



Notice 2014.08 General Services

To: State Purchasing Officers
Agency Procurement Staff
CMS Bureau of Strategic Sourcing

From: Matt Brown *MB*

Date: February 21, 2014

Subject: Prevailing Wage Act Requirements

CC: Procurement Policy Board
Procurement Compliance Monitors
John Tribble, Illinois Department of Labor

This CPO Notice is effective immediately for solicitations and contracts where the Illinois Prevailing Wage Act (820 ILCS 130) and Section 25-60 of the Illinois Procurement Code (30 ILCS 500) applies.

Recently, the Illinois Department of Labor (IDOL) provided a presentation for state purchasing officers, procurement compliance monitors, and agency procurement staffs on the Prevailing Wage Act ("Act") and changes that have been made to the Act in recent years. Updates to the Act include a requirement for a public body to notify the contractor in writing of the requirement for the payment of prevailing wages in the contract and in the contractors' bonds requiring the payment of prevailing wages. All bid specifications are required to 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. The Act also requires the public body to notify the contractor of any revised rate. Any contract instigated wherein the prevailing wage prerequisites have not been met is void as against public policy. If a public body fails to provide proper notice, the public body is financially responsible for any interest, penalties or fines assessed by the Department. This is not an exhaustive list of the requirements of the Act, and agency procurement staffs are encouraged to work with agency legal counsel and the Illinois Department of Labor on understanding the legal requirements of the Act.

It was highlighted that many solicitations and state contracts did not have language that complied with the Prevailing Wage Act. All solicitations and related contracts, including master contracts or other contracts available for use by State agencies where the Prevailing Wage Act or Section 25-60 of the Procurement Code applies shall include the following, or substantially similar, certification language:

"This contract calls for the construction of a "public work," within the meaning of the Illinois Prevailing Wage Act, 820 ILCS 130/.01 et seq. ("the Act") or is a service contract subject to the prevailing wage requirements of the Illinois Procurement Code, 30 ILCS 500/25-60 (the "Code"). The Act requires contractors and subcontractors to pay laborers, workers and mechanics performing services on public works projects no less than the current "prevailing rate of wages" (hourly cash wages plus amount for fringe benefits) in the county where the



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work is performed. The Code requires vendors awarded certain service contracts to pay service workers no less than the general prevailing wage rate of hourly wages (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Illinois Department of Labor publishes the prevailing wage rates on its website at <http://labor.illinois.gov>. The Illinois Department of Labor revises the prevailing wage rates and the contractor/subcontractor has an obligation to check the Illinois Department of Labor's web site for revisions to prevailing wage rates. For information regarding current prevailing wage rates, please refer to the Illinois Department of Labor's website. All contractors and subcontractors rendering services under this contract must comply with all requirements of the Act and Code, including but not limited to, all wage requirements and notice and record keeping duties.

This language will not be added to standard contract and solicitation templates, as it does not apply to all State contracts. Procuring agencies are responsible for adding the certification within agency supplemental terms and conditions when applicable.

Questions regarding the Illinois Prevailing Wage Act should be directed to John Tribble with the Illinois Department of Labor at 312-793-3541. If there are any questions regarding this notice, please contact the Chief Procurement Office at (217) 558-2231.