

FAQS ON THE APPLICABILITY OF PREVAILING WAGE REQUIREMENTS TO CONSTRUCTION WORK PERFORMED ON BROADBAND PROJECTS AWARDED TO PRIVATE GRANTEES

When a private entity is awarded a grant for a Broadband Project in the Commonwealth, is construction work on the project covered by the Pennsylvania Prevailing Wage Act?

Yes. In order to be a public work for the purposes of coverage under the Act, there must be:

1. Construction, reconstruction, demolition, alteration and/or repair work other than maintenance work;
2. Done under contract;
3. Paid for in whole or in part out of the funds of a public body; and
4. The estimated cost of the total project is in excess of twenty-five thousand dollars (\$25,000).

When a private entity enters into a grant agreement on a Broadband Project, the contract requirement has been satisfied and, provided the grant exceeds \$25,000, prevailing wage requirements apply to all covered construction work performed on the project.

What work on a Broadband Project is covered by prevailing wage requirements?

L&I issues rate determinations for public works projects that are covered by the Act. The rate determination sets forth the appropriate work classifications, wage rates, and fringe benefit requirements for workers performing construction work on the project. Covered construction work includes any work included in the rate determination issued by L&I for the project.

When a Broadband Project is covered by the Act, are “in-house” employees of a private broadband grantee covered by prevailing wage requirements?

Coverage for “in-house” employees of a private broadband grantee depends upon the nature of work being performed by the employee and not the employer’s status as a grant recipient.

Employees of a private broadband grantee who perform construction work on a Broadband Project (for example, work performed as a “laborer,” “cement mason,” or other job classification included in the rate determination) are covered by the Act and entitled to the applicable prevailing wages.

Employees of a private broadband grantee who perform work that is unrelated to a Broadband Project or work that is related to a Broadband Project but not covered by the rate determination (for example, in-office administrative work or architectural work) are not covered by the Act and are not entitled to prevailing wages.

Updated November 20, 2024