



STATE OF MICHIGAN

JENNIFER M. GRANHOLM
GOVERNOR

DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

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DIRECTOR

REQUIREMENTS OF MICHIGAN PUBLIC ACT 166 OF 1965, PREVAILING WAGES ON STATE PROJECTS

The Michigan Department of Labor & Economic Growth determines prevailing rates pursuant to the Prevailing Wage Law, Act 166, P.A. of 1965. The purpose of establishing prevailing rates is to provide rates of pay for workers on construction projects for which the state or a school district is the contracting agent and which is financed or financially supported by the state. By law, prevailing rates are compiled from the rates contained in collectively bargained agreements which cover the locations of the state projects. The attached prevailing rates provide an hourly rate which INCLUDES wage and fringe benefit totals for designated construction mechanic classifications. The overtime rates also include wage and fringe benefit totals. Please pay special attention to the overtime and premium pay requirements. The prevailing rate may be satisfied by payment in cash or payment in cash and credit for fringe benefits paid in cash or on behalf of a worker or fringe benefits provided to a worker.

State of Michigan responsibilities under the law:

- The department establishes the prevailing rate for each classification of construction mechanic requested by a contracting agent prior to contracts being let out for bid on a state project.

Contracting agent responsibilities under the law:

- If a contract is not awarded or construction does not start within 90 days of the date of the issuance of rates, a re-determination of rates must be requested by the contracting agent.
- Rates for classifications needed but not provided on the Prevailing Rate Schedule, including rates for registered apprentices, must be obtained prior to contracts being let out for bid on a state project.
- The contracting agent, by written notice to the contractor and the sureties of the contractor known to the contracting agent, may terminate the contractor's right to proceed with that part of the contract, for which less than the prevailing rates of wages and fringe benefits have been or will be paid, and may proceed to complete the contract by separate agreement with another contractor or otherwise, and the original contractor and his sureties shall be liable to the contracting agent for any excess costs occasioned thereby.

Contractor responsibilities under the law:

- Every contractor and subcontractor shall keep posted on the construction site, in a conspicuous place, a copy of all prevailing wage and fringe benefit rates prescribed in a contract.
- Every contractor and subcontractor shall keep an accurate record showing the name and occupation of and the actual wages and benefits paid to each construction mechanic employed by him in connection with said contract. This record shall be available for reasonable inspection by the contracting agent or the department.
- Each contractor or subcontractor is separately liable for the payment of the prevailing rate to its employees.
- The prime contractor is responsible for advising all subcontractors of the requirement to pay the prevailing rate prior to commencement of work.
- The prime contractor is secondarily liable for payment of prevailing rates that are not paid by a subcontractor.
- A construction mechanic shall only be paid the apprentice rate if registered with the United States Department of Labor, Bureau of Apprenticeship and Training and the rate is included in the contract.

Enforcement:

A person who has information of an alleged prevailing wage violation on a state project may file a complaint with the Wage and Hour Division. The department will investigate and attempt to resolve the complaint informally.

Executive Order Number 2003-001 requires that contractors doing business with the State of Michigan be in compliance with state and federal law. A violation of Act 166 of 1965, as amended, the Prevailing Wages on State Projects act or Act 390 of 1978, as amended, the Payment of Wages and Fringe Benefits Act, may result in the debarment of a contractor from being awarded a contract for the provision of goods and services to the State of Michigan for a period of up to eight (8) years.

WAGE & HOUR DIVISION

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