 million threshold used to determine whether more than one wage determination should apply to a project due to a “substantial construction” element.
- Updated AAMs 130 and 131 from 1978 which provided decades of guidance on the application of wage determinations to HUD-insured projects.
  - Along with Labor Relations Letter LR96-03 and DOL Regulations Handbook 1344.1 (Rev 2/2012).
- What is “Incidental to the Purpose of Construction?”

# AAM 236 continued...

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- Due to the increase of costs to construction projects over the past 30 years, the WHD determined that an increase from the \$1 million threshold (or 20%) to \$2.5 million would be appropriate.
  - **Actually it was a span of over 42 years!**
- Two guidelines to determine if costs are substantial – exceeds 20% of project costs or now, with the update, \$2.5 million.
- WHD is supposed to re-evaluate annually whether ongoing updates to the monetary threshold are warranted by inflation and rising costs.

# Is it “Incidental”?

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- AAM 130 defines incidental:

“The primary component, which determines the character of the project and the type of wage schedule that applies, is the housing. Elements such as site work, parking areas, etc., are incidental in that their purpose is to support the housing. Other items which may be incidental to the housing construction include swimming pools, community buildings, storage sheds, carports and on-site management offices.”

Here, you can see that AAM 130 defines incidental to include swimming pools, carports and accessory buildings.

# Is it “Incidental”? continued....

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- Per Labor Relations Letter 96-03 and HUD Labor Relations Handbook 1344.1:

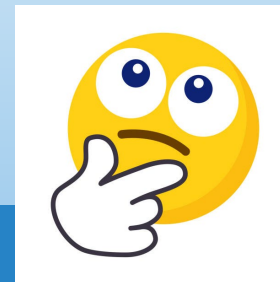
**“Considerations for residential construction.** Residential construction is defined as projects involving the construction, alteration, or repair of single family houses or apartment buildings of no more than four stories in height. This includes all incidental items such as site work, parking areas, utilities, streets and sidewalks.

The primary component, which determines the character of work, is the housing. Elements such as site work, parking areas, etc., are incidental items and are included within the definition of residential construction. Generally, any housing development (four stories or less) is classified as “residential.” **This classification is not altered by the cost of incidental items, even if such costs reach the threshold guides (above) for “substantial.”** Except in the most extraordinary circumstances, such as where local industry practice clearly demonstrates otherwise, only residential wage decisions shall be assigned for housing development projects of four stories or less.”

# What is a 2328-LI?

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- Question: Is there such a form as a 2328-LI?
- Answer: No.
  
- Question: Do I have to provide a 2328-LI to HUD?
- Answer: No.
  
- Question: Do I have to provide information commonly thought to be on a 2328-LI form in response to emailed questions?
- Answer: ?.... Maybe Tim knows?





# HUD Multifamily Responsibilities

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- Facilitate good working relationship between Lenders, Contractors, DBLS and DOL staff.
- Ensure Multifamily staff provide needed info to DBLS
  - Obtain timely Wage Rate Decision memos/email updates prior to Firm Commitment.
  - Implement Rate Modifications prior to Initial Closing or Start of Construction.
  - Host Pre-Construction Meetings and invite DBLS Specialist.
- Ensure Lenders pursue labor dispute issues timely. Facilitate and participate in discussions with DBLS and DOL as needed.
- Clarify any needed Wage Payment escrows at Final Closing.

# DBLS Responsibilities

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- Ensure establishment of standard wage rate categories to projects and identify any exemptions.
- Provide Training and Technical Support to Contractors.
- Monitor Contract Compliance thru review of Certified Payrolls.
- Investigate violations and complaints.
- Pursue debarment and other sanctions against repeat violators.

