

# **SB259 Support.pdf**

Uploaded by: Balfour Albacarys

Position: FAV

# INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:

Baltimore-D.C. Metro Building Trades Council — AFL-CIO  
Baltimore Port Council  
Baltimore Metro Council — AFL-CIO  
Central MD Labor Council — AFL-CIO  
Del-Mar-Va Labor Council — AFL-CIO  
Maryland State - D.C. — AFL-CIO  
National Safety Council



AFL-CIO-CLC

BALTIMORE, MARYLAND 21230

C. SAMUEL CURRERI, President  
DAVID W. SPRINGHAM, JR., Recording Secretary  
JEROME T. MILLER, Financial Secretary  
MICHAEL J. McHALE, Business Manager

OFFICE:

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SUITE 200

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## Written Testimony of

Rico Albacarys, Assistant Business Manager, IBEW LOCAL 24

Before the

Finance Committee On

SB 259 Procurement – Prevailing Wage - Applicability

## Support

February 8, 2022

Madame Chair Kelly and Committee Members,

Thank you for the opportunity to submit my testimony in **support** of Senate Bill 259.

My name is Rico Albacarys and I'm an employee and member of the International Brotherhood of Electrical Workers Local 24, in Baltimore.

The work we do is not easy; it requires high skills and has a fair amount of risk. We understand this, which is why we provide extensive training and fight for quality wages, pensions, and health care. We believe everyone doing this type of work is entitled to these wages, regardless of their affiliation with our organization.

Prevailing wage laws require contractors to employ registered apprentices and journeypersons that are compensated with fair wages and fringe benefits, including defined pensions and health insurance for themselves and their families. These laws and the accompanying labor standards are vital to protecting Maryland workers and ensuring Maryland jobs go to Maryland residents.

One area where Maryland law lags behind federal prevailing wage law is on the subject of service contracts. These are smaller contract jobs, typically between \$3,000-\$5,000 and can make up a large portion of work for a mechanical tradesperson. Many of our members work exclusively on these types of contracts, performing work that may take a few hours or days. The shortened length of the contract makes a prevailing wage standard no less important as recognized by the federal McNamara-O'Hara Service Contract Act. SB 259 seeks to bring Maryland law in line with federal law in the small scope of mechanical service contracts (including electric, HVAC, plumbing, refrigeration, steam and gas work, and elevators).

This is why I'm asking you to **support** SB 259.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rico Albacarys', with a long horizontal flourish extending to the right.

Rico Albacarys

Assistant Business Manager

**PJC testimony - SB259.pdf**

Uploaded by: David Rodwin

Position: FAV



David Rodwin, Attorney  
Public Justice Center  
201 North Charles Street, Suite 1200  
Baltimore, Maryland 21201  
410-5815-9409, ext. 249  
rodwind@publicjustice.org

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**SB 259 – Procurement – Prevailing Wage – Applicability**  
***Hearing before the Senate Finance Committee, February 10, 2022***

**Position: SUPPORT**

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization that seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project aims to ensure that our state’s low-wage workers receive fair and full payment for their labor, as well as other basic protections on the job. The PJC **supports SB 259** and urges a **favorable** report.

**SB 259 Will Better Ensure that Publicly Funded Mechanical Systems Work Promotes Good Jobs and Economic Development and Reduces Income Inequality.** Mechanical systems work – HVAC repair, refrigeration, plumbing, electrical, and elevator repair – is skilled work. The workers who do this work under state contracts should be paid enough to provide for their families. Yet the Prevailing Wage Law’s current definition of “construction” excludes these workers. Maryland is missing an opportunity to promote good jobs, reduce poverty, and spur local economic development. Research shows that blue-collar construction workers in states with strong prevailing wage laws earn more, are less reliant on public benefits, contribute more to the local economy, and pay more taxes.<sup>1</sup> Moreover, “[b]y substantially improving the incomes of blue-collar construction workers . . . [payment of a] prevailing wage helps reduce income inequality in the construction industry.”<sup>2</sup> In short, expanding the reach of Maryland’s prevailing wage law is good policy.

**Prevailing Wages Do Not Increase Construction Costs.** The vast majority of peer-reviewed research has shown that prevailing wages do not increase costs for a variety of reasons.<sup>3</sup> Some 80% of peer reviewed research shows no increase for school construction projects, while 75% show no increase when all types of projects are considered. Thus, increasing costs is not a reason to reject SB 259.

**Because SB 259 represents an opportunity to provide more good jobs and reduce income inequality, the Public Justice Center SUPPORTS SB 259 and requests a FAVORABLE report.**

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<sup>1</sup> See Frank Manzo, IV et al., *The Economic, Fiscal, and Social Impacts of State Prevailing Wage Laws: Choosing Between the High Road and the Low Road in the Construction Industry*, 18 (Ill. Econ. Policy Inst., Feb. 9, 2016), <https://illinoisepi.files.wordpress.com/2017/03/pw-national-impact-study-final2-9-16.pdf>.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

# **SB 259 - Prevailing Wage - Applicability.pdf**

Uploaded by: Donna Edwards

Position: FAV



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Office. (410) 269-1940 • Fax (410) 280-2956

*President*

Donna S. Edwards

*Secretary-Treasurer*

Gerald W. Jackson

**SB 259 – Procurement – Prevailing Wage - Applicability  
Senate Finance Committee  
February 10, 2022**

**SUPPORT**

**Donna S. Edwards**

**President**

**Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support SB 259 – Procurement – Prevailing Wage - Applicability. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

Maryland believes in the dignity of work. The General Assembly has reaffirmed our belief in this bedrock value by expanding Prevailing Wage Law over the past few years. We value the tremendous contribution to our State of those skilled workers who build our publicly funded projects by ensuring they are paid the Prevailing Wage for their covered craft. Additionally, if our tax dollars are to be spent on building schools and state buildings, it is imperative that we get the highest value for the taxes paid by Maryland workers, and that is done by paying for the highest skilled and best trained workforce through a Prevailing Wage.

SB 259 expands Prevailing Wage law to mechanical systems service contracts, which, in effect, expands it to the maintenance of our taxpayer funded buildings. This is important step toward promoting family-sustaining careers (as well as the increased Apprenticeship opportunities) and ensuring that we are good stewards of the taxpayers' money by investing it into highly skilled tradesmen and women to maintain the mechanical systems in our schools and state facilities.

From refrigeration to plumbing, from electrical to elevators, buildings need regular maintenance. We can support the workers who fix and maintain our state buildings and ensure that we have the highest quality work that our tax dollars can buy. We can, and should, do both.

**For these reasons we ask for a favorable report on SB 259.**

**SB 259 - SMART 100.pdf**

Uploaded by: Donna Edwards

Position: FAV



**International Association of Sheet Metal, Air,  
Rail & Transportation Workers,  
Local Union 100— Sheet Metal Division**  
*Affiliated with AFL-CIO*

**Richard D. LaBille, III**  
Business Manager/President  
**Russell K. Robinson**  
Financial Secretary-Treasurer

Honorable Members of the Senate Finance Committee

February 7, 2022

**We strongly support SB 259.**

Madam Chair and Committee members, thank you for the opportunity to submit testimony on SB-259 Procurement – Prevailing Wage - Applicability. My name is Thomas Killeen Business Representative and Legislative Director for SMART (Sheet Metal Air Rail Transportation) Local Union 100. We represent 2,100 working men and women that reside in the State of Maryland, and we ask that you support are Maryland members by supporting SB 259. This legislation will resolve confusion in the Maryland code as to whether “service contracts” are subject to Prevailing Wages and will benefit working families throughout the state.

As you may know the Senate Taskforce on Prevailing wage in Maryland reviews data compiled by the State Department of Labor, Licensing and Regulation between 2010 and 2013, which revealed that a 76% of all jobs created by Prevailing Wage contracts went directly to Maryland workers.

In addition, national construction policy expert attorney Gerard Waites of O’Donoghue & O’Donoghue LLP, found some 39 studies on Prevailing Wages overwhelmingly indicate that Prevailing Wage programs increase local skills training programs, stabilize wage rates, increase productivity, and job safety, provide necessary stimulus in the form of local tax revenues, and do not increase overall construction projects costs.

Because of the reasons listed above we ask that you expand Prevailing Wages to State-funded Mechanical Service Contracts.

**We ask for favorable report on SB 549.**

Sincerely,

A handwritten signature in black ink that reads "Thomas Killeen". The signature is fluid and cursive.

Thomas Killeen  
Bus. Rep. & Legislative Director  
SMART Local Union 100

# **Jason Ascher - Support - SB 259 - Prevailing Wage**

Uploaded by: Jason Ascher

Position: FAV



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## House Economic Matters Committee

**To:** Delegate CT Wilson, Chair; Delegate Brian Crosby Vice-Chair; and Members of the Committee.  
**From:** Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association.

### **SB 259 - Procurement – Prevailing Wage – Applicability**

On behalf of the Mid-Atlantic Pipe Trades Association and our 10,000+ United Association of Plumbers and Steamfitter members across Maryland, I ask you to **SUPPORT SB 259**.

