

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

1998 Legislative Session

Resolution No. CR-74-1998

Proposed by Council Member Hendershot

Introduced by Council Member Hendershot

Co-Sponsors

Date of Introduction October 6, 1998

RESOLUTION

A RESOLUTION concerning

Prevailing Wage Policy Study

For the purpose of securing the services of an outside consultant to undertake a study of the use of prevailing wage laws and rates in the region for school construction projects.

WHEREAS, at present, under Title 17, Subtitle 2, of the State Finance and Procurement Article of the Annotated Code of Maryland, the use of State prevailing wage rates on school construction projects are not mandatory unless the State provides at least 75% of the funding for construction; and

WHEREAS, at present, Prince George's County does not meet the criteria for mandatory imposition of State prevailing wage rates under Title 17, Subtitle 2, of the State Finance and Procurement Article of the Annotated Code of Maryland; and

WHEREAS, CB-99-1998 was presented by Council Members Hendershot and Estepp on July 28, 1998; and

WHEREAS, CB-99-1998 recognizes that, under Section 1009 of the Charter of Prince George's County, Maryland, the County Council has provided for a system of establishing prevailing hours and wages for all contractors and subcontractors performing work for the County government; and

WHEREAS, CB-99-1998 declares as the public policy of the County and the State that locally prevailing wages shall be paid to employees performing work on public works projects to provide for wage stabilization and to protect local contractors and workers from unfair and predatory competition from outside contractors which, by using migratory labor, obtain

important public works contracts by underbidding contractors located in the community where the projects are to be constructed; and

WHEREAS, CB-99-1998 would establish that the State's prevailing wage rates would henceforth apply to all contracts for the construction, including the reconstruction, extension, acquisition, improvement, enlargement, alteration, renovation, relocation, rehabilitation, repair or modernization, of an elementary or secondary school building where the cost of such construction is in excess of Five Hundred Thousand Dollars (\$500,000) and where at least twenty-five percent (25%) of the cost of construction is paid using funds supplied by the County; and

WHEREAS, during the review of CB-99-1998, a series of reports were provided to the Council that indicate that, in many regions of the country, there is little or no difference in school construction costs, as measured in construction costs per square foot, in states that have prevailing wage laws as compared to states that do not have prevailing wage laws; and

WHEREAS, during the review of CB-99-1998, it was suggested by staff at the County's Board of Education and by the Office of Management and Budget that the imposition of State prevailing wage rates could add as much as 15% to the cost of school construction projects in Prince George's County, Maryland; and

WHEREAS, as a result of the complexity of this issue, the Council's Health, Education, and Human Services Committee voted to table CB-99-1998 on September 29, 1998; and

WHEREAS, it would be useful to study the issue in greater detail, to reconcile competing claims made concerning the financial impact to the County from utilizing State prevailing wage rates for school construction projects, and to understand more fully the incidence of unfair and predatory competition from outside contractors resulting from the absence of prevailing wage rates for school construction projects; and

WHEREAS, the Council believes there is a need to retain outside assistance to support this effort.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the County Council will contract for the services of an independent

expert in the field of prevailing wages and school construction; and

BE IT FURTHER RESOLVED that this contractor will be asked to conduct a regional comparison of school construction costs in prevailing wage states (Pennsylvania, Delaware, West Virginia) and non-prevailing wage states (Maryland, Virginia and North Carolina), being mindful of and taking into account regional variances in materials costs and in the cost of living; and to conduct within Maryland a comparison of school construction costs in those jurisdictions, such as Baltimore City and Allegany County, that are subject to prevailing wage laws, with other State jurisdictions; and to examine the current situation in the County relative to the percentage of labor costs in school construction projects as a percentage of the total project costs; and

BE IT FURTHER RESOLVED that the contractor will also examine in greater detail the extent to which local contractors have been harmed by unfair and predatory competition from outside contractors due to the lack of prevailing wage rates in school construction projects in Prince George's County, Maryland; and

BE IT FURTHER RESOLVED that the contractor shall also examine the extent to which the absence of prevailing wages in school construction impacts construction wages across the regional and/or State construction industry; and

BE IT FURTHER RESOLVED that the cost of the contract shall not exceed Five Thousand Dollars (\$5,000); and

BE IT FURTHER RESOLVED that the independent contractor chosen to undertake the regional study of prevailing wage rates shall report findings to the County Council's Health, Education, and Human Services Committee at a briefing to be held no later than January 15, 1999.

Adopted this 6th day of October, 1998.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:
Ronald V. Russell
Chairman

ATTEST:

Joyce T. Sweeney
Clerk of the Council