



Thank you Chair Grayber, vice chairs Elmer and Muñoz, and members of the committee. My name is Marshall McGrady and I am the Political Director of IBEW Local 48. I am a 25-year member of Local 48 and I am a General Supervising Electrician in the State of Oregon. The following is written testimony on behalf of the over 6000 members of IBEW Local 48 in support of HB 2688.

Since the early 2000's, contractors of all trades have discovered the benefits of offsite pre-fabrication. Studies show that every hour worked in a prefabrication shop is equivalent to over three hours of onsite work. The reasons for this are simple as prefabrication allows:

- Increased installation efficiency
- Optimized labor costs
- Improved quality control and reduced material waste
- Less material handling on the jobsite
- Mitigated weather risks
- Reduced site disruption and no stacking of trades during assembly
- Improved worker safety and productivity
- Enhanced project coordination

While the upfront investment in prefab can be higher, the overall project cost can be reduced through the benefits mentioned above. Reduced labor hours, minimized material waste, and faster completion times can lead to significant cost savings. Ultimately, this gain in efficiency drastically helps control costs on construction projects. However, it's important to understand these savings go straight to the Contractors bottom line and are not savings passed on to customers and taxpayers.

Although work done in a prefabrication shop is highly efficient, this work is the *exact same work* that takes place on the jobsite and would take place on the jobsite if the contractor chose to not utilize prefabrication. This work should not be excluded from prevailing wage. Remember, the contractors that utilize this style of assembly are already enjoying cost reductions in their construction process.

I personally ran a prevailing project in 2012 that watched the non-union mechanical contractors build their entire project using offsite prefabrication and only 1-2 Journey Level workers on the project to install the prefabricated items. As the contractor was non-union and did not have a collective bargaining agreement to follow, the workers doing all the prefabrication work were not

required to receive prevailing wage. This is a massive unfair advantage to a non-union contractor and totally goes against the idea of prevailing wage.

For opponents of the bill who call it “too confusing”, Oregon law already recognizes prefabrication. One only has to look in ORS 479.540 in the “Certification of Electrical Products” to see a clear and reasonable definition of products created by prefabrication. This definition is clear and does not lead to confusion on the installation of products by electricians in the state of Oregon.

ORS 479.540

Exemptions

(11) ORS 479.760 (Certification of electrical products) does not apply to products described in this subsection that comply with the electrical product safety standards established by concurrence of the board and the Director of the Department of Consumer and Business Services as described under ORS 479.730 (Adoption of rules by Director of Department of Consumer and Business Services). This subsection does not exempt any products used in locations determined to be hazardous in the electrical code of this state. The following apply to this subsection:

(D)

Prefabricated work performed by an electrical contractor with licensed electrical personnel in the contractor's place of business for assembly on the job site if the work is composed of parts that meet the electrical product safety standards established by concurrence of the board and the director.

In conclusion, contractors who do not have a collective bargaining agreement that matches prevailing wage have utilized the offsite prefabrication loophole for years to undermine Union contractors on projects that require prevailing wage. This completely bypasses the intent of Davis Bacon rules and is a loophole that needs to be closed.

Thank you for your time-

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