The prevailing wage helps to level the playing field and make sure that local workers can work on local construction projects. The same is true with mechanical service. After workers, like our members, finish building the piping systems in a store, home, or office, someone needs to come back occasionally to maintain these mechanical systems and ensure they are and continue to work. Servicing these systems happens whether they be plumbing, HVAC, Fire Sprinklers, refrigeration, etc. These service jobs make up approximately 50% of our members. They have undergone the same training and received the same certifications as the workers who built the system but have chosen a different path to service these systems.

SB 259 will clear up confusion in the state code and ensure that these mechanical service workers earn the same prevailing wage as their construction counterparts. By paying the prevailing wage on mechanical service contracts, you will be providing a level playing field for small and minority-owned businesses to bid on these contracts and allow these businesses to grow. When contracts that pay good wages and benefits get more work and grow, people need public assistance, fewer people need multiple jobs, and more people can take care of their families.

For these reasons, I ask you to **SUPPORT SB 259**.

Sincerely,

Jason Ascher  
Political Director  
Mid-Atlantic Pipe Trades Association  
7050 Oakland Mills Road, Suite 180  
Columbia, MD 21046

# **Scott Uphole Loca 489 - Support SB 259.pdf**

Uploaded by: Jason Ascher

Position: FAV



*Plumbers & Steamfitters  
United Association  
Local Union No. 489*

2 Park Street, Cumberland, Maryland 21502

P: 301-722-8515 F: 301-759-4168

SCOTT UPOLE

Business Manager & Financial Secretary

JUSTIN BROWN

President

DENTON SHRIVER

Vice-President

JASON LEITH

Recording Secretary

TESTIMONY OF SCOTT UPOLE, BUSINESS MANAGER AT PLUMBERS & STEAMFITTERS  
UA LOCAL 489

SB259 / HB611, EXPANDING PREVAILING WAGES TO MECHANICAL SERVICE  
CONTRACTS  
FAVRABLE

Members of the Senate Finance Committee and House Economic Matters Committee:

As Business Manager of Plumbers & Steamfitters UA Local 489, I'm writing in strong support of SB259 / HB 611, because there is a great need to expand prevailing wages to mechanical systems service contracts.

At Local 489, we do both construction and service work. We understand the value of prevailing wages in incentivizing good jobs, benefits, and outstanding workforce training through our apprenticeship programs. But we can and must do better by expanding the prevailing wage programs. That's exactly what this bill does.

Just like the federal government does through the McNamar-O'Hara Service Contracts Act of 1965, this legislation recognizes the importance of prevailing wages in empowering and uplifting workers, it also recognized the difference between construction contracts and service contracts, in that they have completely different dollar thresholds. Service work is done through very small contracts, averaging \$3,000-\$5,000, while construction work is often in the millions of dollars.

This legislation is critical in bringing more contractors into the state prevailing wage system by including mechanical service contacts, which benefits everyone.

On behalf of me and my members, please support SB259 and HB611, and I ask for a favorable committee report.

Kindly,

Scott Upole

Business Manager

Plumbers and Steamfitters LU #489

# **Jason Williams testimony SB1 HB611 FAV (1).pdf**

Uploaded by: Jason Williams

Position: FAV

TESTIMONY OF JASON WILLIAMS, 3<sup>RD</sup> YEAR APPRENTICE

SB259 / HB611, PROCUREMENT - PREVAILING WAGE - APPLICABILITY

FAVORABLE

Dear members of the Senate Finance Committee and the House Economic Matters Committee:

My name is Jason Williams, and I am a 3<sup>rd</sup> year apprentice and proud member of UA Steamfitters Local 602.

I support this legislation because expanding prevailing wages to mechanical service work will open more doors and opportunities for people just like me.

At 29, I made some mistakes that I'm not proud of. I was sentenced to 31 years, 18.5 years suspended sentence, and ultimately incarcerated for 11 years and 8 months.

It was a long road. But looking back, I had to go to a place with no windows to get a real view on my life.

During my incarceration, I participated in a vocational welding training program, and I excelled. By chance, I was visited by a childhood friend, whose wife was a member of UA Steamfitters 602, and she suggested that I pursue a career in welding through the union, once I got out.

I immediately began practicing for the apprenticeship test. When I was released, I was blessed to be able to take the apprenticeship test, and was accepted into the Steamfitters 602 apprenticeship training program. Shortly thereafter, I got the call to begin work, which I did. That was 3 years ago.

Through my training, I've met other people who needed second chances, and transformed their lives through the apprenticeship programs. From a deeply personal point of view, this program gives me the opportunity to feel and actually be free, and to help other people understand their place in the world, and the opportunities available to them.

This legislation is critical in helping to expand programs like mine, and to expand the real-world opportunities for people like me to earn good wages for both construction and service work.

I'm telling you my story, because it relates directly to the importance of this legislation. Please do everything that you can to pass this legislation, which will help lift thousands of people into good jobs and second chances.

Thank you.

# **SB 259 Procurement – Prevailing Wage – Applicability**

Uploaded by: Jeffry Guido

Position: FAV



## Maryland Senate Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

### **Senate Bill 259 Procurement – Prevailing Wage – Applicability**

Position: **SUPPORT**

The Baltimore DC Metro Building Trades Council supports Senate Bill 259. Service maintenance work requires the same skilled craft professionalism equal to that used for new construction. These highly skilled crafts men and women are vital to the maintenance and preservation of our buildings and building systems for decades of purposeful use.

Equally important is prevailing wages support apprenticeship. Building Trades Unions in partnership with our signatory contractors with Joint Apprenticeship Training Councils manage \$26,000,000.00 annually in providing scholarships for apprentices. The largest post high school scholarship program in Maryland. Earn while you learn with no student debt. Senate Bill 259 will ensure qualified, safe, highly skilled craft professionals on public projects and protect local communities from the deterioration of local labor standards. Our members represent the safest, most highly skilled and productive construction and maintenance workforce in Maryland. Without prevailing wage laws contractors will be further hard-pressed to find qualified, skilled workers to accept jobs with unfair wages and little to no benefits. Prevailing wage laws are vital in the construction and service maintenance industry – and, more importantly, when these laws are protected, America’s middle class is empowered.

We ask the committee for a favorable vote. Thank you.

Respectfully,

Jeffrey Guido - Baltimore-DC Metro Building Trades Council

**Value on Display... Everyday.**



Electrical Workers  
Insulators  
Boilermakers  
United Association  
Plumbers & Gas Fitters  
Sprinkler Fitters  
Steam Fitters  
Roofers  
Cement Masons  
Teamsters  
Laborers  
Bricklayers  
Ironworkers  
Sheet Metal Workers  
Elevator Constructors  
Painters  
Operating Engineers  
Carpenters

**Value on Display... Everyday.**



Value on Display... Everyday.



**2022\_2 MD Senate Bill 259 - Written Testimony.pdf**

Uploaded by: Joe Roetering

Position: FAV



February 8, 2022

TESTIMONY OF JOE ROETERING, PRESIDENT & CEO  
HAVTECH SERVICE DIVISION, LLC

SB259, EXPANDING PREVAILING WAGES TO MECHANICAL SERVICE CONTRACTS

Dear Members of the Senate Finance Committee:

I appreciate your consideration of my testimony in support of SB259, legislation to expand prevailing wages to mechanical systems service contracts. As an owner of a contracting business in Maryland, this legislation is important to the Maryland residents employed by Havtech and necessary to eliminate any confusion as to whether service contracts are subject to prevailing wages. Havtech is a repair and maintenance provider for HVAC systems in commercial buildings and this legislation will have a significant impact in keeping our skilled workforce employed in Maryland.

Much of our service work is performed through small contracts that average \$3,000-\$5,000 per contract, making this considerably lower than the current prevailing wage threshold for construction at \$250,000. SB259 identifies the size and scope of service work for mechanical service contracts and builds on federal government's McNamara-O'Hara Service Contract Act of 1965. This legislation is also similar to local legislation pending in the Maryland counties of Anne Arundel, Baltimore City, Baltimore County, Charles, Montgomery, and Prince Georges.

It is important to note, as detailed in a policy brief by national construction policy expert, attorney Gerard M. Waites of O'Donoghue & O'Donoghue LLP, over 30 studies on prevailing wages substantially indicate that prevailing wage programs provide a significant number of benefits to the community as well as the individual worker. By expanding the prevailing wages, it will stabilize wage rates, increase productivity on jobsite safety, increase local skills training programs, and provide necessary stimulus in the form of local tax revenues. One misconception is that this will increase overall construction project costs, when it will do the opposite because more skillful and safety conscious workers result in higher productivity.

The State Department of Labor, Licensing and Regulation compiled data between 2012 and 2013 that was reviewed by The Senate Taskforce on Prevailing Wage in Maryland, which discovered that 76.34% of all jobs created by prevailing wage contracts went directly to Maryland workers. This information reinforces the idea that SB259 is a tool that creates more local jobs and motivates workforce training for Maryland residents. It is important that this committee acts now to expand the scope of prevailing wages to mechanical systems service contracts. This legislation is timely and powerful to ensure local hiring and drive economic growth in Maryland when it is needed most.

