

Wage Decisions

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All MDOT-let contracts will contain either the state or the federal wage decision. On contracts involving two or more projects and job numbers and the type of funding is mixed, when one source of funding is federal, MDOT only places the wage rates issued by the U.S. Department of Labor (USDOL) in the contract. Federal requirements apply for all the contracted work. On contracts where DBRA does not apply, the state wage decision will be in the contract.

On most contracts where DBRA prevailing wages apply, the General Decision MI7 (AIRPORT & BRIDGE, HIGHWAY, SEWER/INCID. TO HWY.) is used in MDOT contracts with federal funds. There are some exceptions, which are detailed in each contract and discussed below.

Multiple Wage Decisions

The USDOL requires multiple wage decisions to be placed in contracts in which a second category of work is substantial in relation to project cost. Substantial is defined as more than 20 percent (or \$1,000,000). The following are the most common types of work that may require an alternate decision:

- Sewer and watermain
- Landscaping
- Rest area or other buildings

When one or more of the above types of work is more than 20 percent of the contract cost or \$1,000,000 (based upon the engineer's estimate), an alternate wage decision will be included in the contract along with the MI7 decision. The wages in the alternate decision can only be used for the type of work that is more than 20 percent of the contract cost or \$1,000,000. All other work performed on the project will be subject to the wages in the MI7 decision.

Sewer and watermain work (MDOT prequalification classification K) is considered to fall under the Heavy Construction work classification; therefore, when that work type is more than 20 percent of the engineer's estimate or \$1,000,000, the wage decision with the construction type "HEAVY" will also be included in the contract and is to be used for the work related to the sewer and watermain work. All other work performed on the project will be covered by the "AIRPORT & BRIDGE, HIGHWAY, SEWER/INCID. TO HWY" (MI7) wage decision. If the contract also contains landscaping work, and it is not more than 20 percent of the contract or \$1,000,000, the "HEAVY" decision rates cannot be used for that work. The landscaping and restoration of areas disturbed by roadwork would be covered by the MI7 wage decision. However, any restoration of areas disturbed by the sewer and water main work would be covered under the "HEAVY" decision.

When landscape work (MDOT prequalification classification H) is more than 20 percent of the contract cost or \$1,000,000, the “HEAVY” wage decision will be included in the contract to cover all landscape work. All other work performed on the project will be covered by the MI7 wage decision. If the project is a total landscape project, only the “HEAVY” wage decision will be in the contract.

Rest area building contracts will include the construction type “BUILDING” wage decision when the Building portion of the work is more than 20 percent of the contract cost or \$1,000,000. When the “BUILDING” decision is included for rest area building contracts, the electrical work covered by the “BUILDING” decision is limited to the rest area building and within five feet of the perimeter. All other electrical work is covered by the MI7 decision. The other work performed on the contract will be covered by the MI7 wage decision and/or the “HEAVY” wage decision (landscape and/or sewer and watermain work) if either or both are greater than 20 percent or \$1,000,000. In some cases the alternate decision is for both construction types: “BUILDING” and “HEAVY”. In this instance, the alternate decision could apply to the building, landscaping and sewer if the work for any or all is greater than 20 percent of the contract or \$1,000,000.