

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Capital Improvement Department
AGENDA DATE: February 6, 2018
CONTACT PERSON/PHONE: Sam Rodriguez, P.E., City Engineer, 212-0065
DISTRICT(S) AFFECTED: ALL
STRATEGIC GOAL: No. 6: Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

Discussion and action on a Resolution replacing the apprentice program adopted on September 24, 2013.

BACKGROUND / DISCUSSION:

This presentation will provide an update on the apprenticeship program in the City of El Paso. The presentation will also provide recommendations for adjustments to the program which will allow for greater efficiency in the oversight of contract compliance.

SELECTION SUMMARY:

N/A

PROTEST

- No protest received for this requirement.
 Protest received.

COUNCIL REPRESENTATIVE BRIEFING:

Was a briefing provided? Yes or Not Applicable (Routine)
If yes, select the applicable districts.

- District 1
 District 2
 District 3
 District 4
 District 5
 District 6
 District 7
 District 8
 All Districts

PRIOR COUNCIL ACTION:

September 24, 2013 – City Council approved a resolution to amend the apprenticeship program to add 10 additional programs.

AMOUNT AND SOURCE OF FUNDING:

N/A

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



RESOLUTION

WHEREAS, on November 9, 1999, the City Council passed a resolution adopting an apprenticeship program for City construction projects for buildings;

WHEREAS, on June 1, 2010, the City Council adopted a new apprenticeship program for City construction projects which replaced the apprenticeship program adopted in 1999; and

WHEREAS, on September 24, 2013, the City Council adopted a new apprenticeship program for City construction projects which replaced the apprenticeship program adopted in 2010 which added occupations to the list of apprenticeable occupations;

WHEREAS, the City Council desires to adopt a new apprenticeship program for City construction projects for buildings in which Contractors and subcontractors shall participate in a Department of Labor certified apprenticeship program when work under the contract includes work that must be performed by certain apprenticeable occupations.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the following apprenticeship program is adopted with an effective date of March 5, 2018, replacing the apprentice program adopted on September 24, 2013:

1. Contractors and subcontractors shall participate in a Department of Labor (“DOL”) certified apprenticeship program when the work required under the contract for a building includes work that must be performed by the following apprenticeable occupations below and the work involving such apprenticeable occupation has a value of fifty thousand dollars or more and the construction contract is for one million dollars or more at the time of award:

1. Electricians
2. Plumbers
3. HVAC
4. Elevator installers/repairers
5. Structural iron and steel workers

2. A Contractor or subcontractor shall comply with all legal requirements of the DOL apprenticeship program. The following requirements shall also apply:

- a) When applicable, the contractor shall hire registered apprentices enrolled in a DOL certified apprenticeship program.
- b) The contractor shall not substitute unregistered apprentices to perform apprentice level work in place of registered apprentices.
- c) The contractor shall pay wage rates and benefits for apprentices at the rate determined by the DOL apprenticeship program.

- d) Construction contracts shall provide that noncompliance of the contract provisions concerning the apprenticeship participation may be a basis to terminate the construction contract, which shall be referred to the City Council for determination.

APPROVED this ____ day of _____, 2018.

CITY OF EL PASO

Dee Margo,
Mayor

ATTEST:

Laura D. Prine
Interim City Clerk

APPROVED AS TO FORM:



Sol M. Cortez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

Samuel Rodriguez, P.E., City Engineer
Capital Improvement Department



Apprenticeship Program Update

February 6, 2018



Apprenticeship Program Discussions

FY2015

- Letters sent to Mayor Leeser and City Representatives from contractors asking for changes to the apprenticeship program.
- Program discussed during the FY2016 Budget hearings. CID asked evaluate and make recommendations

FY2016

- Meetings held with stakeholders to obtain feedback on the program. Trade Associations surveyed.

