

## SCA-13

June 10, 1976

This is in response to your letter of May 19, 1976, requesting an interpretation as to the applicability of the Davis-Bacon Act and the Service Contract Act to a proposed contract for the installation and maintenance of an FTS telecommunications system in a Federal office building to be constructed in Port Arthur, Texas.

Based on the information provided in your letter and in telephone conversations between\*\*\* and \*\*\* of our respective offices, it is our position that both the Davis-Bacon Act and the Service Contract Act would be applicable to the proposed contract. Accordingly, the stipulations and applicable wage determination of both Acts must be included in this contract.

Although you state in your letter that the installation of this system does not involve construction, \*\*\* indicated that it will be necessary for the installation contractor to run wires through conduits provided by the building contractor. Such work is considered to be "construction" activity covered by the Davis-Bacon Act. In addition, \*\*\* estimated the cost of such installation to be about \$8,000. Thus, due to the nature of the work involved and since the cost of installation will definitely exceed the \$2,000 threshold under the Davis-Bacon Act, we do not consider the installation to be incidental to the supply of the system, and the Davis-Bacon Act would apply to the installation portion of the proposed contract.

In addition, the Service Contract Act would clearly apply to the maintenance portion of the proposed contract. (See section 4.116(c) of Regulations, 29 CFR Part 4.) With respect to including the applicable SCA wage determination in the contract, since the proposed contract calls for maintenance of the system over a ten year period, we also wish to call attention to section 4.145 of the Regulations.

Sincerely,

Ray J. Dolan  
Assistant Administrator

NOTE: The opinions expressed in this letter pre-date the 1983 regulatory amendments which redefined the principal purpose test under SCA.