

## 22.1002-3 Wage determinations based on collective bargaining agreements.

(a) Successor *contractors* performing on contracts in excess of \$2,500 for substantially the same services performed in the same locality *must* pay wages and fringe benefits (including accrued wages and benefits and prospective increases) at least equal to those contained in any bona fide collective bargaining agreement entered into under the predecessor contract. This requirement is self-executing and is not contingent upon incorporating a *wage determination* or the wage and fringe benefit terms of the predecessor *contractor's* collective bargaining agreement in the successor contract. This requirement will not apply if the Secretary of Labor determines-

(1) After a hearing, that the wages and fringe benefits are substantially at variance with those which prevail for services of a similar character in the locality; or

(2) That the wages and fringe benefits are not the result of arm's length negotiations.

(b) Paragraphs in this [subpart 22.10](#) which deal with this statutory requirement and the Department of Labor's implementing regulations are [22.1010](#), concerning notification to *contractors* and bargaining representatives of *procurement* dates; [22.1012-2](#), explaining when a collective bargaining agreement will not apply due to late receipt by the *contracting officer*; and [22.1013](#) and [22.1021](#), explaining when the application of a collective bargaining agreement can be challenged due to a variance with prevailing rates or lack of arm's length bargaining.

**Parent topic:** [22.1002 Statutory and Executive order requirements.](#)