

Prevailing Wage Determinations

2014 Annual Report

December 2014

Acknowledgements

Thank you to the following people for their contribution to this report:

- Saul Olivarez, Fraud Prevention and Labor Standards

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Introduction

The Department of Labor & Industries (L&I) is pleased to provide this report to summarize the department's review and response of requests for prevailing wage determinations or modifications during fiscal year 2014.

L&I protects the safety, health, and welfare of Washington's workers and citizens. The department administers the prevailing wage law to prevent substandard earnings and preserve local wage standards for workers on public works projects. By enforcing and helping employers comply with requirements of the law, L&I's Prevailing Wage Program ensures employees of government contractors are paid prevailing wages for all public work.

Washington's prevailing wage law (Chapter 39.12 RCW) was passed in 1945. It is partly modeled after the federal Davis-Bacon Act, passed by Congress in 1931 to preserve the local wages of workers hired for federal public works projects. Washington's prevailing wage law is more expansive than federal law and protects workers' wages and benefits by setting a minimum hourly rate of wages, benefits, and overtime that contractors must pay workers on public projects. This ensures workers receive a standard rate of wages and benefits established for the same work in their locality. It also ensures all contractors competing for public works projects pay their workers the established local wage rate.

2014 Actions

FISCAL YEAR 2014 DETERMINATIONS AND MODIFICATIONS

L&I determines prevailing wage rates for each trade and occupation involved in public works in each of Washington's 39 counties. A prevailing wage determination is a legally authorized document issued by L&I's industrial statistician that answers questions about applicability of the specific prevailing rates of wage. Any interested party can request a determination.

The law requires government contractors working on public works projects to file prevailing wage documentation with L&I for each project. L&I reviews this information and performs wage surveys to set the appropriate wage rates for the trades and occupations involved in public works projects. Prevailing wage agents throughout the state enforce the law using complaint-driven investigations, on-site compliance checks, and records review.

In fiscal year (FY) 2014, L&I's Prevailing Wage program received 13 determination and modification requests and provided eight responses to requests for prevailing wage determinations or modifications. This report summarizes the department's reviews and resulting responses. For more detailed information about published prevailing wage determinations and policies, visit <http://www.lni.wa.gov/TradesLicensing/PrevWage/Policies/default.asp>

Telecommunication Technicians and Electronic Technicians Prevailing Wage Scopes of Work and Electrical Licensing Laws

Date of Determination: July 11, 2013

A mixed-media cabling solutions company based out of Tacoma requested a determination to address perceived inconsistencies between the electrical licensing law and prevailing wage scopes of work. L&I provided a brief historical perspective to clarify the differences between the two regulations, and affirmed that the prevailing wage law only regulates wages and does not control any aspect of electrical licensing law.

See more information at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/files/Policies/TelecomTechsAndElectronicTechniciansScopesOfWorkAndElectricalLicensingA.pdf>

Valve, Valve Actuator Maintenance/Repair/Refurbishment (Columbia Generating Station)

Date of Determination: July 15, 2013

An energy company requested modification of a previous determination related to scopes of work for Plumbers, Pipefitters and Steamfitters and Inside Wireman Electricians for work being performed at a generating station. The previous determination stated that some work is exclusive to a particular scope of work and some scopes of work can overlap. L&I denied the company's request for modification and affirmed the department's position that prevailing wage law does not regulate who may perform the actual work, but regulates the rate of pay the worker receives.

See more information at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/files/Policies/Valve-ValveAcuatorMaintenanceRepairRefurbishment.pdf>

Telecommunication Technicians and Electronic Technicians Scopes of Work and Electrical Licensing Laws

Date of Determination: July 15, 2013

A company requested a determination of whether electrical licensing laws and rules prohibit use of a particular scope of work for certain installation work. L&I provided guidance to show the differences between electrical licensing law and the application of prevailing wage scopes of work to work performed. The department reiterated that prevailing wage law only regulates the wage for work performed, and does not regulate who may perform the work.

See more information at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/files/Policies/TelecomTechsAndElectronicTechniciansScopesOfWorkAndElectricalLicensingB.pdf>

Construction Site Surveyors Work to Enable Regional Effects Monitoring of Tunneling Operations

Date of Determination: August 7, 2013

A union representative requested a determination regarding whether prevailing wage applied to work performed to monitor the effects, such as ground settling, of tunneling for the SR 99 deep bore project in Seattle. L&I determined what portions of this monitoring work are subject to prevailing wage law.

See more information at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/files/Policies/ConstSiteSurveyorWorkSR99DeepBoreProjectInSeattle.pdf>

Stray Electrical Current Testing on Railroad Tracks

Date of Determination: August 13, 2013

A company requested a determination regarding whether their engineers' work to detect stray electrical current along rail corridors was subject to prevailing wage law. L&I determined the work in question did not fall within the Laborers, Workers or Mechanics class of workers, and therefore, was not subject to prevailing wage law.

See more information at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/files/Policies/StrayElectricalCurrentTesting.pdf>

Prevailing Wage Requirements for Travel Time and Loading and Unloading Employer's Truck

Date of Determination: August 30, 2013

A company requested a determination regarding when prevailing wage law applied to insulation work on a University of Washington project. L&I's determination gave an overview of what work is "compensable time" but not requiring prevailing wages, and also outlined when prevailing wages are required for the work in question. The work included loading of the company truck, driving the materials to the job site and installing those materials, and hauling and discarding debris from the project.

See more information at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/files/Policies/TravelAndTruckLoadingTime.pdf>

Calculation of Prevailing Wage Overtime Requirements on Joint Federal-State Projects

Date of Determination: September 12, 2013

L&I conducted an audit of a company's payroll records and found that the company did not properly pay overtime wages. The company disagreed, asserting that state prevailing wage law is satisfied by simply paying federal prevailing wages, and requested a determination. L&I's determination explained the importance of taking into account the three components of the state prevailing wage rate when determining the applicable wage rate in a joint federal-state project rate: rate of hourly wage, usual benefits, and overtime. All three of these elements must be taken into account when comparing a state and federal prevailing wage rate. The determination affirmed L&I's audit findings.

See more information at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/files/Policies/OvertimeRequirementsOnJointFederalStateProjects.pdf>

Replacing Water Meters

Date of Determination: April 17, 2014

A meter service company requested a determination about the proper prevailing wage for replacing water meters in a public utility easement when the workers remained on the surface of the ground. L&I reviewed the information presented and issued a determination permitting the use of the Laborers in Utilities Construction, General Laborer and Topman or the Plumbers and Pipefitters prevailing rates of pay.

See more information at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/files/Policies/DeterminationHCMPReplacingWaterMeters.pdf>

Conclusion

L&I is committed to providing clear and accurate information about how prevailing wage law works. Prevailing wage administration and enforcement policies are widely known and understood in the construction industry; however, certain prevailing wage questions are complex and require both a legal and an industry practice analysis. The industrial statistician's determinations are one of the ways L&I provides information to the industry about these complex questions. It is important to note that these determinations do not change prevailing wage rules or policies. Instead, they are statements of how the law works and how existing policies are applied to specific questions.