



STATE OF MICHIGAN

Wage and Hour Division
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Informational Sheet: Prevailing Wages on State Funded Projects

REQUIREMENTS

Effective February 13, 2024

The purpose of establishing prevailing rates is to provide minimum rates of pay that must be paid to workers on construction projects that are financed or financially supported by the state. Prevailing rates compiled from the rates contained in collectively bargained agreements which cover the locations of the state projects. While the prevailing wage rates are compiled through surveys of collectively bargained agreements, a collective bargaining agreement is not required for contractors to be on or be awarded state projects. The prevailing rate schedule provides 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 wage is satisfied when wages plus fringe benefits are equal to or greater than the required rate.

State of Michigan responsibilities:

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

DTMB responsibilities

- 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 agents.
- Rates for classifications needed but not provided on the Prevailing Rate Schedule, **must** be obtained **prior** to contracts being let out for bid on a state project.

Contractor responsibilities:

- Every contractor and subcontractor shall keep posted on the construction site, in a conspicuous place, a copy of all prevailing 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. This record shall be available for reasonable inspection by DTMB or the department.
- Each contractor or subcontractor is 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.
- 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 prevailing wage project may file a complaint with the State of Michigan. The department will investigate and attempt to resolve the complaint informally. During the course of an investigation, if the requested records and posting certification are not made available in compliance with contractual requirements, the Contracting Agent may consider the Contractor to be in material breach of the contract and may terminate the contract for cause at the sole discretion. There are also civil penalties for failure to be in compliance with Act 10. View the entire text of Act 10 of 2023 at michigan.gov/wagehour.