Meeting the increasing demands of sustainable buildings and remain competitive in the market requires us to invest in the growth and development of our current and future workforce. The industry needs to attract the best, high performing, skilled talent into mechanical trades. This legislation will allow for better wages which will result in the best talent to transform buildings and our communities to become environmentally responsible. Attracting more talented young people to the trades will help us keep buildings like Hospitals, Schools and Government Offices operating efficiently, comfortably, and safely.

Thank you for the opportunity to provide my testimony in support of legislation to expand prevailing wages to mechanical systems service contracts and I respectfully ask for your support of SB259, and a favorable report.

Respectfully,

Joe Roetering  
President & CEO

**BaltimoreCounty\_FAV\_SB0259.pdf**

Uploaded by: Joel Beller

Position: FAV



JOHN A. OLSZEWSKI, JR.  
*County Executive*

JOEL N. BELLER  
*Acting Director of Government Affairs*

JOSHUA M. GREENBERG  
*Associate Director of Government Affairs*

MIA R. GOGEL  
*Associate Director of Government Affairs*

**BILL NO.:** Senate Bill 259

**TITLE:** Procurement – Prevailing Wage - Applicability

**SPONSOR:** Senator Feldman

**COMMITTEE:** Finance

**POSITION:** **SUPPORT**

**DATE:** February 10, 2022

Baltimore County **SUPPORTS** Senate Bill 259 – Procurement – Prevailing Wage - Applicability. This legislation would expand the current prevailing wage law for the construction of public works to include mechanical systems service contracts.

All employees in the state of Maryland deserve to be paid a fair and livable wage, and prevailing wage policies are essential to ensuring that this may happen. Early into his administration, County Executive John Olszewski passed local prevailing wage legislation to ensure Baltimore County’s workforce was paid a livable wage and keep the County’s employment opportunities competitive in the current job market.

Senate Bill 259 expands current prevailing wage law by altering the definition of “construction” to include mechanical systems service contracts when employed for a public work. These mechanical systems service projects include HVAC, plumbing, electricity, elevator systems, and refrigeration systems. This legislation enhances access to a living wage for workers across the State.

Accordingly, Baltimore County requests a **FAVORABLE** report on Senate Bill 259. For more information, please contact Joel Beller, Acting Director of Government Affairs at [jbeller@baltimorecountymd.gov](mailto:jbeller@baltimorecountymd.gov).

**SB 259 testimony 486.pdf**

Uploaded by: pasquale petrovia

Position: FAV



## **PLUMBERS AND STEAMFITTERS**

### **UA LOCAL UNION 486**

8100 Sandpiper Circle, Suite 200

Baltimore, Maryland 21236

Phone: 410-866-4380

Fax: 410-933-3515

www.UALocal486.com

Founded 1889

February 2, 2022

**Pasquale D. Petrovia**  
*Business Manager*

**Gerald W. Jackson**  
*Assistant Business Manager*

**Gary G. Glab**  
*Financial Secretary/Treasurer*

**C. Ryan Ambrose**  
*Business Agent*

**Harry M. Schleicher Jr.**  
*Business Agent*

**Stephen M. Nitsch**  
*Business Agent*

**Todd E. Eckley**  
*Recruiter*

Dear Chairwoman Kelley and members of the Senate Finance Committee:

As Business Manager of UA Local 486, I strongly support SB259. This legislation to expand prevailing wage to mechanical systems service contracts will clarify the Maryland code. This legislation ties these projects to the McNamara-O'Hara Service Contracts ACT of 1965 threshold for prevailing wage. It also defines mechanical service as HVAC, Plumbing, Electrical, Refrigeration, Steam, Natural gas work, and elevator repairs. Service contracts are used throughout the state, averaging \$3,000-\$5,000 per contract, far lower than the standard prevailing wage threshold of \$250,000.

SB259 is a local job creator, helping to create good-paying sustainable jobs. By pairing these jobs with Prevailing wage rates, workers will receive good wages and benefits, along with outstanding training. The Senate Taskforce on Prevailing Wage compiled data between 2012 and 2013 and found that over 75% of all jobs created by prevailing wage went directly to Maryland residents. Thirty-nine additional studies on Prevailing wage overwhelmingly show stable wage rates, increased local skills training, increased productivity, providing local stimulus from tax incomes, and creating safer work environments for workers. In addition, these improvements don't increase overall construction costs and are very employer-friendly.

By expanding the scope of prevailing wage to all mechanical systems service contracts, I feel this legislation will be an economic driver for the state of Maryland. SB259 will also be a capstone on local legislation being discussed in several counties to expand the McNamara - O'Hara service act across Maryland.

For this reason, I am in strong support of SB259.

Sincerely,

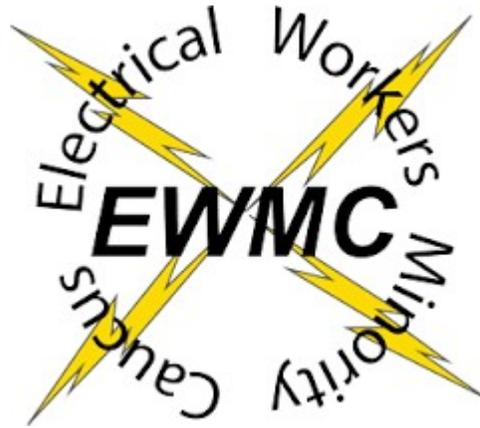
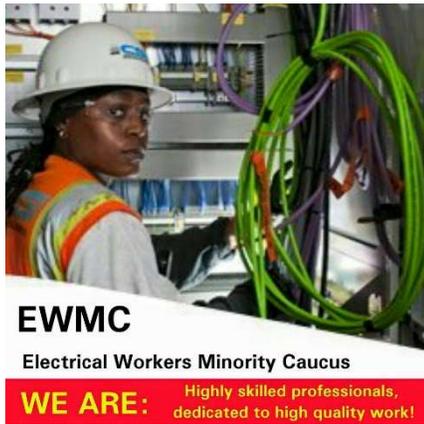
Pasquale Petrovia

Business Manager UA local 486

# **IBEW 26 Minority Caucus Testimony SB259 HB611 FAV.**

Uploaded by: Roger Manno

Position: FAV



## TESTIMONY OF IBEW LOCAL 26 ELECTRICAL WORKERS MINORITY CAUCUS

### SB259 / HB611, PROCUREMENT - PREVAILING WAGE – APPLICABILITY SUPPORT

Honorable Members of the Senate Finance Committee and the House Economic Matters Committee:

On behalf of the members of the IBEW Local 26 Electrical Workers Minority Caucus, please accept this testimony in strong support of SB259 / HB611, which would significantly help our members by expanding prevailing wages to mechanical systems service contracts.

The mission of the IBEW Local 26 Electrical Workers Minority Caucus is to promote equity, equal opportunity and employment for minorities and underrepresented workers at all levels of the IBEW structure. We do so through the fostering of leadership development and empowerment for minorities and underrepresented workers to become active participants and leaders in the IBEW. Specifically, we provide assistance to and address discrimination complaints of minorities and underrepresented workers in the IBEW, promote, support and assist the organizing of minority and underrepresented workers in the IBEW, encourage minority and underrepresented workers to be greater activists in community and political affairs, and be actively involved in human, civil and women's rights organizations both within and outside of organized labor.

Our members support this legislation because it redresses a grave disparity between workers who perform construction work, and those who perform service work. It is patently unfair to pay the same skilled worker fair, middle-class prevailing wages for construction work, but to pay substandard wages for service work. By expanding prevailing wages to service work, as this legislation does, more of our members are able to compete on a level playing field, and thrive in our careers.

Please support SB259 / HB611.

Thank you.

Sincerely,

Mark Thompson, President of the EWMC

**IBEW24 Testimony SB259 FAV.pdf**

Uploaded by: Roger Manno

Position: FAV

# INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:

Baltimore-D.C. Metro Building Trades Council — AFL-CIO  
Baltimore Port Council  
Baltimore Metro Council — AFL-CIO  
Central MD Labor Council — AFL-CIO  
Del-Mar-Va Labor Council — AFL-CIO  
Maryland State - D.C. — AFL-CIO  
National Safety Council



AFL-CIO-CLC

BALTIMORE, MARYLAND 21230

C. SAMUEL CURRERI, President  
DAVID W. SPRINGHAM, JR., Recording Secretary  
JEROME T. MILLER, Financial Secretary  
MICHAEL J. McHALE, Business Manager

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SUITE 200

Phone: 410-247-5511

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## Written Testimony of

Rico Albacarys, Assistant Business Manager, IBEW LOCAL 24

Before the

Finance Committee On

SB 259 Procurement – Prevailing Wage - Applicability

## Support

February 8, 2022

Madame Chair Kelly and Committee Members,

Thank you for the opportunity to submit my testimony in **support** of Senate Bill 259.

My name is Rico Albacarys and I'm an employee and member of the International Brotherhood of Electrical Workers Local 24, in Baltimore.

