



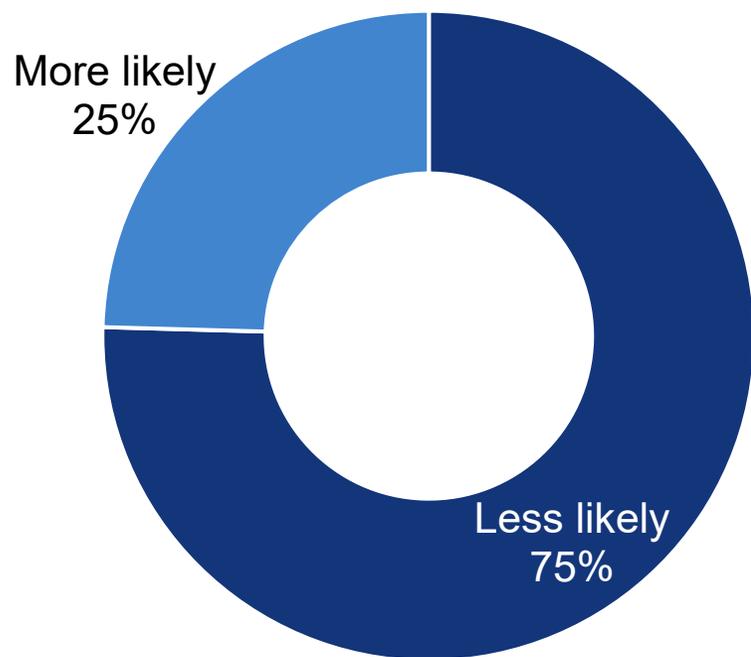
# ABC Prevailing Wage/Davis-Bacon Act Survey

March 3, 2021



**Q1. If the bid specifications for a public works project contain a requirement that your firm pay government-determined prevailing wage and benefits at hourly rates set by federal, state or local governments in order to win a taxpayer-funded contract and perform the work, would you be more likely to bid or less likely to compete for the project?**

### Percentage of respondents



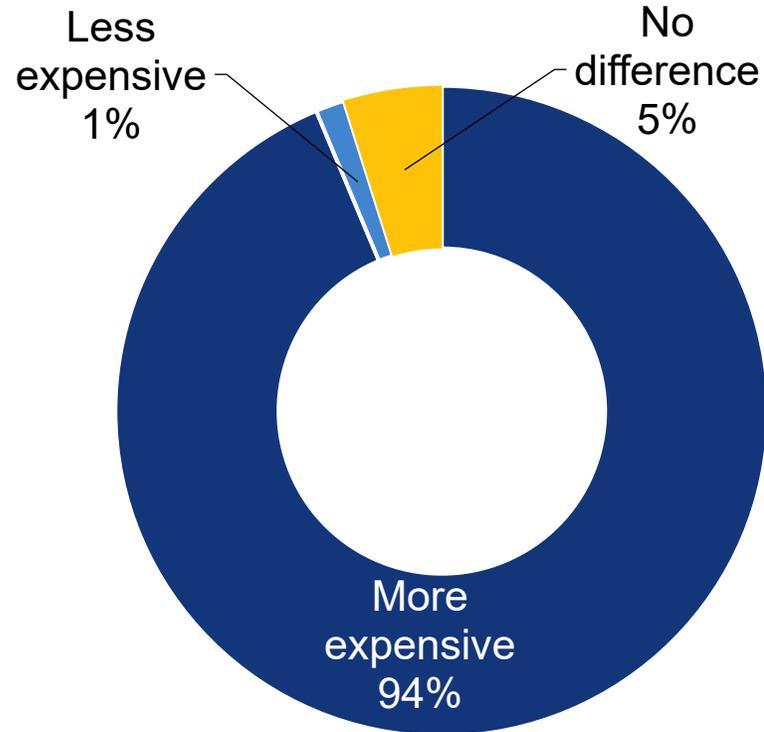
“Because the Davis-Bacon Act and similar local and state prevailing wage laws have not been modernized, they expose our company to additional risk and create needless productivity issues, compliance burdens and regulatory uncertainty. We prefer not to pursue prevailing wage jobs.”

76.4% of small businesses said they would be less likely to compete for projects because of prevailing wage requirements



## Q2. In general, are construction contracts subject to prevailing wage laws more expensive, less expensive or the same cost to taxpayers as identical or similar projects procured without prevailing wage regulations, where wages, benefits and work rules are set by the free market?

Percentage of respondents



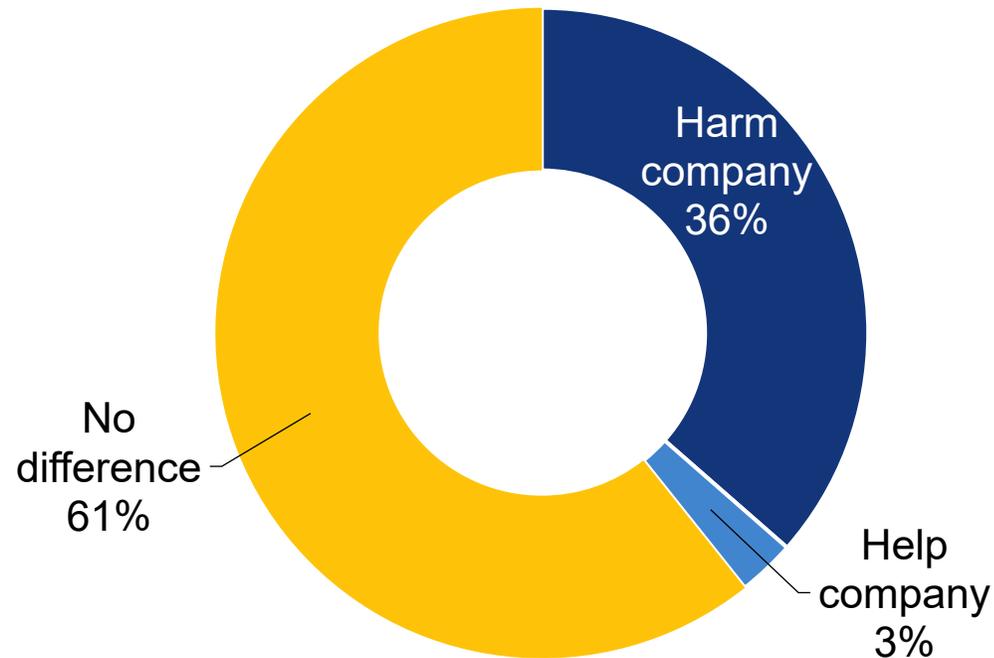
*We perform private and prevailing wage work all over the country. Prevailing wage regulations generally add 15% to 30% to the cost of a project compared to the exact same project without a prevailing wage requirement. The added cost varies from market to market, but it is significant.”*

*“On prevailing wage law jobs, we have noticed productivity decreases due to trade jurisdictional rules, excessive fringe benefits costs in rate determinations and increased administrative and legal costs.”*

*“We pay well above prevailing wages in our market, but the administrative and legal compliance rules, work rules and other red tape increase our costs.”*

### Q3. If a project requires your firm to follow prevailing wage regulations, would that harm, help or make no difference in your company's investment in workforce development strategies?

