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SENATE BILL NO. 8

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on February 3, 2020)

(Patron Prior to Substitute—Senator Saslaw)

A *BILL to amend and reenact § 40.1-6 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 2.2-4321.3, relating to prevailing wage requirement for public works contracts; penalty.*

Be it enacted by the General Assembly of Virginia:

1. That § 40.1-6 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 2.2-4321.3 as follows:

§ 2.2-4321.3. Payment of prevailing wage for work performed on public works contracts; penalty.

A. As used in this section:

"Prevailing wage rate" means the rate, amount, or level of wages, salaries, benefits, and other remuneration prevailing for the corresponding classes of mechanics, laborers, or workers employed for the same work in the same trade or occupation in the planning district established pursuant to Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2 in which the public facility or immovable property that is the subject of the public works is located, as determined by the Commissioner of Labor and Industry on the basis of applicable prevailing wage rate determinations made by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq., as amended.

"Public works" and "state agency" have the same meaning ascribed to such terms in subsection A of § 2.2-4321.2.

B. Notwithstanding any other provision of this chapter, each state agency, when procuring services or letting contracts for public works paid for in whole or in part by state funds, or when overseeing or administering such contracts for public works, shall ensure that its bid specifications, project agreements, or other public contracts applicable to the public works require bidders, offerors, contractors, and subcontractors to pay wages, salaries, benefits, and other remuneration to any mechanic, laborer, or worker employed, retained, or otherwise hired to perform services in connection with the public contract for public works at the prevailing wage rate.

C. Each public contract for public works by a state agency shall contain a provision requiring that the remuneration to any individual performing the work of any mechanic, laborer, or worker on the work contracted to be done under the public contract shall be at a rate equal to the prevailing wage rate.

D. Any contractor or subcontractor who employs any mechanic, laborer, or worker to perform work contracted to be done under the public contract for public works for or on behalf of the state agency at a rate that is less than the prevailing wage rate (i) shall be liable to such individuals for the payment of all wages due, plus interest at an annual rate of eight percent accruing from the date the wages were due, and (ii) shall be disqualified from bidding on public contracts with any public body until the contractor or subcontractor has made full restitution of the amount described in clause (i) owed to such individuals. A contractor or subcontractor who willfully violates this section is guilty of a Class 1 misdemeanor.

E. Any interested party, which shall include a bidder, offeror, contractor, subcontractor, or operator, shall have standing to challenge any bid specification, project agreement, or other public contract for public works that violates the provisions of this section. Such interested party shall be entitled to injunctive relief to prevent any violation of this section. Any interested party bringing a successful action under this section shall be entitled to recover reasonable attorney fees and costs from the responsible party.

F. A representative of a state agency may contact the Commissioner of Labor and Industry, at least 10 but not more than 20 days prior to the date bids for such a public contract for public works will be advertised or solicited, to ascertain the proper prevailing wage rate for work to be performed under the public contract.

G. Upon the award of any public contract subject to the provisions of this section, the contractor to whom such contract is awarded shall certify, under oath, to the Commissioner of Labor and Industry the pay scale for each craft or trade employed on the project to be used by such contractor and any of the contractor's subcontractors for work to be performed under such public contract. This certification shall, for each craft or trade employed on the project, specify the total hourly amount to be paid to employees, including wages and any applicable fringe benefits; provide an itemization of the amount paid in wages and each applicable benefit; and list the names and addresses of any third-party fund, plan, or program to which benefit payments will be made on behalf of employees.

60 *H. Each employer subject to the provisions of this section shall keep, maintain, and preserve (i)*
61 *records relating to the wages paid to and hours worked by each individual performing the work of any*
62 *mechanic, laborer, or worker and (ii) a schedule of the occupation or work classification at which each*
63 *individual performing the work of any mechanic, laborer, or worker on the public works project is*
64 *employed during each work day and week. The employer shall preserve these records for a minimum of*
65 *six years and make such records available to the Department of Labor and Industry within 10 days of a*
66 *request and shall certify that records reflect the actual hours worked and the amount paid to its workers*
67 *for whatever time period is requested.*

68 *I. Contractors and subcontractors performing public works for a state agency shall post the general*
69 *prevailing wage rate for each craft and classification involved, as determined by the Commissioner of*
70 *Labor and Industry, including the effective date of any changes thereof, in prominent and easily*
71 *accessible places at the site of the work or at any such place as are used by the contractor or*
72 *subcontractors to pay workers their wages. Within 10 days of such posting, a contractor or*
73 *subcontractor shall certify to the Commissioner of Labor and Industry its compliance with this*
74 *subsection.*