The work we do is not easy; it requires high skills and has a fair amount of risk. We understand this, which is why we provide extensive training and fight for quality wages, pensions, and health care. We believe everyone doing this type of work is entitled to these wages, regardless of their affiliation with our organization.

Prevailing wage laws require contractors to employ registered apprentices and journeypersons that are compensated with fair wages and fringe benefits, including defined pensions and health insurance for themselves and their families. These laws and the accompanying labor standards are vital to protecting Maryland workers and ensuring Maryland jobs go to Maryland residents.

One area where Maryland law lags behind federal prevailing wage law is on the subject of service contracts. These are smaller contract jobs, typically between \$3,000-\$5,000 and can make up a large portion of work for a mechanical tradesperson. Many of our members work exclusively on these types of contracts, performing work that may take a few hours or days. The shortened length of the contract makes a prevailing wage standard no less important as recognized by the federal McNamara-O'Hara Service Contract Act. SB 259 seeks to bring Maryland law in line with federal law in the small scope of mechanical service contracts (including electric, HVAC, plumbing, refrigeration, steam and gas work, and elevators).

This is why I'm asking you to **support** SB 259.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rico Albacarys', with a long horizontal flourish extending to the right.

Rico Albacarys

Assistant Business Manager

**IUEC Local 10 Testimony SB259 HB611 FAV.pdf**

Uploaded by: Roger Manno

Position: FAV

*"All that is necessary for  
the triumph of evil is that  
good men do nothing"*



**LOCAL NO. 10  
INTERNATIONAL  
UNION OF  
ELEVATOR  
CONSTRUCTORS**

**Affiliated with the AFL-CIO  
9600 MARTIN LUTHER KING  
HIGHWAY  
LANHAM, MARYLAND  
20706  
(301) 459-0497  
FAX: (301) 459-3991**

John O'Connor, Jr.  
*Business Manager*  
Joseph Demmel  
*Business Representative*  
Ralph Gray, Jr.  
*Business Representative*  
Matthew Rusch  
*Business Representative*  
Jeremy Fox  
*President*  
Christopher Gray  
*Vice-President*  
Vance Ayres  
*Recording Secretary*  
Matt Guthrie  
*Financial Secretary*  
Bruce Zembower  
*Treasurer*

**TESTIMONY IN SUPPORT OF SB 259  
Procurement-Prevailing Wage-Applicability  
February 10, 2022**

To: Hon. Delores G. Kelley, Chair, and Members of the Senate Finance Committee

From: John O'Connor, Business Manager, IUEC Local #10

Madam Chair and Members of the Senate Finance Committee:

Please accept this testimony in support of SB259.

This piece of legislation that expands prevailing wages to service contracts and benefits working families throughout the state. Prevailing wages encourage "local hiring" and promotes workforce training in our own backyard. At a time when there is a skilled labor shortage, Maryland can lead the way in securing the most talented workers in the region. According to over three dozen studies on prevailing wages, this bill will: increase productivity, increase safety measures and keep Maryland payroll money in Maryland. Our members and your constituents deserve the safest workplace possible.

I respectfully ask that you support SB 259. Thank you.

**IUEC Local 7 Testimony SB259 FAV.pdf**

Uploaded by: Roger Manno

Position: FAV



## International Union of Elevator Constructors Local Union No. 7

3743 Old Georgetown Rd., Halethorpe, MD 21227

Office: (410) 661-1491 / FAX: (410) 882-8510

lueclocal7@aol.com

Mark Nutting

Business Manager/ Financial Secretary

Jason Danker

Business Representative

### **TESTIMONY IN SUPPORT OF SB 259 Procurement-Prevailing Wage-Applicability February 10, 2022**

To: Hon. Delores G. Kelley, Chair, and Members of the Senate Finance Committee

From: The officers of International Union of Elevator Constructors Local #7

Madam Chair and Members of the Senate Finance Committee, please join me and the 344 members of IUEC Local 7 in support of **SB 259**. This legislation will expand prevailing wages to service contracts and will benefit working families throughout the state.

Service contracts are often overlooked when it comes to prevailing wage. This bill addresses that issue and puts the state in concert with the Federal Government and in step with local jurisdictions that have recently brought forth similar legislation. Anne Arundel, Baltimore, Charles, Montgomery, and Prince George's counties all look favorably upon this idea. Prevailing wages promote hiring and workforce training in our own local communities. At a time when there is a skilled labor shortage, Maryland can lead the way in securing the most talented workers in the region. According to over three dozen studies on prevailing wages, this bill will increase productivity, increase safety measures, and keep Maryland payroll money in Maryland. In the elevator trade, safety is our number one concern! This legislation would help insure elevators, escalators, moving walks, and other conveyances across the state are serviced and maintained by properly trained and highly skilled personnel. Our members and your constituents deserve the safest workplace possible, as do the Plumbers, Steamfitters, and Electricians. These same studies also confirm that prevailing wages do not increase overall construction or maintenance costs.

Like other organized labor trades, the Elevator Constructors have a highly technical, self-funded, apprenticeship program. These trade programs give thousands of Marylanders not just jobs, but well-paying careers with quality benefits. Unlike most industries that testify before this committee, we are not asking for money, we are only seeking job opportunities. Because we are self-funded, our members get an education, receive healthcare, have defined pensions, and earn generational wealth, all at no cost to the state.

By passing SB 259, we can enlarge our class enrollment and therefore increase the quality of life for many more working families in our great state. Please consider this bill as a springboard for your young constituents looking for careers in the mechanical service industry. We respectfully ask that you **support SB 259**.



**NECA MD Testimony SB259 HB611 FAV.pdf**

Uploaded by: Roger Manno

Position: FAV



**Maryland Chapter**  
National Electrical Contractors Association



Phone: (410) 590-1189

1743 Dorsey Road, Suite 104-105  
Hanover, MD 21076

Fax: (410) 590-1198

February 3, 2022

Dear Chair Kelley and members of the Senate Finance Committee:

On behalf of the Maryland Chapter of the National Electrical Contractors Association (NECA), I write today to express our strong support for Senate Bill 259, expanding prevailing wages to mechanical systems service contracts.

Maryland NECA represents 75 construction contractors, some 2,000 workers and over 400 working apprentices. Our economic footprint throughout the region is substantial, generating some \$300 million in annual revenue, and some \$50 million in state, federal and local taxes each and every year.

We support Senate Bill 259 because we know that prevailing wages, and Davis Bacon wages on the federal level, yield better outcomes, more timely deadlines, and far fewer workplace injuries. In fact, we are pleased to see that Baltimore County and Anne Arundel County have all recently enacted local prevailing wage laws, while Montgomery County enacted legislation to expand their prevailing wage law to include mechanical systems service contracts, just like Senate Bill 259, only days ago.

Senate Bill 259 is critical for our members and contractors who perform both construction and service work. Currently, state prevailing wage law does not distinguish between construction work and service work, including the service work performed on those systems installed during the construction. This has created a two-tiered wage system in Maryland procurement: one for construction projects subject to prevailing wage, and one for service work subject to the state's barely livable, "living wage." In fact, there is a great deal of confusion in the Maryland code as to whether service contracts are even subject to the living wage, as opposed to prevailing wages. Senate Bill 259 resolves this confusion, and does so by narrowly addressing only mechanical systems service contracts, since those systems are closely related to the construction that enabled those systems.

In addition, Senate Bill 259 recognizes the relatively small size of mechanical systems service contracts (generally \$3,000-\$5,000) compared with construction contracts (more than \$250,000), and appropriately aligns the state prevailing wage law to the federal McNamara-O'Hara Service Contract Act of 1965 which governs very small service contracts on the federal level; one of many reasons why Montgomery County recently implemented their new prevailing wage law for mechanical service contracts, as well as similar legislation pending before several other Maryland counties.

For these reasons, Maryland NECA supports Senate Bill 259 and asks for a favorable report.

Sincerely,

William Yull  
Executive Director  
Maryland Chapter, NECA

# **Roger Manno Testimony SB259 FAV.pdf**

Uploaded by: Roger Manno

Position: FAV

TESTIMONY OF ROGER P. MANNO, ESQ.  
SB259, PROCUREMENT - PREVAILING WAGE – APPLICABILITY  
SUPPORT

Honorable Members of the Senate Finance Committee:

Please accept this testimony in strong support of SB259, legislation to expand prevailing wages to mechanical systems service contracts.

This legislation resolves confusion in the Maryland code as to whether “service contracts” are subject to prevailing wages. In doing so, the legislation significantly limits the scope of these prevailing wage service contracts to “mechanical service contracts” (including HVAC, plumbing, refrigeration, steam and gas work, and elevators), while tying the dollar threshold for such prevailing wage contracts to the parallel federal law, the McNamar-O’Hara Service Contracts Act of 1965.

By expanding the scope of prevailing wages to mechanical systems service contracts, this legislation is a timely and powerful wage, local hiring, and economic driver, at a time when our state needs it most.