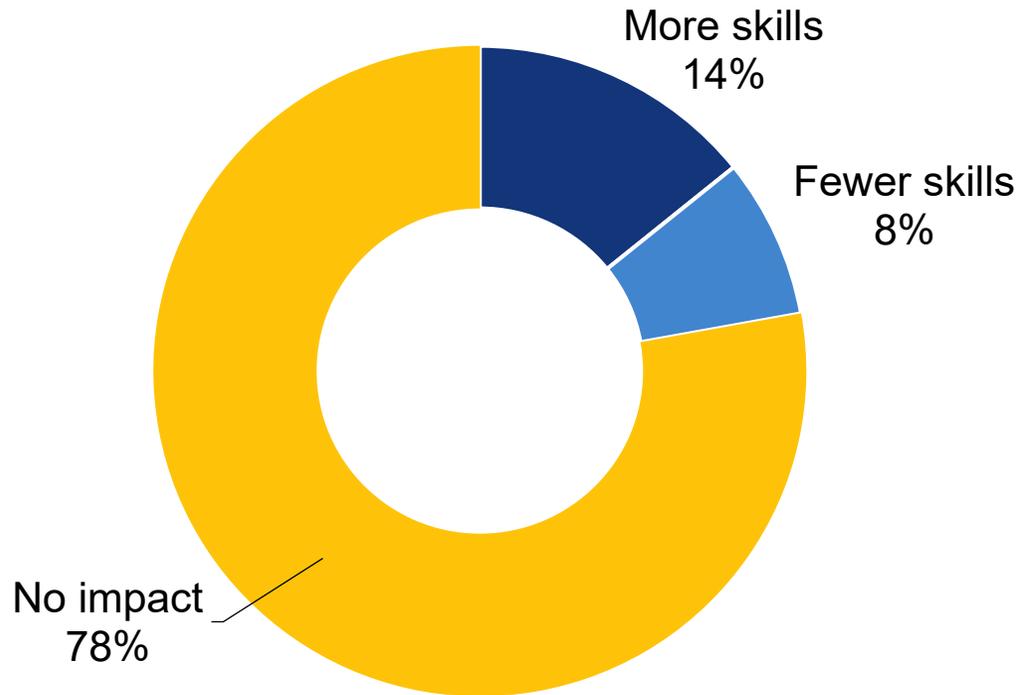
Percentage of respondents



“Our employees are our company’s greatest asset, and we must continue to upskill them to stay safe and productive in order to deliver to customers a high-quality project on time and on budget. We invest in workforce development through our company training programs as well as participate in government-registered apprenticeship programs in certain trades. We make these investments regardless of whether we are performing prevailing wage work or private work. It makes no difference to our value proposition.”

## Q4. If a project required your firm to follow prevailing wage regulations, would it attract construction workers with more skills, fewer skills or have no impact on the skill level of construction workers compared to its procurement without prevailing wage regulations?

Percentage of respondents

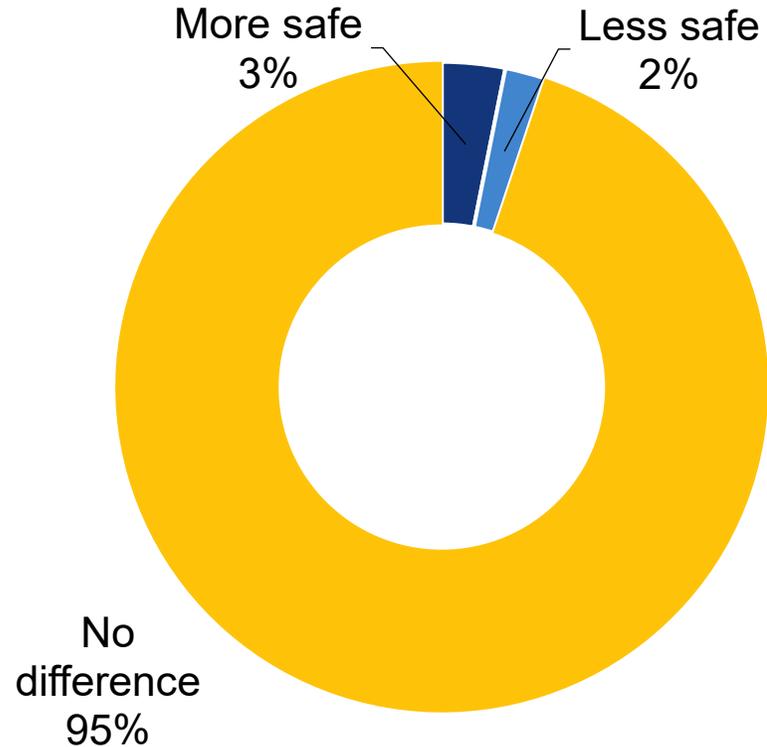


*Prevailing wage rules have no impact on the skill level of our workforce because we have the same expectations and performance standards on prevailing wage and private work.”*

*“Finding skilled labor is always a challenge in a busy market but offering a generous wage and benefits package as well as consistent work and hours is what helps us attract and retain top talent. In my market, our compensation packages far exceed the prevailing wage rates set by government bureaucrats.”*

## Q5. If a project required your firm to follow prevailing wage regulations, would that make your company's performance on that project more safe, less safe or make no difference compared to its procurement without prevailing wage regulations?

