HOUSE BILL NO. 4007


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:

Sec. 1. As used in this act:

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

(b) "Construction mechanic" means a skilled or unskilled mechanic, laborer, worker, helper, assistant, or apprentice working on a state project but shall not include executive, administrative,
(c) "Contracting agent" means any officer, school board, board or commission of the state, or a state institution supported in whole or in part by state funds, authorized to enter into a contract for a state project or to perform a state project by the direct employment of labor.

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

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

Sec. 2. Every contract executed between a contracting agent and a successful bidder as contractor and entered into pursuant to advertisement and invitation to bid for a state project which requires or involves the employment of construction mechanics, other than those subject to the jurisdiction of the state civil service commission, and which is sponsored or financed in whole or in part by the state shall contain an express term that the rates of wages and fringe benefits to be paid to each class of mechanics by the bidder and all of its subcontractors, shall be not less than the wage and fringe benefit rates prevailing in the locality in which the work is to be performed. Contracts on state projects which contain provisions requiring the payment of prevailing wages as determined by the United States Secretary of Labor pursuant to 40 USC 3141 to 3148 or which contain minimum wage schedules which are the same as prevailing wages in the locality as determined by
collective bargaining agreements or understandings between bona
fide organizations of construction mechanics and their employers
are exempt from the provisions of this act.

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

Sec. 4. The commissioner shall establish prevailing wages and
fringe benefits at the same rate that prevails on projects of a
similar character in the locality under collective agreements or
understandings between bona fide organizations of construction
mechanics and their employers. Such agreements and understandings,
to meet the requirements of this section, shall not be controlled
in any way by either an employee or employer organization. If the
prevailing rates of wages and fringe benefits cannot reasonably and
fairly be applied in any locality because no such agreements or
understandings exist, the commissioner shall determine the rates
and fringe benefits for the same or most similar employment in the
nearest and most similar neighboring locality in which such
agreements or understandings do exist. The commissioner may hold
public hearings in the locality in which the work is to be
performed to determine the prevailing wage and fringe benefit
rates. All prevailing wage and fringe benefit rates determined
under this section shall be filed with the commissioner and made
available to the public.

Sec. 5. 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
and shall keep an accurate record showing the name and occupation
of and the actual wages and benefits paid to each construction
mechanic employed by it in connection with said contract. This
record shall be available for reasonable inspection by the
contracting agent or the commissioner.

Sec. 6. 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.

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

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