I was privileged to serve in the Maryland House of Delegates from 2007-2011, and the Maryland Senate from 2011-2019. During that time, I authored a number of bills, laws and an Executive Order to advance prevailing wages and exceptional workforce training through certified apprenticeship training programs. Testimony and studies introduced in those legislative hearings illuminated the powerful impact of prevailing wage programs in advancing local job creation through rigorous skills-training programs, funded directly by those wages. In fact, the Senate Taskforce on Prevailing Wage in Maryland reviewed data compiled by the State Department of Labor, Licensing and Regulation between 2012 and 2013, which revealed that a staggering 76.34% of all jobs created by prevailing wage contracts went directly to Maryland workers.

In addition, as detailed in the policy brief in your packet by national construction policy expert, attorney Gerard M. Waites of O’Donoghue & O’Donoghue LLP, some 39 studies on prevailing wages overwhelmingly indicate that prevailing wage programs increase local skills training programs, stabilize wage rates, increase productivity and jobsite safety, provide necessary stimulus in the form of local tax revenues, and do not increase overall construction project costs.

Distinct from construction work, service work is performed through very small contracts, averaging \$3,000-\$5,000 per contract, which is far lower than the current prevailing wage threshold for construction (\$250,000). By recognizing the unique size and scope of service work, SB259 builds on the precedents set by federal government (McNamara-O’Hara Service Contract Act of 1965), and local legislation just passed in Montgomery County, and pending in the counties of Charles, Prince Georges, Anne Arundel, Baltimore City, and Baltimore County.

In all, SB250 harmonizes our regional prevailing wage rates for mechanical systems service contracts, while incentivizing good jobs and outstanding workforce training for local residents.

For the forgoing reasons, I respectfully ask for your support of SB259, and a favorable committee report.

Sincerely at your service,

  
Roger Manno

# **UA Plumbers & Steamfitters 486 Testimony SB259 HB6**

Uploaded by: Roger Manno

Position: FAV



**PLUMBERS AND STEAMFITTERS  
UA LOCAL UNION 486**

8100 Sandpiper Circle, Suite 200  
Baltimore, Maryland 21236  
Phone: 410-866-4380  
Fax: 410-933-3515  
www.UALocal486.com

Founded 1889

February 2, 2022

**Pasquale D. Petrovia**  
*Business Manager*

**Gerald W. Jackson**  
*Assistant Business Manager*

**Gary G. Glab**  
*Financial Secretary/Treasurer*

**C. Ryan Ambrose**  
*Business Agent*

**Harry M. Schleicher Jr.**  
*Business Agent*

**Stephen M. Nitsch**  
*Business Agent*

**Todd E. Eckley**  
*Recruiter*

Dear Chairwoman Kelley and members of the Senate Finance Committee:

As Business Manager of UA Local 486, I strongly support SB259. This legislation to expand prevailing wage to mechanical systems service contracts will clarify the Maryland code. This legislation ties these projects to the McNamara-O'Hara Service Contracts ACT of 1965 threshold for prevailing wage. It also defines mechanical service as HVAC, Plumbing, Electrical, Refrigeration, Steam, Natural gas work, and elevator repairs. Service contracts are used throughout the state, averaging \$3,000-\$5,000 per contract, far lower than the standard prevailing wage threshold of \$250,000.

SB259 is a local job creator, helping to create good-paying sustainable jobs. By pairing these jobs with Prevailing wage rates, workers will receive good wages and benefits, along with outstanding training. The Senate Taskforce on Prevailing Wage compiled data between 2012 and 2013 and found that over 75% of all jobs created by prevailing wage went directly to Maryland residents. Thirty-nine additional studies on Prevailing wage overwhelmingly show stable wage rates, increased local skills training, increased productivity, providing local stimulus from tax incomes, and creating safer work environments for workers. In addition, these improvements don't increase overall construction costs and are very employer-friendly.

By expanding the scope of prevailing wage to all mechanical systems service contracts, I feel this legislation will be an economic driver for the state of Maryland. SB259 will also be a capstone on local legislation being discussed in several counties to expand the McNamara - O'Hara service act across Maryland.

For this reason, I am in strong support of SB259.

Sincerely,

Pasquale Petrovia  
Business Manager UA local 486

# **UA Plumbers Local 5 Testimony SB259 FAV.pdf**

Uploaded by: Roger Manno

Position: FAV



# Plumbers Local Union No. 5

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO

5891 Allentown Road, Camp Springs, MD 20746 • Telephone: (301) 899-7861 • Fax: (301) 899-7868

February 10, 2022

Dear Chair Kelley and members of the Senate Finance Committee:

As **Business Manager/Financial Secretary Treasurer** of UA Plumbers & Gasfitters Local 5, please accept this letter in strong support of Senate Bill 259, Procurement - Prevailing Wage - Applicability.

The UA Plumbers & Gasfitters Local 5 have been installing, maintaining, and servicing the waste, water & gas systems in the Washington D.C. area since 1890. We represent some 1,800 of the most highly skilled construction workers to be found anywhere, including over 300 apprentices, which provide the workforce excellence across some 65 signatory construction contractors throughout the Washington, DC Metropolitan area.

We provide and fund some of the most comprehensive and rigorous skills training programs in the nation, due in large part to the Davis-Bacon and Prevailing Wage programs at the federal, state and county levels. It's because of prevailing wage reforms like those found in Senate Bill 259, as well as those recently enacted in Montgomery County, Arlington County, Baltimore County, and Anne Arundel County, that we can prepare thousands of young apprentices for outstanding middle-class jobs, with health care, pensions, and scholarships.

Make no mistake - this bill is an extremely powerful anti-poverty and stimulative measure, that is greatly needed.

Specifically, Senate Bill 259 acknowledges the vast amount of work performed by construction workers and contractors, in the form of service contracts for mechanical systems, such as electrical, plumbing, HVAC, refrigeration, steam and gas pipework, and elevators. While state contracts deem construction to be eligible for state prevailing wages, there is not prevailing wage eligibility or category for the work that we do servicing those systems once we install them. In addition, Senate Bill 259 limits the scope of these new prevailing wage eligible service contracts to only mechanical systems service contracts. Finally, since these kinds of contracts are vastly smaller in scope than construction contracts (service contracts are usually \$3,000-\$5,000, while prevailing wage construction contracts are more than \$250,000) Senate Bill 259 ties the bill to the low dollar threshold of the parallel federal law, the McNamara-O'Hara Service Contract Act of 1965.

Senators, this bill will have an enormous impact in terms of lifting workers into the middle-class and helping to focus our scarce county safety-net resources on those families who most need them.

On behalf of my members and the thousands of other workers whose lives will be positively impacted by this legislation, thank you for your leadership, for your service, and for your support.

Sincerely,

Terriea "T" Smalls  
UA Plumbers & Gasfitters Local No. 5  
Business Manager / Financial Secretary Treasurer

# **Women's Committee IBEW26 Testimony SB259 HB611 FAV**

Uploaded by: Roger Manno

Position: FAV

# WOMEN'S COMMITTEE

Testimony of

G Nicholson

Vice President of the Women's Committee

On behalf of the Sister's of 26:

We are in favor of SB259/HB611-Favorable

Please pass this bill all should make prevailing wages!

Thank-you

**Sister's of LU 26 IBEW**



**There is no  
BroTHERhood  
without HER**

# **Womens Group of Local 602 Testimony SB259 HB611 FA**

Uploaded by: Roger Manno

Position: FAV



TESTIMONY OF YUNMY CARROLL  
REPRESENTATIVE OF “WOMEN OF LOCAL 602 STEAMFITTERS UNION” GROUP  
SB259 / HB611 -FAVORABLE

Honorable members of the Senate Finance Committee and House Economic Matters Committee:

On behalf of the Women of Local 602 Steamfitters Union, I'm writing to express our strong support for SB259 / HB611, which expand prevailing wages to mechanical service contracts.

My group, Women of Local 602 Steamfitters Union, was organized for the acceptance, preservation and livelihood of the women of our trade union, Steamfitters Local 602. Our mission as member of this group is to be dedicated to recruit, retain, mentor and support our membership while working side by side within our Brethren. We work to inspire and empower each other to seek out opportunities to promote our local union, and seek to take the initiative to work with the community and the Brotherhood to encourage and cultivate a diverse membership.

We support SB259 / HB611 because a large percentage of our work is service work, which does not currently qualify for prevailing wages. To be completely blunt, it is unfair for the same skilled and licensed workers to be completely different wages for construction, which qualifies for prevailing wages, and for service work, which does not.

This legislation would go a long way in helping women in the trades excel in our professions, and earn decent and competitive wages.

Please help us, and support SB259 / HB611.

Thank you.

**SB259\_SSweet\_FAV**

Uploaded by: Stephanie Sweet

Position: FAV



**MBE SWAM SDVOSB**

**Bethel Electrical Construction Company of Maryland**  
**2657-G Annapolis Road Suite 445**  
**Hanover, MD 21076**  
**Tel 866 268 238**  
[www.bethelectric.com](http://www.bethelectric.com)

**SB259 / HB611 TESTIMONY**  
**STEPHANIE SWEET, CO-OWNER OF BETHEL ELECTRICAL CONSTRUCTION COMPANY OF**  
**MARYLAND – CERTIFIED MBE AND SDVOSB**  
**FAVORABLE**

Hello, my name is Stephanie Sweet. I am a co-owner of Bethel Electric Construction Company of Maryland, a certified Minority (MBE), Service-Disabled Veteran-Owned Small Business (SDVOSB) located in Hanover, Maryland, and I strongly support SB259 / HB611. Over the years, Bethel Electric has garnered a solid reputation for providing a wide range of superior and cost-effective electrical services, including successful state procurements at Bowie State University; Attman-Glazer Building in Annapolis; Maryland State Highway Administration Dayton, Annapolis, Silver Spring and Laurel and the Maryland Department of Labor, Licensing and Regulations.