### Percentage of respondents



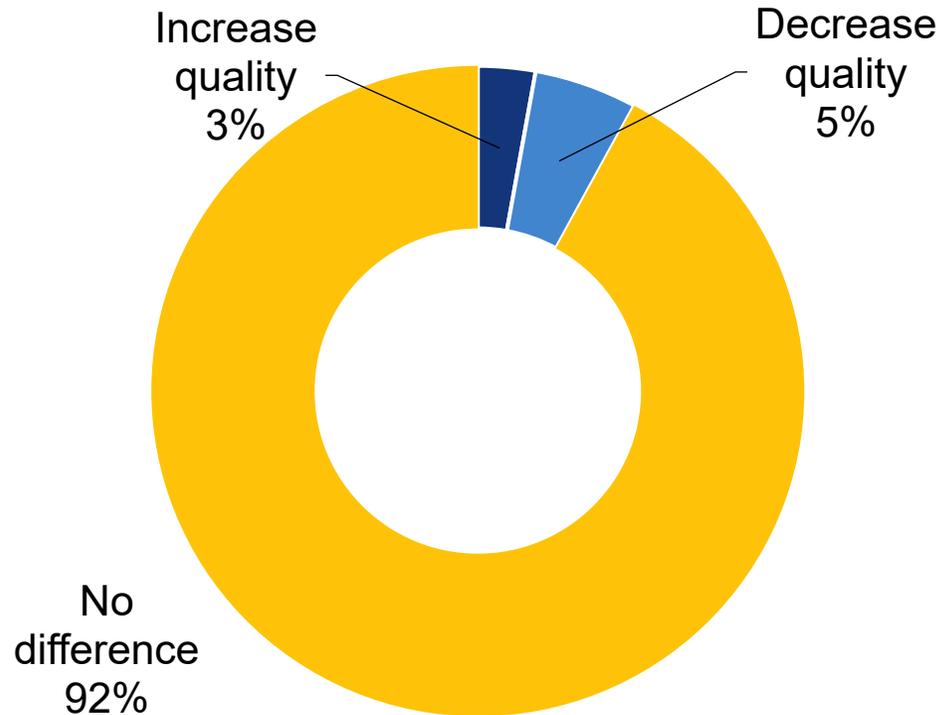
*Prevailing wage rules have no impact on safety. Safety is our company's top priority and our culture and best-practices do not change on a prevailing wage or non-prevailing wage job."*

*"There is nothing in prevailing wage regulations related to safety, and I have seen no evidence that prevailing wage jobs result in safer outcomes for our workforce or other stakeholders."*

*"I have seen poor and outstanding safety habits on government work, indicating safety is not depending on prevailing wage requirements."*

## Q6. If a project required your firm to follow prevailing wage regulations, would that increase, decrease or make no difference in the quality of construction on that project compared to its procurement without prevailing wage regulations?

### Percentage of respondents

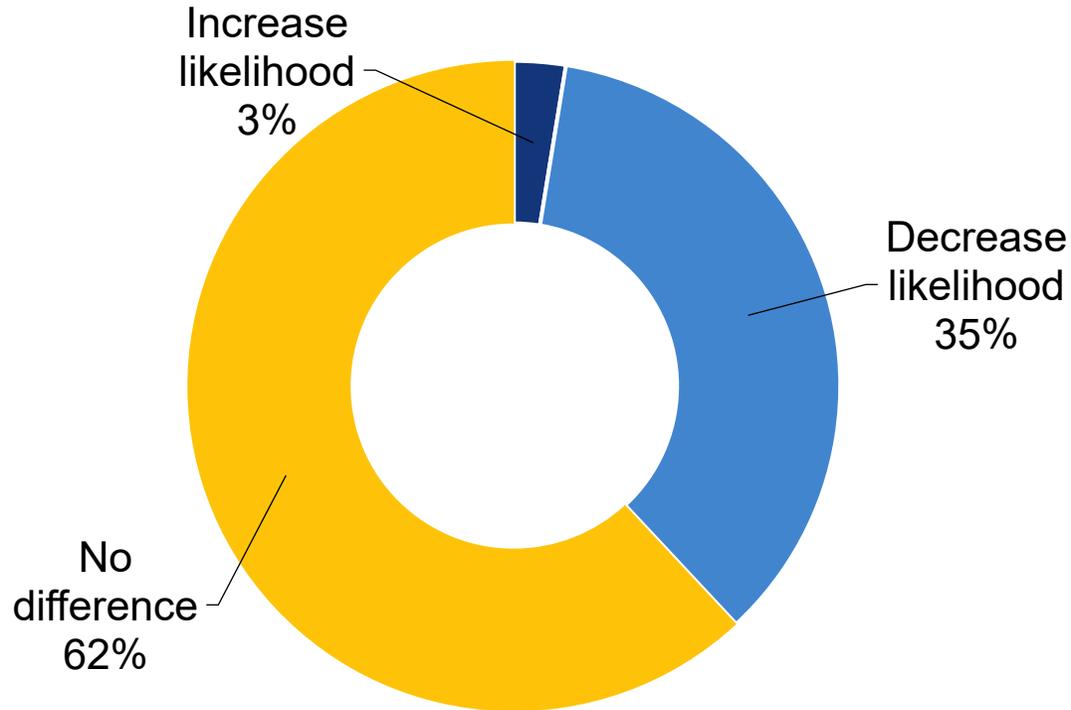


*The quality of our performance and final construction product have nothing to do with prevailing wage regulations and everything to do with our commitment to the customer and desire to earn repeat business and be referred to other customers. We want to deliver our best work, period.”*

*“Rules governing how we deploy workers from various trades to comply with union work rules triggered by prevailing wage regulations can decrease productivity and degrade overall quality in comparison to when we have a specific crew multi-task across trades on non-prevailing wage jobs.”*

**Q7. If a project required your firm to follow prevailing wage regulations, would that increase, decrease or make no difference to the likelihood of it being built on time and on budget compared to its procurement without prevailing wage regulations?**

