

# *Building Your* BEST PUBLIC PROJECT

Public construction projects are among a community's most important—and often expensive—undertakings. Fortunately, Massachusetts has a strong network of qualified contractors and robust state and federal laws and regulations. These laws promote quality, safety, prevailing wages, and fair and open competitive bidding. All of this enables communities to deliver high-quality construction projects on time and for the best price. This document highlights some key items already in place to achieve the greatest value on your next construction project.

## Massachusetts Sets the Standards

- **Certified Contractors:** Every contractor bidding on public projects must be certified annually by the Division of Capital Asset Management and Maintenance. DCAMM checks experience, safety record, financial stability, and performance when certifying both union and nonunion contractors.
- **Prequalification:** On projects over \$10 million, your town or city reviews contractors specifically for your job and only invites the most qualified ones to bid.
- **Prevailing Wage Law:** All workers on public projects—union and nonunion—earn at least union-scale hourly rates set by the state Department of Labor Standards.
- **Licensing and Apprenticeships:** All trade workers need the same state licenses. Union and nonunion apprenticeship programs earn the same state approval.
- **Safety First:** Construction sites must adhere to U.S. Occupational Safety and Health Administration regulations on worker safety training, fall protection and personal protective equipment.
- The best way to measure safety is a contractor's **Experience Modification Rating (EMR)**—a workers' compensation insurance score based on their safety record compared to the industry average. A score below 1.0 means better-than-average safety (and lower insurance costs).

## Merit Shop vs. Union Contractors—A Simple Explanation

Most construction companies in Massachusetts (and across the U.S.) operate as **merit shops**. They employ the more than 82 percent of the Massachusetts construction workforce that is nonunion. They hire, develop and maintain a company-specific workforce, with company-specific wages and benefits.

Union contractors typically hire from union halls on a project-by-project basis. Wages and benefits for the workers and payments to the unions are dictated by collective bargaining agreements negotiated by contractor associations and organized labor.

Both types of contractors can do excellent work. As previously noted, on public projects, the same prevailing wage rates apply to all contractors and workers, union and nonunion.

## Why Project Labor Agreements Are a Bad Idea for Your Community

Sometimes public officials are lobbied to impose a **Project Labor Agreement (PLA)**—a contract that requires using **solely union workers** on the project—before bidding begins. Here's what that means for your project:

**PLAs limit competition.** They make it virtually impossible for merit shop contractors to bid. They would have to abandon their own employees, become “union signatory” just for your project, and pay into union benefit funds that their own workers will never use. A Massachusetts Superior Court judge put it clearly in a 2024 ruling: “The PLA poses such a significant disadvantage to open shops as to render a competitive bid impossible.”

**PLAs increase costs.** Basic economics dictate that more qualified bidders mean lower prices. When you shrink the pool of bidders, costs go up. Studies show PLAs raise project costs on average by **10–20% or more**, leaving less money for other community needs.

**PLAs lock out most contractors and workers.** In Massachusetts, **merit shops employ over 82%** of construction workers. Most DCAMM-certified contractors are merit shops. This includes **87.5% of Minority Business Enterprises (MBEs)** and **72% of Women Business Enterprises (WBEs)**. PLAs exclude qualified local companies, including diverse businesses.



## What PLAs do NOT do:

- They **do not** prevent strikes or work stoppages (rare as they are).
- They **do not** guarantee better quality, safety, or on-time completion. Those important goals are already covered by state laws and your own bid specifications.
- They **do not** set wage rates for public projects; that is done through the prevailing wage law that applies to all public construction projects in Massachusetts.
- They **do not** regulate apprenticeship programs; that is done by the MA Division of Apprentice Standards regardless of whether there is a PLA.

## Our Recommendation

In lieu of bidding with PLAs, stick with the proven system that levels the playing field for all DCAMM-certified contractors under Massachusetts competitive bidding laws. This gives your project the widest access to qualified union and nonunion contractors, skilled workers, strong safety records, and the best value for taxpayers.