



November 18, 2022 STAR Awardee Workshop

Prevailing Wage Requirements

Prevailing wage will apply to your project if the following two conditions are met:

- 1) The total cost of your project meets or exceeds \$25,000. This includes any work occurring contemporaneously with the work for which you are receiving the STAR funding. Please note the \$25,000 is total cost of your project, NOT the amount of STAR money you're receiving.**
- 2) The project for which you are receiving the STAR money involves construction work.**

What is Prevailing Wage?

Prevailing wage is akin to a minimum wage for construction workers. Every year the Minnesota Department of Labor & Industry publishes a document called a wage decision that lists the minimal hourly rate of pay of every kind of construction worker and what they must be paid while working on your project. For example, the current prevailing wage rate for a carpenter in Ramsey County is \$65.83. Your contractors will need to pay their workers at these rates.

What do you have to do?

At this stage of the process please make sure that when choosing contractors you inform them your project will be a prevailing wage project. Some contractors do not like to work on prevailing wage projects. You will want to explain to any potential contractors that will have to submit their workers' payroll to the city during the project. Make sure you make this a written requirement of your contract so they're held to these requirements.

If a contractor wants to see an example of typical rates please refer them to the following:
<https://www.dli.mn.gov/business/employment-practices/prevailing-wage-commercial-rates>

Once at this page they will need to select Ramsey County.

However, please remind them these rates are periodically updated and the rates in there now will probably not be the applicable rates when your project commences.

Further on in the process the city will issue a wage decision for your particular project based on the type of work being performed and the date the work is likely to occur. We are not issuing one to you today – this is because wage decisions vary by the nature of the work and are updated sometimes multiple times in a year.

Once we get closer to the commencement of your project, the city will schedule a preconstruction meeting with you and your contractor(s) where we will go into more detail concerning all the contract compliance requirements, including the prevailing wage requirements.

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