

2022 Compliance Highlights

FCF recovery efforts have resulted in excess of \$4.5 million from wage recoveries, fines, and penalties during the past 11 years. In 2022, FCF efforts resulted in \$606,002 in wage and penalty recoveries for workers on public construction. In addition, FCF currently has more than 60 open complaints.

Some highlights of the 2022 FCF's efforts include:

- FCF worked closely with IUPAT 82 and the City of Minneapolis investigating the contractor, Integrated Painting Solutions (IPS) and the general contractor, Greiner. IPS was assessed \$85,223.24 for damages, underpayment of wages, noncompliance with requests for documentation, and penalties for investigation costs related to work on the Redwell Apartments. IPS continues to be investigated for violation of Minnesota's Wage Theft law.
- FCF filed a complaint on Minnesota Control Solutions for misclassifying workers as apprentices and for not paying overtime on the Camp Ripley Building 23-151 Renovation. The back pay recovered was \$44,873. Two master electricians were also cited for not controlling proper ratios between journey workers and apprentices.
- On Fairmont's new Public Works Facility, MnDLI issued a consent order to Guaranteed Electric Service Inc., to pay \$9,000 in previous stayed fines, and an additional \$1,500 for a total of \$10,500. New

fines of \$15,000 were issued, but again stayed. The consent order requires all master and journey worker electricians to have current licenses and all other electricians to be registered unlicensed electricians.

- The Maplewood Fire Station Project had no prevailing wage requirement in the bid specs. Upon notification by FCF, the City of Maplewood applied the overlooked ordinance and authorized the legally required payments of \$445,000 to meet the prevailing wage requirements.

In addition to wage recoveries and penalties, there were other forms of compliance successes.

For example:

- FCF discovered that the Highway Davis-Bacon Wage Rates published on the federal SAM.GOV website did not match the Minnesota Highway prevailing wage rates. Typically federal rates are determined by federal surveys, but Highway rates in Minnesota are an exception. Because the federal government simply adopts our state rates, they should have been identical. This error was brought to the attention of the Federal Wage and Hour Division, and with much help from MnDOT, the federal rates were updated to match the MnDLI rates.

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.



Minnesota's union construction industry continues to be a national leader in setting standards. One promising endeavor is the Building Strong Communities program (BSC). This multi-trade effort is an apprenticeship preparatory program that offers individuals the opportunity to receive union endorsed training and get "a foot in the door" to a trades career. An important focus for BSC is to expand the diversity of the talent pool and develop new workers who are often unfamiliar with the construction industry. Nearly every trade has contributed funds and support to help BSC recruit and train these aspiring career trade workers.

The student participants receive an overview of the construction industry, a multi-craft core curriculum, hands-on exposure at union training centers and jobsite tours. Students are also offered interviews with the participating unions and contractors. The new Executive Director Rick Martagon brings years of experience from the Department of Labor and Industry's Apprenticeship Standards Unit. He will lead a cohort of participants through a challenging and rewarding program that will culminate in a graduation at about the same time the 2023 construction season begins. FCF is excited for all of BSC's anticipated success. To learn more about BSC log on to <https://buildingstrong.org>.

Federal Prevailing Wage Rate Reminder

For projects that are federally funded, the prevailing wage rates (Davis-Bacon Rates) can be found at:

<https://sam.gov/content/wage-determinations>

Please review these rates, and if you have questions call FCF at 651-797-2726.

When new union contracts are negotiated, newly determined CBA rates should be promptly submitted to the Federal DOL as an email attachment to:

WHD_CBA_UPDATES@DOL.GOV

If new rates don't get updated promptly, you may call Jamena Peters at 202-693-0618. Contact FCF with any other questions related to federal prevailing wage rates.

