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ANNUAL PREVAILING WAGE UPDATES AND REMINDERS

Federal (Davis-Bacon) Prevailing Wage Rates

All union locals and contractors should check the Federal Wage Determinations on an annual basis. New commercial (building) rates were determined in 2018. If those rates were union rates or union averages they should be escalating with CBA increases, but only if the CBA rates are submitted to the Federal DOL annually. A little-known fact is that the **Highway Davis-Bacon Federal Rates** should correspond to the **Minnesota Highway/Heavy** wage rates and are not determined by a Federal Survey.

There are mistakes found every year, and they are usually discovered after the fact. FCF discovered in 2019 that some people at the Federal level did not understand that Federal Highway rates should be Minnesota Highway/Heavy rates, and it took us several months to get some Highway rates revised. In one case a small business was forced to pay \$10 more per hour because of an error on the Federal website that did not get corrected for more than six months. Please check the Federal rates and call FCF with questions.

Federal Heavy and Residential Wage Rates have not been re-determined via survey in more than a decade. So those rates have been increasing only if the survey a decade ago determined the rates were union rates or union averages. It is important for CBAs to be submitted in order to get the appropriate rates escalated. All Federal Rates are determined by county except for Highway where they should correspond to our Minnesota regional rates.

To check the Federal Wage Determinations go to: <https://www.wdol.gov/dba.aspx>. Click on 'Search Wage Determinations' to find the rates. When reviewing the rates refer to the helpful explanation found at the bottom of each wage determination.

Our website at WWW.FCFMN.ORG has a Resources section where many of the important Federal websites are referenced.

Summary of Minnesota Annual State Prevailing-Wage Survey 2019-2020

The annual state survey had a deadline for submissions of June 5, 2020, with survey submissions covering projects between April 6, 2019, and June 5, 2020. These surveys were then reviewed and new Commercial Rates were published on Dec.16, 2020, and new Highway/Heavy Rates were published on Sept. 28, 2020. Residential rates are not published, and you have to call MnDLI for those rates.

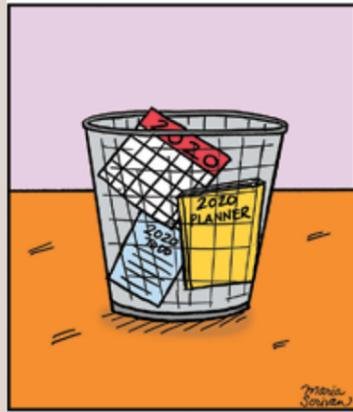
We suggest that contractors and union locals check the published rates. Please call FCF or MnDLI if you have any questions about a rate. To get rates changed, any objections would have had to be identified within 30 days of their publication and brought to the attention of MnDLI. Some exceptions are made depending on the mistake in the published rate.

To check rates, go to: <http://www.dli.mn.gov/business/employment-practices/prevailing-wage-information>

OSHA OFFICE IN DULUTH Another Victim of the Pandemic

By Gary Johnson, FCF

I was on the phone this week with a Northern region business agent, Matt Preble, and he mentioned that the Duluth OSHA office has not been answering its phone. I did a bit of investigative work and called the OSHA office number 218-733-7830 and received a busy signal. It continued throughout five consecutive days of calling. As of this writing, it remains busy. There is no voice mail or message available. The 218-number above has been the number used to contact OSHA for many years in the Duluth area.



For more news:

For more news and information please visit the News section of FCF's website.



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After calling the OSHA number (651-284-5050) at the Department of Labor and Industry and emailing them (OSHA.COMPLIANCE@STATE.MN.US), I discovered that these are the only ways to reach OSHA as of today. The department responded in less than 10 minutes. They are concerned and promptly responding. They assured me that there are investigators in the Duluth area, but like many of us, they are working from home.

Bonding Bill Finally Passes

The Minnesota Legislature finally passed a bonding bill during its 5th special session of 2020, with strong support in both the House (100-34) and Senate (64-3). The \$1.87 billion bill includes \$700 million for road and highway projects across the state, \$300 million for wastewater treatment projects, and \$100 million for housing. It also includes \$200 million in tax relief targeted for small businesses and farmers. While this bill doesn't include all of the more than \$5 billion in requests by local officials and state agencies, it goes a long way to ensure that Minnesota continues investing in people and communities everywhere. We thank Gov. Walz and our legislative leadership for maintaining their commitment to passing this crucial legislation during this difficult year.



Nate Pederson, an electrician with IBEW Local 110 who works for Neo Electric, installs the base of a push button unit for use by pedestrians crossing the new Dale Street bridge in St. Paul.

Credit: FCF-Vince Muzik

Bonding Bill Provides an Opportunity for Apprentices in 2021

With the passage of the \$1.87 billion bonding bill in October 2020, construction apprentices across the state can expect plenty of on-the-job training opportunities in 2021. Whether it is road and highway projects, water infrastructure improvements, or even new affordable housing, apprentices across Minnesota's construction trades will be positively impacted by this massive investment.

Moreover, many of the projects in the bonding bill will be subject to prevailing wage requirements. Research shows that states with prevailing wage have higher apprenticeship enrollments than states without such requirements. In fact, FCF's 2018 study of Minnesota's prevailing law found that it strengthened investment in joint labor-management apprenticeship programs across the state. This increased investment in turn provides more opportunities and high-quality training for apprentices beginning their careers.