# DBLS Wage Rate Decisions

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- Building, Residential, Heavy, Highway
- AAMs 130, 131, 236 and LR-21-01
- Davis Bacon and Labor Standards Agency/Contractor Guide: August, 2022.
- Could be...2<sup>nd</sup> Category of Construction if substantial in relation to project:
  - 2.5MM or 20% of Total Project Costs – when aggregated.
- Categories aggregated could include:
  - Permanent Storm Water, Drainage/Flood and Erosion Control, Sewer Main work, Retention Ponds, Retaining Walls, Extensive Land Development Work – Heavy Category
  - Landscaping, Pet Parks, Playgrounds, Dumpster/Trash enclosures, Outdoor Swimming Pools and Carports - Heavy
  - Clubhouses, Leasing Offices, Maintenance Buildings, Parking Structures/Garages (not carports) and over 4-story buildings – Building
  - Access and main Roads and associated Street Sidewalks, Steps, Signs, Lighting, Fencing, Gates- Highway
- Early Site Work is also subject to DBLS rates – and may set rates for project.

# Four Plus Story Buildings

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## Building Category

- 4 Stories plus 5<sup>th</sup> level that is:
  - Primarily above ground on any side, *and*, contains 50% living accommodations or non-residential use such as Laundry Space, Recreation /Hobby Rooms, Commercial Use and/or Corridor Space.
  - Two or more sides primarily above ground, regardless of use.
  - Contains Building Main Entrance.
  - Used for apartments – substantially similar to upper floor uses.
  - Top level with Half-Story Residential or Full Story other use also counts.

*Source: Handbook 1344.1, Rev. 2, Ch. 3-6, Sec. C*

# General/Prime Contractor Responsibilities

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- Prime responsible for itself, *all* Subs and lower tier subs.
- Clarify with HUD which line items are separate wage decision
- Post Wage Decisions on-site and categorize for clarity.
- Establish Wage Oversight Procedure guidance for Subs
  - Recommend dedicated Project Manager on-site daily with Subs.
  - Subs pay workers (weekly pay plus fringe benefits = prevailing wage).
- Ensure accurate records are kept and submitted to DBLS by all Subs, *and*,
  - Subs keep accurate records for audit; critical on split wage payment projects.
  - Electronic reporting highly recommended, but not required in all states.
- Ensure HUD 92554 (supplementary conditions for construction contracts) is attached to all Sub-Contracts and Lower Tier contracts.

# Additional Job Classifications

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## Use HUD Form SF-1444

- Describe the Project in detail
- Include all current wage decisions
- List Subs that will use the new job category
- Clarify how work is not already performed by existing job classifications.
- Ensure proposed rate includes similar benefits and titles to existing categories.
- Demonstrate employees or their Reps/Subs agree to proposed rate.
- Include supporting docs (prevailing, similar rates for similar work that exist in area of the project).
- Submit early or immediately after Wage Category Decision issued.

# DBLS Questions – should I answer?

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Yes, because it might help...

- HUD Form-2328 (line items 33-41) subject to Heavy, Highway or Building could be reduced.
- Establish Working Relationship at Pre-Con.
- Lender Servicer and On-Site Wage Compliance Project Manager should check-in frequently with DBLS rep during construction. Highlight *any* issues early.
- Resolve payment problems within 30 days (in the regs and practical).
- Wage Payment Restitution: scope early and determine exact amount of any possible final closing escrows; DBLS strongly encourages resolution of wage issues prior to Final Endorsement.

West Region DBLS reps include:

Matt Dufresne, Director

Eugene Hairston, Dep Director: *Assigns the following Labor Specialists to projects:*

Melanie Hertel

Irenis Green

Melinda Fournoy

Anthony Griswold

Patchara Baumgartner

Drew McGuire

Marlon Gibo



# Why the Increase in Split Wage Decisions?

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- Around 2018, an anonymous tip was received alleging HUD did not properly implement the correct wage decision on a California FHA-Insured multifamily new construction project.
  - Complaint caused an internal audit across all regions.
  - Audit purpose was to determine if there was merit to complaint.
  - Did HUD implement the correct Davis-Bacon wage determination?





# Why the Increase in Split Wage Decisions? Continued....

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- Audit found there was merit to the complaint:
  - HUD did not correctly issue wage categories and the contracts reviewed did not comply with prevailing wage provisions under the Davis-Bacon Act.
  - HUD lacked proper internal controls to access wage classifications.
  - Incorrect wage determinations resulted in the possibility that workers were underpaid.
- Five of six projects audited:
  - HUD did not implement correct wage determinations.
  - HUD did not maintain property documentation to support wage determination.

