

December 19, 2016

Dear Contractor:

This communication is to inform you of some upcoming changes that will impact the way your company does business on state building projects. The 2015-17 Wisconsin State Budget (2015 Wisconsin Act 55) modified Wisconsin's prevailing wage laws. Effective January 1, 2017, the administration of state prevailing wage law on state building projects will transition from the Department of Workforce Development (DWD) to the Department of Administration/Division of Facilities Development (DOA/DFD). Prevailing hours of labor will be determined by Wis. Stats. 16.856(1)(e) and prevailing wage rates will be as determined by the U.S. Department of Labor 40 U.S.C. 3142 for publication in the applicable project bidding documents. **These changes take effect for projects bidding after January 1, 2017.**

As a result of the changes in prevailing wage law, the Prevailing Wage Rate Determinations published in the bidding documents will appear different than those published prior to January 1, 2017. Prevailing wage rates are as determined by the U.S. Department of Labor (DOL) decisions that are applicable to areas, rather than a single county; and are based upon trade classifications for a same or most similar trade or occupation in the area in which the project is situated. Contractors are encouraged to carefully review the classification of trades or occupations published in the Prevailing Wage Rate Determination contained in the bidding documents. These classifications are different than those previously published by DWD and cover broader categories.

Contractors are responsible for properly classifying their workers. If multiple U.S. DOL Decisions are included in the Prevailing Wage Rate Determination, some trades or occupations may be duplicated in these decisions. In that case, contractors are required to pay the most current wage rate. The Prevailing Wage Rate Determinations included in the bidding documents are made part of the contract and will be enforced as published, for the life of the contract.

The change in prevailing wage laws also modified how the State implements and ensures compliance. Upon receiving a complaint from a person performing the work on a state building project, DOA/DFD will request and inspect payroll records maintained by the contractor. Following review, DOA/DFD will issue a response to the complainant, and issue a Departmental Order to the contractor or subcontractor if wages are owed. DWD will continue to investigate and enforce prevailing wage laws under Wis. Stats.109.09.

Finally, the submittal of an Affidavit of Compliance with Prevailing Wage Determination prior to final payment is no longer required on state building projects.

If you have questions about this communication, please email us at: [DOAPrevailingWage@wisconsin.gov](mailto:DOAPrevailingWage@wisconsin.gov).

Please stay tuned for any updates on the new prevailing wage laws, which will be made available on the DOA/DFD website at: <http://www.doa.wi.gov/Divisions/Facilities-Development/Construction/Prevailing-Wage>. Thank you for your attention to this important communication. We look forward to continuing doing business with you in the future.

Sincerely,

Division of Facilities Development  
Wisconsin Department of Administration