

**SUBSTITUTE FOR
SENATE BILL NO. 6**

A bill to require prevailing wages and fringe benefits on state projects; to establish the requirements and responsibilities of contracting agents and bidders; to make appropriations for the implementation of this act; 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
6 on a state project but shall not include executive, administrative,
7 professional, office, or custodial employees.

8 (c) "Contracting agent" means any officer, school board, board

1 or commission of the state, or a state institution supported in
2 whole or in part by state funds, authorized to enter into a
3 contract for a state project or to perform a state project by the
4 direct employment of labor.

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

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

13 Sec. 2. Every contract executed between a contracting agent
14 and a successful bidder as contractor and entered into pursuant to
15 advertisement and invitation to bid for a state project which
16 requires or involves the employment of construction mechanics,
17 other than those subject to the jurisdiction of the state civil
18 service commission, and which is sponsored or financed in whole or
19 in part by the state shall contain an express term that the rates
20 of wages and fringe benefits to be paid to each class of mechanics
21 by the bidder and all of its subcontractors, shall be not less than
22 the wage and fringe benefit rates prevailing in the locality in
23 which the work is to be performed. Contracts on state projects
24 which contain provisions requiring the payment of prevailing wages
25 as determined by the United States Secretary of Labor pursuant to
26 40 USC 3141 to 3148 or which contain minimum wage schedules which
27 are the same as prevailing wages in the locality as determined by
28 collective bargaining agreements or understandings between bona
29 fide organizations of construction mechanics and their employers

1 are exempt from the provisions of this act.

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

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

1 available to the public.

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

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

19 Sec. 7. A contractor or subcontractor shall not discharge,
20 discipline, retaliate against, or otherwise discriminate against a
21 construction mechanic, or threaten to do any of these things,
22 because the construction mechanic reported or was about to report a
23 violation or suspected violation of this act.

24 Sec. 8. (1) A person that violates this act is subject to a
25 civil fine of not more than \$5,000.00. The prosecutor of the county
26 in which the violation occurred or the attorney general may bring
27 an action to collect the fine.

28 (2) A contractor and its subcontractor are jointly and
29 severally liable for a violation of this act.

1 Sec. 9. The provisions of this act shall not apply to
2 contracts entered into or the bids made before the effective date
3 of this act.

4 Sec. 10. For the fiscal year ending September 30, 2023,
5 \$75,000.00 is appropriated from the general fund to the department
6 of labor and economic opportunity. The appropriation under this
7 section is designated as a work project under section 451a of the
8 management and budget act, 1984 PA 431, MCL 18.1451a, to implement
9 and communicate information about the enactment of this act, to be
10 accomplished by state employees or by contract with an estimated
11 cost not exceeding \$75,000.00 and an estimated completion date of
12 December 31, 2024.