Our success is attributed to a sincere commitment to safety, quality work, and customer satisfaction. These qualities have helped Bethel Electrical become the trusted electricians of choice throughout the mid-Atlantic region for more than 15 years.

Bethel Electric is also a signatory contractor to IBEW Local 26, and we hire union workers because we need the quality, safety, and on-time scheduling of the work done by these workers. It's simply good business for us. While a significant amount of our work is construction work, we also do a considerable amount of government and private sector service work. Our current partnership with G&M services provides on going leadership and mentoring support through the Mentor Protégé Program under the SBA Program.

This legislation is critical to our future growth and success because it closes a loophole in Maryland regarding the different wages between construction and service work, although the same workers, with the same levels of certification, perform both the construction and service work. By expanding prevailing wages to service work, MBEs like Bethel Electric can better compete on a level playing field among contractors that pay lower wages with minimal benefits, if any. In many cases, they cheat their workers through wage theft and misclassification. In addition, by ensuring that prevailing wages are paid on service work, this legislation enables the Maryland Department of Labor's full enforcement authority to ensure that the critical state taxpayer dollars are being spent as the law requires.

SB259 will go a long way towards empowering small MBEs like my company Bethel Electric. For these reasons, we ask that you support this legislation.

**20220131150215223.pdf**

Uploaded by: Thomas Bello

Position: FAV



January 31, 2022

MD Senate Finance Committee  
Senate Bill 259  
Procurement-Prevailing Wage-Applicability

Dear Members of the Senate Finance Committee,

Kelly HVAC, located in Upper Marlboro, MD was incorporated in 1994 and has been serving Maryland business for over 27 years. We are a licensed, bonded and insured full service commercial mechanical contractor providing heating, ventilation, and air conditioning services for all of our customers.

We write today to voice our strong support for SB259 legislation to expand prevailing wages to mechanical systems service contracts and to clarify that "service contracts" should indeed be subject to prevailing wages. A large percentage of our business is service work, which are smaller contracts in size than traditional construction jobs. Most of our service contracts are far lower than the \$250,000 threshold defined by the current legislation. It is important that the state of Maryland recognize the typical size and scope of service work in our industry, and we believe that SB259 builds on the precedents set forth in the federal government's McNamara-O'Hara Service Contract Act of 1965, as well as other local legislation pending in our state.

Kelly HVAC believes that SB250 will contribute to incentivizing good jobs, increase local job skills training programs, stabilize wage rates, and increase job productivity and safety in the industry.

We respectfully ask for your support of SB259 and a favorable committee report on expanding prevailing wages to mechanical service contracts.

Sincerely,

Chris Kelly Sr.  
President  
Kelly HVAC, Inc.

**20220131150215223.pdf**

Uploaded by: Thomas Bello

Position: FAV



January 31, 2022

MD Senate Finance Committee  
Senate Bill 259  
Procurement-Prevailing Wage-Applicability

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Kelly HVAC believes that SB250 will contribute to incentivizing good jobs, increase local job skills training programs, stabilize wage rates, and increase job productivity and safety in the industry.

We respectfully ask for your support of SB259 and a favorable committee report on expanding prevailing wages to mechanical service contracts.

Sincerely,

Chris Kelly Sr.  
President  
Kelly HVAC, Inc.

# **SB 259 - Maryland NECA Letter of Support.pdf**

Uploaded by: Thomas Bello

Position: FAV



**Maryland Chapter**  
National Electrical Contractors Association



Phone: (410) 590-1189

1743 Dorsey Road, Suite 104-105  
Hanover, MD 21076

Fax: (410) 590-1198

February 3, 2022

Dear Chair Kelley and members of the Senate Finance Committee:

On behalf of the Maryland Chapter of the National Electrical Contractors Association (NECA), I write today to express our strong support for Senate Bill 259, expanding prevailing wages to mechanical systems service contracts.

Maryland NECA represents 75 construction contractors, some 2,000 workers and over 400 working apprentices. Our economic footprint throughout the region is substantial, generating some \$300 million in annual revenue, and some \$50 million in state, federal and local taxes each and every year.

We support Senate Bill 259 because we know that prevailing wages, and Davis Bacon wages on the federal level, yield better outcomes, more timely deadlines, and far fewer workplace injuries. In fact, we are pleased to see that Baltimore County and Anne Arundel County have all recently enacted local prevailing wage laws, while Montgomery County enacted legislation to expand their prevailing wage law to include mechanical systems service contracts, just like Senate Bill 259, only days ago.

Senate Bill 259 is critical for our members and contractors who perform both construction and service work. Currently, state prevailing wage law does not distinguish between construction work and service work, including the service work performed on those systems installed during the construction. This has created a two-tiered wage system in Maryland procurement: one for construction projects subject to prevailing wage, and one for service work subject to the state's barely livable, "living wage." In fact, there is a great deal of confusion in the Maryland code as to whether service contracts are even subject to the living wage, as opposed to prevailing wages. Senate Bill 259 resolves this confusion, and does so by narrowly addressing only mechanical systems service contracts, since those systems are closely related to the construction that enabled those systems.

In addition, Senate Bill 259 recognizes the relatively small size of mechanical systems service contracts (generally \$3,000-\$5,000) compared with construction contracts (more than \$250,000), and appropriately aligns the state prevailing wage law to the federal McNamara-O'Hara Service Contract Act of 1965 which governs very small service contracts on the federal level; one of many reasons why Montgomery County recently implemented their new prevailing wage law for mechanical service contracts, as well as similar legislation pending before several other Maryland counties.

For these reasons, Maryland NECA supports Senate Bill 259 and asks for a favorable report.

Sincerely,

William Yull  
Executive Director  
Maryland Chapter, NECA

# **SB 259 Letter.pdf**

Uploaded by: Thomas Bello

Position: FAV



**National Electrical Contractors Association** Washington, D.C. Chapter

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**address:** 4200 Evergreen Lane, Suite 335, Annandale, Virginia 22003-3252

**website:** wdcneca.org | **phone:** 703.658.4383 | **fax:** 703.658.4387

February 3, 2022

Dear Chair Kelley and members of the Senate Finance Committee:

National Electrical Contractors Association, Washington DC Chapter (DC NECA), I write today to express our strong support for the Senate Bill 259, expanding prevailing wages to mechanical systems service contracts.

We appreciate the incredible leadership of Senator Feldman and members of this committee in sponsoring this important legislation to incentivize good jobs, strong apprenticeship training, and a thriving regional economy.

DC NECA represents 180 construction contractors, over 10,000 workers, and more than 1,200 working apprentices. Our economic footprint throughout the region is substantial, generating some \$3 BILLION in annual revenue, and some \$750 MILLION in state, federal and local taxes each and every year.

We support Senate Bill 259, because we know that prevailing wages (and Davis Bacon wages on the federal level), yield better outcomes, more timely deadlines, and far fewer workplace injuries. In fact, we are pleased to see that Arlington County, Fairfax County, Baltimore County, and Anne Arundel have all recently enacted local prevailing wage laws, while Montgomery County enacted legislation to expand their prevailing wage law to include mechanical systems service contracts, just like SB259, only days ago.

Senate Bill 259 is critical for our members and contractors who perform both and construction and service work. That's because the state prevailing wage law does not distinguish between construction work and service work, including the service work performed on those systems installed during the construction. This has created a two-tiered wage system in Maryland procurement: one for construction projects and subject to prevailing wage, and one for service work subject to the state's barely livable "living wage." In fact, there is a great deal of confusion in the Maryland code as to whether service contracts are even subject to the living wage, as opposed to prevailing wages. Senate Bill 259 resolves this confusion and does so by narrowly addressing only mechanical systems service contracts, since those systems are closely related to the construction that enabled those systems.

In addition, Senate Bill 259 recognizes the relatively small size of mechanical systems service contracts (generally \$3,000-\$5,000) compared with construction contracts (more than \$250,000), and appropriately aligns the state prevailing wage law to the federal McNamara-O'Hara Service Contract Act of 1965 which governs very small service contracts on the federal level. That's why Montgomery County recently implemented their new prevailing wage law for mechanical service contracts, as well as similar legislation pending before several other Maryland counties.

For these reasons, DC NECA, our 180 construction contractors, 10,000 workers, and 1,200 working apprentices support Senate Bill 259, and we ask for a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read "JT Thomas", written in a cursive style.

