Prevailing Wage Compliance 2022

Prevailing Wage Components

Contract Documents

Wage Decisions

Wage Rate Interviews
Overtime
Certified Payrolls
Truck Drivers

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Wage Decisions

There are four basic categories of wage decisions based on type of construction:

- <u>Highway</u>: Alteration of roads, streets, highways, runway, paths, parking areas, etc.
- <u>Heavy</u>: Catch-all category. Includes all projects not classified as highway, building or residential.
- <u>Building</u>: Sheltered enclosures with walk-in access i.e. rest area, welcome center, etc.
- Residential: Dwelling of less than four stories.

Wage Decisions

The wage decision contain a workers:

- Classification Identifier (example CARP004-005)
- Corresponding wage rate
- · Geographical area where that rate has been found to prevailing

CARP0004-005 06/01/2018

LIVINGSTON (Townships of Brighton, Deerfield, Genoa, Hartland, Oceola & Tyrone), MACOMB, MONROE, OAKLAND, SANILAC, ST. CLAIR AND WAYNE COUNTIES

Rates Fringes

CARPENTER (Piledriver).....\$ 30.50

27.28

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Wage Decisions

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Wage Decisions

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union, which prevailed in the survey for this classification, which in this example would be Plumbers 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

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Wage Decisions

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

Worker Classification

Worker classifications are based on the type of work *actually* performed without regard for skill. This may be different than a worker's classification on private work.

Worker's may be classified as "apprentices" and/or "trainees" and are permitted to work at less than the predetermined rate if employed pursuant to and individually registered in a bona fide program recognized by the U.S. Dept. of Labor, Office of Apprenticeship (OA) or MDOT OJT program

• Proof of apprentice or trainee status must be uploaded to LCPtracker and kept current throughout the time the apprentice or trainee is on the project

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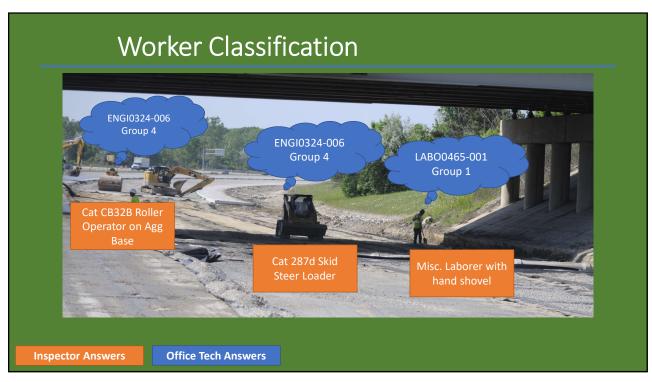
Worker Classification

Some workers may have multiple duties. They may use a hand rake for several hours a day and a front-end loader for the remainder of the day.

- In this instance the employer must split up the employee's time into two work categories (laborer and operator). Each category has its own hourly rate and benefit requirement that must be met. The CPR records should reflect both classifications and time spent performing each, within reason.
- <u>Contractors</u> are required to maintain basic records for all employees working on-site.

An employee must be paid for all 'principal' activities as well as 'activities' which are an integral part of a 'principal activity'.

• For example, these include wait time and standby time while sitting "idle" until the next gravel truck arrives for a reload.



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Worker Classification

Working Foreman

- Supervisory employees who spend more than an incidental amount of their work week (20-percent) as a laborer or mechanic are extended prevailing wage coverage.
- They must be paid at least the applicable minimum prevailing wage rate for the classification of work performed for all hours engaged in the work.

Exclusions

• Individuals whose duties are primarily administrative, professional, executive, or clerical are not laborers or mechanics. Examples include superintendents, office staff, timekeepers, inspectors, engineers, etc.

Multiple Wage Decision

The USDOL requires multiple wage decisions be placed into contracts when the following occurs:

- When items are substantial in relation to the project cost more than approximately 20% of the Engineer Estimate.
- When a project is very large, items of work of a different character may be sufficiently substantial to warrant a separate decision even though these items of work do not specifically amount to 20% of the total project cost (\$1,000,000 or more).