# Proposed Changes to the Davis-Bacon Act:

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- On March 18, 2022, DOL published a notice of proposed rulemaking to the Federal Register.
  - Calls for reform to the Davis-Bacon Act.
  - Goal to modernize or update the guidance.
  - More than 50 significant changes proposed.
  - Proposed reversals to many of the Reagan Administration reforms to the program.
  - <https://www.federalregister.gov/documents/2022/03/18/2022-05346/updating-the-davis-bacon-and-related-acts-regulations>



# Proposed Changes to the Davis-Bacon Act: Continued.....

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- Proposed improvements to the practices of collecting prevailing wages....
  - Prevailing wage definition: “The most widely paid rate”, “predominant”, or “most frequent.”
    - Reinstate the 30% Rule used to review voluntarily supplied wage surveys paid in a locality.
    - However, 30% Rule is less than majority of wages in a locality.
      - This can skew results where unions are active or have bargaining power.
    - 30% Rule does not review wages following scientific survey principles.
    - 30% Rule had been previously revoked during the Reagan Administration.
      - Era of high inflation and union wages were widely considered to be prevailing in much of the country.
      - Reagan Administration found these higher, skewed union wages to be adding fuel to the inflation fire.

# Proposed Changes to the Davis-Bacon Act: Continued.....

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- Proposed improvements to the practices of collecting prevailing wages....
  - Currently, DBA omits projects from participating in wage surveys that are paying prevailing wages, i.e., already inflated.
    - DOL has opened this practice up to public comment.
  - Consideration of State and Local Municipality prevailing wages in comparison to Federal.
  - Historically, wage surveys were not done timely causing backlogs in wage determinations resulting in outdated wage data.
  - Rule change proposes to issue supplemental wage rates where no survey data exists or has been collected.



# Proposed Changes to the Davis-Bacon Act: Continued.....

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- Historically, Davis-Bacon wages only applied to on-site construction work.
  - Proposed expansion of definitions that would increase the reach of Davis-Bacon wages to components previously not included.
    - Ex.) Definition would include “installation” of equipment or components into a building, structure, or improvement.
    - Ex.) Expanded examples where demolition and removal activities meet the definition of covered work.
  - Add clarification for covered construction requirements.
    - Ex.) Clarification of instances when multiple wages are required in a contract based on “substantial” or “incidental” work performed in different construction categories. Proposed rule change will require a cost breakdown be attached to the wage determination. Wage determination must be issued for each type of construction where the work in the category is deemed substantial.



# Offsite Construction

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- Question: Are Davis-Bacon wages required for Offsite Construction elements?
- Answer: No.
- In May of 2019, HUD OGC determined that “off-site costs” are not subject to the Davis-Bacon Act and issued an opinion letter to HUD Wage and Hour as well as HUD Multifamily.

# Construction Activities Impacted by Proposed Changes:

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- Proposed change to the definition of covered “building or work”
  - The DBA previously stated coverage is limited to construction activity performed at the “site of the work”.
    - Expand definition to include offsite construction of “significant portions” of a building or work. i.e., secondary worksites.
    - This expansion would include offsite manufacturing, as well as drivers that transport the materials from a secondary site to the primary job site.
  - Previous court rulings rejected DOL’s efforts to include pre-fabrication done at a separate location and transported to the construction site.
    - Proposed rule change is suggesting this be reconsidered.



# CASE STUDIES – *The Cliffhanger!*





# Case Study - 1:

Fact Pattern	Case Study 1	Impact on Decision
SOA	221(d)(4)	NO
Special Considerations	Opportunity Zone Green MIP - NGBS	NO
Location	Nowhere, XX, USA	NO
# Units	350	NO
# Stories # Buildings	2 & 3 20	Yes
Unit Types	1-Br/1-Ba 2-Br/2-Ba 3-Br/2-Ba	Potentially*  Ea. unit should meet the definition of a housing unit per HB 1344.1, Rev. 2
2328 – Total Cost	\$68,303,200	Potentially – must evaluate the detail
Primary Structure Costs	\$46,370,200	Yes
Accessory Structure Costs	\$2,230,600	Yes
Land Improvements	\$9,800,200	Yes
Off-Site Work	\$1,900,800	Yes
Other Fees/GR/Overhead/Bond	\$9,902,200	NO

