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District Court in Texas Blocks DOL Wage Rules Under Davis-Bacon Act



The U.S. District Court for the Northern District of Texas [granted](#) a nationwide preliminary injunction blocking certain wage rules adopted by the Department of Labor (DOL) that had expanded coverage of the Davis-Bacon Act (DBA).

The DBA requires contractors and subcontractors performing construction, alteration, or repair work on federally funded or assisted contracts to pay laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

On August 23, 2023, the DOL issued a [final rule](#) enacting sweeping revisions to the regulations governing the DBA. The final rule became effective October 23, 2023, and applies to new contracts entered into after this date (as well as to a narrow subset of existing contracts entered into prior to this date). Through the final rule, the DOL enacted significant changes to the DBA standards, including extending coverage to workers who are not mechanics and laborers, and expanding the scope of the work covered by the DBA to include work not performed “directly on the site of the work.” Some of the specific changes in the final rule include (1) eliminating the 20% threshold exception for material suppliers in favor of a *de minimis* standard; (2) applying the DBA’s prevailing wage requirements to work done by truck drivers who make deliveries to work sites; and (3) providing that the DBA’s prevailing wage standards could apply to a contract by “operation of law,” even when the contract did not incorporate the required DBA clauses and wage determinations.

On June 24, 2024, U.S. District Judge Sam Cummings barred the DOL from enforcing these three provisions by issuing a nationwide preliminary injunction. Specifically, Judge Cummings held that (1) elimination of the 20% threshold for material suppliers was contrary to the plain language of the DBA; (2) expanding DBA prevailing wage requirements to truck drivers was arbitrary and capricious; and (3) the DBA may only be applied to contracts containing specific provisions incorporating the required DBA clauses. Applying the injunctive relief standards, Judge Cummings found, in part, that the plaintiffs had a significant chance of prevailing on the merits of their claim and, because of the uncertainty these provisions caused to the competitive bidding and contracting

process, contractors overall would suffer irreparable harm.

The nationwide preliminary injunction will remain in effect until the case is fully resolved on the merits. Companies with further questions regarding the court's ruling should reach out to experienced counsel.

Authors

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