Shelby County Board of Commissioners

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STEVE MULROY
Commissioner
District 5

BASIC QUESTIONS AND ANSWERS ABOUT PREVAILING WAGE ORDINANCES

Q: What is a Prevailing Wage ordinance?

A: An ordinance which states that for labor on major construction projects, the government will require the contractor to pay at least the average wage paid in that region for a particular category of work—e.g., a carpenter, an ironworker, etc. The actual wages and benefits for each category of skilled laborer are set out in the ordinance or applicable regulations. The federal model is the Davis-Bacon Act. Tennessee has a prevailing wage law applicable to state construction contracts.

Q: Is this the same thing as the Living Wage ordinance?

A: No. The Living Wage ordinance states that for all types of service contracts above a certain amount (not just major construction contracts, and not just designated categories of skilled laborers), county employees, employees of county contractors, and employees of firms getting county tax breaks must pay a minimum amount—in Memphis and Shelby County, that is $10/hr with benefits or $12/hr without benefits.

Q: How is the Prevailing Wage calculated?

A: The State Department of Labor does biannual surveys of contractors, asking what wage they pay for each category of skilled labor. For each of several designated Regions of Tennessee, it calculates an average which is set as the "Prevailing Wage." These wages are listed in tables by Region (see rest of packet). Shelby County is Region I, in West Tennessee.

Q: Do local governments have a Prevailing Wage ordinance?

A: Yes. Memphis City Schools and the City of Memphis have Prevailing Wage ordinances.

Q: Do Prevailing Wage ordinances also set benefit levels?

A: Sometimes. The State of Tennessee does not set benefit levels, but the City of Memphis and Memphis City Schools do. The benefit levels are calculated by a similar

survey of benefits in the area, subject to oversight by the local Prevailing Wage Commission.

Q: Why not just rely on the federal or state minimum wage?

A: The State and federal minimum wages are set too low. Using the minimum wage, a full-time worker in Tennessee would earn under $14,000 a year---well below the federal poverty level for a family of four. Such workers end up needing to use local government health and welfare benefits, creating a drain on county resources. Higher wages make for more reliable taxpayers and law-abiding, productive citizens.

Q: Why not just rely on the Living Wage?

A: Skilled workers in the construction trades earn higher levels in the construction industry. Without a prevailing wage, low-wage contractors can pay below-average wages to underbid competitors, driving wages down across the market. This ends up punishing responsible contractors willing to pay the prevailing rate, and leads to similar problems with workers needing to use taxpayer-funded health and welfare benefits. Often, these underbidding, non-Prevailing Wage contractors are from outside the county, and hurt local contractors. A Prevailing Wage ordinance levels the playing field by using the government's bargaining power to lift wages across the board. Additionally, prevailing wage contractors attract highly skilled workers who are more efficient, yield better results, and are less likely to incur on-the-job injuries.

Q: How would a County Prevailing Wage Ordinance work?

A: It would set the state-calculated prevailing wage for our state's Region as the wage to be used in all major construction and road projects. It would set benefit levels similar to those used in the City of Memphis and Memphis City Schools. It would establish procedures for monitoring and enforcement, and a Prevailing Wage Commission, similar to those used by the City.

IN THIS PACKET:

A. Proposed County Prevailing Wage Ordinance

B. State of Tennessee 2009 Prevailing Wage Rates By Category, Construction Projects

C. State of Tennessee 2009 Prevailing Wage Rates By Category, Road Projects

D. City of Memphis 2009 Benefit Levels, By Category

E. Summary of 2005 City of Memphis Survey On Cost Effects of Prevailing Wage Ordinance

F. Articles & Summaries Of Benefits Of Prevailing Wage Ordinance

G. Workers Interfaith Network Proposal For Volunteer Enforcement Program

(PROPOSED ORDINANCE)

SHELBY COUNTY
PREVAILING WAGE

AN ORDINANCE REQUIRING COMPLIANCE WITH PREVAILING WAGES AND BENEFITS AND PROVIDING FOR MEANS OF ENFORCEMENT, PENALTIES AND SANCTIONS FOR VIOLATIONS

WHEREAS, it is the purpose of Shelby County Government to promote the economical and beneficial development of Shelby County; and

WHEREAS, it is in the interest of Shelby County to award contracts for the construction, alteration and/or repair of public buildings or public works to responsible bidders; and

WHEREAS, the Shelby County Board of Commissioners has determined that responsible bidders are those who, among other things, pay responsible wages and benefits to their employees performing work on such contracts.

NOW THEREFORE,

"PREVAILING WAGE"

A. Any firm, individual, partnership or corporation that is awarded a contract by the Shelby County Government for the construction of, improvement, enlargement, alteration or replacement of a public work or project in excess of $100,000 and any subcontractors of such public work or project in excess of $50,000 (hereinafter referred to as "Recipient"), shall be required by Shelby County Government to pay local prevailing wages and benefits for laborers, mechanics or other listed classifications as defined by the Tennessee Department of Labor.