# Case Study - 2:

Fact Pattern	Case Study 2	Impact on Decision
SOA	220	NO
Special Considerations	Green MIP - NGBS	NO
Location	Nowhere, XX, USA	NO
# Units	140	NO
# Stories # Buildings	4, partial 5 1 wrapped 5-story garage	Yes
Unit Types	1-Br/1-Ba 2-Br/2-Ba	Potentially*  Ea. unit should meet the definition of a housing unit per HB 1344.1, Rev. 2
2328 – Total Cost	\$33,401,000	Potentially – must evaluate the detail
Primary Structure Costs	\$24,700,000	Yes
Accessory Structure Costs	\$4,100,700	Yes
Land Improvements	\$2,300,300	Yes
Off-Site Work	\$300,000	Yes
Other Fees/GR/Overhead/Bond	\$2,300,000	NO

# Evaluate Elements of the Fact Pattern?

Element	Case Study 1	Case Study 2	Will it impact the Decision
2328 – Total Cost	\$68,303,200	\$33,401,000	Potentially – must evaluate the detail
Primary Structure Costs	\$46,370,200	\$24,700,000	Yes
Accessory Structure Costs	\$2,230,600	\$4,100,700	Yes
Land Improvements	\$9,800,200	\$2,300,300	Yes
Off-Site Work	\$1,900,800	\$300,000	Yes



# Evaluate Elements of the Fact Pattern?

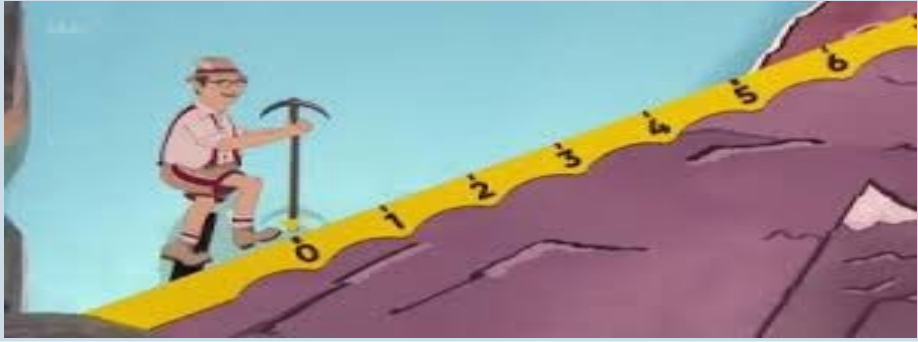

Element	Case Study 1	Case Study 2	Will it impact the Decision
2328 – Total Cost	\$68,303,200	\$33,401,000	Potentially – must evaluate the detail
Primary Structure Costs	\$46,370,200	\$24,700,000	Yes
Accessory Structure Costs	\$2,230,600	\$4,100,700	Yes
Land Improvements	\$9,800,200	\$2,300,300	Yes
Off-Site Work	\$1,900,800	\$300,000	Yes



## The Details Matter – Understand the primary categories

Element	Case Study 1	Case Study 2	Ask – How will DBLS try to Aggregate?
2328 – Total Cost	\$68,303,200	\$33,401,000	
Primary Structure Costs	\$46,370,200	\$24,700,000	Look at your line items for substantial areas & description categories. Where multiple building types look at individual 2328's.
Accessory Structure Costs	\$2,230,600	\$4,100,700	Evaluate individual 2328's for different buildings. Pay attention to different building types that exceed or can be aggregated to \$2.5-MM or 20%.
Land Improvements	\$9,800,200	\$2,300,300	Look at the sum & descriptions of the main categories: Earth work, Site Utilities, Roads & Walks, Site Improvements, Lawns & Planting, Unusual Site Conditions.
Off-Site Work	\$1,900,800	\$300,000	Need to understand how this will be connected to the site work. DBLS has tried to link category to things like utility construction for the benefit of the project.

