

**Either Davis-Bacon wage rates or State Prevailing wage rates apply to every project.**

## **Davis-Bacon Wage Rates**

Davis-Bacon wage rates apply to all Federal-aid construction contracts exceeding \$2,000 and to all related subcontracts. Title 23 U.S.C. 113(a) requires that Davis-Bacon wage rates be applicable to Federal-aid highways. "Federal-aid highways" are defined as roadways "... other than highways classified as local roads or rural minor collectors." This includes roadways classified as freeways, arterials, and collectors.

Davis-Bacon wage rates do not apply to projects located on roadways classified as local roads or rural minor collectors or located outside of the right-of-way of a Federal-aid highway.

When Davis-Bacon wage rates apply to locally let projects, the local agency shall obtain the most current wage rates from the Davis-Bacon web address, <http://www.wdol.gov/dba.aspx> and, 10 days prior to the letting, verify that the rates are current. If the wage decision is not current then the local agency must prepare an addendum that includes the updated wage decision, forward it to the appropriate MDOT Local Agency Program staff engineer for approval, and then, upon approval, issue the addendum.

## **State Prevailing Wage Rates**

If federal funds are not used for the project, or the Davis-Bacon wage rates are not applicable, then the State Prevailing wage rates apply. According to Public Act 166 of 1965, workers on every contract executed between a contracting agent and a successful bidder on a project using state funds must be paid the prevailing wage rates in the locality in which the work is to be performed.

The *contracting agent* is defined as "any officer, school board, board or commission of the state, or a state institution supported in whole or in part by state funds, authorized to enter into a contract for a state project or to perform a state project by the direct employment of labor."

A *state project* is defined as "new construction, alteration, repair, installation, painting, decorating, completion, demolition, conditioning, reconditioning, or improvement of public buildings, schools, works, bridges, highways, or roads authorized by a contracting agency."

Current state prevailing wage rates are available from the web site <http://www.michigan.gov/cis/>. Select **Wage & Hour Division** located at the bottom of the column on the left, then select **Prevailing Wage, and then select the most current prevailing wage rates that are applicable to your project**. Although this document has the heading "For Informational Purposes Only, Not For Use In Contract" the header and footer will not print. These are the rates that the local agency must include in the bid document. MDOT will verify that these are the most current rates. The local agency shall verify that the wage rates are still current 10 days prior to the letting. If the wage rates have changed, then the local agency must prepare an addendum that updates the wage decision, forward it to the appropriate MDOT Local Agency Program staff engineer for approval, and then, upon approval, issue the addendum.

If you have questions or need additional information, please contact Rose Grinager, the MDOT Local Agency Program Enhancement Technician, either by phone at (517) 373-2756, or by email at [grinager@michigan.gov](mailto:grinager@michigan.gov).

*Please note that certified payroll reports are required only on projects requiring Davis-Bacon wage rates.*