

D.C. COALITION OF CERTIFIED BUSINESS ENTERPRISES

January 2024

Councilmember Brianne K. Nadeau (Ward1)
Chair, Committee on Public Works
and Operations
1350 Pennsylvania Avenue, NW
Suite 108
Washington, DC 20004

Dear Councilmember Nadeau:

We are writing to you with great concern about your intention to mark-up Bill 25-469, the “Revised Project Labor Agreement Cost Threshold Amendment Act of 2023.” **The bill will dramatically reduce opportunities for local, minority-, and woman-owned businesses on District-supported construction projects.** In practice, Project Labor Agreements (“PLAs”) exclude nearly all local and minority-owned businesses and D.C. construction workers from working on projects funded by their own tax dollars. **Scheduling a vote on this legislation without a public hearing is unacceptable to the local CBE community.**

In our view, marking-up the bill without a hearing violates the spirit of the Council Rule 501, which permits a bill to bypass a hearing if it was the subject of a hearing in the previous Council period. We maintain that this rule was intended for situations where the committee’s chair and membership was the same from one period to the next. This is not the case here. Moving the bill without ever having listened to the local construction industry, asked a single question, or weighed the arguments for or against the bill deprives Committee members and the public of the opportunity to explore the consequences of this legislation.

1. PLAs exclude D.C. construction workers and businesses

PLAs steer District-funded construction contracts to out-of-state unionized companies and workers, even though only 11% of District construction workers are part of a union.^{1,2} If local companies were to work on PLA project, we would be required to “source” nearly all of our employees from union hiring halls. Our existing employees – i.e., our local workforce – are thus excluded from the project. Further, these hiring halls nearly always operate on seniority, meaning that workers from other states can drive into the District and get placed on PLA jobs ahead of District residents. Make no mistake, PLAs discriminate against D.C. workers.

¹ 89% of District construction workers have chosen *not* to join a trade union, even though doing so is easy. One simply needs to go to the local union hall and sign up for the union. The reluctance of District workers to join unions is due to several factors, primarily that they do not see a benefit in doing so. But many D.C. construction workers see these out-of-state unions as continuing to impose obstacles, such as seniority, nepotism, and a “good old boy” system that make them unwelcoming organizations to local, D.C. workers and residents.

² U.S. Department of Labor and U.S. Census Bureau, *Current Population Survey*. Data are for the year 2023, released on January 23, 2024.

2. PLAs steal the wages of workers.

You may be under the misconception that PLAs increase the pay and benefits of workers on District-funded projects. This is not true. **PLAs have no effect on worker wages or fringe benefit rates – none.** This is because the federal Davis-Bacon Act, which sets the wage-scale for federally supported construction projects, *also* covers the District of Columbia Government. Thus, the wage-scales, covering both the pay and fringe benefits, on District-supported construction projects are established by law, irrespective of whether or not there is a PLA on the project.

But while the wages and benefits paid on PLA and non-PLA projects are identical, the same is not true for “take home” wages. This is because PLAs lead to significantly *lower* wages for most construction workers, which, if they can get on the job at all, must contribute over 30% of their take-home pay on average for union dues (to a union they don’t wish to join), mandatory contributions to union pension funds (for which they will *never* vest), and contributions to union benefit funds (which provide them with no benefits). **This is wage theft.** That such wage theft would not only be condoned, but even encouraged, by District law is outrageous.

3. Local and minority-owned construction firms can’t work on PLAs projects.

To participate on a PLA project, local, minority-, and woman-owned firms must become signatories to union pension plans and immediately liable for funding shortfalls of the entire pension fund. This would place our firms at risk of financial ruin in the form of uncapped pension withdrawal liability under federal ERISA law. There are numerous examples around the country of small businesses, like ours, that unwittingly signed a PLA to work on publicly funded infrastructure projects only to be socked with massive “withdrawal liability” demands from mismanaged union pension funds.

Consider the case of J. Supor & Son Trucking Company, located in New Jersey. The company agreed to work on a project covered by a PLA and made contributions to the Trucking Employees of North Jersey Pension Fund during their time on the project. This was a major mistake. Shortly after their work ended on the project, they were hit with a demand from the pension fund for their share of “withdrawal liability.” The amount of their liability was more twice than the value of their contract on the project.³

By requiring PLAs on D.C.-funded projects, the Council would force D.C.-based businesses, especially local, minority-, and woman-owned companies, to put our businesses and livelihoods at-risk just to work on a project that our tax dollars pay for. This would be a breach of our fiduciary duty to our companies and employees. It remains a mystery to us why the D.C. Council would *ever* endorse legislation that is discriminatory against locally owned businesses, steals wages from D.C. workers, and gives non-D.C. residents priority to work on D.C. Government projects.

For these reasons, we are writing to you with our strong opposition to Bill 25-469.

