



MISSING MIDDLE HOUSING PROGRAM **Prevailing Wage Requirement/Davis-Bacon Compliance Policy**

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Compliance Policy regarding Federal Labor Standards – Missing Middle Prevailing Wage Requirement

All Missing Middle Housing Program (Missing Middle) subrecipients working on the job site are required to comply with ensuring that contractors and/or subcontractors undertaking construction and/or substantial rehabilitation in excess of \$2,000 pay at least the applicable prevailing wage amounts. Prevailing wages, including fringe benefits, must be paid on all hours worked at the job site and is based entirely as cash wages or cash wages and employer-provided bona fide fringe benefits.

All other Davis-Bacon and/or related requirements are **not** in effect for Missing Middle, including but not limited to, formal postings/notifications on-site; documents including executive orders, clauses, related acts, and formal provisions within the contracts/bids including mandatory pre-construction conferences, submission of certified weekly payroll reports, weekly payments, apprenticeship provisions, and conducting of employee interviews.

Prevailing Wage Classification Rates Table

The prevailing wage classification rates table will be established on or about the date the Missing Middle Grant Agreement is executed (to be attached to the Grant Agreement) and will remain in effect for the entire duration of the project construction period (not to exceed 36 months). Davis-Bacon wage determinations will be utilized to determine a point in time dollar amount that will remain static throughout the grant term. If it is determined that a classification code needs to be added, MSHDA will retain the ability to modify the table to incorporate additional classification rates as needed.

When multiple prevailing wage classification rates are incorporated into a contract, it is very important to provide instructions specifying the contract work to which each wage rate applies. Any questions or disputes regarding the appropriate classification of the project will be resolved by MSHDA.

Federal Debarment Verification:

Prior to awarding a construction contract, subrecipients must verify that contractors and subcontractors are not on the federal list of parties excluded from federal procurement and non-procurement programs known as the federal debarred list. Verification must occur at the subrecipient level and if ineligibility is federally determined post-award, then the contract must be terminated, and no further construction activity from ineligible subrecipient can occur.

Overtime:

The Contract Work Hours and Safety Standards Act was enacted in 1962. It consolidated a number of “eight hours” laws which provided for overtime pay after 8 hours a day on federally funded construction projects. This Act will also apply to all construction contracts benefiting from the Missing Middle Housing Program. The act requires overtime pay for laborers and mechanics at a rate of one and one-half times the basic rate of pay for hours worked in excess of 40 in a work week. Fringe benefit contributions may be excluded from the half-time premium due as overtime compensation.



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Payroll Certification:

A certification of prevailing wage classification rates forms, and applicable payroll reports may be required to be uploaded with each grant payment request. In instances where it appears the contractor/subcontractor may have paid less than prevailing wages, MSHDA should be notified. Formal on-site monitoring will be conducted within the grant term to ensure subrecipient collection of prevailing wage documentation was undertaken. Failure of a contractor to pay prevailing wage rates may result in mandatory restitution to employees and if deemed intentional be grounds for retraction of grant award and debarment from future Missing Middle program grants for up to a three-year time period.



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MISSING MIDDLE Reporting Responses tied to Davis-Bacon/Prevailing Wage Requirements

Grant Agreement Language/Policy regarding Federal Labor Standards – Prevailing Wage Requirement

All Missing Middle Program recipients and subrecipients are required to comply with ensuring that contractors and/or subcontractors undertaking energy home repairs in excess of \$2,000 meet prevailing wage compliance requirements. All construction entities must pay at least the applicable prevailing wage amounts. The prevailing wages, including fringe benefits, must be paid on all hours worked on the site of the work and is based entirely as cash wages or cash wages and employer-provided bona fide fringe benefits. All subrecipients will be required to review and approve the certification form provided by contractors.

All other Davis-Bacon and/or related requirements are not in effect for Missing Middle, including but not limited to, formal postings/notifications on-site; documents including executive orders, clauses, related acts, and formal provisions within the contracts/bids including mandatory pre-construction conferences, submission of certified weekly payroll reports, weekly payments, apprenticeship provisions, and conducting of employee interviews.

Language proposed to be included when grant recipient upload into Sharepoint their request for grant disbursement(s) to MSHDA for review and processing:

- Our agency certifies that it has received and uploaded the certification form from all applicable contractors and subcontractors. The certification form states that supporting documentation confirming that prevailing wages were paid on all construction work performed for the Missing Middle Program is being retained locally and can be made available upon request within 3 business days to the grantee, MSHDA, auditors and/or any other persons of interest based on a formal FOIA request.
- Our agency has uploaded all fully executed written construction contracts associated with the request for award disbursement into the Sharepoint system and have uploaded all applicable certification forms to demonstrate that the requirement of the payment of prevailing wages based on a federal wage determination for the county within which work will be undertaken has been met.
- Agency oversight procedures are in place to ensure that all person(s) performing construction work on a project benefitting from the Missing Middle Housing program meet all applicable licensing and certification requirements and have implemented oversight parameters to ensure that high quality construction work is provided.

Reporting Responses:

Project Workforce Continuity Plan

*How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project, including a description of any required professional certifications and/or in-house training?

*How will the recipient minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project?

*How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30)?

*Will workers on the project receive wages and benefits that will secure an appropriately skilled workforce in the context of the local and regional labor market?
--None--

*Does the project have a completed project labor agreement?
--None--

Figure 37 Additional Questions if Response to Certifications of Labor Agreements is "No"

Within the written construction contract there will be provisions outlining the process of work approval:

UPON COMPLETION OF THE WORK, the premises may be inspected by the Administrator's Housing Inspector and/or MSHDA's Construction Division staff to ascertain if the work stated in the Work Specifications has been completed satisfactorily in the opinion of the Administrator. The Property Owner may also be required to give written approval of the work performed even if the Housing Inspector ascertains that the work has been completed satisfactorily. If it is determined by either, that the work has not been completed satisfactorily or not in accordance with the Work Specifications, the project owner shall provide a written notice to the Contractor, advising the Contractor to complete and/or correct the unsatisfactorily work within ten days from the date of receipt of the written notification. Failure to be deemed satisfactorily complete by MSHDA within the grant agreement timeframes may cause the project to lose the committed Missing Middle grant funds.

Within the written construction contract there will be provisions outlining the process of minimizing labor disputes:

IN THE EVENT a dispute arises hereunder between Contractor and Property Owner, the parties hereby agree: That if an impasse is reached between the parties during the construction phase of the project, the Administrator will be contacted and act as intermediary of the dispute; once project completion and disbursement of funds has occurred, Property Owner accepts responsibility for obtaining relief through appropriate channels such as the Michigan Department of Licensing and Regulation.

c) Whether the project prioritizes local hires (see Figure 38).

Each subrecipient will follow their procurement procedures which may include prioritization of local hires but is not required by the program guidelines.

- d) Whether the project has a Community Benefit Agreement, with a description of any such agreement (see Figure 38).

Does the project prioritize local hires?
--None--
Does the project have a Community Benefit Agreement, with a description of any such agreement?
--None--

Only if required by local municipalities shall the subrecipients need to have Community Benefit Agreements in place as they are not specifically required within Missing Middle Housing Program.