The threshold for paying Prevailing Wage for Dirt, Gravel, and Low Volume Road Maintenance Program projects remains at $25,000 (not $100,000).

Why:

Many people are under the impression that the Prevailing Wage (PW) threshold was increased from $25,000 to $100,000 for Dirt, Gravel, and Low Volume Road (DGLVR) Program projects as part of the Transportation Bill (act 89 of 2013). While it is true that Act 89 raised the PW threshold to $100,000, it also specifically defines the sources of funds that this higher threshold applies to. The language in the act, shown at right, applies to “locally funded” projects, and in section (c) goes on to define the term “locally funded” using 6 numbered funding sources. Because the source of DGLVR funding is NOT listed in any of the six items under (9023 (c)), the legal interpretation is that Section 9023 of Act 89, that increased PW to $100,000 does NOT apply to the DGLVR Program; therefore, the PW threshold for the DGLVR Program remains unchanged at $25,000.

It is not clear why it was written this way, and it also leaves several other programs and funding sources out of the PW threshold increase. While several parties are hoping to remedy the situation, the PW threshold currently remains at $25,000 for DGLVR Program projects.

Remember that PW does not apply to municipal labor regardless of project size or cost. Prevailing Wage only applies to contracted labor on jobs that are over the PW threshold of $25,000 (in total project costs). For specific details on PW, contact your municipality’s solicitor.