

# A Construction Careers Approach to Public Infrastructure Projects



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*Responsible Bidder Ordinance:*

**Job Quality Standards and**

**Job Access Criteria**

# Abusive Conditions in Most Gulf Coast Construction Jobs

A recent **survey of non-union construction workers\***  
in Houston found the following:

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- One out of seven construction workers have experienced wage theft.
- More than 43% receive no benefits beyond pay as compensation for their labor.
- Only 36% of all construction workers in Houston are covered by worker's compensation.  
\*Workers Comp Protects injured workers.
- One in four reported having to stop work at least once because of heat, but 51% do not receive rest breaks to help them cope with the heat.
- 40% are misclassified as independent contractors

\* Source: Workers Defense Project, 2017

# Responsible Contractors, Taxpayers, and Users of Infrastructure Lose Out

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- Contractors that comply with or go above legal requirements face unfair competition from low-road companies when bidding on public works projects.
- The City of Houston in some instances has been rewarding dishonorable contractors who deliver poor quality products over budget and behind schedule.
- There is a need to create effectiveness of the office charged with the enforcement of health and safety, prevailing wages and other relevant laws.
- Communities have been cheated out of revenue, taxpayers have been subsidizing scrupulous contractors

# The solution: A construction careers approach to public infrastructure construction projects

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- ✓ **Expand the number of good jobs** in Houston's construction industry
- ✓ Level the playing field and **reward responsible contractors** who do the right thing
- ✓ **Open career pathways** to residents of high poverty/high unemployment neighborhoods, including ex-felons needing a second chance, veterans, & women
- ✓ **Train a skilled regional construction workforce**
- ✓ **Protect taxpayers' investments** in public infrastructure projects by ensuring that contractors deliver **high quality work**

# What a Responsible Bidder Ordinance Would Do

## Job Quality Standards

- Eligible contractors/subcontractors must:
  - Pay living wage, benefits, and workers compensation insurance
  - Uses Apprentices from DOL-certified programs for certain percentage of work
  - Properly classify workers as employees or independent contractors
  - OSHA safety training for supervisors & workers
  - that all employees are covered under a workers' compensation insurance policy
  - provide access to a process to resolve disputes between employers and employees
  - have no recent record of wage/hour violations

## Job Access Standards

- Contractors/subcontractors would:
  - Hire residents of high poverty / high unemployment neighborhoods for a percentage of the work hours on the project
  - Recruit residents of high poverty / high unemployment neighborhoods into apprentice slots
  - Employ apprentices, and reserve a percentage of apprentice hours for first year/period apprentices
  - Pay into a job access fund to help pay for recruitment & orientation
  - Provide graduates of quality apprenticeship readiness programs easier entry or guarantee them a spot in an apprenticeship program

# Many cities have used their leverage to improve economic opportunity in the construction industry

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- City governments are large purchasers in the construction market - one-fourth to one-third of spending on construction in many regions
- **Chicago:** Adopted Responsible Bidder Ordinance
- **Los Angeles:** roads, fire and police stations, traffic control systems, and other public agencies have adopted **community workforce agreements** that include targeted hiring provisions and strong job quality provisions on a range of infrastructure projects
- **Milwaukee:** incorporated **prevailing wage requirements** into its downtown redevelopment agreements
- **Santa Clara Valley Transportation Authority** Prequalification Policy includes a responsible bidder prequalification process.
- **Madison, WI** - Latino Academy of Workforce Development offers a construction pre-apprenticeship/apprenticeship program to Latino construction workers

# Construction Careers with DOL-Certified Apprentices Programs

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- Boilermakers
- Bricklayers
- Cement Masons / Plasterers
- Electricians
- Elevator Constructors
- Glazers, Painters, & Sign Decorators
- Heat and Frost Insulators
- Heavy equipment operators
- Iron Workers
- Laborers
- Pipefitters and Plumbers
- Road Sprinkler Fitters
- Sheet Metal Workers

# What will it cost?

Essentially nothing, there will be no need to add enforcement officers because the ordinance is designed to screen out offenders before the contract is awarded instead of pursuing them after the violations have been committed.

The **Responsible Bidder Ordinance** simply requires bidders and sub-bidders to demonstrate that they can comply with the specifications written into the bid documents. If they are not able to, their bids will not be considered.



# Responsible Bidder Ordinance

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Good Jobs

Construction Careers

Public Infrastructure Approach

