

## Sen. Michael Noland

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## Filed: 2/28/2012

09700SB2943sam001

LRB097 18678 JLS 65302 a

1 AMENDMENT TO SENATE BILL 2943 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2943 by replacing 2 everything after the enacting clause with the following: 3 "Section 5. The Prevailing Wage Act is amended by changing 4 Sections 2, 4, 5, 6, and 11 as follows: 5 (820 ILCS 130/2) (from Ch. 48, par. 39s-2) 6 7 Sec. 2. This Act applies to the wages of laborers, mechanics and other workers employed in any public works, as 8 hereinafter defined, by any public body and to anyone under 9 10 contracts for public works. This includes any maintenance, repair, assembly, or disassembly work performed on equipment 11 12 whether owned, leased, or rented. 13 As used in this Act, unless the context indicates 14 otherwise: 15 "Public works" means all fixed works constructed or

demolished by any public body, or paid for wholly or in part

1 out of public funds. "Public works" as defined herein includes all projects financed in whole or in part with bonds, grants, 2 3 loans, or other funds made available by or through the State or 4 any of its political subdivisions, including but not limited 5 to: bonds issued under the Industrial Project Revenue Bond Act 6 (Article 11, Division 74 of the Illinois Municipal Code), the Industrial Building Revenue Bond Act, the Illinois Finance 7 8 Authority Act, the Illinois Sports Facilities Authority Act, or 9 the Build Illinois Bond Act; loans or other funds made 10 available pursuant to the Build Illinois Act; or funds from the 11 Fund for Illinois' Future under Section 6z-47 of the State Finance Act, funds for school construction under Section 5 of 12 13 the General Obligation Bond Act, funds authorized under Section 14 3 of the School Construction Bond Act, funds for school 15 infrastructure under Section 6z-45 of the State Finance Act, 16 and funds for transportation purposes under Section 4 of the General Obligation Bond Act. "Public works" also includes (i) 17 18 all projects financed in whole or in part with funds from the Department of Commerce and Economic Opportunity under the 19 20 Illinois Renewable Fuels Development Program Act for which 21 there is no project labor agreement; (ii) all work performed 22 pursuant to a public private agreement under the Public Private 23 Agreements for the Illiana Expressway Act; and (iii) all 24 projects undertaken under a public-private agreement under the 25 Public-Private Partnerships for Transportation Act. "Public 26 works" also includes all projects at leased facility property

used for airport purposes under Section 35 of the Local Government Facility Lease Act. "Public works" also includes the construction of a new wind power facility by a business designated as a High Impact Business under Section 5.5(a)(3)(E) of the Illinois Enterprise Zone Act. "Public works" does not include work done directly by any public utility company, whether or not done under public supervision or direction, or paid for wholly or in part out of public funds. "Public works" does not include projects undertaken by the owner at an owner-occupied single-family residence or at an owner-occupied unit of a multi-family residence.

"Construction" means all work on public works involving laborers, workers or mechanics. This includes any maintenance, repair, assembly, or disassembly work performed on equipment whether owned, leased, or rented.

"Locality" means the county where the physical work upon public works is performed, except (1) that if there is not available in the county a sufficient number of competent skilled laborers, workers and mechanics to construct the public works efficiently and properly, "locality" includes any other county nearest the one in which the work or construction is to be performed and from which such persons may be obtained in sufficient numbers to perform the work and (2) that, with respect to contracts for highway work with the Department of Transportation of this State, "locality" may at the discretion of the Secretary of the Department of Transportation be

construed to include two or more adjacent counties from which workers may be accessible for work on such construction.

"Public body" means the State or any officer, board or commission of the State or any political subdivision or department thereof, or any institution supported in whole or in part by public funds, and includes every county, city, town, village, township, school district, irrigation, utility, reclamation improvement or other district and every other political subdivision, district or municipality of the state whether such political subdivision, municipality or district operates under a special charter or not.