# The Details Matter – Where you Start

Case Study	Building Elements		Appropriate Wage Determination	
1	# Stories	2 & 3	Residential  No building over 4-stories  All buildings residential and/or incidental	
2	# Stories	4, 5	Residential or Building  The primary building was 4-stories with the bottom level having a daylight basement configuration on 2-sides, with no primary access and only 36% of the floor level above it.	

## The Details Matter – Understand the primary categories

Case Study - 1			
Structures Total	\$48,600,800	83.2%	
Land Improvements Total	\$9,800,000	16.8%	Above \$2.5-MM Below 20%
Total Hard Costs Structures & Land Improvements	\$58,400,800	100%	

Case Study - 2			
Structures Total	\$28,800,700	92.6%	
Land Improvements Total	\$2,300,300	7.4%	Below \$2.5-MM Below 20%
Total Hard Costs Structures & Land Improvements	\$31,101,000	100%	

All Good for Residential?



## The Details Matter – Specifics of the Pricing

Case Study - 1			
Cost Item	\$	Can / Will DBLS Aggregate	Is it substantial on its own?
Accessory Structures Total	\$2,230,600	Yes / Yes Which are eligible for aggregation?	<\$2.5-MM, <20% Incidental per AAM-130, AAM-236,
Accessory – Clubhouse	\$1,245,263	Eligible for aggregation to a Building Wage	Single Story <\$2.5-MM, <20% Incidental per AAM-130, AAM-236,
Garages Attached & Detached	\$985,378	Detached Garages eligible for aggregation to a Building Wage	Single Story - Detached <\$677,512, <20% Incidental per AAM-130, AAM-236

All Good for Residential?





## The Details Matter – Specifics of the Pricing

Case Study - 1			
Land Improvements	\$9,800,000	Can / Will DBLS Aggregate	Is it substantial on its own?
Earth Work	\$2,686,600	Eligible for aggregation to a Building Wage?	>\$2.5-MM, <20% Incidental per AAM-130, AAM-236,
Site Utilities	\$2,501,400	Eligible for aggregation to a Building Wage?	>\$2.5-MM, <20% Incidental per AAM-130, AAM-236,
Roads & Walks	\$2,100,000	Eligible for aggregation to a Building Wage?	<\$2.5MM, <20% Incidental per AAM-130, AAM-236
Site Improvements	\$1,510,500	Eligible for aggregation to a Building Wage?	<\$2.5MM, <20% Incidental per AAM-130, AAM-236
Lawns & Planting	\$1,001,500	Eligible for aggregation to a Building Wage?	<\$2.5MM, <20% Incidental per AAM-130, AAM-236

All Good for Residential?



# The Details Matter – Specifics of the Pricing – Case Study 1

Hard Cost of Construction Land Improvements	\$	% of Total Hard Costs	% of Land Improvements	Work Description
<b>Earthwork:</b>				
Clearing & Grubbing	\$ 5,800	0.0099%	0.0591%	Site clearing
Stripping & Piling, Onsite cuts & fills	\$ 1,300,500	2.2262%	13.2471%	
Bldg. Bulk Excav. & Backfill	\$ 280,000	0.4793%	2.8521%	Building pads
Miscellaneous	\$ 1,100,300	1.8835%	11.2079%	Rock removal, hard dig
<b>Site Utilities:</b>				
Water Supply & Related Items	\$ 1,000,600	1.7129%	10.1923%	Domestic Water, fire line
Sanitary Sewer & Related Items	\$ 470,000	0.8046%	4.7875%	Sanitary sewer
Gas Service & Connections	\$ 130,000	0.2225%	1.3242%	Dry utilities
Storm Sewer & Drainage Piping	\$ 900,800	1.5420%	9.1757%	Storm sewer
<b>Roads and Walks</b>				
Curbs and Gutters	\$ 170,000	0.2910%	1.7317%	Raised curb, curb & gutter
Pavement For Vehicular Area	\$ 1,200,000	2.0542%	12.2234%	AC Paving, pavement markings
Walks, Steps, handrails, etc.	\$ 400,000	0.6847%	4.0745%	Sidewalks, ramps
Miscellaneous	\$ 330,000	0.5649%	3.3614%	Flatwork
<b>Site Improvements</b>				
Equipment for Special Areas	\$ 200,500	0.3432%	2.0423%	Grill areas, ramadas, benches, tables, bike racks, fire pits
Fences, Walls, etc.	\$ 900,000	1.5406%	9.1676%	CMU perimeter wall, pilasters, metal perimeter fence, vehicle gates
Swimming Pool	\$ 290,000	0.4964%	2.9540%	Swimming pool, pool fence
Miscellaneous	\$ 120,000	0.2054%	1.2223%	Carports
<b>Lawns and Planting</b>				
Irrigation System	\$ 200,600	0.3434%	2.0434%	Irrigation
Seeding, Sodding, Sprigging	\$ 600,900	1.0286%	6.1209%	Synthetic turf, ground cover
Planting	\$ 200,000	0.3424%	2.0372%	Plantings, trees, shrubs
<b>Total Land Improvements</b>	<b>\$ 9,800,000</b>	<b>16.78%</b>	<b>100%</b>	

