

## 6th Annual Construction Industry Open House - October 13

FCF is honored to again participate in the Minnesota Laborers Union Annual Fall Construction Industry Open House, scheduled for Friday, October 13 at the Laborers Training Center, 2350 Main Street in Lino Lakes. The event is sponsored by Minnesota Laborers-Employers Cooperation and Education Trust (LECET), and brings members of the construction industry together with state and local government officials, school district representatives, legislators, and more. FCF will present on



the following: *A history of Prevailing Wage (Davis-Bacon) and its positive impact on Minnesota's construction industry.* RSVP by calling 651-653-6710.

## Responsible Contractor Law Update

Minnesota's Responsible Contractor Law (RCL) is now more than 20 months old. There are currently more than 250 contractors listed as ineligible to work on public projects defined by the law. All project owners and general contractors are encouraged to check the ineligible contractor list found on the website at **RESPONSIBLEMN.ORG**. The website is an excellent place to



learn about the RCL and its impact on bidding on public projects.

## Tips for Prevailing Wage Investigations

FCF has been fortunate to have great partners in our investigations into violations of the state and federal prevailing wage laws. But those contractors and subcontractors who are inclined to cheat are doing so in increasingly sophisticated ways. Misrepresentations on certified payroll reports or misclassifying workers doing one type of work as a lower-paid job code are just two examples of the types of violations FCF has come across this year. As the sophistication of prevailing wage law violators increases, so too must FCF's and our affiliates' investigative acumen. If you suspect a contractor who is working on or has been awarded a prevailing wage project is cheating, contact FCF as soon as possible. Contacting us early increases the chances of an effective investigation.



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## Minnesota Booming

In a recent CNBC poll, Minnesota was ranked as the third best state for business. Driving Minnesota's great atmosphere for business are high marks in education, quality of life, and economic advancement. Additionally, Minnesota continues to enjoy unemployment rates below the national average. Another factor that reportedly makes Minnesota attractive for businesses is our strong infrastructure, from roads and public transportation to widespread broadband coverage. To keep Minnesota's economy strong and prosperous, it is important that we continue to invest in our world-class infrastructure as well as the individuals who build and maintain it.



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## FCF's Prevailing Wage Education Tour Continues

On July 27 FCF staff continued its prevailing wage training initiative with a session at the 71st Annual Minnesota Building Trades Convention. We were fortunate to have more than 60 representatives attend from 13 trade unions. This session was a variation of a presentation that FCF has delivered to more than 1,300 apprentices during the past year. It is critical that our entire industry understands prevailing wage laws and why they are important. Learning the specifics makes people more comfortable explaining prevailing wage laws to coworkers, friends, and legislative representatives. Here are some questions for you to consider:

- (a) Where did prevailing wage laws originate?
- (b) Do prevailing wage laws drive up project costs?
- (c) Labor typically accounts for what percentage of project costs?
- (d) What can you do to support prevailing wage laws?

For the answers to these questions and to learn more about prevailing wage laws, call FCF to schedule a session.

## Bridges: Spanning Successes

There is currently a great demand for infrastructure investment around the nation. The need for such investment is apparent to Minnesotans; last month marked the 10-year anniversary of the collapse of the I-35W bridge in Minneapolis. This tragedy did demonstrate, however, just how skilled and prepared Minnesota is when it comes to addressing infrastructure. The I-35W St. Anthony Falls bridge



(top right), which replaced the collapsed bridge, was completed more than three months ahead of schedule and well under the \$300 million to \$350 million cost that many expected. Built using a project labor agreement, the successful completion of the bridge demonstrates the value that the dedicated and highly skilled members of Minnesota's Building Trades' unions, and the contractors that employ them, bring to any construction project.

Last month we also saw the opening of the St. Croix River Crossing (bottom left), the largest road and bridge project in Minnesota history, and only the second bridge of its type in the U.S. The \$646 million project provided 3,000 jobs and is expected to serve as a commercial artery between Eastern Minnesota and Western Wisconsin.



Credit: David Gonzalez

## Recent Enforcement Results

An ongoing case against a plumbing subcontractor has already recovered almost \$9,000 for some of the subcontractor's past and current employees for violations of the overtime and hourly wage portions of Minnesota's prevailing wage law.

FCF worked with the laborers to net a recovery of more than \$5,000 on a project at a Minnesota state university when a subcontractor classified all of its employees under one job code, disregarding the actual work being performed. An unacceptable way to cut costs.

In a joint effort with the carpenters, more than \$5,000 was recovered on a project in Rochester for more workers classified under an incorrect job code. The state agreed they had been doing carpentry work and the subcontractor was required to pay the employees the difference.

The painters had already recovered on a project in Minneapolis, but ongoing investigation netted additional recovery of more than \$1,200 for them and around \$500 for the cement masons for violations of the prevailing wage law. Again, the subcontractor in question was classifying everyone under one job code when they were clearly doing painter or cement mason work.

An electrical subcontractor was reporting a high number of non-electrician hours in their certified payroll records, so FCF contacted the Minnesota Department of Transportation which looked into the matter. In an example of there being no small victories, MnDOT found that the subcontractor had been improperly classifying workers to the tune of about \$600.

Last but certainly not least, there's another ongoing case against a subcontractor for work done in the South metro. Thus far, the subcontractor was issued a \$1,000 penalty by the Minnesota Department of Labor and Industry because they were improperly classifying employees as independent contractors.

## President Trump and Department of Labor Supports Building Trades

On June 15, 2017, the White House issued an Executive Order that creates a federal government policy to promote apprenticeship programs. The same day Secretary of Labor Acosta noted that the United States' construction trades have remained strong in our apprenticeship programs. He praised the trades for working with contractors to spend more than \$1 billion per year operating more than 1,600 training centers. With more than 200,000 construction jobs currently available, he said the president knows that apprenticeship programs offer the best way to close the skills gap. These revelations are not news to the Minnesota Building Trades. They have been successfully executing this plan for several decades. But what is news — and good news — is that successful apprenticeship programs do not create political controversy. Everyone can agree that construction labor shortages should be met with professional "earn while you learn" apprenticeship programs that are debt-free for the taxpayer and aspiring worker. Just like Minnesota's trades.

## MN Highway/ Heavy Rates for 2017-2018

The Minnesota Department of Labor and Industry (MnDLI) will certify prevailing wage rates for highway and heavy work in October or November. Get on the MnDLI email list for future notifications.

Details can be found at: [www.doli.state.mn.us/LS/PrevWage.asp](http://www.doli.state.mn.us/LS/PrevWage.asp)

## Our Mission

The Fair Contracting Foundation promotes prevailing wage law education, compliance and enforcement. It advocates for practices, policies and laws that ensure fair government contracts, a strong local industry and protection of the public interest. We're here to help. Give us a call at 651-797-2726 or toll-free at 1-844-777-0606.