The terms "general prevailing rate of hourly wages",

"general prevailing rate of wages" or "prevailing rate of

wages" when used in this Act mean the hourly cash wages plus

fringe benefits for training and apprenticeship programs

approved by the U.S. Department of Labor, Bureau of

Apprenticeship and Training, health and welfare, insurance,

vacations and pensions paid generally, in the locality in which

the work is being performed, to employees engaged in work of a

similar character on public works.

21 <u>"Responsible bidder" means those individuals or firms</u>
22 <u>meeting the requirements of Section 30-22 of the Illinois</u>
23 Programment Galls

## 23 Procurement Code.

- 24 (Source: P.A. 96-28, eff. 7-1-09; 96-58, eff. 1-1-10; 96-186,
- 25 eff. 1-1-10; 96-913, eff. 6-9-10; 96-1000, eff. 7-2-10; 97-502,
- 26 eff. 8-23-11.)

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1 (820 ILCS 130/4) (from Ch. 48, par. 39s-4)

Sec. 4. Ascertaining prevailing wage.

(a) The public body awarding any contract for public work or otherwise undertaking any public works, shall ascertain the general prevailing rate of hourly wages in the locality in which the work is to be performed, for each craft or type of worker or mechanic needed to execute the contract, and where the public body performs the work without letting a contract therefor, shall ascertain the prevailing rate of wages on a per hour basis in the locality, and such public body shall specify in the resolution or ordinance and in the call for bids for the contract, that the general prevailing rate of wages in the locality for each craft or type of worker or mechanic needed to execute the contract or perform such work, also the general prevailing rate for legal holiday and overtime work, as ascertained by the public body or by the Department of Labor shall be paid for each craft or type of worker needed to execute the contract or to perform such work, and it shall be mandatory upon the contractor to whom the contract is awarded and upon any subcontractor under him and upon any subcontractor of any tier, and where the public body performs the work, upon the public body, to pay not less than the specified rates to all laborers, workers and mechanics employed by them in the execution of the contract or such work; provided, however, that if the public body desires that the Department of Labor

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ascertain the prevailing rate of wages, it shall notify the Department of Labor to ascertain the general prevailing rate of hourly wages for work under contract, or for work performed by a public body without letting a contract as required in the locality in which the work is to be performed, for each craft or type of worker or mechanic needed to execute the contract or project or work to be performed. Upon such notification the Department of Labor shall ascertain such general prevailing rate of wages, and certify the prevailing wage to such public body.

(a-0.5) When a public body or other entity covered by this Act calls for bids for a contract covered by this Act, the public body or other entity shall specify in the call for bids for the contract that it shall be mandatory upon each contractor and upon each subcontractor under him and upon any subcontractor of any tier to include in each bid a total number of straight-time work hours, identified as either "Journeyperson" or "Apprentice", for each craft or type of worker or mechanic needed to execute the contract or perform the work. Bids received that do not include the total number of straight-time work hours as required in this subsection shall be dismissed from consideration without recourse by the contractor and any subcontractor under him and any subcontractor of any tier.

(a-0.7) To effectuate the purpose and policy of this Act, contractors and subcontractors under him and subcontractors of

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(a-1) The public body or other entity awarding the contract shall cause to be inserted in the project specifications and the contract a stipulation to the effect that not less than the prevailing rate of wages as found by the public body or Department of Labor or determined by the court on review shall be paid to all laborers, workers and mechanics performing work under the contract.

(a-2) When a public body or other entity covered by this Act has awarded work to a contractor without a public bid, contract or project specification, such public body or other entity shall comply with subsection (a-1) by providing the contractor with written notice on the purchase order related to the work to be done or on a separate document indicating that not less than the prevailing rate of wages as found by the public body or Department of Labor or determined by the court on review shall be paid to all laborers, workers, and mechanics performing work on the project.

(a-2.5) When a complaint is made and the Department of Labor determines that a violation occurred, the Department of Labor shall order the public body or other entity that awarded the work to pay the sum of any back wages, as determined under this Act, and any interest, penalties, or fines owed by the contractor and any subcontractor under him and any subcontractor of any tier to the Department.