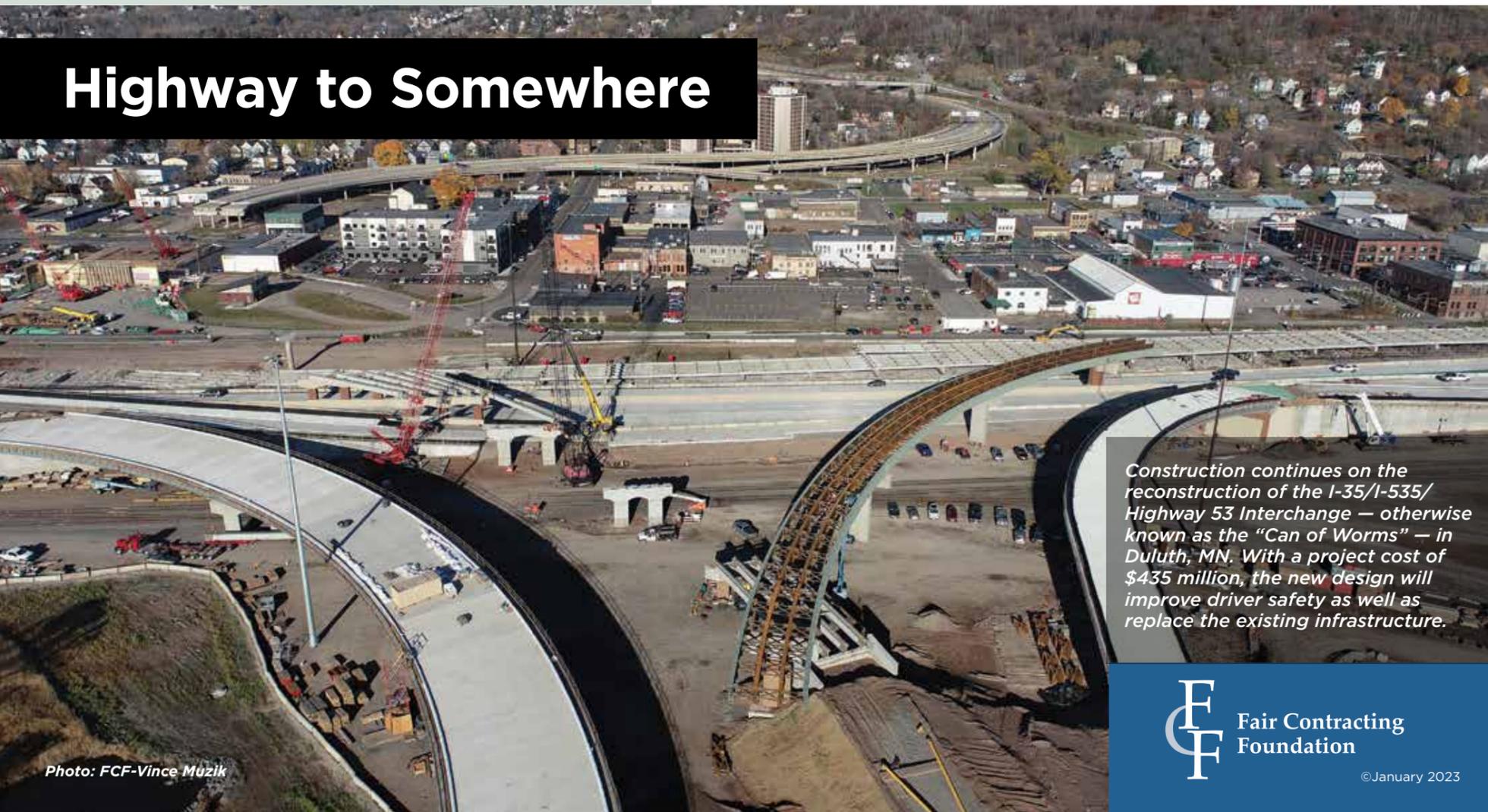


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Highway to Somewhere



Construction continues on the reconstruction of the I-35/I-535/ Highway 53 Interchange — otherwise known as the "Can of Worms" — in Duluth, MN. With a project cost of \$435 million, the new design will improve driver safety as well as replace the existing infrastructure.

