City Council Bill 22-0249

Prevailing Wage - Revisions and Petitions

What are Prevailing Wages?

- Baltimore City Code <u>Article 5. Finance</u>,
 <u>Property</u>, and <u>Procurement</u>
 - Subsection 25: PREVAILING WAGES FOR WORK UNDER CONSTRUCTION CONTRACTS
- Definition:
 - A prevailing wage is the basic hourly wage and benefit rate provided to a group of similarly employed workers in a specific geographic area.

Overview of Process

- The Wage Enforcement division of OECR collects payroll information via a survey to recommend the prevailing wage rates for the following calendar year
- 2. The survey data is analyzed and new rates are recommended to the Board of Estimates
 - a. When we do not get enough survey responses for a particular rate, the rate remains unchanged
- 3. The Board of Estimates sets the annual prevailing wage rates in December
- 4. Companies use these rates when bidding on projects and paying existing workers
- 5. Companies submit payroll information throughout the year to OECR as part of our wage enforcement efforts

Survey Process Timeline

Baltimore City	State of Maryland
September 1 - October 31 Survey submitted by contractors	September 1 - October 31 Survey submitted by contractors
October 31st: In-House Committee Meeting to analyze survey results	
November 14th: Meeting with all interested parties to present survey results	
November 28th: Submit rates to the Board of Estimates for approval	November 30 th : new rates posted
By December 23: new rates posted	

Goals of City Council Bill 22-0249 Prevailing Wage - Revisions and Petitions

- Streamline potentially redundant processes
- Align with State process
- Ensure workers are paid an appropriate prevailing wage
- Residual benefits
 - Better wage enforcement via increased staff capacity
 - ► More equitable and accurate prevailing wage rates
 - ► Align with a process that contractors are already familiar with

Key Points to Consider

- MD rates are set on a jurisdiction-by-jurisdiction basis
 - The rates for each county are set based on the projects in that county. The State can provide City-specific data
 - Baltimore City and Prince George's county are the only two jurisdictions that do not use the State process for setting rates
- The State already collects surveys for State funded projects within the City.
 - If passed, contractors can submit to the State surveys for city funded projects.
- Differences in the Classifications
 - Baltimore City has five classifications
 - The State uses two classifications
 - Building Construction & Highway Construction the most utilized classifications within Baltimore City