

**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.