

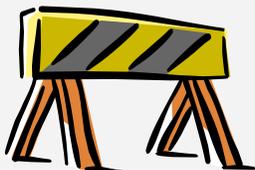
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BJO:JJG

Labor Rates and Fringe Benefits for Force Account Work

This construction advisory serves as clarification for determining the minimum contract labor wages and fringe benefits to be used when documenting force account work by contractor employees covered by the prevailing wage provisions of the contract. Workers who are performing work covered by the wage decisions, included in the contract, need to be paid the minimum published wage rates listed under the applicable wage determination (classification).

The minimum prevailing wage hourly rate is the sum of the base hourly rate (BHR) and the fringe benefit (FB) values that are published under each wage determination. These minimum wage rate values are to be used when calculating labor rates on force account work. These rates apply regardless if a contractor provides a bona fide fringe benefit or not. Minimum overtime rates will be calculated using 1.5 multiplied by the BHR plus the full value of the FB published in the appropriate wage determination.

It is not necessary to calculate bona fide benefits separately with respect to a contractor's individual employee labor cost. Contractors who offer bona fide fringe benefits will claim an hourly credit toward the prevailing wage as confirmed on the certified payroll documentation. A worker's full hourly cost for reimbursement is calculated using the full minimum prevailing wage rates that are published in the wage decisions.

The only allowable deviation to the above values is when a contractor is paying higher than the minimum values. The contractor must provide documentation (certified payrolls) that the regular full (BHR+FB) hourly rate exceeds the published rate in the wage decision included in the contract.

A salary worker who is not otherwise covered by the prevailing wage provisions of the contract may only be reimbursed for time on-site dedicated to the force account work by prior written approval of the engineer. If the engineer cannot confirm that the salaried worker was on-site performing work directly related to the force account effort, their time will not be eligible for reimbursement.

The following items demonstrate a prevailing wage rate example. The base hourly rate in the proposal is \$22.00 and the fringe benefit rate is listed as \$8.00. Therefore, the total full prevailing wage rate is \$30.00 per hour. The force account payment for labor hours for this example will be as follows:

Straight Time Hours

\$30.00 full prevailing wage rate x 7 hours worked on force account = \$210.00

Overtime Hours

\$22.00 base hourly rate x 1.5 overtime multiplier + \$8.00 fringe rate per hour x 3 hours of overtime on the force account work = \$123.00

Please share this advisory with local agencies and consultants in your area.