



March 17, 2016

Subject: UPDATE TO MARCH 15, 2016, NOTICE -Change to Applicability of Davis-Bacon Prevailing Wage Rates per the FAST Act—Immediate Notice

To: All Local Public Agencies, Consulting and Contractor Partners

The Fixing America’s Surface Transportation Act “FAST Act” contained the following provision – “Each STBG project—including a project located outside of a Federal-aid highway right-of-way, but excluding a project funded by the recreational trails set-aside—is treated as a project on a Federal-aid highway.” This clause expands the application of prevailing wage rates (per the Davis Bacon Act) to all construction projects funded under the Surface Transportation Block Grant (STBG), which includes Transportation Alternatives (TA) and “Off-system bridge” funds. However, Congestion Mitigation and Air Quality (CMAQ) funds are **not included** as the provision does not apply. Previously, the provision did not apply to projects **off the existing right-of-way** unless they were “linked” to a particular federal-aid highway.

This change will be reflected in the *ADOT Local Public Agency Projects Manual* per update.

If your agency will be using STBG funds (formerly known as Surface Transportation Program or STP), TA funds (formerly known as Transportation Enhancement Funds or TEA) or funds for off- system bridges, these projects must be treated as projects on a Federal-aid highway. This makes such projects — including projects located outside of a Federal-aid highway right-of-way— subject to Davis-Bacon. Please communicate this change to plan accordingly.

UPDATE: If a construction project has already been authorized for federal funds—meaning an AZPR2X form has been completed and signed by the Arizona Department of Transportation and the Federal Highway Administration—then proceed business as usual. Any project that has not yet received this formal authorization to utilize federal funding will be required to apply the Davis-Bacon provision as changed through the FAST Act.

FAST Act Fact Sheet-STBG - Reference Treatment of Projects:
<https://www.fhwa.dot.gov/fastact/factsheets/stbgfs.cfm>

Davis-Bacon and Related Acts Questions and Answers:
http://www.fhwa.dot.gov/construction/contracts/dbra_qa.pdf

I may be contacted at jrooney@azdot.gov or 602-712-8427 for assistance.

Sincerely,

Jodi Rooney
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