As we look forward to the new year, we are certain there will be plenty of opportunities for apprentices as a result of the bonding bill. Many of these opportunities will have the added benefit of supporting prevailing wages. Therefore, and as always, FCF remains committed to its mission of promoting compliance with Minnesota's prevailing wage law in 2021.

2020 Enforcement Highlights – FCF's Best Year of Recovery

Despite the strange nature of this year and the obstacles it has posed FCF is pleased to report that 2020 has been its best year for enforcement results to date. In total FCF's efforts led to the recovery of \$2.3 million in unpaid wages and penalties. Additionally, FCF has almost 70 complaints outstanding and under investigation by various government agencies. Highlights of its efforts in 2020 include:

- The tireless efforts of Darik Carlson (IBEW), Rep. Mike Sundin and the Duluth and Iron Range building trades, in conjunction with FCF's advocacy, resulted in \$1.85 million in wage recoveries on White Pine Apartment project in Cloquet, MN. The Minnesota Housing Board recognized DLI's enforcement of prevailing wage laws on large housing projects and complied with the law under Minnesota Statute §116J.
- An FCF complaint involving work performed by Millennium Concrete out of Coralville, IA, on the Digi-Key Expansion in Thief River Falls resulted in the recovery of almost \$320,000 in unpaid wages. Thus far, this is the single largest State recovery due in part because of extraordinary cooperation of the Laborers and Cement Masons. The Department of Labor & Industry (DLI) specifically found that Millennium misclassified a large number of workers, failed to pay prevailing wage overtime, and took improper deductions from workers.
- A complaint submitted with IUPAT District Council 82 against Jamek Engineering on a federally funded project led to an administrative law judge decision finding Jamek liable for back wages and ordering Jamek be debarred from federal work for a period of three years. Federal debarment is an extraordinary remedy and is not a common occurrence for wage claims.
- A complaint involving the Hawley Municipal Airport Hangar resulted in DLI finding that Bristlin Concrete had misclassified workers and failed to pay proper prevailing wage overtime. Bristlin Concrete was required to pay almost \$13,000 in back wages.
- Based on a complaint submitted by FCF, MNDOT determined that Everstrong Construction underpaid employees and was assessed \$3,261 in back wages related to the City Bay Hangars project in Redwood Falls.
- Reimers Contracting LLC was found to owe workers \$1,580 in back wages for failure to pay overtime for work performed on the MWCTC Villas at Worthington as the result of an FCF complaint.
- A complaint against AAD Contracting led to the assessment of \$3,095 in back wages for work on the Bemidji Airport Hangar.
- DLI found employees of two contractors working on the turf replacement at US Bank Stadium were owed more than \$75,000 following an FCF complaint. DLI determined this underpayment was the result of the Sports Facility Authority's failure to adequately convey prevailing wage requirements to contractors, and ultimately the Sports Facility Authority was found responsible for the underpayment.
- A complaint submitted to the Construction Codes and Licensing Division of DLI led to a Consent Order assessing a fine of \$10,000 (with \$6,000 stayed) against MN Controls Solutions.

In addition to these highlights FCF obtained results on several other projects. As always FCF would like to thank and acknowledge the efforts of the constituents we work with, without whom our enforcement efforts would be much more difficult.

The Building Strong Communities Program Goes Virtual

"Plans are useless; but planning is invaluable," Winston Churchill said. In 2020 that wisdom spoke volumes. FCF assisted the construction industry when plans needed changing. It provided visual creative services for the Building Strong Communities Program (BSC), which was designed and managed by the Metropolitan Council, but required many participants.

BSC is a construction and building apprenticeship preparatory program with a mission to expand the diversity of the talent pool and develop new workers. The majority of participants are women and people of color, who were largely unaware of the opportunities in the building trades. It's a collaboration consisting of 10 unions, Met Council, Minnesota Department of Labor & Industry, Construction Careers Foundation, Ramsey County, Minnesota Department

of Transportation, community-based organizations, developers and North Hennepin Community College.

The first group of BSC students came together in the winter of 2019 expecting that classes would be done by early spring. These plans changed with COVID and civil unrest. The BSC program canceled all in-person activities and shifted from in-person learning to a virtual classroom.

Leadership in the Trades asked if we could help. FCF produced seven videos ranging from 40-60 minutes in length, six of which were guided tours by each training director. "FCF was instrumental in shifting to trade exploration modules that entailed informational/virtual tour videos, followed by interactive trade and JATC leadership discussion WebEx sessions," explained Jenny Winklaar, with the Operating Engineers Local 49 and one of the co-administrators of the BSC Program. The videos also included work demonstrations for the potential apprentices to see what skills each trade requires and what a day of school at the facility was like.



"Serving as the backbone of the BSC program curriculum, these videos played a foundational part in helping participants identify and pursue a trade. Feedback from participants show a high level of appreciation and enjoyment of the videos," said Aaron Koski, workforce manager with Met Council. The videos will also be a part of the curriculum for the 2021 class.

Despite these obstacles, the BSC program successfully placed 13 females and people of color into more than six different trades. The program recognized its first graduating class with a virtual celebration on September 30. We're proud to help.

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.

Credit: FCF-Vince Muzik



Brian Farmer, Local 633 Cement Masons Apprenticeship coordinator, explains the variety of tools an apprentice cement mason will need to know. The video tour of the Cement Masons Local 633 Training Center was one of six produced by FCF. You see a synopsis of all six tours by scanning the QR code.