FY2017

- Proposal drafted and meetings continued with stakeholders

FY2018

- Revised program taken to council for adoption



Apprenticeship Current Policy

- Requires prime and sub-contractors to participate in an Apprenticeship Program when work is performed by apprenticeable occupations with a value of \$50,000 or more
- Non-compliance may be a basis to terminate the contract
- Example registered apprentice program-bricklayer
 - 3 year process with classroom instruction and 6,000 hours of the on-the-job training
 - Paid percentage of journeyman wage (\$17.97) incrementally every 1,000 hours (50% or \$8.98/hr, 55% or \$9.88/hr, etc)



Apprenticeship Program History

November 9, 1999 – Resolution passed adopting an apprenticeship program for city building construction projects with a value of \$100,000 or more (14 apprenticeable trades)

June 1, 2010- Resolution amended to make the requirement applicable to all construction projects and those trades with a value of \$50,000 or more (14 apprenticeable trades)

September 24, 2013 – Resolution amended to add 10 additional occupations (24 total apprenticeable trades)



Current Apprenticable Trades (24)

Acoustical Carpenter	Elevator Installer & Repairer	Pipefitters
Bricklayer and Mason	Floor Layer	Plasterer
Cabinet Maker	Glazier	Plumber
Carpenter	HVAC	Roofers
Cement Mason	Insulation Worker	Sheet Metal Worker
Drywall Application	Locksmith	Structural Iron/Steel worker
Electrician	Operating Engineer	Taper
Electrician Technician	Painters	Tile and Marble Setter



Stakeholder Meetings

Meeting Dates with Trade Associations/Contractors/ SubContractors

- 4/13/2016 Eileen Karlsruher, CSA Constructors; Carlos Ornelas, Southwest Specialty Contractors Association
- 4/14/2016 Community Meeting 5:30
- 5/23/2016 Survey sent to trade associations
- 1/11/2017 Adam Pacheco, Associated General Contractors
- 1/23/2017 Larry Aguilar, Martinez Brothers Contractors; Dave Fuller, Tri-State Electric
- 1/25/2017 Paul Bower and J. Gomez, Jordan Foster
- 1/30/2017 Thad Steel, T&T Staffing; Charlie Tellez, Jobe Concrete; Michelle Luevano, Hispanic Chamber of Commerce; Carlos Ornelas, Southwest Specialty Contractors Association; Eileen Karlsruher, CSA Constructors
- 3/2/2017 Adam Pacheco, Associated General Contractors



Trade Association Survey

18 surveys sent to trade associations, 6 responses received

- Attempt to obtain the following:
 - graduation rates
 - feedback on threshold and applicability of the program
- Results inconclusive



Feedback from Stakeholder Meetings

Various contractors want the requirement removed and/or made voluntary for the following reasons

- It is an administrative burden to manage the program. A cost that is added to City's projects
- Difficulty to recruit employees who are willing to make less than an unskilled laborer (\$11.89)
- Very few employees graduate from the program
- Program not effective at growing a skilled workforce
- Recommended that the program should only be applicable for licensed trades

Trade Associations are in favor of keeping the policy in place



Benchmark Apprenticeship Programs

County of El Paso -

Mandated on all county building construction projects in the amount of \$50,000 and higher

El Paso Independent School District -

May be used on all EPISD construction projects in the amount of \$100,000 and higher at award of contract



Proposed Program Changes

- Applicable to building construction projects with a total construction contract value of \$1M or more at time of award.
- Value of trades \$50,000 or more
- For licensed trades (Plumbers, Electricians, HVAC, Elevator Installers/Repairers) and the Structural Iron/Steel Worker



Proposed Program Changes (Continued)

Define and clarify the process

- One apprentice per trade per project complies
- Contractor to provide a schedule of values that includes labor and materials for each trade.
Determination be made before award what trades will require apprentices
- Requirement not applicable to residual street work associated with building construction.



Recommended Action

Approval of the revised resolution adopting the new apprenticeship program.



Apprenticeship Program

Questions & Comments