## All Good for Residential



# The Details Matter – Specifics of the Pricing – Case Study 1

Hard Cost of Construction Land Improvements	\$	% of Total Hard Costs	% of Land Improvements	Work Description
<b>Earthwork:</b>				
Clearing & Grubbing	\$ 5,800	0.0099%	0.0591%	Site clearing
Stripping & Piling, Onsite cuts & fills	\$ 1,300,500	2.2262%	13.2471%	
Bldg. Bulk Excav. & Backfill	\$ 280,000	0.4793%	2.8521%	Building pads
Miscellaneous	\$ 1,100,300	1.8835%	11.2079%	Rock removal, hard dig
<b>Site Utilities:</b>				
Water Supply & Related Items	\$ 1,000,600	1.7129%	10.1923%	Domestic Water, fire line
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<b>Total Land Improvements</b>	<b>\$ 9,800,000</b>	<b>16.78%</b>	<b>100%</b>	

## All Good for Residential



## Anticipate the Questions – Case Study 1

1. Is the erosion control temporary or permanent, or both? Please provide the cost estimate (I was unable to find it in form 2328). And if both, please provide a detailed breakout of the cost estimates for each type of erosion control.
2. Does the storm sewer involve any off-site construction, or does it connect to an existing system?
3. Is there any kind of off-site utility construction?
4. Are there any offsites?
5. Is there a detention wall? If so, in what 2328 line item(s) was it included?
6. Is there a detention pond? If so, in what 2328 line item(s) was it included?
7. Are the carports enclosed in any way? That is to say, do they have any kind of wall around them?
8. Where in form 2328 were the trash compactor or dumpsters included?
  
9. Form 2328 (page 14/17) indicates for Garage Type I (4 each) that the total cost estimate is \$169,378.
  - a. Are these all completely detached garages?
  - b. Are these 24 units in total (to judge from plans)?
10. On page 16/17 it indicates that for Garage Type II (1 each) the cost estimate is \$307,866.
  - a. Are these all completely detached garages?
  - b. Are these the garages depicted here in the plans?
  - c. If so, do they consist of 6 or 7 garages? It looks like 6 garages, but with one having space for two cars, thus explaining the labeling with number 7. Is this a correct interpretation?

## Anticipate the Questions

1. Is the erosion control temporary or permanent, or both? Please provide the cost estimate (I was unable to find it in form 2328). And if both, please provide a detailed breakout of the cost estimates for each type of erosion control.

**RESPONSE:** The erosion control is temporary for construction only. It is part of the earthwork with specific costs of \$23,024.

2. Does the storm sewer involve any off-site construction, or does it connect to an existing system?

**RESPONSE:** The storm sewer connects to an existing system.

3. Is there any kind of off-site utility construction?

**RESPONSE:** No, there are no off-site utility construction.

4. Are there any offsites?

**RESPONSE:** There are some off-sites for a road improvement. Off-sites are not mortgageable costs and are not subject to Davis Bacon.