Percentage of respondents

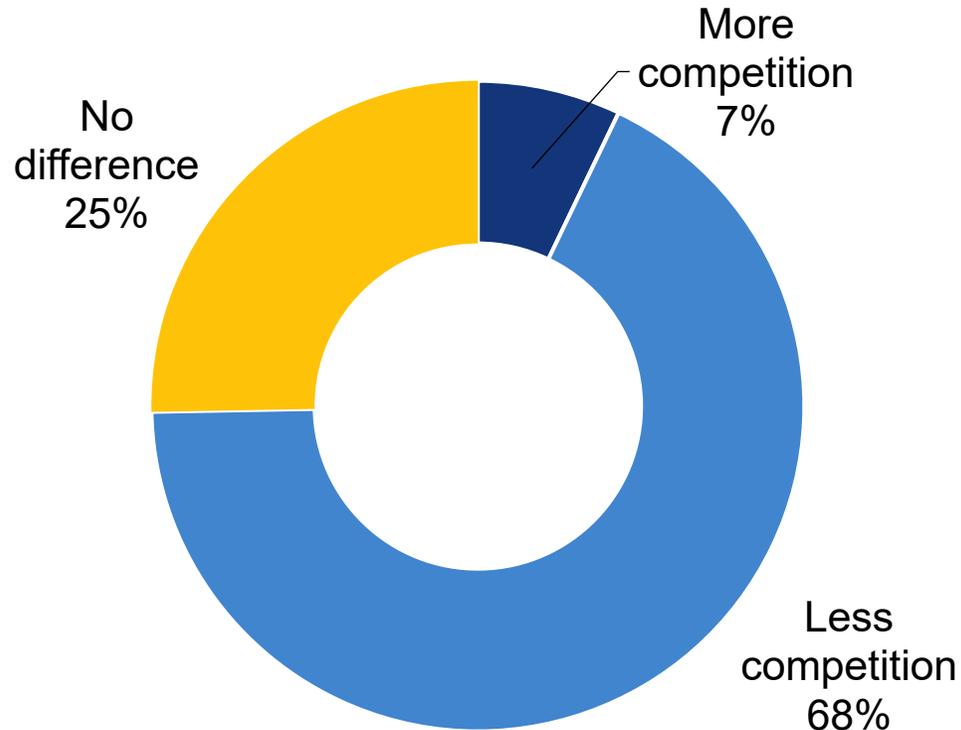


*A local school district issued a solicitation without a prevailing wage regulation and we bid the job as a general contractor. Later, prevailing wage was triggered because of state dollars and the project was rebid. We received fewer bids, especially from specialty trades, and most bids were 15% to 25% more expensive. There were fewer local companies bidding. Because costs were much more than budgeted, the project was delayed, and the school had to scale back its original plans for a gymnasium and technology. In the end, taxpayers and students ended up getting hurt by the prevailing wage.”*

*“No difference. We deliver a project on time and on budget, with or without prevailing wage, because that is what our contract requires of our company.”*

**Q8. If a project required contractors to follow prevailing wage regulations, would you anticipate more competition, less competition or no change in competition from subcontractors compared to its procurement without prevailing wage regulations?**

Percentage of respondents

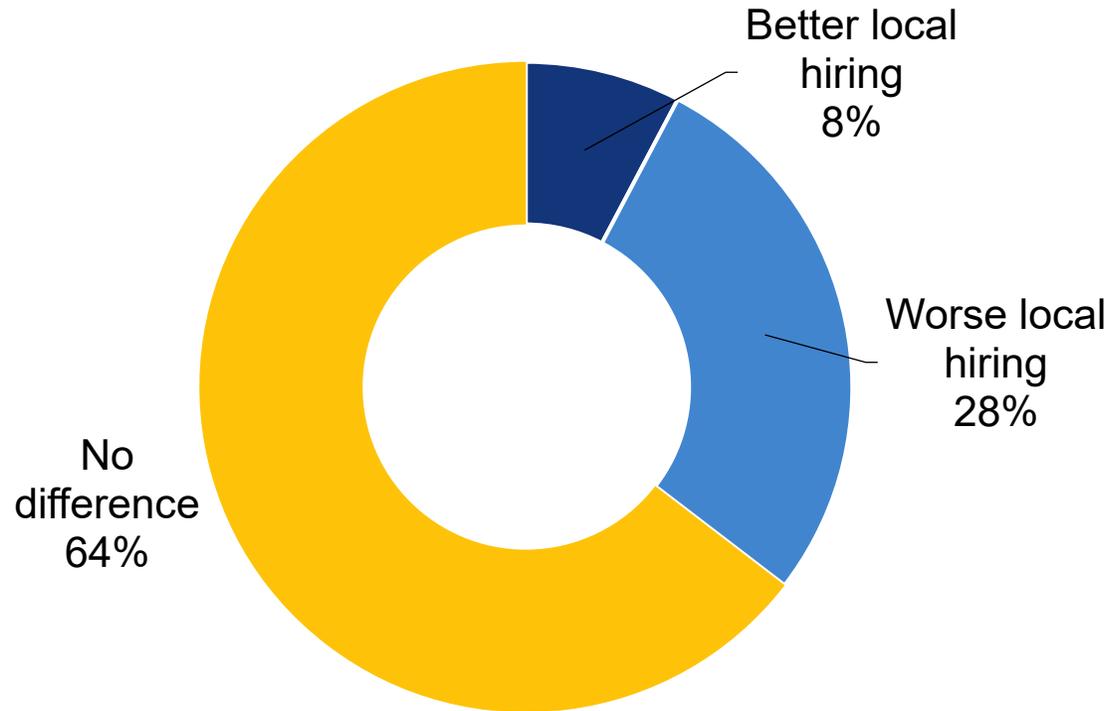


*We have found prevailing wage mandates reduce subcontractor interest in a job and the number of subcontractors submitting bids.”*

*“In my experience, prevailing wage jobs attract more union-signatory companies and discourage other qualified subcontractors from competing for the job. It is usually a wash as far as the quantity of bids received. However, the costs do go up on prevailing wage projects compared to the same project built without prevailing wage.”*

## Q9. If a project required contractors to follow prevailing wage regulations, would it result in better, worse or no difference in local hiring outcomes compared to its procurement without prevailing wage regulations?

### Percentage of respondents

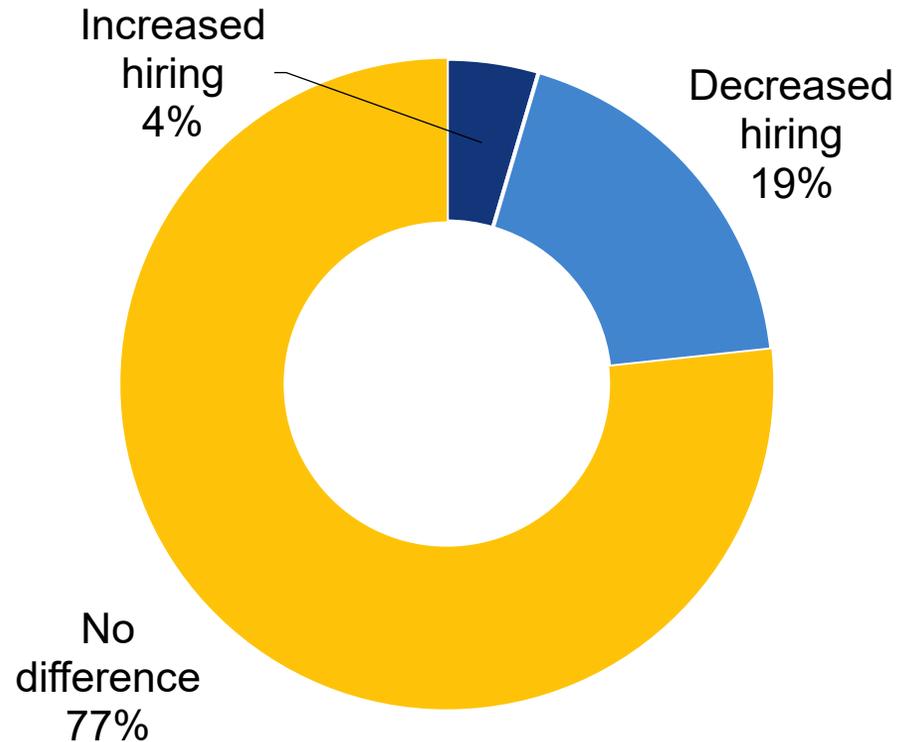


*Local subcontractors generally hire local workers and have a natural cost advantage compared to firms from out of the region who may travel for work. Because we are in a nonunion market, prevailing wage jobs have the tendency to attract more out-of-area union-signatory contractors than usual. These firms use union workers from a union hiring hall that draws labor from three states and union travelers from all over the country. My experience is that there are fewer local workers on prevailing wage jobs.”*

