

LOCAL MINORITY BUSINESS CONSTRUCTION COMMUNITY LETTER OF CONCERN

October 12, 2023

Prince George's County Council
Wayne K. Curry Administration Bldg.
1301 McCormick Drive, 2nd Floor
Largo, MD 20774

Hon. Angela Alsobrooks
Prince George's County Executive
Wayne K. Curry Administration Bldg.
1301 McCormick Drive
Largo, MD 20774

Mr. Millard House II, Superintendent
Prince George's County Public Schools (PGCPS)
Sasser Administration Building
14201 School Lane
Upper Marlboro, MD 20772

Dear Public Officials:

We write to you today to raise our strong concerns and objections to policies being pursued in Prince George's County that are harmful to the minority business construction firms that call Prince George's County home. While this should be an important moment of opportunity for the local minority business enterprise (LMBE) community in Prince George's County, with over \$1 billion in investments happening over the next few years, outside political interests have garnered support among some local officials to propose legislation and policies that will shut LMBEs out of opportunities in their own county. For a county that is nearly two-thirds African American and over 80% minority, it is disheartening that our local minority business community has to organize once again to oppose anti-minority business policies proposed by many of our own elected officials, most of whom are minorities and/or women.

We oppose the following anti-minority business policies and decisions:

- Council Bill 91 (CB-91-2023), which will shut local minority businesses out of county projects more than \$10 million in value by requiring a Project Labor Agreement (PLA) on such projects.
- The recent vote by the PGCPS Board of Education directing the developer on the PGCPS Phase II Public-Private-Partnership (P3) to enter into a PLA for the potential \$1 billion construction of 8 new schools.
- Council Bill 1 2023 (CB-1-2023), which will require local minority contractors to obtain a new, duplicative, and burdensome certification just to do business with their own county.

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PLAs Exclude Local Minority Business Opportunities

Project Labor Agreements (PLAs) exclude local minority (and women-owned) businesses from construction projects because the vast and overwhelming majority of Prince George's County MBEs, especially black firms, are non-union for historical, discriminatory, and cost reasons. A PLA on a project typically requires any contracting firm working on that project to obtain its workforce from one or more specified building trades unions and often includes the requirement that the firm and/or its workers on the project contribute to the union's pension fund, benefit programs, and dues. Unless the non-union worker chooses to join the building trades union and meets the union's vesting requirements, the union is under no obligation to provide benefits or return these wages to the worker. A review of all of the unions that are a part of the DC and MD Area Building Trades found that of all of their affiliated union contractors, only 2% of them are Prince George's County minority businesses. Among the reasons most local minority firms are non-union contractors include, (1) due to generational discrimination and disparities, minority firms are smaller and operate on lower margins than their larger white counterparts, making them less able to sustain the additional costs imposed by PLAs, (2) the long history of discrimination within the construction trades against African-Americans, including black-owned firms, and (3) PLAs significantly limit the available workforce, especially during this time of high inflation in the construction industry, a particularly difficult burden for small and minority businesses.

Prince George's County's Poor History with PLAs

While advocates for PLAs argue that they help projects come in on time and on budget, Prince George's County's past experience with PLAs shows how they haven't been effective. The Laurel Library project, which initially included a PLA, was scheduled to commence construction in 2013 but did not actually begin construction until late 2014. The reason for this is that the County had to abandon the PLA that it had initially imposed on the project. The problems included (1) the chosen contractor was not able to retain enough construction companies to fulfill the PLA requirement, (2) there wasn't enough union labor to perform the work, and (3) the costs proposed by the union subcontractors on the project exceeded the budget appropriated by the County for the project. The Brandywine Fire Station, built during a similar time frame, also with a PLA, came in substantially over budget and with significant delays in its construction. The estimated cost of the project was \$2.9 million, but the lowest bid was approximately \$4.2 million – a 41 percent increase over the estimated cost of the project. Note: Public works projects in Prince George's County already require the payment of prevailing wage to workers, eliminating another supposed justification for the inclusion of PLAs on construction projects.

MGM National Harbor's PLA-lite

The MGM National Harbor project included a "PLA-lite," which meant that for contracts \$5 million or more in value, a PLA would apply, and, for smaller projects, it would not apply. This resulted in the vast and overwhelming majority of the construction opportunities for County-based MBEs being limited to procurements less than \$5 million in value, excluding them from opportunities in their own county on the biggest construction project in county history.

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The Burden of Another Contractor Certification

Council Bill 1 2023 (CB-1-2023) would require contractors to obtain a new Responsible Contractor's certification, which would largely duplicate the county's current requirements, which already require being in good standing, meeting bonding requirements, and not being in violation of wage, labor, and MBE laws. CB-1-2023 would add the burdensome paperwork (which disproportionately affects small and minority businesses) of obtaining a new certification, in addition to the state, federal, and county certifications that LMBEs already have to maintain. CB-1-2023 would also limit the workforce on county projects to solely those who've completed a Maryland registered apprenticeship program. This last component is particularly onerous on a small business with an established workforce of individuals who may have obtained their skills through on-the-job training, another state's apprenticeship program, or other career pathways besides a Maryland registered apprenticeship program. Limiting the available construction workforce during a time of high inflation makes no sense and will increase the cost of county projects, a burden that especially will fall hard on local minority businesses.