JT Thomas  
Executive Director



**SB259\_MCAMW\_Support\_mbr.pdf**

Uploaded by: Thomas Bello

Position: FAV



January 31, 2022

Re: In support of Senate Bill 259 Prevailing Wage – Mechanical Systems Service Contracts

Dear Chair Kelley and members of the Senate Finance Committee:

On behalf of the Mechanical Contractors Association of Metropolitan Washington (MCAMW), and in solidarity with the Mechanical Contractors Association of Maryland, I write today to express our strong support for the Senate Bill 259, expanding prevailing wages to mechanical systems service contracts.

We appreciate the incredible leadership of Senator Feldman and members of this committee in sponsoring this important legislation to incentivize good jobs, strong apprenticeship training, and a thriving regional economy.

The MCAMW represents 180 construction contractors, some 10,000 workers, and 1,000 working apprentices. Our economic footprint throughout the region is substantial, generating some \$2 BILLION in annual revenue, and some \$500 MILLION in state, federal and local taxes each and every year.

We support Senate Bill 259, because we know that prevailing wages (and Davis Bacon wages on the federal level), yield better outcomes, more timely deadlines, and far fewer workplace injuries. In fact, we are pleased to see that Arlington County, Fairfax County, Baltimore County, and Anne Arundel have all recently enacted local prevailing wage laws, while Montgomery County enacted legislation to expand their prevailing wage law to include mechanical systems service contracts, just like SB259, only days ago.

Senate Bill 259 is critical for our members and contractors who perform both and construction and service work. That's because the state prevailing wage law does not distinguish between construction work and service work, including the service work performed on those systems installed during the construction. This has created a two-tiered wage system in Maryland procurement: one for construction projects and subject to prevailing wage, and one for service work subject to the state's barely livable "living wage." In fact, there is a great deal of confusion in the Maryland code as to whether service contracts are even subject to the living wage, as opposed to prevailing wages. Senate Bill 259 resolves this confusion and does so by narrowly addressing only mechanical systems service contracts, since those systems are closely related to the construction that enabled those systems.



In addition, Senate Bill 259 recognizes the relatively small size of mechanical systems service contracts (generally \$3,000-\$5,000) compared with construction contracts (more than \$250,000), and appropriately aligns the state prevailing wage law to the federal McNamara-O'Hara Service Contract Act of 1965 which governs very small service contracts on the federal level. That's why Montgomery County recently implemented their new prevailing wage law for mechanical service contracts, as well as similar legislation pending before several other Maryland counties.

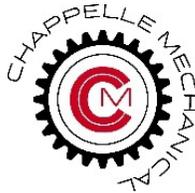
For these reasons, MCAMW, our 180 construction contractors, 10,000 workers, and 1,000 working apprentices support Senate Bill 259, and we ask for a favorable report.

Sincerely,

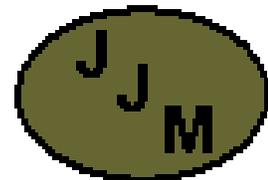
A handwritten signature in black ink, appearing to read "T. Bello", is written over a light blue horizontal line.

Thomas L. Bello

Executive Vice President



Providing Solutions for Over 100 Years



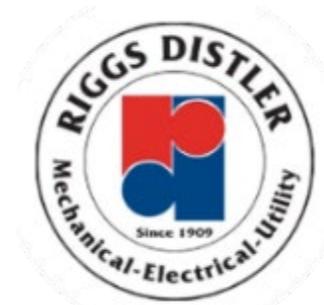


**KIRLIN  
DESIGN  
BUILD**

**SW CONTROLS, INC.**



**First Call Plumbing, Inc.**



*Mechanical Systems, Inc.*





Mechanical Contractors Association  
of Metropolitan Washington

**NAC** Mechanical Services  
Building Efficiency and Sustainability



A Service Logic Company

**HAVTECH**  
INNOVATIVE SOLUTIONS. EXCEPTIONAL SERVICE.

**Heffron**  
C O M P A N Y  
*Established 1922*

**BOWERS**



**DENSEL COMPANY**

 **PARAMOUNT**  
MECHANICAL CORPORATION

**RALPH PAUL SITA**  
**RPS** INC.

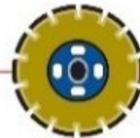


**HIGH PURITY SYSTEMS, INC.**  
*Process Piping Specialists*

**GMI** Gaghan  
Mechanical  
Inc.

703-354-2471 Alexandria, VA

**R&R** Mechanical Inc.



**G&M Services LLC**

Concrete Cutting & Life Safety  
Shotcrete - Mill Sealing - Shotcrete - Shot Drilling - Drilling - Rehabilitation

 **EMCOR.**  
Government



**Crane Service Company**

ESTABLISHED 1926



Systems 3 Service, LLC



Pumping, Jetting & Backflow



# **WIMI\_Support .pdf**

Uploaded by: Thomas Bello

Position: FAV



February 7, 2022

Honorable members of the Senate Finance Committee and House Economic Matters Committee:

On behalf of the MCAMW Women in Mechanical Industry DC (WiMI), I'm writing to express our strong support for SB259 / HB611, which expand prevailing wages to mechanical service contracts.

Our Local WiMI chapter represents roughly 80 contractor members affiliated with the Mechanical Contractors Association of Metropolitan Washington (MCAMW) and nearly 180 mechanical contractors' signatory to both Steamfitters Local 602 and Plumbers Local 5. We are dedicated to recruiting and providing sustainable pathways towards inclusion for the female population within the mechanical contracting industry. WiMI provides ongoing education for our 50 members based on leadership, technical training and professional development. We strive to inspire and empower each other and to seek out opportunities to promote our local industry and seek to take the initiative to work with the community and cultivate a diverse membership.

We support SB259 / HB611 because a large percentage of our work performed is service work, which does not currently qualify for prevailing wages and believe it is unfair for the same skilled and licensed workers to be completely different wages for construction, which qualifies for prevailing wages.

This legislation builds a pathway to sustainable jobs, lifelong careers and helping women in the trades excel in our professions.

For these reasons we hope for your support of SB259 / HB611.

Respectfully,

Women In Mechanical Industry/ MCAMW

**Testimony in Support of SB 259 2022.pdf**

Uploaded by: Tom Clark

Position: FAV



# International Brotherhood of Electrical Workers

GEORGE C. HOGAN: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President  
JOSEPH F. DABBS: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • PAULO C. HENRIQUES: Treasurer



## TESTIMONY IN SUPPORT OF SB 259 Procurement-Prevailing Wage-Applicability February 10, 2022

To: Hon. Delores G. Kelley, Chair, and Members of the Senate Finance Committee  
From: Tom Clark, Political Director, International Brotherhood of Electrical Workers Local 26

Madam Chair and Members of the Senate Finance Committee, please join me and the 11,749 IBEW Marylanders in **support of SB 259**. This piece of legislation that expands prevailing wages to service contracts and benefits working families throughout the state.

Service contracts are often overlooked when it comes to prevailing wage. This bill addresses that issue and puts the state in concert with the Federal Government and in step with local jurisdictions that recently have brought forth similar legislation. Anne Arundel, Baltimore, Charles, Montgomery and Prince George's counties all look favorably upon this idea. Prevailing wages encourage "local hiring" and promotes workforce training in our own backyard. At a time when there is a skilled labor shortage, Maryland can lead the way in securing the most talented workers in the region. According to over three dozen studies on prevailing wages, this bill will: increase productivity, increase safety measures and keep Maryland payroll money in Maryland. In the electrical trade, safety is paramount! Our members and your constituents deserve the safest workplace possible, as do the Plumbers, Steamfitters, and Elevator Technicians. These same studies also confirm that prevailing wages do not increase overall construction or maintenance costs.

I often testify (brag) before the General Assembly about our world class, self-funded, apprenticeship programs. The programs that give thousands of Marylanders not just opportunities, but careers. Unlike most industries that testify before this committee, we are not asking for money, we just want jobs. Because we are self-funded, our members get educated, receive healthcare, have defined pensions and earn generational wealth, all at no cost to the state. By passing SB 259, we can increase our class enrollment, therefore increasing the quality of life for many more working families in our great state.

Please consider this bill as a springboard for your young constituents looking for careers in the mechanical service industry. I respectfully ask that you **support SB 259**. Thank you



**SB 259\_SWA\_MML.pdf**

Uploaded by: Bill Jorch

Position: FWA



Maryland Municipal League  
*The Association of Maryland's Cities and Towns*

TESTIMONY

February 10, 2022

**Committee:** Senate Finance

**Bill:** SB 259 - Procurement - Prevailing Wage - Applicability

**Position:** Support with Amendment

**Reason for Position:**

The Maryland Municipal League supports Senate Bill 259 with amendment.

MML is not often involved in legislation regarding the prevailing wage; the current exemption for projects under \$250,000 that receive less than 25% State funding eliminates many municipal projects, particularly among smaller municipalities. However, while the provisions of SB 259 to add “mechanical systems service contracts” as eligible work for prevailing wage consideration is not objectionable, the low threshold of \$2,500 for this type of work to qualify for the prevailing wage is troublesome. The concern is that mechanical systems services that use more than 25% State funds and cost more than \$2,500 will capture a large swath of projects and place a heavy financial burden on municipal governments, particularly smaller jurisdictions, for relatively routine work.