³ <https://www.jdsupra.com/legalnews/third-circuit-joins-sister-circuits-in-9647788/>

Sincerely,



Enoc Parada, President
Dynamic Contracting Inc
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Local Business Enterprise
Small Business Enterprise
Disadvantaged Business Enterprise
Ward 5



Cory Jones
President
First Choice Masonry Inc.
CBE #: LSDZ23893122024
Local Business Enterprise
Small Business Enterprise
Disadvantaged Business Enterprise
Ward 5



Carlos Miguel Diaz
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CBE #: LSDZRE37248032025
Local Business Enterprise
Disadvantaged Business Enterprise
Small Business Enterprise
Development Zone Enterprise
Resident Owned Business
Equity Impact Enterprise
Ward 2

Joyce L Scott Digitally signed by Joyce L. Scott
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Joyce L. Scott
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Small Business Enterprise
Disadvantaged Business Enterprise
Ward 7



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Plenary Enterprises
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Local Business Enterprise
Small Business Enterprise
Disadvantaged Business Enterprise
Ward 8



Adrienne V. Smoot-Edwards, President
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CBE #: *Application Pending*
Woman-Owned Business
Minority-Owned Business
Ward 8



Dimitrios Maros
President
Covenant Development Company Inc.
CBE #: L71419092024
Local Business Enterprise
Small Business Enterprise
Ward 2



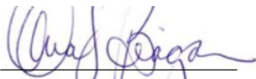
Ramesh Butani
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HRGM Corporation
CBE #: LSZXR50456092024
Local Business Enterprise
Small Business Enterprise
Ward 8



Erlan Guzman
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Aleman Construction
CBE #: LSDZRE38041052025
Local Business Enterprise
Small Business Enterprise
Ward 7



Veronica Hegens, President
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Local Business Enterprise
Small Business Enterprise
Veteran Owned Business
Ward 7



Omar L. Biagas
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Planned Power Systems, Inc
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Local Business Enterprise
Small Business Enterprise
Ward 5



Jerry Brown
Principal
Tildora Systems LLC
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Local Business Enterprise
Small Business Enterprise
Ward 7



Odis Bledsoe III
President
Home Answers Inc.
CBE #: LSDZRE67640112026
Local Business Enterprise
Small Business Enterprise
Ward 7

Didier Sinisterra

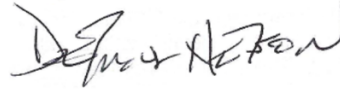
Didier Sinisterra
CEO
Development Innovation System C (DISC)
CBE #: LSDZRE69424052026
Local Business Enterprise
Small Business Enterprise
Ward 7



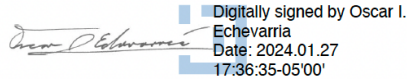
Justin Fanning
Vice President
Goldin & Stafford
CBE #: LSZ11177122026
Local Business Enterprise
Small Business Enterprise
Ward 5



Chinyere Ukoh
President
JJPS, Inc.
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Small Business Enterprise
Ward 8



Delmus Nelson
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Nelson's Welding, Inc.
CBE #: LSDZR26658022025
Local Business Enterprise
Small Business Enterprise
Ward 7



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Oscar I. Echevarria, President
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CBE #: LSD57091012026
Local Business Enterprise
Small Business Enterprise
Ward 4



Charles M. Asmar
Partner
Asmar, Schor & McKenna, PLLC
CBE #: LS18607092024
Local Business Enterprise
Small Business Enterprise
Ward 3



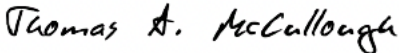
Julio Coreas
JM Utility Group, Inc
CBE #: LSD22993112024
Local Business Enterprise
Small Business Enterprise
Ward 4



Tom Bizzarri
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Prodigy Builders
CBE #: LS88726082024
Local Business Enterprise
Small Business Enterprise
Ward 3



Megan Bailiff
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Equus Striping
CBE #: LSDRE40749092024
Local Business Enterprise
Small Business Enterprise
Ward 8

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Thomas A. McCullough
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CBE #: L15352012025
Local Business Enterprise
Ward 3



Frank Chiamonte
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Chiamonte Construction
CBE #: LSZX95366032025
Local Business Enterprise
Small Business Enterprise
Ward 8



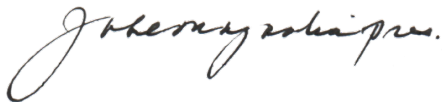
Cindy Athey, President & CEO
Precision Wall Tech, Inc.
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Local Business Enterprise
Small Business Enterprise
Disadvantaged Business Enterprise
Development Zone Business Enterprise
Ward 8



John Paleologos
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Miller & Long DC
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Blackwood of DC
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Local Business Enterprise
Ward 3



John Magnolia
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Joseph J Magnolia Inc.
CBE #: LX06727012025
Local Business Enterprise
Longtime Resident Business
Ward 5



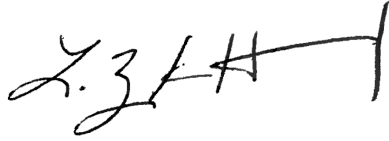
Bryan Scottie Irving
President
Blue Skye Construction
Local Business Enterprise
Disadvantaged Business Enterprise
Small Business Enterprise
Resident Owned Business
Equity Impact Enterprise
Ward 3



Kevin M. Joy
President
B. Frank Joy LLC
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Local Business Enterprise
Development Enterprise Zone
Ward 6



Harvey Yancey, President
H2 Design Build
Local Business Enterprise
Small Business Enterprise
Disadvantaged Business Enterprise
Resident Owned Business
Ward 1



Lazerrick Howard
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L.A. Howard Construction Company
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Local Business Enterprise
Disadvantaged Business Enterprise
Small Business Enterprise
Development Enterprise Zone
Resident Owned Business
Equity Impact Enterprise
Ward 6



Doug Portner
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Local Business Enterprise
Development Enterprise Zone
Ward 6



Rebecca McCollum
Executive Vice President
Monumental Concrete
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Local Business Enterprise
Veteran Owned Business
Development Enterprise Zone
Local Manufacturing Business Enterprise
Ward 8



Tyra Jackson, President
Infinite Service Solutions LLC
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Local Business Enterprise
Small Business Enterprise
Disadvantaged Business Enterprise
Ward 2

cc: All Councilmembers