



## Request for Board Action

BOARD MEETING DATE:  
August 22, 2023

### Commissioner's Report

AGENDA ITEM NUMBER:  
6.C

#### Department Information

ORIGINATING DEPARTMENT: Public Works	REQUESTOR: Rana Campbell-Beams, Administrative Assistant	REQUESTOR PHONE: 651-430-4355
PRESENTER(S): Wayne Sandberg	MEDIA CONTACT: Wayne Sandberg 651-430-4339	

#### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Adoption of Public Works Policy to require Prevailing Wage on locally funded projects.		
AGENDA YOU ARE REQUESTING TIME ON: Board	ARE YOU SEEKING APPROVAL OF A CONTRACT? No	ESTIMATED DURATION: 20 minutes
IS THIS MANDATED? No	EXPLANATION OF MANDATE:	
BACKGROUND/JUSTIFICATION: When Federal or State dollars are used to fund construction, prevailing wage is required. The prevailing wage is the minimum hourly wage employers must pay certain workers who work on construction projects. The prevailing wage includes the employer's cost of benefits.  When a project is funded solely with local dollars, prevailing wage is not a requirement. Washington County will consider adopting a policy to require the use of Prevailing Wage on locally funded construction contracts over \$175,000 in value.		
PREVIOUS ACTION ON REQUEST/OTHER PARTIES INVOLVED? May 22, 2023 - Board Workshop		

#### Budget Impact

YEAR:	UNBUDGETED AMOUNT: \$
FUNDING DESCRIPTION: N/A	

#### Approvals

Wayne Sandberg, Director	8/14/2023
Susan Tice, County Attorney Civil Division Chief	8/14/2023
Jennifer Wagenius, Deputy County Administrator	8/15/2023

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## **Prevailing Wage Requirement for Locally Funded Construction Projects**

### **Purpose**

The purpose of this policy is to establish a requirement for construction projects over \$175,000 in Washington County, funded with non-state or non-federal funds, to pay the prevailing wage rate as defined in Minnesota Statutes Section 177.42. This policy ensures that construction workers receive fair compensation for their work and helps to promote economic growth in the county.

### **Policy**

All construction project contracts over \$175,000 awarded by Washington County must include a provision requiring the payment of the prevailing wage rate as defined in Minnesota Statutes Section 177.42. This requirement applies to all contractors and subcontractors involved in the construction project.

The prevailing wage rate shall be determined by the Minnesota Department of Labor and Industry and shall be based on the wages paid to workers on similar construction projects in the county. This rate shall be updated periodically and shall be made available to all contractors and subcontractors on the Minnesota Department of Labor and Industry website.

Washington County shall include language in all construction projects over \$175,000 that specifies the prevailing wage requirement and the consequences of noncompliance. Failure to comply with this policy may result in the termination of the contract and may preclude the contractor from bidding on future county construction projects.

The county shall monitor compliance with this policy and shall investigate any complaints of noncompliance. Contractors and subcontractors found to be in violation of the requirements of the contract directed by this policy shall be subject to penalties, including but not limited to: requirement for backpay to underpaid workers, withholding of payment, liquidated damages, suspension, contract termination, and debarment.

### **Guidelines**

The county shall provide notice of this policy to all contractors and subcontractors bidding on county construction projects.

This policy shall not apply to contracts for services.

## ***Prevailing Wage Requirement for Construction Contracts***

***Policy #xxxx***

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The county will provide training to county staff responsible for administering construction contracts to ensure that they are aware of the prevailing wage requirement and are able to enforce compliance with this policy.

The adoption of this policy by Washington County demonstrates our commitment to fair compensation for construction workers and to promoting economic growth in the county. By requiring the payment of the prevailing wage, we ensure that workers are paid a fair wage for their work and that contractors and subcontractors are held accountable for compliance with this policy.

### **Definitions**

For purposes of this policy, the following terms shall have the meanings set forth below:

A. "Construction project" means any project for the construction, reconstruction, alteration, or remodeling of any public building or public work. Maintenance and repair activities, such as maintenance of mechanical and electrical building systems, are excluded from this definition.

B. "Prevailing wage" means the wage rate paid to the majority of workers in the same trade or occupation in the area where the construction project is located, as determined by the Minnesota Department of Labor and Industry.

### **Applicability**

This policy shall apply to all construction projects over \$175,000 that are funded in whole or in part by the County, whether the County is the owner, lessee, or operator of the project.

Construction projects funded in whole or in part with State or Federal Funds are not subject to this policy and will require prevailing wage rates per state and/or federal requirements.

For construction projects and/or contracts at or under \$175,000, the Public Works Director will determine if prevailing wage rates will be required.

### **Enforcement**

The County Administrator, County Attorney, and the Public Works Director are authorized and directed to take all necessary steps to enforce this policy, including but not limited to requiring contractors to submit certified payroll records and conducting investigations to ensure compliance.

### **Responsibility**

Washington County Public Works Department