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(a-3) Where a complaint is made and the Department of Labor determines that a violation occurred and, the Department of Labor shall determine if proper written notice under this Section 4 was given. If proper written notice was not provided to the contractor by the public body or other entity, the Department of Labor shall order the public body or other entity to pay 2 times the sum of any back wages, as determined under this Act, and any interest, penalties, or fines to the Department that would have been owed by the contractor if proper written notice were provided. The failure by a public body or other entity to provide written notice does not relieve the contractor of the duty to comply with the prevailing wage rate, nor of the obligation to pay any back wages, as determined under this Act. For the purposes of this subsection, back wages shall be limited to the difference between the actual amount paid and the prevailing rate of wages required to be paid for the project. The failure of a public body or other entity to provide written notice under this Section 4 does not diminish the right of a laborer, worker, or mechanic to the prevailing rate of wages as determined under this Act.

(b) It shall also be mandatory upon the contractor to whom the contract is awarded to insert into each subcontract and into the project specifications for each subcontract a written stipulation to the effect that not less than the prevailing rate of wages shall be paid to all laborers, workers, and mechanics performing work under the contract. It shall also be

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mandatory upon each subcontractor to cause to be inserted into subcontract each lower tiered and into the project specifications for each lower tiered subcontract a stipulation to the effect that not less than the prevailing rate of wages shall be paid to all laborers, workers, and mechanics performing work under the contract. A contractor subcontractor who fails to comply with this subsection (b) is in violation of this Act.

(b-1) When a contractor has awarded work to a subcontractor without a contract or contract specification, the contractor shall comply with subsection (b) by providing a subcontractor with a written statement indicating that not less than the prevailing rate of wages shall be paid to all laborers, workers, and mechanics performing work on the project. A contractor or subcontractor who fails to comply with this subsection (b-1) is in violation of this Act.

(b-1.5) When a complaint is made and the Department of Labor determines that a violation occurred, the Department of Labor shall order the contractor that awarded the work to a subcontractor to pay the sum of any back wages, as determined under this Act, and any interest, penalties, or fines owed by the subcontractor and any subcontractor of any tier to the Department.

(b-2) Where a complaint is made and the Department of Labor determines that a violation has occurred and, the Department of Labor shall determine if proper written notice under this

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Section 4 was given. If proper written notice was not provided to the subcontractor by the contractor, the Department of Labor shall order the contractor to pay 2 times the sum of any back wages, as determined under this Act, and any interest, penalties, or fines to the Department that would have been owed by the subcontractor if proper written notice were provided. The failure by a contractor to provide written notice to a subcontractor does not relieve the subcontractor of the duty to comply with the prevailing wage rate, nor of the obligation to pay any back wages, as determined under this Act. For the purposes of this subsection, back wages shall be limited to the difference between the actual amount paid and the prevailing rate of wages required for the project. However, if proper written notice was not provided to the contractor by the public body or other entity under this Section 4, the Department of Labor shall order the public body or other entity to pay any interest, penalties, or fines that would have been owed by the subcontractor if proper written notice were provided. The failure by a public body or other entity to provide written notice does not relieve the subcontractor of the duty to comply with the prevailing wage rate, nor of the obligation to pay any back wages, as determined under this Act. For the purposes of this subsection, back wages shall be limited to the difference between the actual amount paid and the prevailing rate of wages required for the project. The failure to provide written notice by a public body, other entity, or contractor does not diminish

