

SENATE BILL No. 634

July 17, 2007, Introduced by Senator CASSIS and referred to the Committee on Commerce and Tourism.

A bill to amend 1965 PA 166, entitled

"An act to require prevailing wages and fringe benefits on state projects; to establish the requirements and responsibilities of contracting agents and bidders; and to prescribe penalties,"

by amending sections 2 and 6 (MCL 408.552 and 408.556).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) Every contract executed between a contracting
2 agent and a successful bidder as contractor and entered into
3 pursuant to advertisement and invitation to bid for a state project
4 ~~which~~**THAT** requires or involves the employment of construction
5 mechanics, other than those subject to the jurisdiction of the
6 state civil service commission, and ~~which~~**THAT** is sponsored or
7 financed in whole or in part by the state shall contain an express
8 term that the rates of wages and fringe benefits to be paid to each

1 class of mechanics by the bidder and all of his **OR HER**
2 subcontractors, shall be not less than the wage and fringe benefit
3 rates prevailing in the locality in which the work is to be
4 performed.

5 (2) **A CONTRACT THAT IS ENTERED INTO OR RENEWED AFTER JANUARY**
6 **1, 2008 SHALL PROVIDE THAT A CONTRACTOR AND HIS OR HER**
7 **SUBCONTRACTORS ARE NOT REQUIRED TO PAY THE PREVAILING MINIMUM WAGE**
8 **OTHERWISE REQUIRED UNDER THIS SECTION DURING PERIODS IN WHICH THE**
9 **UNEMPLOYMENT RATE OF THIS STATE IS ABOVE THE NATIONAL UNEMPLOYMENT**
10 **RATE AS DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR.**

11 (3) Contracts on state projects ~~which~~**THAT** contain provisions
12 requiring the payment of prevailing wages as determined by the
13 United States secretary of labor ~~pursuant to~~**UNDER** the federal
14 Davis-Bacon act (United States code, title 40, section 276a et seq)
15 or ~~which~~**THAT** contain minimum wage schedules ~~which~~**THAT** are the
16 same as prevailing wages in the locality as determined by
17 collective bargaining agreements or understandings between bona
18 fide organizations of construction mechanics and their employers
19 are exempt from ~~the provisions of~~ this act.

20 Sec. 6. ~~The~~**SUBJECT TO SECTION 2(2), THE** contracting agent, by
21 written notice to the contractor and the sureties of the contractor
22 known to the contracting agent, may terminate the contractor's
23 right to proceed with that part of the contract ~~—~~for which less
24 than the prevailing rates of wages and fringe benefits have been or
25 will be paid, and may ~~proceed to~~ complete the contract by separate
26 agreement with another contractor or otherwise, and the original
27 contractor and his **OR HER** sureties shall be liable to the

1 contracting agent for any excess costs occasioned ~~thereby~~ **BY THOSE**
2 **ACTIONS.**