

15b05 "Force account" construction work.

- (a) In some instances a Government agency (or a State or political subdivision thereof using Federal money) may perform construction work under what is generally known as "force account". In essence, this is a "do-it-yourself" type of construction - the governmental agency receiving the grant decides not to contract out the work but actually performs it "in-house" with its own employees. Such work is not generally subject to DBRA/CWHSSA because governmental agencies and States or their political subdivisions are not considered "contractors" or "subcontractors" within the meaning of the D-B Act. However, any part of the work not done under "force account" but contracted out is subject to DBRA/CWHSSA in the usual manner. (See FOH 15e12.)
- (b) Certain related acts require payment of prevailing wages to all laborers and mechanics "employed in the construction (or development) of the project" (e.g., the U.S. Housing Act of 1937 and the Housing Act of 1949). State and local government agencies receiving Federal assistance under statutes containing this or similar wording not restricting coverage to employees of contractors or subcontractors, which perform construction with their own employees, must pay such employees according to DBRA/CWHSSA.

15b06 Lease arrangements.

- (a) Where the Government enters into a lease/purchase agreement D-B applies, because the cost of the construction is eventually paid for by the Government. D-B also applies to a lease option or to a term lease agreement where there is substantial and segregable construction activity, and where the structure is a public building or public work. This may be true, for example, where the building is built at the request of the Government pursuant to Government specifications for Government use or purpose for the period of the lease.
- (b) Postal Service lease agreements are governed by the Postal Reorganization Act (39 U.S.C. 410(d)). Under the terms of that Act, Postal Service lease agreements for rent of net interior space in excess of 6,500 square feet are required to include DB labor standards for any construction, modification, alteration, repair, painting, decoration, or other improvement of the facility covered by the agreement.

15b07 Post exchange contracts.

The D-B Act applies to Post Exchange contracts for construction, alteration or repair of buildings, regardless of whether such contracts are paid for with appropriated or nonappropriated funds.