- the right of a laborer, worker, or mechanic to the prevailing rate of wages as determined under this Act.
  - (c) A public body or other entity shall also require in all contractor's and subcontractor's bonds that the contractor or subcontractor include such provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract or other written instrument. All bid specifications shall list the specified rates to all laborers, workers and mechanics in the locality for each craft or type of worker or mechanic needed to execute the contract.
  - (d) If the Department of Labor revises the prevailing rate of hourly wages to be paid by the public body, the revised rate shall apply to such contract, and the public body shall be responsible to notify the contractor and each subcontractor, of the revised rate.
  - (e) Two or more investigatory hearings under this Section on the issue of establishing a new prevailing wage classification for a particular craft or type of worker shall be consolidated in a single hearing before the Department. Such consolidation shall occur whether each separate investigatory hearing is conducted by a public body or the Department. The party requesting a consolidated investigatory hearing shall have the burden of establishing that there is no existing prevailing wage classification for the particular craft or type of worker in any of the localities under consideration.
    - (f) It shall be mandatory upon the contractor or

1 construction manager to whom a contract for public works is 2 awarded to post, at a location on the project site of the 3 public works that is easily accessible to the workers engaged 4 on the project, the prevailing wage rates for each craft or 5 type of worker or mechanic needed to execute the contract or project or work to be performed. In lieu of posting on the 6 project site of the public works, a contractor which has a 7 business location where laborers, workers, and mechanics 8 9 regularly visit may: (1) post in a conspicuous location at that 10 business the current prevailing wage rates for each county in 11 which the contractor is performing work; or (2) provide such laborer, worker, or mechanic engaged on the public works 12 13 project a written notice indicating the prevailing wage rates 14 for the public works project. A failure to post or provide a 15 prevailing wage rate as required by this Section is a violation 16 of this Act.

- 17 (Source: P.A. 95-331, eff. 8-21-07; 96-437, eff. 1-1-10.)
- 18 (820 ILCS 130/5) (from Ch. 48, par. 39s-5)
- 19 Sec. 5. Certified payroll.
- 20 (a) Any contractor and each subcontractor who participates 21 in public works shall:
- 22 (1) make and keep, for a period of not less than 3
  23 years from the date of the last payment on a contract or
  24 subcontract for public works, records of all laborers,
  25 mechanics, and other workers employed by them on the

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project; the records shall include each worker's name, address, telephone number when available, social security number, trade, laborer, or mechanic classification or classifications, the hourly wages paid in each pay period, the number of hours worked each day, and the starting and ending times of work each day; and

(2) no later than the tenth day of each calendar month file a certified payroll for the immediately preceding month with the public body in charge of the project. A certified payroll must be filed for only those calendar months during which construction on a public works project has occurred. The certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (a) including, but may exclude the starting and ending times of work each day. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that: (i) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; (ii) the hourly rate paid to each worker is not less than the general prevailing rate of hourly wages required by this Act; and (iii) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor. A general contractor is not prohibited from relying on the

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certification of a lower tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification. Any contractor or subcontractor subject to this Act and any officer, employee, or agent of such contractor or subcontractor whose duty as such officer, employee, or agent it is to file such certified payroll who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor. The public body in charge of the project shall keep the records submitted in accordance with this paragraph (2) of subsection (a) for a period of not less than 3 years from the date of the last payment for work on a contract or subcontract for public works. The records submitted in accordance with this paragraph (2) of subsection (a) shall be considered public records, except an emplovee's address, telephone number, and social security number, and made available in accordance with the Freedom Information Act. The public body shall accept reasonable submissions by the contractor that meet requirements of this Section.

(b) Upon 7 business days' notice, the contractor and each

subcontractor shall make available for inspection and copying

- 1 at a location within this State during reasonable hours, the
- 2 records identified in paragraph (1) of subsection (a) of this
- 3 Section to the public body in charge of the project, its
- 4 officers and agents, the Director of Labor and his deputies and
- 5 agents, and to federal, State, or local law enforcement
- 6 agencies and prosecutors.
- 7 (Source: P.A. 97-571, eff. 1-1-12.)
- 8 (820 ILCS 130/6) (from Ch. 48, par. 39s-6)
- 9 Sec. 6. Any officer, agent or representative of any public
- 10 body who willfully wilfully violates, or willfully fails to
- 11 comply with, any of the provisions of this Act, and any
- 12 contractor or subcontractor, and any officer, employee, or
- 13 agent thereof, who as such officer, employee, or agent, has a
- 14 duty to create, keep, maintain, or produce any record or
- document required by this Act to be created, kept, maintained,
- or produced who willfully fails to create, keep, maintain, or
- 17 produce such record or document as or when required by this
- 18 Act, is quilty of a Class 4 felony A misdemeanor.
- The Department of Labor shall inquire diligently as to any
- violation of this Act, shall institute actions for penalties
- 21 herein prescribed, and shall enforce generally the provisions
- of this Act. The Attorney General shall prosecute such cases
- 23 upon complaint by the Department or any interested person.
- 24 (Source: P.A. 97-571, eff. 1-1-12.)

