



Prevailing Wage Rate Law Overview to Senate Committee on Workforce Presented by Susan Wooley, PWR Technical Assistance Coordinator Oregon Bureau of Labor and Industries

TOPICS

PWR Basics

Coverage of the PWR Laws

Responsibilities of Public Agencies and Contractors on PWR Projects

BASICS

Prevailing Wage Rate (PWR) laws were first passed in 1959, and were based on the federal Davis-Bacon Act.

Reasons for the laws, from ORS 279C.805:

- To ensure contractors compete on the ability to perform work competently and efficiently, which helps protect local contractors from unfair competition.
- To promote local participation in public construction and maintain community established compensation standards.
- To encourage the training and education of workers in industry skill standards.
- To encourage contractors to use the fringe benefit funds to purchase benefits for their employees.

COVERAGE

Determining coverage of the PWR laws is a two-step process.

1. Does the definition of "public works" apply?
2. Do any of the exemptions from the law apply?

1. "Public works" from ORS 279C.800(6)(a)

- (A) Construction, reconstruction, major renovation or painting that is carried on or contracted for by a public agency to serve the public interest.
- (B) Construction, reconstruction, major renovation or painting on privately owned property and project will use private funds and \$750,000 or more of funds of a public agency.
- (C) Privately owned construction that uses private funds and a public agency will occupy or use 25% or more of the square footage of the completed project.
- (D) Installation or construction of a device, structure or mechanism that uses solar radiation on public land, premises, structures or buildings, regardless of project cost and whether project uses public funds. (2010 HB 3651, effective 1/1/11)

PORTLAND

800 NE Oregon St. Suite 1045
Portland, OR 97232-2180
(971) 673-0761
Fax (971) 673-0762

SALEM

3865 Wolverine St. NE; E-1
Salem, OR 97305-1268
(503) 378-3292
FAX (503) 373-7636

EUGENE

1400 Executive Parkway, Suite 200
Eugene, OR 97401-2158
(541) 686-7623
FAX (541) 686-7980

BEND

Apprenticeship and Training
Worksource Bend
1645 NE Forbes Rd, Ste 106
Bend, OR 97701-4990
(541) 322-2435
FAX (541) 389-8265

Oregon Relay TTY:711

MEDFORD

Apprenticeship and Training
119 N Oakdale Ave.
Medford, OR 97501-2629
(541) 776-6201
FAX (541) 776-6284



- (E) Construction, reconstruction, major renovation or painting of a road, highway, building, structure or improvement of any type that occurs, with or without using funds of a public agency, on real property that the Oregon University System (OUS), or an institution in the OUS, owns. (2013 HB 2646, effective 1/1/14)
- "Public Works" does not include (ORS 279C.800(6)(b)):
 - (A) The reconstruction or renovation of privately owned property that is leased by a public agency.
 - OAR 839-025-0004(23) defines this as "improvements of all types within the framework or footprint of an existing building or structure."

2. **Exemptions** from ORS 279C.810(2):

- (a) Projects with a total project cost of \$50,000 or less (except for projects on public property with a solar component).
- (b) Projects for which no funds of a public agency are directly or indirectly used (except for projects on public property with a solar component, and for any C/R/MR/P projects on OUS property).
- (c) Projects for residential construction that are privately owned and that predominantly provide affordable housing.

BOLI provides coverage determinations when requested, under ORS 279C.817:

- Requestor has to submit all information necessary to make the determination.
- BOLI will make the determination within 60 days of receiving all necessary information.
- Determinations issued are posted on BOLI's web site.
- The requestor or anyone adversely affected or aggrieved by the determination can request a hearing.

RESPONSIBILITIES

Agency responsibilities:

- Required Specification and Contract Language (public agency may be held liable for unpaid wages if some of this language is missing)
- Ensuring a Payment Bond is Filed (BOLI may use payment bond to collect wages, if contractor can't pay the wages owed; public agency may be liable for unpaid wages if payment bond is not filed)
- Notice of Public Works form
- Paying the PWR Fee
- Certified Payroll Withholding Requirements

Contractor Responsibilities:

- Public Works Bond (BOLI may use public works bond to collect wages, if contractor can't pay the wages owed)
- Contract Language
- Posting Rates on Project Site
- Determining the Correct Rate of Pay
- Paying Overtime Appropriately
- Calculating Fringe Benefit Credits
- Paying Apprentices Correctly
- Certified Payroll Reports and Withholding
- Required Records
- Annual Survey