

ILLINOIS BOARD OF HIGHER EDUCATION  
**INDEPENDENT COLLEGES CAPITAL PROGRAM (ICCAP)**

**Prevailing Wage Act (820 ILCS 130)**

This page is provided to inform grant applicants about the basics of the Prevailing Wage Act and its applicability to ICCAP, a capital grant program funded with Build Illinois Bond funds.

- 1) The Illinois Department of Labor provided the Board with the following guidance regarding the application of the Prevailing Wage Act to ICCAP capital projects:

*The status of fixed-work construction projects funded through the Build Illinois Bond Act as "public works" is clear and long standing; as such projects are explicitly defined as "public works" in Section 2 of the Prevailing Wage Act. Consequently, all laborers, workers and mechanics rendering services on such projects must be paid prevailing wage.*

- 2) The Prevailing Wage Act is explained by the Illinois Department of Labor as follows:

*Requires contractor and subcontractor to pay laborers, workers and mechanics employed on public works projects, no less than the general prevailing rate of wages (consisting of hourly cash wages plus fringe benefits) for work of similar character in the locality where the work is performed. Violators must pay workers the difference between the wage paid and the prevailing wage, and may be subject to 20% penalties and 2% punitive damages. A contractor or subcontractor found to have violated the Act on two occasions may be barred from public works projects for two years.*

*Contractors are required to post prevailing wage rates at job sites.*

Current prevailing wage rates and additional information are available at <http://www.state.il.us/agency/idol/Laws/Law130.htm>

- 3) In addition, the Illinois Comptroller stipulates the following:

*No warrant shall be drawn by the Office of the Comptroller for payment under a grant or contract for the construction of a public works project subject to the Prevailing Wage Act unless the grant or contract contains the stipulation set forth.*

- 4) The Board will be including the following stipulation, as provided by the Comptroller, in all ICCAP grant agreements:

**GRANT FOR THE CONSTRUCTION OF FIXED WORKS.** *All projects for the construction of fixed works which are financed in whole or in part with funds provided by this Grant Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130) unless the provisions of that Act exempt its application. In the construction of the project, the Grantee shall comply with the requirements of the Prevailing Wage Act, including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers, and mechanics performing work under the contract and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.*