*“Local hiring is not dependent on prevailing wage regulations. Local hire preferences and programs can be pushed independent of prevailing wage.”*

## Q10. If a project required contractors to follow prevailing wage regulations, would it result in increased or decreased hiring of minority, women, veteran and disadvantaged business enterprises compared to its procurement without prevailing wage regulations?

### Percentage of respondents



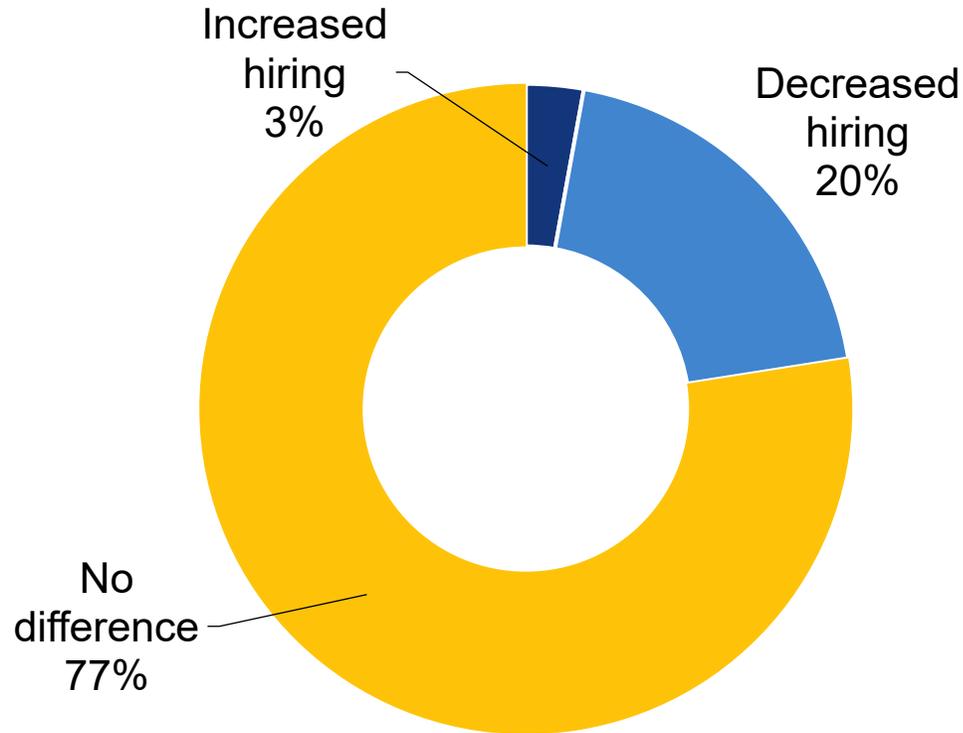
*We would meet the specifications for MWDBE contracting requirements in a solicitation with or without prevailing wage requirements, so there is no difference.”*

*“I’ve found that some MWDBEs do great work but prefer not to bid on prevailing wage jobs because of the paperwork and compliance burdens. It can be more difficult to meet MWDBE goals on some prevailing wage jobs.”*



# Q11. If a project required contractors to follow prevailing wage regulations, would it result in increased or decreased hiring of minority, women, veteran and ex-offender construction workers, compared to its procurement without prevailing wage regulations?

Percentage of respondents

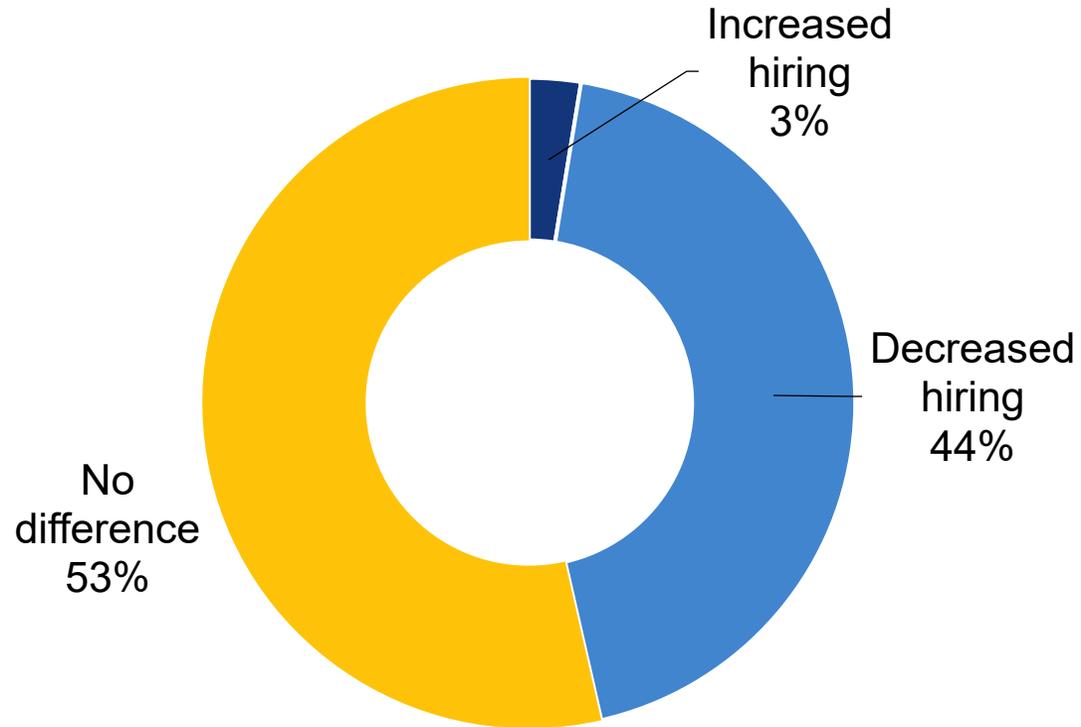


*In my market, none of the minority subcontractors are signatory to a union and most of these subcontractors have a more diverse workforce. Because prevailing wage jobs generally attract more union subcontractors, prevailing wage is likely to decrease minority hire.”*

*“Our company has a diverse workforce because of our intentional workforce development and recruiting practices in underserved schools and communities. A job with or without prevailing wage rules would make no difference in the composition of our trade workforce.”*

## Q12. If a project required contractors to follow prevailing wage regulations, would it result in increased hiring, decreased hiring or no difference in the hiring of small businesses compared to its procurement without prevailing wage regulations?