5. Is there a detention wall? If so, in what 2328 line item(s) was it included?

**RESPONSE:** The site is generally level, there is no detention wall.

6. Is there a detention pond? If so, in what 2328 line item(s) was it included?

**RESPONSE:** There is a detention pond. The cost is in Earthwork, Utilities and Landscaping. The amount in Earthwork is \$74,420, the amount in Utilities is \$14,680 and the amount in Landscape is \$34,750 for a total of \$123,850.

7. Are the carports enclosed in any way? That is to say, do they have any kind of wall around them?

**RESPONSE:** No, they are not enclosed – there are no walls around them, hence they are carports.

8. Where in form 2328 were the trash compactor or dumpsters included?

**RESPONSE:** The trash dumpsters and compactor are to be provided by the vendor. The owner will not be providing the equipment. They will only construct a fence enclosure.

9. Form 2328 (page 14/17) indicates for Garage Type I (4 each) that the total cost estimate is \$170,000.

a. Are these all completely detached garages? **RESPONSE:** These are attached garages

b. Are these 24 units in total (to judge from plans)? **RESPONSE:** There are 18-attached garages

10. On page 16/17 it indicates that for Garage Type II (1 each) the cost estimate is \$307,900.

a. Are these all completely detached garages? **RESPONSE:** These are detached garages

b. Are these the garages depicted here in the plans? **RESPONSE:** Yes

c. If so, do they consist of 6 or 7 garages? It looks like 6 garages, but with one having space for two cars, thus explaining the labeling with number-

7. Is this a correct interpretation? **RESPONSE:** They have 6-garages, but 1-is larger because it is handicapped accessible.

# Case Study -1 – Conclusion?



Residential

## The Details Matter – Specifics of the Pricing

### Case Study - 2

Cost Item	\$	Can / Will DBLS Aggregate	Is it substantial on its own?
Accessory Structures Total	\$4,100,700	Yes / Yes	>\$2.5-MM, <20% What is it?
Accessory – Garage Structure	\$4,100,700	Eligible for aggregation to a Building Wage	5-Story >\$2.5-MM, <20% Not incidental

Garage = Building Wage





## The Details Matter – Specifics of the Pricing

Case Study - 2			
Land Improvements	\$2,300,300	Can / Will DBLS Aggregate	Is it substantial on its own?
Earth Work	\$700,800	Eligible for aggregation to a Building Wage?	<\$2.5-MM, <20% Incidental per AAM-130, AAM-236,
Site Utilities	\$698,400	Eligible for aggregation to a Building Wage?	<\$2.5-MM, <20% Incidental per AAM-130, AAM-236,
Roads & Walks	\$200,800	Eligible for aggregation to a Building Wage?	<\$2.5MM, <20% Incidental per AAM-130, AAM-236
Site Improvements	\$400,300	Eligible for aggregation to a Building Wage?	<\$2.5MM, <20% Incidental per AAM-130, AAM-236
Lawns & Planting	\$300,000	Eligible for aggregation to a Building Wage?	<\$2.5MM, <20% Incidental per AAM-130, AAM-236

Yes, Nothing Extraordinary






## The Details Matter – Specifics of the Pricing

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Yes, Nothing Extraordinary



# The Details Matter – Back to the Building Configuration Design

Case Study	Building Elements		Appropriate Wage Determination	
2	# Stories	4, 5	Residential or Building  The primary building was 4-stories with the bottom level having a daylight basement configuration on 2-sides, with no primary access and only 36% of the floor level above it.	 An illustration of a hand holding a ribbon. The hand is white with a yellow cuff, and the ribbon is orange and yellow. The background is a dark, textured purple.

# Case Study - 2 – Conclusion?



Building for  
the entire  
project



# Case Study - 2 – Conclusion?



Building for  
the entire  
project

# WMAC Davis-Bacon Overview.

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- All source material used in presentation is available upon request, with the exception of the case studies.
- Thank you!



# Audience Questions?

Question for the Audience:

What are your opinions of the impact of Multiple Wage Determinations and Davis-Bacon Wages on Housing Development in the US?

What can we do to fix the problem?

