



February 11, 2020

Maryland House of Delegates - Economic Matters Committee

Chair: Dereck E. Davis

Vice Chair: Kathleen M. Dumais

Reference: **House Bill 582 – Procurement Prevailing Wage Applicability**

Position: Support

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Established in 1927, the Mechanical Contractors Association of Maryland (MCA-MD) is the premier local trade association for responsible, law-abiding contractors in the plumbing, HVAC and steam-fitting industry fields. MCA-MD supports HB 582.

Maryland's current prevailing wage monetary threshold of \$500,000 is the highest in the Nation, and substantially above the Federal Davis-Bacon threshold. When combined with a 50% of State funding requirement, it can effectively create a threshold well into the millions of dollars. By reducing or eliminating the percentage requirement the bid process will eventually become more robust, which would enhance the return on value to the hardworking taxpayers of our community as requests for proposals are issued by the Board of Public Works.

Although MCA-MD has multinational and middle market contractors as members, the heart and soul of our organization and membership are small businesses. These hardworking small business women and men- the fabric of our community and local economy- should be afforded the opportunity to compete for these projects. In prevailing wage projects, contractors must employ registered apprentices and journeypersons that receive fair wages with defined pensions and no pre-existing condition health insurance coverage. Additionally, these small business owners are part of and help underwrite the Joint Apprenticeship Training Council (JATC), which provides world-class, high-skilled training to apprentices across the state at no cost to the apprentices or taxpayers.

State-funded prevailing wages bolster the economic vibrancy of communities across Maryland, and afford working families the opportunity to be employed in their neighborhoods rather than commute great distances for a paycheck.

We respectfully urge this Committee to issue a favorable report.

Thank you.

Charles Daniel,  
Executive Vice President