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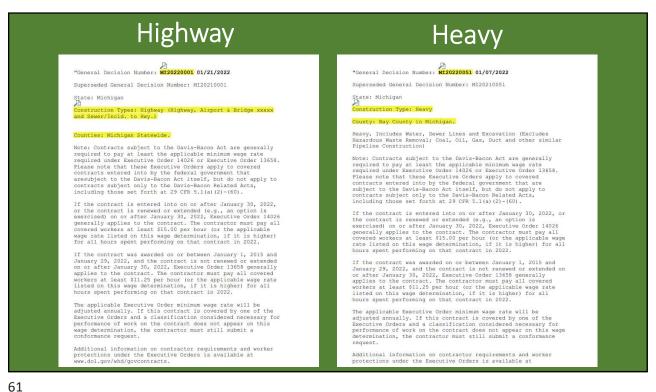
Multiple Wage Decision

Most common work type requiring a Heavy Decision in MDOT-let contracts:

SEWERS AND WATER MAINS (Section 402 Standard Specifications)
This work shall consist of installing lines of sewer pipe, of the required class and the specified inside diameter and shall include excavation, backfilling, sewer taps, bulkheads, trench undercut and backfill, dewatering system, installing/testing/disinfecting/backfilling water mains.

Equipment: Backhoe, compaction equipment, excavator, loader, trench box.

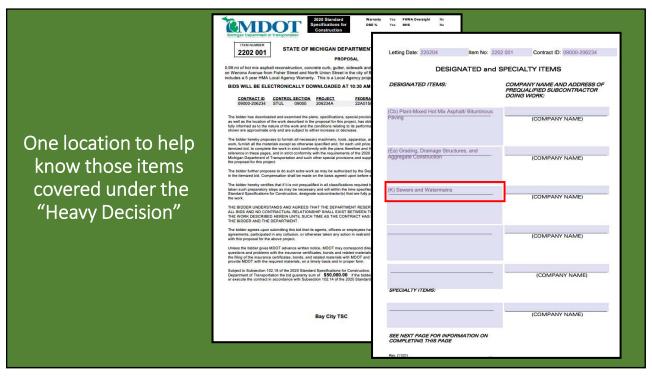
All other work on the contract not occurring in the subgrade in connection with the sewer and water main work must abide by the Highway wage schedule (MIxxxx0001).

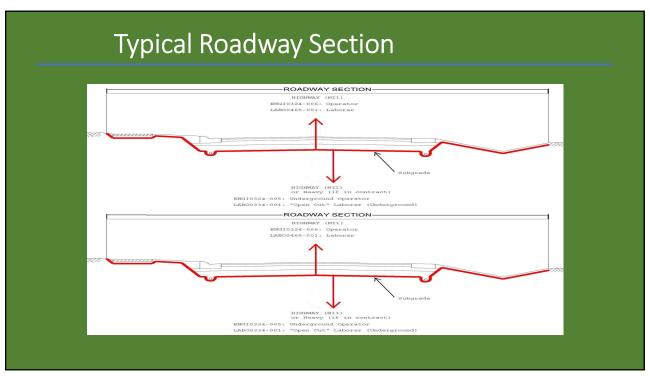


Sewer/Incid. To Hwy?

"General Decision Number: MI20220001 01/21/2022 Superseded General Decision Number: MI20210001 State: Michigan Construction Types: Highway (Highway, Airport & Bridge xxxxx and Sewer/Incid. to Hwy.) Counties: Michigan Statewide.

Example: Sewer and water main work which is a part of a highway project would not generally be separately classified where construction is "incidental in function", 20-percent of project cost per engineer estimate is used as a rough guide for determining this.







Multiple Wage Decision

When landscape work is more than 20% of the project per engineer estimate, the 'Heavy' wage decision will be included in the proposal to cover that work.

• Standard Spec. 815.01: Landscaping consists of providing and planting trees, shrubs, and other plants including replacements, classified as nursery stock.

All other work performed on the project will be covered by the Highway wage schedule (MIxxxx0001).

Multiple Wage Decision

Building Decisions:

Rest area/welcome center building projects will include the construction type "Building" wage decision when the building portion of the work is more than 20% of the project cost or \$1,000,000 per engineer estimate. The other work performed on the project will be covered by the "Highway" wage schedule (MIxxxx0001).

The building decision will include crafts necessary to complete building work.

Work under these thresholds that may also require building trades (bascule bridge booth, pump stations, etc.)