Photo: FCF-Vince Muzik

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Policing the Projects

The investments being made in federal and state infrastructure have been described as once-in-a-lifetime. Many sources have forecast several years of unlimited work opportunities. The growth is definitely cause for optimism for contractors and their workforce. However, the same growth will require even more diligent oversight if the industry is to protect standards and ensure fairness.

FCF's compliance and enforcement model has been created and executed in partnership with the 15 building trades unions. These are

the industry experts. The vast majority of FCF case recoveries come from referrals by the building trades representatives who monitor their craft's work. Dozens of representatives participate in one of six FCF's monthly task force meetings to review projects, obtain payroll reports, and initiate investigations through FCF. The results of these enforcement partnerships are more than \$4.5 million in recovered wages.

Thank you to all of the trade representatives who police their work.

2022 Mid-Term Election Highlights

The 2022 mid-term elections saw several noteworthy developments affecting the union construction industry across the United States:

- Minnesota Rep. Tom Emmer (MN-6), first elected to Congress in 2014, was chosen to serve as House Majority Whip in the upcoming 118th Congress, making him the third-highest ranking member of the House Republican caucus. Rep. Emmer received endorsements from many Building Trades unions for his long-standing support for Davis-Bacon Prevailing Wages and Project Labor Agreements.
- Voters in Illinois passed an amendment to the state constitution that enshrines workers' right to form unions and collectively bargain, and bans so-called "right-to-work" legislation. Despite a campaign by business groups to scare voters with threats of strikes and increased prices, 58.4 percent of voters chose to support the measure.
- Michigan is poised to repeal its 2012 "right-to-work" law after Republicans lost control of the state legislature for the first time in 40 years. And in October 2022, the Michigan Supreme Court upheld the state's newly enacted Prevailing Wage requirements, putting the state's construction industry back on solid regulatory ground.

NAFC 2022 Conference Highlights

The National Alliance for Fair Contracting held its 24th annual convention in Chicago from October 23 - 25. More than 350 people attended the first in-person conference since Covid-19, making this the second-largest conference in the organization's history.



There were several panels featuring state and federal government officials, who spoke on subjects such as: prevailing wage enforcement and navigating agency bureaucracies, labor law and clean energy, and how to enhance labor standards in state government. There were also presentations from researchers and analysts around the country, who shared the most cutting-edge research on construction labor policy and economics. This information will be vital in upcoming state legislative and congressional sessions.

The labor movement has been in a mostly defensive posture since the Great Recession of 2007 - 2009. This year's NAFC conference featured a palpable sense that the union construction industry has responded to those challenges, and is now well positioned to advocate for laws and regulations to create a more fair economy that supports working families.

For more information about NAFC, please visit <https://faircontracting.org/>

Annual MN Prevailing Wage Reminders New Rates for 2022-2023

Highway/Heavy rates were certified on November 14th, 2022 and you had until Dec 13, 2022 to review them. These rates are certified by region and not county.

Commercial Rates were certified on December 12, 2022. Commercial rates are certified by county. You are given 30 days from the date of certification to request a rate review.

Check prevailing wage rates here:

<http://www.dli.mn.gov/business/employment-practices/prevailing-wage-information>

FCF does collect and summarize the survey submissions for all surveys. If you would like to receive that data please contact FCF at 651-797-2726. FCF is also available to review that data in person or via Zoom. The data includes union and non-union submissions.

Keep in mind that when a new rate is certified and it is deemed to be a union rate, it will be adjusted to the current applicable CBA rate for the jurisdiction and given a mid-year escalation when applicable. Highway/Heavy rates may vary greatly from year to year, even when a union rate is certified, because of the number of CBAs applicable in a region.