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Rule Analysis for Legislative Review

Proposed rules relating to the adjustment of threshold for application of prevailing wage rates and payment and performance assurance requirements

**DWD 290.155 (1) and 293.02 (1) and (2)
CR 06-004**

Basis and Purpose of the Proposed Rule

Section 66.0903 (5) and 103.49 (3g), Stats., set initial estimated project cost thresholds for application of the prevailing wage rate requirements on public works construction projects and direct the Department to adjust the thresholds each year in proportion to any change in construction costs since the thresholds were last determined. The proposed rule will increase the thresholds in proportion to a 4.639% increase in construction costs between December 2004 and December 2005.

Section 779.14, Stats., sets payment and performance assurance requirements that apply to contracts for the performance of labor or furnishing of materials for a public improvement project or public work. Section 779.14 (1s), Stats., requires the Department to biennially adjust the thresholds for various requirements in proportion to any change in construction costs since the last adjustment if the adjustment to be made would not be less than 5%. The proposed rule will adjust these thresholds in proportion to a 12.75% increase in construction costs between December 2003 and December 2005.

Public Hearing Summary

A public hearing was held on February 15, 2006. There were no appearances.

Response to Legislative Council Staff Recommendations

All comments were accepted. The amended fiscal estimate explains that the proposed rule will have no fiscal impact because the adjustment of the thresholds based on inflation merely provides that the same public works projects that would have been covered by the prevailing wage rate requirements last year are also covered this year.

Final Regulatory Flexibility Analysis

A final regulatory analysis is not required because the proposed rule will no have a significant economic impact on a substantial number of small businesses.

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