

Informational Meeting

Prevailing Wage Rate Law

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Topics

- Oregon's Prevailing Wage Rate Law
- How the Prevailing Wage Rate is Determined
- Questions?



Oregon's Prevailing Wage Rate Law

Oregon's Prevailing Wage Rate (PWR) law was first passed in 1959; based on the 1931 federal Davis Bacon Act

The purpose of the law, under ORS 279C.805, is:

- To ensure that contractors compete on the ability to perform work competently and efficiently while maintaining community-established compensation standards
- To recognize that local participation in publically financed construction and family wage income benefits are essential to the protection of community standards
- To encourage training and education of workers to industry skill standards
- To encourage employers to use funds allocated for employee fringe benefits for the actual purchase of those benefits



Oregon's Prevailing Wage Rate Law

- The prevailing wage rate is a minimum wage that must be paid to workers on PWR projects for a particular trade or occupation. It consists of an hourly base rate and an hourly fringe benefit rate
- Workers must be paid the combined total of the hourly base and fringe rate; this can be paid as wages, or as a mix of wages and benefits



How the PWR is Determined

- In 1997, the PWR law was changed to provide for a construction industry survey to establish the prevailing wage rates
- Each year, the Oregon Employment Department sends construction industry surveys to contractors who perform any type of non-residential construction in Oregon
- Contractors report on the location of the work performed, the type of work performed and the wages and benefits paid to workers, for four specific weeks in the year: the weeks that include February 12, May 12, August 12, and November 12



How the PWR is Determined

- The Employment Department compiles the survey data and presents it to the Labor Commissioner. This data assists the Labor Commissioner in establishing the prevailing wage rates for Oregon's 14 Regions

Generally:

- If 50% or more of hours reported for an occupation in a Region are union hours, the union rate prevails
- If less than 50% of hours reported for an occupation in a Region are union hours, the statewide average rate is applied



How the PWR is Determined

- The PWR law allows the Labor Commissioner to consider additional information such as collective bargaining agreements, other independent wage surveys, and the prevailing wage rates determined by appropriate federal agencies or agencies of adjoining states
- The prevailing wage rates are published twice a year, in January (new rates) and July (updates to rates). Amendments to the rate book are generally published in April and October
- Generally, the rates in effect at the time the agency advertises a project for bid are the rates to be paid throughout the project



Questions and Contacts

QUESTIONS?

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