

HOUSE BILL NO. 4594

March 25, 2021, Introduced by Reps. Brenda Carter, Sabo, Hertel, Morse, Rogers, Puri, Breen, Aiyash, Camilleri, Steckloff, Rabhi, Cavanagh, Cherry, Brixie, Anthony, Young, Clemente, LaGrand, Stone, Liberati, Steenland, Kuppa, Sowerby, Pohutsky, O'Neal, Thanedar, Peterson, Garza, Tyrone Carter, Scott, Hood, Neeley, Brabec, Hope, Weiss, Haadsma, Koleszar, Ellison, Manoogian, Shannon, Bolden, Lasinski, Witwer, Howell, Jones, Hammoud and Coleman and referred to the Committee on Workforce, Trades, and Talent.

A bill 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.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Commissioner" means the department of labor and economic
3 opportunity.

4 (b) "Construction mechanic" means a skilled or unskilled
5 mechanic, laborer, worker, helper, assistant, or apprentice working

1 on a state project but shall not include executive, administrative,
2 professional, office, or custodial employees.

3 (c) "Contracting agent" means any officer, school board, board
4 or commission of the state, or a state institution supported in
5 whole or in part by state funds, authorized to enter into a
6 contract for a state project or to perform a state project by the
7 direct employment of labor.

8 (d) "Locality" means the county, city, village, township, or
9 school district in which the physical work on a state project is to
10 be performed.

11 (e) "State project" means new construction, alteration,
12 repair, installation, painting, decorating, completion, demolition,
13 conditioning, reconditioning, or improvement of public buildings,
14 schools, works, bridges, highways, or roads authorized by a
15 contracting agent.

16 Sec. 2. Every contract executed between a contracting agent
17 and a successful bidder as contractor and entered into pursuant to
18 advertisement and invitation to bid for a state project which
19 requires or involves the employment of construction mechanics,
20 other than those subject to the jurisdiction of the state civil
21 service commission, and which is sponsored or financed in whole or
22 in part by the state shall contain an express term that the rates
23 of wages and fringe benefits to be paid to each class of mechanics
24 by the bidder and all of its subcontractors, shall be not less than
25 the wage and fringe benefit rates prevailing in the locality in
26 which the work is to be performed. Contracts on state projects
27 which contain provisions requiring the payment of prevailing wages
28 as determined by the United States Secretary of Labor pursuant to
29 40 USC 3141 to 3147 or which contain minimum wage schedules which

1 are the same as prevailing wages in the locality as determined by
2 collective bargaining agreements or understandings between bona
3 fide organizations of construction mechanics and their employers
4 are exempt from the provisions of this act.

5 Sec. 3. A contracting agent, before advertising for bids on a
6 state project, shall have the commissioner determine the prevailing
7 rates of wages and fringe benefits for all classes of construction
8 mechanics called for in the contract. A schedule of these rates
9 shall be made a part of the specifications for the work to be
10 performed and shall be printed on the bidding forms where the work
11 is to be done by contract. If a contract is not awarded or
12 construction undertaken within 90 days of the date of the
13 commissioner's determination of prevailing rates of wages and
14 fringe benefits, the commissioner shall make a redetermination
15 before the contract is awarded.

16 Sec. 4. The commissioner shall establish prevailing wages and
17 fringe benefits at the same rate that prevails on projects of a
18 similar character in the locality under collective agreements or
19 understandings between bona fide organizations of construction
20 mechanics and their employers. Such agreements and understandings,
21 to meet the requirements of this section, shall not be controlled
22 in any way by either an employee or employer organization. If the
23 prevailing rates of wages and fringe benefits cannot reasonably and
24 fairly be applied in any locality because no such agreements or
25 understandings exist, the commissioner shall determine the rates
26 and fringe benefits for the same or most similar employment in the
27 nearest and most similar neighboring locality in which such
28 agreements or understandings do exist. The commissioner may hold
29 public hearings in the locality in which the work is to be

1 performed to determine the prevailing wage and fringe benefit
2 rates. All prevailing wage and fringe benefit rates determined
3 under this section shall be filed with the commissioner and made
4 available to the public.

5 Sec. 5. Every contractor and subcontractor shall keep posted
6 on the construction site, in a conspicuous place, a copy of all
7 prevailing wage and fringe benefit rates prescribed in a contract
8 and shall keep an accurate record showing the name and occupation
9 of and the actual wages and benefits paid to each construction
10 mechanic employed by it in connection with said contract. This
11 record shall be available for reasonable inspection by the
12 contracting agent or the commissioner.

13 Sec. 6. The contracting agent, by written notice to the
14 contractor and the sureties of the contractor known to the
15 contracting agent, may terminate the contractor's right to proceed
16 with that part of the contract, for which less than the prevailing
17 rates of wages and fringe benefits have been or will be paid, and
18 may proceed to complete the contract by separate agreement with
19 another contractor or otherwise, and the original contractor and
20 his sureties shall be liable to the contracting agent for any
21 excess costs occasioned thereby.

22 Sec. 7. Any person, firm, or corporation or combination
23 thereof, including the officers of any contracting agent, violating
24 the provisions of this act is guilty of a misdemeanor.

25 Sec. 8. The provisions of this act shall not apply to
26 contracts entered into or the bids made before the effective date
27 of this act.