### Percentage of respondents



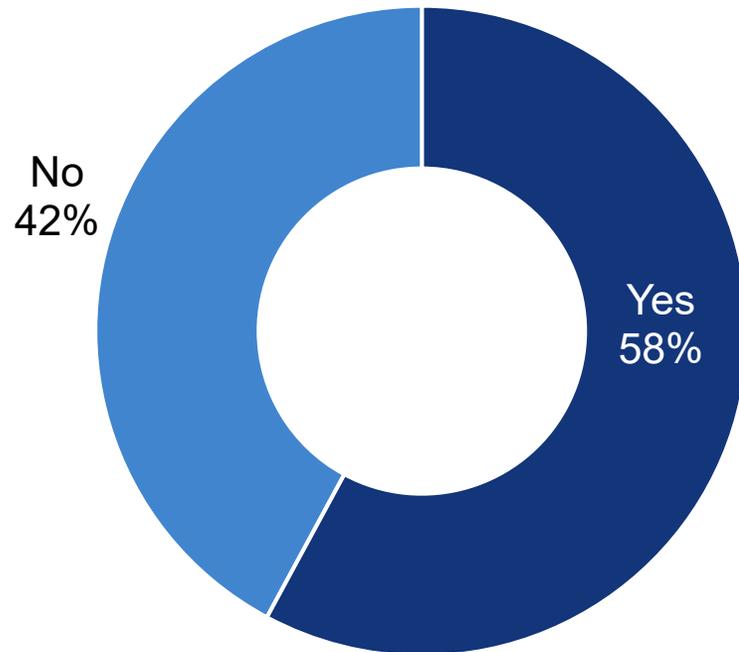
*It is no secret that prevailing wage regulations discourage small businesses from bidding prevailing wage jobs. The paperwork, legal fees, confusing union work rules and potential liability and penalties for accidentally misclassifying workers has forced our company, a small business, to make the decision to avoid PW jobs even though we perform the exact same work to the satisfaction of customers on non-PW jobs.”*

*“Prevailing wage and other government regulations make it more difficult to find qualified small businesses to perform work.”*

*“Some small businesses have found a niche at winning prevailing wage work and meeting set-asides, so I don’t think prevailing wage makes much a difference in my market.”*

## Q13. Do you have to hire or assign additional staff, consultants, attorneys or vendors to comply with prevailing wage regulations?

### Percentage of respondents

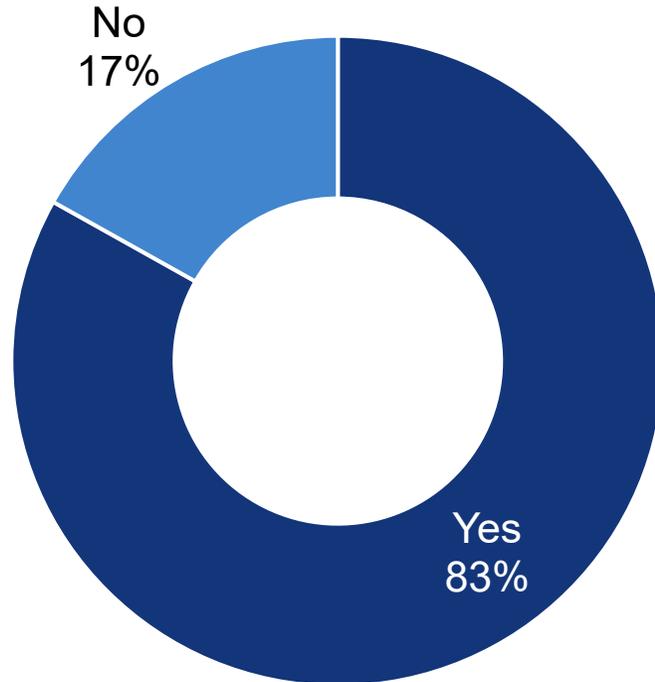


*“Yes. We must spend additional staff time in payroll and accounting to track the requirements and allocate the wages accurately. Additional time spent by our foreman and supervisors tracking crew labor per the wage breakdowns. Additional paperwork to send in monthly reports on our labor, certified payrolls and other required reporting to meet the GC or owner requests. Additional legal costs and risk assessment by attorneys.”*

*“We already have payroll and HR staff in place that manage compliance with Davis-Bacon jobs and absorb them into their regular duties, but we do not do enough prevailing wage work to necessitate hiring additional staff.”*

## Q14. Do you support full repeal of prevailing wage laws?

### Percentage of respondents



*Yes. It would reduce costs and create more projects and more jobs. America's infrastructure is in poor shape and industry unemployment is high. Eliminating prevailing wage is a win-win."*

*"Yes, more small and minority businesses would win government contracts if prevailing wage were eliminated."*

*"The impact of prevailing wage laws on government-procured affordable housing is discouraging. We build less affordable housing because of inflated costs."*

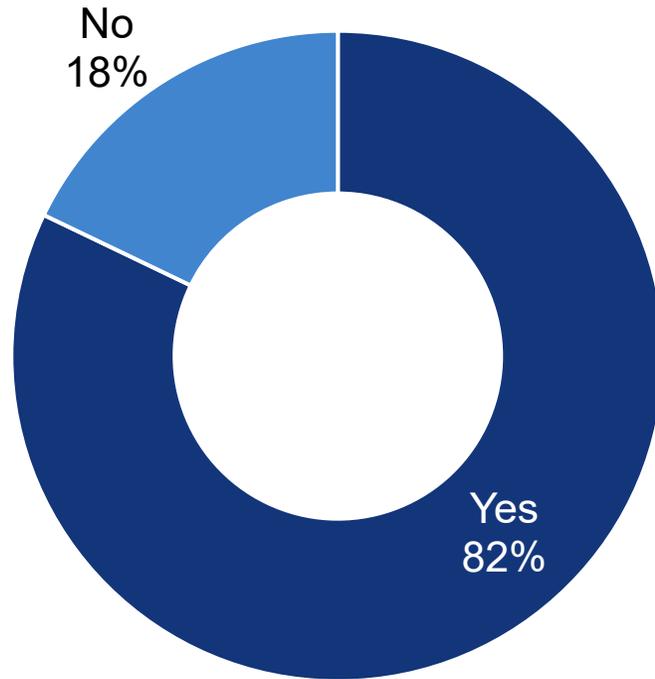
*"The Davis-Bacon Act makes it more expensive and harder to finance green energy projects, which the government subsidizes to create a marketplace but then needlessly increases construction costs because of Davis-Bacon."*