75 *J. The provisions of this section shall not apply to any public contract for public works of \$250,000*
76 *or less.*

77 **§ 40.1-6. Powers and duties of Commissioner.**

78 The Commissioner shall:

79 ~~(1)~~ 1. Have general supervision and control of the Department;:

80 ~~(2)~~ 2. Enforce the provisions of this title and shall cause to be prosecuted all violations of law
81 relating to employers or business establishments before any court of competent jurisdiction;:

82 ~~(3)~~ 3. Make such rules and regulations as may be necessary for the enforcement of this title and
83 procedural rules as are required to comply with the ~~Federal~~ federal Occupational Safety and Health Act
84 of 1970 (P.L. 91-596). All such rules and regulations shall be subject to Chapter 40 (§ 2.2-4000 et seq.)
85 of Title 2.2;:

86 ~~(4)~~ 4. In the discharge of his duties, have power to take and preserve testimony, examine witnesses,
87 and administer oaths and to file a written or printed list of relevant interrogatories and require full and
88 complete answers to the same to be returned under oath within ~~thirty~~ 30 days of the receipt of such list
89 of questions;:

90 ~~(5)~~ 5. Have power to appoint such representatives as may be necessary to aid ~~him~~ the Commissioner
91 in his work; ~~their~~, with the duties ~~shall be~~ of such representatives to be prescribed by the
92 Commissioner;:

93 ~~(6) [Repealed.]~~ 6. Determine the prevailing wage required to be paid under a public contract for
94 public works as provided in § 2.2-4321.3 and perform all other duties imposed on the Commissioner
95 under such section. Any determination of the prevailing wage rate made by the Commissioner shall be
96 based on applicable prevailing wage rate determinations made by the U.S. Secretary of Labor under the
97 provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq., as amended.

98 ~~(7)~~ 7. Have power to require that accident, injury, and occupational illness records and reports be
99 kept at any place of employment and that such records and reports be made available to the
100 Commissioner or his duly authorized representatives upon request. ~~Further, he may, and to~~ require
101 employers to develop, maintain, and make available such other records and information as are deemed
102 necessary for the proper enforcement of this title;:

103 ~~(8)~~ 8. Have power, upon presenting appropriate credentials to the owner, operator, or agent in charge:

104 ~~(a)~~ a. To enter without delay and at reasonable times any business establishment, construction site, or
105 other area, workplace, or environment where work is performed by an employee of any employer in this
106 Commonwealth; and

107 ~~(b)~~ b. To inspect and investigate, during regular working hours and at other reasonable times, and
108 within reasonable limits and in a reasonable manner, without prior notice, unless such notice is
109 authorized by the Commissioner or his representative, any such business establishment or place of
110 employment and all pertinent conditions, structures, machines, apparatus, devices, equipment, and
111 materials therein, and to question privately any such employer, officer, owner, operator, agent, or
112 employee. If such entry or inspection is refused, prohibited, or otherwise interfered with, the
113 Commissioner shall have power to seek from a court having equity jurisdiction an order compelling
114 such entry or inspection;:

115 ~~(9)~~ 9. Make rules and regulations governing the granting of temporary or permanent variances from
116 all standards promulgated by the Board under this title. Any interested or affected party may appeal to
117 the Board, the Commissioner's determination to grant or deny such a variance. The Board may, as it
118 sees fit, adopt, modify, or reject the determination of the Commissioner;:

119 ~~(10) All~~ 10. Have authority to issue orders to protect the confidentiality of all information reported
120 to or otherwise obtained by the Commissioner, the Board, or the agents or employees of either ~~which~~
121 that contains or might reveal a trade secret. Such information shall be confidential and shall be limited

122 to those persons who need such information for purposes of enforcement of this title. ~~The Commissioner~~
 123 ~~shall have authority to issue orders to protect the confidentiality of such information.~~ Violations of such
 124 orders shall be punishable as civil contempt upon application to the Circuit Court of the City of
 125 Richmond. It shall be the duty of each employer to notify the Commissioner, or his representatives, of
 126 the existence of trade secrets where he desires the protection provided herein.
 127 (11) 11. Serve as executive officer of the Virginia Safety and Health Codes Board and of the
 128 Apprenticeship Council and see that the rules, regulations, and policies that they promulgate are carried
 129 out.