The amendment that MML suggests, is to raise the dollar threshold for mechanical systems service from \$2,500 to a higher amount that would include significant capital projects but eliminate the routine maintenance work.

As such, the League respectfully requests that this committee consider this amendment to SB 259 prior to issuing a favorable report.

**FOR MORE INFORMATION CONTACT:**

Scott A. Hancock	Executive Director
Angelica Bailey	Director, Government Relations
Bill Jorch	Director, Research and Policy Analysis
Justin Fiore	Manager, Government Relations

1212 West Street, Annapolis, Maryland 21401

410-268-5514 | 800-492-7121 | FAX: 410-268-7004 | [www.mdmunicipal.org](http://www.mdmunicipal.org)

**SB0259-FIN\_MACo\_OPP.pdf**

Uploaded by: Brianna January

Position: UNF



## Senate Bill 259

### *Procurement – Prevailing Wage – Applicability*

MACo Position: **OPPOSE**

To: Finance Committee

Date: February 10, 2022

From: Brianna January

The Maryland Association of Counties (MACo) **OPPOSES** SB 259. This bill would usurp local authority over typical facilities maintenance management and would prove extremely costly for counties by extending the application of the State’s prevailing wage law to also cover all mechanical system service contracts on capital projects that were performed under the prevailing wage.

SB 259 would prescribe a uniform, one-size-fits-all approach to county facility management and contract procurement, not taking into consideration regional differences, including local markets and costs of business. Counties, as the owner and operator of public facilities, already implement complex operational and fiscal systems to deal with facility maintenance, uniquely tailored to the needs of each jurisdiction. SB 259 would apply a blanket approach to certain facility maintenance procurement, disregarding the effective and locally appropriate systems already in place.

Additionally, SB 259 would be extremely costly for counties. Under current law, counties pay the statewide prevailing wage on capital projects where the State pays at least 25% of project, without adjusting for regional cost of living differences where actual market costs are far less. This captures virtually most school construction projects and many other capital projects where the State partners with counties – a significant share of county projects.

SB 259 would extend counties’ prevailing wage obligations to include all mechanical system service contracts on these facilities for their full lifespan. This means that every county would be obligated to pay the prevailing wage, regardless of market cost realities, for every repair, replacement, or servicing of every mechanical system in these county facilities, such as HVAC and electrical systems. This would quickly become a significant financial burden for counties as they procure regular maintenance work, diverting critical resources at a time when local governments should prioritize public safety and health. Furthermore, counties already have the option to pay the prevailing wage for these contracts, and some choose to do so – they should continue to have authority over such issues to best address the needs of their unique jurisdictions.

SB 259 would inappropriately mandate a uniform procurement policy for all counties and would significantly increase typical maintenance costs for a fair number of county facilities, including almost all public schools. For these reasons, MACo **OPPOSES** SB 259 and urges an **UNFAVORABLE** report.

**SB 259\_MDL\_ Letter of Information.pdf**

Uploaded by: Andrew Fulginiti

Position: INFO

## Senate Bill 259

Date: February 10, 2022  
Committee: Senate Finance  
Bill Title: Procurement - Prevailing Wage - Applicability  
RE: **Letter of Information**

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Maryland law requires contractors to pay their employees a prevailing wage for construction work performed on certain state-funded construction projects. The Division of Labor & Industry's Prevailing Wage enforcement unit establishes the applicable wage rates through an annual survey and applies and enforces those rates on jobs begun during the following year. SB0259 would expand the prevailing wage law and apply it to services provided under a mechanical systems service contract with a value in excess of \$2,500 that is part of a public work contract. To that end, after construction is completed, a service provider that performs work on any of the mechanical systems specified in the law would have to pay a prevailing wage rate to their employees. This type of work is often performed by different employees than the initial construction and would involve wage rates that are not part of the current surveyed list of construction jobs. These service contract employees are typically the best trained, most experienced employees of the contractor, and so are already earning high wages.

In fiscal 2021, the Prevailing Wage unit monitored compliance on 941 projects. This proposal would expand the scope to any project with a mechanical systems service contract, which could include an indeterminate number of existing buildings that may or may not have even been subject to the prevailing wage law previously. A typical school, for example, could also have five or more service contracts that would be needed for as long as the building is operational, which could significantly increase the number of covered contracts.

Compliance monitoring would be challenging. Because many of these service contracts are "on call", the Department would have no way to know when work is being performed on a covered building. Since the total number of projects the Department covers would significantly increase and grow every year, the number of staff needed would exponentially increase the size of the Prevailing Wage unit, adding significantly to the General Fund cost of the Department.

Additionally, rates would be set when the contract is signed, so a contract that lasts multiple years would lock in a historical prevailing wage rate for the life of the contract. Wage rates are set by a voluntary survey, where the average rate is determined by less than five submissions, in effect establishing a wage rate based upon only a handful of survey responses that apply for the duration that the mechanical contract is in effect.

It is anticipated that this proposal would increase costs to both local governments and small businesses that would take these service contracts.

# '22 SB 259 DGS Prevailing Wage (service contracts)

Uploaded by: Ellen Robertson

Position: INFO

Larry Hogan  
Governor

Boyd K. Rutherford  
Lt Governor



OFFICE OF THE SECRETARY

Ellington E. Churchill, Jr.  
Secretary

Nelson E. Reichart  
Deputy Secretary

**BILL:** Senate Bill 259 - Prevailing Wage - Applicability

**COMMITTEE:** Senate Finance

**DATE:** February 10, 2022

**POSITION:** Letter of Information

Upon review of Senate Bill 259 - Prevailing Wage - Applicability, the Maryland Department of General Services (DGS) provides these comments for your consideration.

The DGS Facilities Management Division is responsible for the statewide operation and maintenance of 55 buildings, with two principal office centers in Baltimore and Annapolis along with 20 regional Multi-Service Centers. In order to maintain these buildings this division utilizes service contracts, when necessary. A service contract is an agreement between a contractor and customer covering the maintenance and servicing of equipment over a specified period.

This bill adds mechanical systems service contracts and ties them to the McNamara-O'Hara Service Contract Act (SCA) of 1965, which applies the local prevailing wage to all state contracts over the \$2,500 threshold. This bill changes the prevailing wage applicability so that it applies to all service contracts under \$2,500. Applying the prevailing wage to these contracts would increase DGS's expenditures on maintenance service contracts.

For additional information, contact Ellen Robertson at 410-260-2908.



**SB0259 - TSO - Prevailing Wage - LOI\_FINAL.pdf**

Uploaded by: Patricia Westervelt

Position: INFO

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February 10, 2022

The Honorable Delores G. Kelley  
Chair, Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, MD 21401

***Re: Letter of Information – Senate Bill 259 – Procurement – Prevailing Wage – Applicability***

Dear Chair Kelley and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 259 but offers the following information for the Committee's consideration.

Senate Bill 259 expands the definition of construction for purposes of the prevailing wage requirements on public works projects to include mechanical systems service contracts. The bill will require prevailing wages on all contracts providing any kind or degree of service to a building mechanical or electrical system, including but not limited to: HVAC, refrigeration, plumbing, electrical, or elevator services. Furthermore, the bill will apply at a low contract level of only \$2,500, the threshold specified by the McNamara-O'Hara Service Contract Act. This threshold is significantly lower than the \$250,000 threshold for application of the Prevailing Wage Act to construction. By requiring prevailing wages on mechanical systems service contracts, the MDOT could face an undue burden that would increase costs and efficiency of projects.

The MDOT State Highway Administration (SHA) has several districtwide HVAC service contracts, which is included under mechanical systems, that would be impacted by Senate Bill 259. If subjected to prevailing wage requirements, there could be cost increases over the lifespan of the contracts in the range of 10-50% of labor bid prices. Overall, MDOT SHA would see statewide annual increases in mechanical systems contracts by \$200,000 annually, as a conservative estimate.

The MDOT Maryland Port Administration (MPA) has several mechanical systems service contracts that would be impacted by Senate Bill 259. These service contracts include but are not limited to: fire protection system inspection and repairs, IT cabling, installation of security cameras, maintenance of electronic locking systems, elevator maintenance, and boiler maintenance. The MPA is responsible for several state-owned marine terminals and facilities and the World Trade Center in Baltimore. If subject to prevailing wage requirements, the total administrative cost for contractors, subcontractors, and state agencies could represent a large percentage of the total cost of the work to be performed, whereby the administrative burden could exceed the cost of the work itself.

The Honorable Delores G. Kelley  
Page Two

The MDOT Maryland Aviation Administration (MAA) will likely see an impact to their service contracts for HVAC, plumbing, electrical, and elevator maintenance. MAA is unique in that they have large on-call maintenance contracts for elevators, escalators, and moving walkways. It is difficult to calculate an impact, as MAA is not aware of what the wage rates will be for bids of these contracts compared to future prevailing wages; however, it is anticipated that any forced increase in labor costs will be reflected in the bids received for these contracts.

The Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating Senate Bill 259.

Respectfully submitted,

Pilar Helm  
Director of Government Affairs  
Maryland Department of Transportation  
410-865-1090