Public Forum on Prevailing Wage

Connecticut Department of Labor Wage and Workplace Standards Division

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October 29, 2013
C.G.S. Section 31-53

Enacted in 1933

- To ensure that the hourly wage commonly paid to construction workers in that area was maintained

- To prevent the government low bid requirements from reducing the market price for labor to levels that would disrupt the local economy
When is Prevailing Wage required?

- Public Works Projects financed by the State, Political Subdivision, and their agents, for the benefit or use of the general Public.
- The State, Political Subdivision, or their Agent must award the contract and be a party to the contract, not be a mere grantor of funds.
- New construction, as well as remodeling, refinishing, refurbishing, rehabilitation, alteration, additions, and repair.
The Prevailing Wage requirement ....

- DOES NOT FOCUS on the funding or the source of funding
- But rather on the contractual nature of the work to be performed

This is different from Federal Davis-Bacon which looks solely at whether federal funds are being used in the construction of the public works project
What are the Dollar Thresholds?

- Projects where the total cost for all work performed, regardless of the number of contracts or subcontracts, that are less than the Dollar Threshold are NOT COVERED by the Prevailing Wage Law.

- 1961: $5,000  All Projects
- 1979: $50,000 New + $10,000 Renovation
- 1985: $200,000 New + $50,000 Renovation
- 1991: $400,000 New + $100,000 Renovation
What is the “Prevailing Wage”? 

\[ PW = \text{Base Hourly Rate} + \text{Fringe Benefit Rate} \]

- PW is paid to Laborers and Mechanics as Cash Wages or a combination of Cash Wages and employer paid bona fide Fringe Benefits

- Fringe Benefits are Health and Welfare costs: Health Insurance, Pension Plans, Holiday, Vac/Sick/PTO, Disability Insurance

- Registered Apprentices
  Paid % Base + 100% Fringe
How is the PW Rate set?

Public Act 77-442
Gave the Labor Commissioner authority
to adopt the prevailing wage determinations
set by the U. S. Secretary of Labor
under the Davis-Bacon Act

USDOL conducts wage surveys:
Based on specific geographical areas
Equal to the majority wage or an average
When survey rate = union rate – post annual increases
Types: Building, Residential, Heavy/Highway
Typical Problems

- Contracting agencies or their agents fail to request Prevailing Wage rate schedules from the Labor Department at least 10 days but no more than 20 from the advertised date of bid
- Confusion over what is “new” construction($400,000) threshold and what is renovations($100,000) threshold
- Failure to pay Full PW rate including Fringe rate
- Not paid PW for all hours worked
- Use of independent contractors
- Unregistered Apprentices or working unsupervised
- Trade Misclassification based on work performed
- Failure to report ALL workers on certified payroll
DOL Resources

- Telephone: (860) 263-6542 or 263-6543
- Website: www.ctdol.state.ct.us

Guide to PW Laws in CT Book:
/wgwkstnd/prevailing_rates/PrevailingWageGuide/index.htm

Debarment Lists:
/wgwkstnd/wgdisbar.htm

Additional informational and educational materials

- Conduct PW Seminars
- Quick Review of CT PW Requirements Booklet