*"No, our company prefers having fewer competitors because of Davis-Bacon rules and we worry about competing against firms who might lower costs based on workers' wages and erode public contracting standards."*

*"No. Merit-based employees make more on prevailing wage jobs and keep more of the excessive fringe benefits set by union rates in their paychecks vs. union workers, who subsidize troubled pensions with their fringes. We use it to our advantage and retain employees."*

## Q15. Do you support reforms to prevailing wage laws?

### Percentage of respondents



*Yes. Government prevailing wage determinations need to be more accurate and calculated via a scientific methodology using Bureau of Labor Statistics data.”*

*“We are not opposed to a wage floor or average, but the rates are excessive and are not even close to prevailing rates in our market. The fringe benefits on some union PW rates are in excess of 60% of the wage rate to make up for pension underfunding by the unions.”*

*“In my state, the prevailing wage rate is set at the union collective bargaining agreement rate. There is not even an attempt to hide it through convoluted surveys. It makes no sense when more than 70% of the construction workforce is nonunion. Taxpayers lose.”*

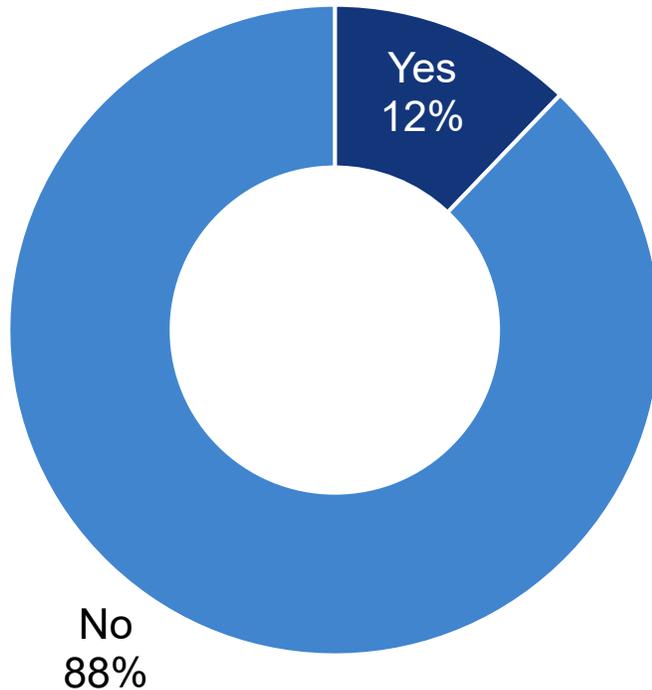
*“Rates in my rural marketplace are identical to rates charged in expensive cities in my state. These rates are not prevailing and do not meet local standards and violate the intent of the Davis-Bacon Act.*

*“We need more clarity on union work rules related to U.S. DOL wage decisions. Cloak and dagger policies and enforcement are why businesses distrust government and increase risk costs in bids.”*

*“The union lobby wants to make prevailing wage compliance as complicated as possible so they can use it as a weapon to target competitors and get them debarred if they accidentally are out of compliance. There needs to be a good-faith exception to differentiate between bad actors and good actors making honest mistakes.”*

## Q16. Do you support prevailing wage laws and the Davis-Bacon Act in its current form?

### Percentage of respondents



*Reform would be a step in the right direction if repeal was impossible. The Davis-Bacon Act and similar state laws in their current form inherently increase construction costs, stifles competition and reduces opportunities for small and disadvantaged businesses to engage in public contracting.”*

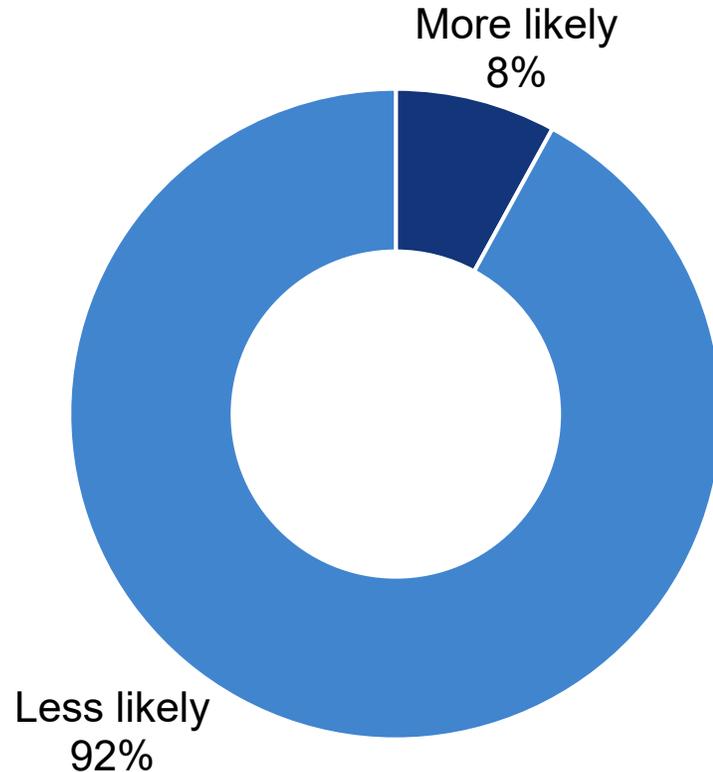
*“Taxpayers are paying more and getting less thanks to the archaic Davis-Bacon Act. It is 90 years old and needs to be retired.”*

*“Workers should be paid based on their rate of productivity and level of experience and safety record, not based on some bureaucratic formula.”*

*“Although more expensive, we can compete on a level playing field with unionized contractors on prevailing wage projects, which is not the case with government-mandated project labor agreements, where we cannot compete at all. One key benefit of prevailing wage laws is that when construction unions lobby for government-mandated PLAs, opponents can point to the fact that workers are already paid union rates, therefore union-only PLA monopolies are not needed to protect workers and are bad policy. Unfortunately, lawmakers usually do not get the distinction and care more about the politics than policy.”*

## Q17. If you had to choose one option, would you be more likely or less likely to vote for a lawmaker who supports prevailing wage policies on taxpayer-funded construction projects?