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1 (820 ILCS 130/11) (from Ch. 48, par. 39s-11)

Sec. 11. No public works project shall be instituted unless the provisions of this Act have been complied with. The provisions of this Act shall not be applicable to Federal construction projects which require a prevailing determination by the United States Secretary of Labor. The Illinois Department of Labor represented by the Attorney General is empowered to sue for injunctive relief against the awarding of any contract or the continuation of work under any contract for public works at a time when the prevailing wage prerequisites have not been met. Any contract for public works awarded at a time when the prevailing wage prerequisites had not been met shall be void as against public policy and the contractor is prohibited from recovering any damages for the voiding of the contract or pursuant to the terms of the contract. The contractor is limited to a claim for amounts actually paid for labor and materials supplied to the public body. Where objections to a determination of the prevailing rate of wages or a court action relative thereto is pending, the public body shall not continue work on the project unless sufficient funds are available to pay increased wages if such are finally determined or unless the Department of Labor certifies such determination of the prevailing rate of wages as correct.

Any laborer, worker or mechanic employed by the contractor or by any sub-contractor under him who is paid for his services

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in a sum less than the stipulated rates for work done under such contract, shall have a right of action for whatever difference there may be between the amount so paid, and the rates provided by the contract together with costs and such reasonable attorney's fees as shall be allowed by the court. Such contractor or subcontractor shall also be liable to the Department of Labor for 50% 20% of such underpayments and shall be additionally liable to each the laborer, worker or mechanic for punitive damages in the amount of \$40 per day for each day or portion of a day 2% of the amount of any such penalty to the State for underpayments for each month following the date of payment during which such underpayments remain unpaid. Where a second or subsequent action to recover underpayments is brought against a contractor or subcontractor and the contractor or subcontractor is found liable for underpayments to each any laborer, worker, or mechanic, the contractor or subcontractor shall also be liable to the Department of Labor for 75% 50% of the underpayments payable as a result of the second or subsequent action, and shall be additionally liable for punitive damages in the amount of \$50 per day for each day or portion of a day 5% of the amount of any such penalty to the State for underpayments for each month following the date of payment during which the underpayments remain unpaid. A joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (Section 175a of Title 29 of the United States Code) may bring an action in any court

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of competent jurisdiction against a public body or other entity covered by this Act and any contractor and any subcontractor under him and any subcontractor of any tier, with which the public body or other entity enters into a contract for public works, that fails to enforce or comply with any provision of this Act. This action shall be commenced not later than 180 days after the completion and acceptance of the public works by the public body or other entity covered by this Act. The court may award the joint <u>labor-management committee reasonable</u> attorney's fees and costs incurred in maintaining the action. The Department shall also have a right of action on behalf of any individual who has a right of action under this Section. An action brought to recover same shall be deemed to be a suit for wages, and any and all judgments entered therein shall have the same force and effect as other judgments for wages. At the request of any laborer, workman or mechanic employed by the contractor or by any subcontractor under him who is paid less than the prevailing wage rate required by this Act, the Department of Labor may take an assignment of such wage claim in trust for the assigning laborer, workman or mechanic and may bring any legal action necessary to collect such claim, and the contractor or subcontractor shall be required to pay the costs incurred in collecting such claim.

(Source: P.A. 94-488, eff. 1-1-06.)".