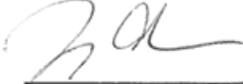
Conclusion

In summary, Council Bill 91 2023, the inclusion of a PLA in the PGCCPS Phase II projects, and Council Bill 1 2023, collectively, are an agenda of anti-local minority business policies. We question the seriousness and the sincerity of any public official who advocates for these policies while at the same time claiming to support the Prince George's County minority business community. We urge all who read this letter to oppose these policies. If you are an official who has stated a position of support for these policies, we ask you to reconsider because they are detrimental to our local minority and women-owned business community and particularly to communities of color trying to build generational wealth in our County. Thank you for your consideration.

Cc: Prince George's County Community Stakeholders

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UNDERSIGNED LOCAL MINORITY-OWNED BUSINESSES AND ALLIES:

Joy Anderson  JRA & Associates Contracting
Print Name Signature Business Name

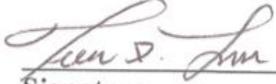
Brunson  Corenic
Cooper Construction
Signature Business Name

Cory Jones  First Choice Masonry Inc.
Print Name Signature Business Name

Shane Warren / President  WarrenBuilds LLC
Print Name Signature Business Name

Christopher Riley  CDEEM,
Print Name Signature Business Name

Richie F. Mohammed  Rich Moe Enterprises, LLC
Print Name Signature Business Name

Teresa D. Luna  Luna Concrete inc.
Print Name Signature Business Name

Ray Hubbard  RWH Electric
Print Name Signature Business Name

WENDELL C KINNEY SR  WG ELECTRICAL
SERVICES LLC Print Name Signature Business Name

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Neil Agarwal
Print Name

Neil Agarwal
Signature

Frisco Woodline
Business Name

Keon W. Walters, President
Print Name

Keon W. Walters, President
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Definitive Mechanical LLC
Business Name

Keon W. Walters, President
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Keon W. Walters, President
Signature

Definitive Plumbing & Heating LLC
Business Name

Murry H Edwards
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Murry Edwards
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Contract Design & Development, LLC
Business Name

Cliff Paramore
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Cliff Paramore
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Townhouse Carpet & Interiors
Business Name

Roger Barnes
Print Name

Roger Barnes
Signature

DMTG Masonry LLC
Business Name

Maurice Lewis
Print Name

Maurice Lewis
Signature

Lewis Custom Wiring, Inc
Business Name

Monica Byrd
Print Name

Monica Byrd
Signature

Charcoal Blue LLC
Business Name

GREGG BOYD
Print Name

G. Boyd
Signature

DEGLB2
CONTRACTORS, LLC.
Business Name

Theo Milford
Print Name

Theo Milford
Signature

Conquest Solutions, LLC
Business Name

**LOCAL MINORITY BUSINESS CONSTRUCTION COMMUNITY
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Ernest M. Njaba, P.E.
Print Name

Ernest Njaba
Signature

Bota Consulting Engineers, Inc. (BOTA)
Business Name

Patrick Cuffe
Print Name

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Signature

Starlight Security Inc.
Business Name

Mike Little
Print Name

Mike Little
Signature

B+W Solutions, Inc
Business Name

Marc Vaughn
Print Name

[Signature]
Signature

M.T.V ELECTRICAL SERVICES
Business Name

MIGUEL LAMBERT
Print Name

[Signature]
Signature

Bulldog Trucking
Business Name

Sung Park / President
Print Name

Sung Park
Signature

Janus Contractors, Inc.
Business Name

Barrington Jackson
Print Name

[Signature]
Signature

Plenary Enterprises, LLC
Business Name

Gina M. Williams
Print Name

Gina M. Williams
Signature

Clyde McHenry, Inc.
Business Name

**LOCAL MINORITY BUSINESS CONSTRUCTION COMMUNITY
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Chris Williams
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[Signature]
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Grace Management + Const
Business Name

Sebrina Williams
Print Name

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Grace Management + Construction
Business Name

Derrick Givers
Print Name

[Signature]
Signature

Gitan Contractors LLC
Business Name

Dr. Johnnie L Simpson
Print Name

Dr. Johnnie Simpson
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Veterans Enterprise Consulting Services, LLC
Business Name

Kevin Wortham
Print Name

Kevin E. Wortham
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AssureTech LLC
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Marcus D. Jackson
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ABC Metro Washington
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Brian L. Shaw, Sr
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KB Squared Technologies
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Michael C. Wood
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Synergistic Solutions LLC
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Three E Consulting Group
Business Name