### Percentage of respondents



*Politicians who support prevailing wage policies are looking out for special interests instead of all taxpayers. We could save billions of dollars a year through Davis-Bacon repeal and reform that could be used for more construction projects and job creation, or for other programs or tax cuts, yet Congress does nothing.”*

*“I believe in free markets. Lawmakers who support prevailing wage regulations do not. They would not get my vote.”*

*“West Virginia repealed its prevailing wage law in 2016 and school construction costs declined by 7%, according to a 2018 study. Very few lawmakers who voted for repeal lost re-election. Voters like eliminating inefficient policies.”*

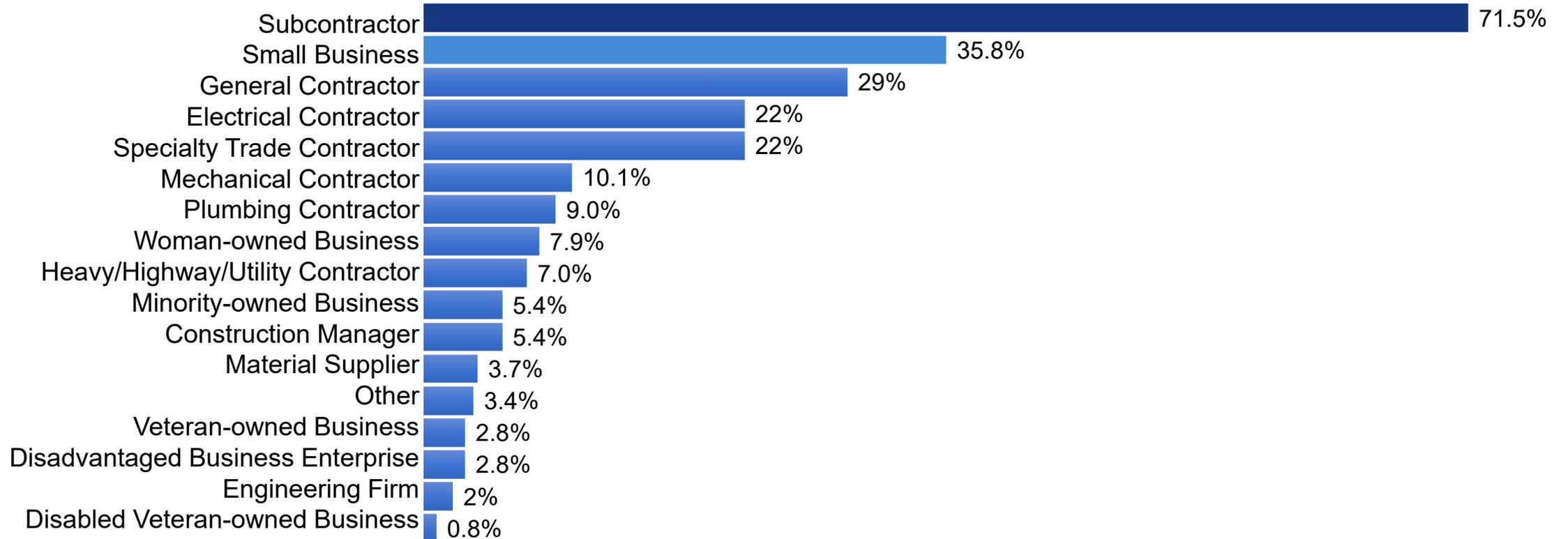
*“I would be more likely to support a pro-Davis-Bacon lawmaker because eliminating it would expose us to more competition on public works and likely decrease our profits. It could put downward pressure on worker’s wages.”*



## 18. Describe your company: (Check all that apply)

### Percentage of respondents

355 responses, Dec. 17, 2020 to Jan. 4, 2021



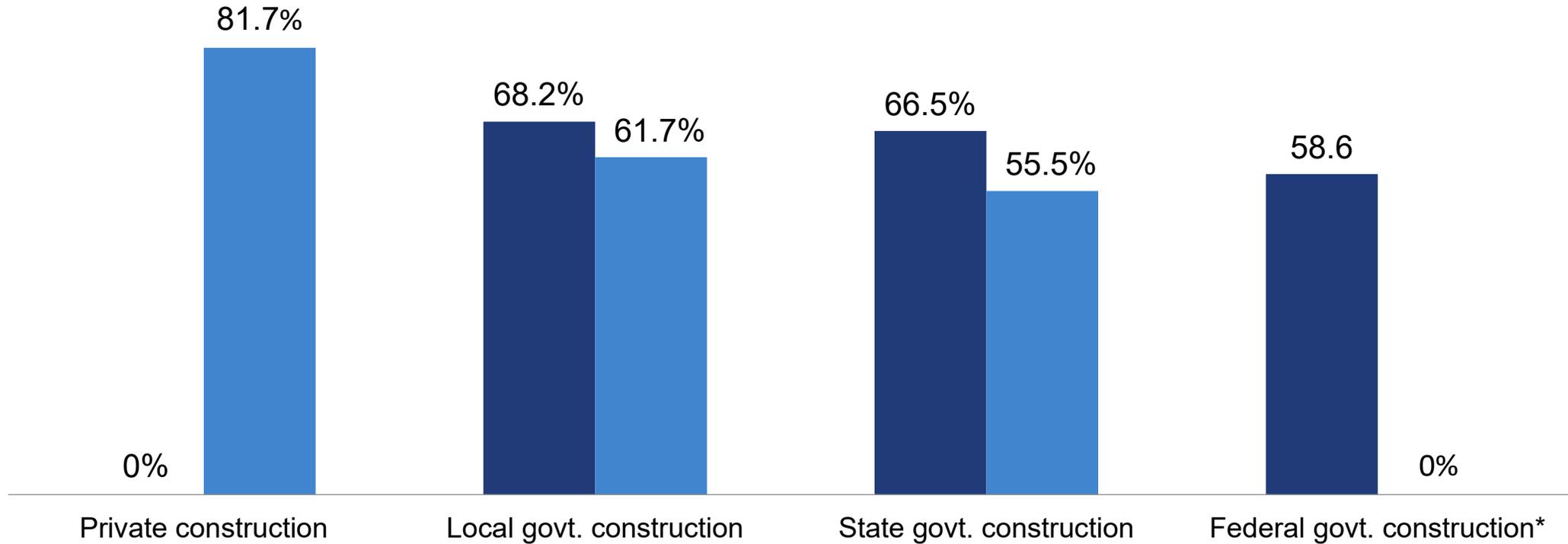


# 19. What type of construction does your company perform? (Check all that apply)

## Percentage of respondents

355 responses, Dec. 17, 2020 to Jan. 4, 2021

- Subject to prevailing wage regulations
- Not subject to prevailing wage regulations



\*Subject to Davis-Bacon prevailing wage regulations