



OFFICE OF FIELD POLICY  
AND MANAGEMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-0050

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**Special Attention of:**  
Office of Davis-Bacon and Labor Standards  
Regional and Field Staff;  
Office of Community Planning and  
Development Directors;  
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Public Housing Regional and Office  
Directors;  
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Indian Housing Authorities

**Notice:** LR-09-01  
**Issued:** August 12, 2009  
**Expires:** This Notice is effective until it is  
amended, superseded, or  
rescinded.

**Cross References:** DOL All Agency  
Memoranda 130, 131, and 190; DOL Field  
Operations Handbook; HUD Handbook  
1344.1; Davis-Bacon Act; Housing Act of  
1949; Urban Renewal Program

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**SUBJECT:** Davis-Bacon applicability to demolition work

- I. Purpose
- II. General Principles
- III. Character of work for “covered” demolition

## I. PURPOSE

The purpose of this Letter is to discuss the applicability of Davis-Bacon wage requirements to demolition work conducted in relation to HUD program activity. In addition, this Letter provides guidance concerning character of work determinations where demolition work is covered by Davis-Bacon requirements

## II. GENERAL PRINCIPLES

Demolition, by itself, not necessarily considered to be *construction, alteration or repair* (i.e., activities to which Davis-Bacon requirements may apply). As a result, Davis-Bacon wage requirements are not typically triggered by demolition work, alone. However, if subsequent construction at the site is planned as part of the same contract or if subsequent construction is contemplated as part of a future construction project, then the demolition work is considered to be part of the overall construction project. In such cases, if the subsequent construction work is subject to Davis-Bacon requirements, then the demolition would likewise be covered by Davis-Bacon requirements.<sup>1</sup>

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<sup>1</sup> See All Agency Memorandum 190 and DOL Field Operations Handbook, para 15d02, available in the Library at [www.wdol.gov](http://www.wdol.gov), and HUD Handbook 1344.1, para 7-5, available at in the Library at [www.hud.gov/offices/olr](http://www.hud.gov/offices/olr) Note: Davis-Bacon applicability to subsequent construction may be triggered by HUD-assisted demolition. For example,

Therefore, in most cases, demolition is *not* covered by Davis-Bacon requirements *unless* it will be followed by Davis-Bacon- covered construction. This principle remains true whether the demolition is financed or assisted with HUD program funds or with other (non-HUD) funding. There are very few exceptions. For example, Davis-Bacon requirements apply to demolition work where such requirements are imposed by statutory provisions that specify demolition as a Davis Bacon- covered activity<sup>2</sup>.

In the context of HUD program activity, Davis-Bacon coverage of demolition would necessarily involve knowledge that there will be subsequent construction *and* that the subsequent construction work will be covered by Davis-Bacon. This knowledge, whether of planned or contemplated construction work, implies that there is documented evidence of the expected subsequent construction. Such evidence may include contract specifications’ disposition plans; budgets; applications for assistance; and similar records.

### **III. CHARACTER OF WORK FOR “COVERED” DEMOLITION**

When demolition work is covered by Davis-Bacon wage requirements, the next issue is the determination of the character of work for wage determination purposes – whether the applicable wage decision is residential, building, highway, or heavy. In such cases, the determining factor for character of work is the *end result* of the work at that site. That is, whether the end result is “residential” (single-family homes or apartments 4 stories, an office building, parking garage, or community center); “highway” (e.g., a parking lot, streets, or sidewalks); or “heavy” (e.g., an outdoor swimming pool).<sup>3</sup>

For example, the demolition of a 16-story apartment building that results in the construction of 2-story townhomes would be subject to a residential wage decision; the demolition of an office building that is followed by the construction of a parking lot would be subject to a highway wage decision.

Finally, in some circumstances, it may be known that the demolition will be followed by Davis-Bacon – covered construction work but the *character* of the end result is not yet determined. For example, it isn’t known at the time the demolition is conducted whether the following construction will involve low-rise apartments (4 stories or less) or a high-rise apartment building (5 or more stories). In such cases, a heavy wage decision is applicable.

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the use of CDBG funds to finance demolition work that will be followed by construction work financed from other sources may trigger Davis-Bacon requirements on the construction work and thus, also, on the demolition. Please contact the HUD Labor Relations staff.

<sup>2</sup> Housing Act of 1949, Urban Renewal Program.

<sup>3</sup> See AAMs 130 and 131

Any questions regarding this Letter should be directed to the Regional or Field HUD Labor Relations staff responsible for the jurisdiction involved. A list of Labor Relations staff, the jurisdictions they serve, and contact information is available at the Office of Labor Relations web site: [www.hud.gov/offices/olr](http://www.hud.gov/offices/olr)

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