B. Contracts for the construction of, demolition, improvement, enlargement, alteration or replacement of a public work or project shall not be deliberately divided into multiple contracts for the sole purpose of circumventing the prevailing wage ordinance.

C. The term "prevailing wage(s)" and "benefit(s)" shall be defined as the rate of pay and benefits as determined according to the provisions of this ordinance.

D. There shall be a Prevailing Wage Commission composed of nine (9) members, including two (2) County directors and one (1) representative from the County Commission. The Commission shall meet quarterly, or as required, and shall have oversight responsibility for the Prevailing Wage Ordinance to insure it is properly and fairly enforced. The Commission shall have no authority in the establishment of wages, benefits or job descriptions. (The Prevailing Wage Commission may be set up as the Shelby County

Board of Commissioners sees fit, but should include two (2) representatives from the Memphis and West Tennessee Building and Construction Trades Council, two (2) representatives from the Associated Builders and Contractors, Inc. and two (2) representatives of a local Minority Contractor Association.

E. Determination of Prevailing Wages and Benefits: For the purposes of this part, the prevailing wage and benefit rates shall be determined as follows: The prevailing wage rate shall be the most current State of Tennessee prevailing wage rate established for Region 1 (Shelby County); The benefit rates shall be the most current rates described in the published schedule by the Memphis and West Tennessee Building and Construction Trades Council.

F. Filing Scheduled Wages, Employment of Apprentices; It shall be required that any contractor or subcontractor performing under the terms of this Ordinance file with the County a schedule of the wages to be paid to such laborers, workmen or employees working other classifications. The schedule shall not be less than the State of Tennessee prevailing wages for the class of work being performed by each laborer, workman or mechanic. Such schedule of prevailing wages shall be included in all bid documents and clearly posted on the jobsite during construction. Any construction, improvements, enlargement, alteration or replacement of a public work project as provided hereof, shall require that a contractor only employ apprentices who are properly indentured into a joint labor management apprenticeship training program or an equivalent program, that is registered and certified with the U.S. Department of Labor, Bureau of Apprenticeship Training.

G. Proof of Compliance: The County Commission shall establish Rules and Regulations as well as procedures for closely monitoring and ensuring compliance with the provisions of this Ordinance. The County and/or its authorized representative shall have the power to request and receive information, which would substantiate proper compliance with this ordinance.

H. Violations, Penalties and Sanctions: Any recipient which knowingly or willfully fails to comply with the provisions of the Ordinance as determined by the Prevailing Wage Commission shall be fined not less than the maximum amount allowable under the law for each violation. Any recipient which is found to have committed two (2) violations of this Ordinance in any twenty-four (24) month period shall be prohibited from being awarded a contract by the County for any public work or project for a period of twenty-four (24) months of adjudication of the second violation.

I. The provisions of this Ordinance are hereby declared to be severable. If any of these sections, provisions, sentences, clauses, phrases or parts is held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

STATE OF TENNESSEE
DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
Division of Labor Standards
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Nashville, TN 37243-0657
(615) 741-2858 (option 3)

CLASSIFICATION OF WORKERS UNDER TENNESSEE'S PREVAILING WAGE LAW BUILDING CONSTRUCTION

The Tennessee Department of Labor and Workforce Development is an equal opportunity employer
Auxiliary aids and services are available upon request to individuals with disabilities
TTY: 615-532-2879; 1-800-848-0299

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2009-2010 BUILDING PREVAILING WAGE RATES

