

Prevailing Wage Program Opinion Letter August 2, 2013

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Re: Request for Clarification: Setting of Trash/Recycle Collection Wage Rates pursuant to Section 27F (non-construction)

Dear XXXX:

I am writing in response to your questions posed to me in a letter dated July 18, 2013, regarding prevailing wage schedules issued to the towns of XXXX and XXXX for solid waste and recycling collection and hauling.

You asked: (1) Generally, what source(s) does DLS use to determine wage rates for trash hauling and dumping; and (2) What source(s) did DLS use to determine the wage rates on the attached schedules included in contracts let to bid by XXXX and XXXX?

By way of background, the Massachusetts prevailing wage law applies to the construction of public works by the commonwealth, or by a county, town, authority or district. *G.L. c. 149, §§26 and 27*. Section 27F of the law requires that any lease, rental or other arrangement under which a truck or other vehicle or equipment is to be engaged in public works contain a stipulation requiring that prevailing wages, as determined by the DLS, be paid to the operators of such trucks, vehicles or equipment. When public awarding authorities enter into agreements subject to §27, including the collection and hauling of solid waste and recycling, DLS sets prevailing wage rates based on "collective agreements or understandings in the private construction industry between organized labor and employers." *G.L. c. 149, §26*. DLS also looks to these agreements and understandings to determine the appropriate job classifications under the prevailing wage law.

In answer to your first question, DLS looks to collective bargaining agreements between employers and organized labor to set rates for the collection and hauling of trash and recycling. There are currently four collective bargaining agreements between Teamsters Local 25 and Jet-A-Way, Inc., Allied Waste Services of Massachusetts, Capitol Waste Services, Inc., and Purchase America d/b/a Sunrise Scavenger. The territory covered by these four agreements encompasses thirty-five cities and towns. XXXX and XXXX are not covered by any of those agreements. For any city or town not included in these agreements that requests trash collection and hauling prevailing wage rates, DLS asks for the following information from that city or town:

- The current hourly pay scales showing step increases and date graduations for Heavy Equipment Operators and Laborers for the city or town employees;
- The name of a family health plan in which most employees are enrolled;
 - The total monthly cost of that family plan
 - The percentage of that cost paid by the town.

Upon receipt of the above, DLS enters the information for that town in our Prevailing Wage database, which generates the wage rate schedule. The wage rate schedule shows the classification name (driver and laborer), effective date, base wage, hourly health and welfare contribution^[1], and the total rate to be paid to the workers.

In answer to your second question, in determining the wage rates for XXXX and XXXX, DLS used the rate wage and health plan contribution information provided by the respective towns, copies of which were e-mailed to you, per your request, on July 25, 2013.

I hope this information has been helpful. If you have any further questions, please feel free to contact me.

Sincerely,
Heather Rowe
Director

[1] To arrive at the employer hourly health contribution which is listed on the prevailing wage schedule, DLS takes the total monthly premium, multiplied by the percentage of that the town pays, which gives DLS the city/town's contribution to a health care plan, which we then divide by 173.33 as the amount of monthly work hours (40 hours x 52 weeks / 12 = 173.33).