CLASSIFICATION	CLASSIFICATION	REGIONS	1	2	3	4	5	6	7	8	9	10	11	12
Boilermaker	Constructor de Calderas	01	21.22	16.82	18.13	15.53	16.27	15.15	20.23	20.86	18.98	19.25	13.57	16.05
Bricklayer	Ladrillero	02	18.78	23.16	18.57	15.44	25.03	24.85	18.49	23.69	20.27	17.39	11.97	20.00
Carpenter	Carpintero	03	20.31	15.76	19.51	18.86	16.65	18.29	21.95	20.52	18.12	17.80	14.14	17.21
Cement Finisher, Plaster	Terminador de Cemento	04	17.25	13.99	15.15	14.17	13.32	14.81	21.68	18.09	16.36	17.58	14.04	16.45
Class "A" Operator	Operador Clase "A"	05	20.42	17.87	19.99	16.39	16.45	18.65	22.64	17.24	14.35	18.78	14.18	16.60
Class "B" Operator	Operador Clase "B"	06	13.50	12.53	14.55	12.62	10.87	11.84	13.99	14.43	11.60	11.23	8.52	11.73
Class "C" Operator	Operador Clase "C"	07	15.88	18.50	13.30	12.82	12.52	12.44	15.06	17.08	10.30	15.77	10.97	12.26
Electrician	Electricista	08	22.06	22.03	18.20	18.83	21.01	22.45	23.24	25.93	20.35	21.56	17.56	21.81
Low Voltage Electrician <70 Volts	Electricista De Bajo Voltaje <70 Volts	09	20.30	16.64	16.64	16.64	15.50	17.28	16.64	16.64	16.64	16.31	16.64	17.23
Elevator Constructor	Constructor de Elevadores	10	20.32	15.96	17.71	14.72	24.81	24.65	18.36	20.39	18.52	19.14	19.04	25.18
Glazier	Vidriero/Enbarnizador	11	20.12	18.17	14.65	12.19	18.22	17.45	16.90	16.23	15.89	16.07	16.09	17.39
Insulation Worker for Mechanical Trades / Asbestos Worker	Trabajador de Insulacion para Entrenador de Mecanicó/ Trabajadora De Asbesto	12	21.87	22.99	23.01	19.31	17.49	18.44	20.25	20.99	19.92	14.02	13.40	18.01
Iron Worker: Structural, Reinforcing, Ornamental	Herrero	13	21.03	17.09	14.14	19.30	16.26	21.13	21.42	21.20	16.93	15.24	13.80	19.46
Laborer Class A	Obrero Clase A	14	13.12	12.29	11.97	11.91	16.83	12.27	13.38	12.46	11.67	13.94	10.28	12.41
Laborer Class B	Obrero Clase B	15	12.90	9.79	15.80	11.24	11.76	11.78	14.49	10.86	11.15	11.43	9.22	12.50
Millwright	Tornero	16	18.14	14.05	16.71	14.28	15.62	20.76	18.94	19.16	15.89	15.19	23.60	19.80
Painter/Plasterer	Pintor/Transitivo	17	17.53	17.85	20.22	12.32	14.15	12.87	19.53	17.07	12.86	15.32	14.26	15.09
Pipefitter/Plumber	Instalador de Tuberia/Plomero	18	25.22	22.55	22.47	21.58	20.25	26.52	24.48	20.99	15.06	17.50	15.70	25.97
Roofer	Tejero/Instalador de Techos	19	19.59	13.37	15.45	11.54	13.54	13.13	17.26	20.60	14.57	16.83	14.02	20.43
Sheet-Metal Worker	Hojalatero	20	26.50	22.29	23.81	15.57	19.98	22.68	23.80	19.61	15.76	19.03	17.86	21.97
Truck Driver (3 or more axles)	Camionero (3 o más ejes)	21	15.13	10.62	11.96	10.26	12.85	12.44	17.48	17.71	9.70	10.83	11.15	16.21
Truck Driver (2 axles, over 1 ton)	Camionero (2 ejes, más de 1 tonelada)	22	16.00	8.48	9.41	10.80	13.55	9.40	11.01	14.19	10.01	12.05	11.42	17.93
Truck Driver (2 axles, 1 ton & less)	Camionero (2 ejes, menos de 1	23	15.37	9.26	10.27	10.93	10.60	8.33	17.41	13.91	9.41	10.61	13.73	10.63

APPRENTICESHIP REGULATIONS

Under T.C.A., §12-4-415, the Prevailing Wage Commission has promulgated Rule 0800-3-2-.01(1) which provides that: "Apprentices shall mean those persons registered individually under a bona fide apprenticeship program registered with the Bureau of Apprenticeship and Training in the United States Department of Labor. The state agency contracting officer shall require the contractor or sub-contractor using the apprentice to submit evidence of his indenture and/or apprenticeship registration when the apprentice's name first appears on a submitting payroll."

AUTHORITY: T.C.A., §12-4-415. **Administrative History**: Original Rule filed June 4, 1976. Effective: July 14, 1976.

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CLASSIFICATION OF WORKERS UNDER TENNESSEE'S PREVAILING WAGE LAW

HIGHWAY & BRIDGE CONSTRUCTION

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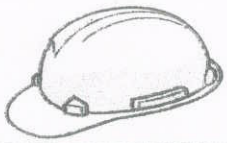
2009 HIGHWAY PREVAILING WAGE RATES



CLASSIFICATION	CRAFT NUMBER	2009
Bricklayer	1	16.62
Carpenter/Leadsperson	2	15.78
Class "A" Operators	3	16.80
Class "B" Operators	4	14.96
Class "C" Operators	5	15.44
Class "D" Operators	6	13.91
Concrete Finisher	7	13.64
Drill Operator (Cassion)	8	18.43
Electrician	9	19.60
Farm Tractor Operator (Power Broom)	10	12.33
Ironworkers Reinforcing	11	15.90
Ironworkers (Structural)	12	17.15
Mechanic (Class I) Heavy Duty	13	17.69
Mechanic (Class II) Light Duty	14	15.95
Painter/Sandblaster	15	21.54
Powder Person Blaster	16	17.79
Skilled Laborer	17	13.08
Survey Instrument Operator	18	14.66
Sweeping Machine (Vacuum) Operator	19	13.39
Truck Driver (2 axles)	20	12.76
Truck Driver (3/4 axles)	21	12.66
Truck Driver (5 or more axles)	22	15.24
Unskilled Laborer	23	11.27
Worksite Traffic Coordinator	24	16.65

Effective 1/1/2009