

TO: Program Planning & Development

DATE: 02/25/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: WIB Contractors' Forum, January 29, 2004

PROPOSED MOTION(S): Discussion Only.

DISCUSSION: The Program Planning and Development Committee elected to single out Construction as an industry to focus on in Merced County. As a result, the Workforce Investment Board sponsored a Contractors' Forum that was held on January 29, 2004 as a pilot project to identify the needs of local contractors and sub-contractors. The contractors in attendance stated that they were not currently looking for employees because their workforce was very stable and reliable. The industry overall does have a shortage of skilled and unskilled workers. It was stated that young people are not considering or entering this career field, and should be encouraged to do so. Soft skills were of concern, such as passing a drug screening, being punctual, reliable, and being willing to work were issues (see attachments).

The goal being addressed through the above activity is:

Train and attract adaptable workers to fill industry needs.

- **Focus initially on a single industry; do a pilot project which will focus on understanding and addressing its needs.**
- **Develop a focus group for that industry to identify needs.**
- **Formulate a plan to address the needs of that single industry.**
- **Implement the plan**

ATTACHMENT(S):

- 1. Contractors' Forum Notes**
- 2. Telephone Survey of Contractors**

Workforce Investment Board of Merced County
Contractors' Forum
Sam Pipes Meeting Room
678 W. 18th Street, Merced, CA
Thursday, January 29, 2004, 1:00–3:00 p.m.
Meeting Notes



Present:	Andrea Baker	Tom Clendenin	John Headding	Carol Roberds
	Nicholas Benjamin	Joseph Cuellar	Jeff Hoffman	Mike Smith
	Don Bergman	Harry Dull	Steven Johnson	Mike Souza
	Don Borgwardt	Peter Fluetsch	Anne Newins	
	Patrick Bowman	Skip George	Holly Newlon	
	Rudy Buendia	Debbie Glass	Terry Nichols	
	Mary Cervantes	Carol Greenberg	Darlene Peters	

Staff Present: Michelle Allison, Elaine Craig, Dave Cramer, Dave Davis, Dee Knight, Joanne Presnell

1. Welcome: Mr. John Headding welcomed everyone and noted this forum was a result of the Workforce Investment Board (WIB) Program Planning and Development Committee wanting to target some of the major industry clusters in the community and assess the needs of that industry. He called everyone's attention to the agenda and announced the speakers in the following order:

- a. Steven Johnson, Swinerton Builders
- b. Nicholas Benjamin, Director, Merced County Housing Authority
- c. Mary Cervantes, Dept of Business Economic Opportunities (Action Business Center)
- d. Mike Souza, The Alliance Small Business Development Center

2. Update on UC Merced Construction and Future Opportunities: Mr. Steven Johnson is one of the three general contractors working on the UC Merced construction site. His company has three contracts with UC Merced—1) site grade, infrastructure and a central plant, 2) library and information technology center, and 3) classroom project.

He gave an overview of the progress of the construction projects, and noted there are two bid packages to award on site grade/infrastructure. These packages will be advertised in the contractor's publications about 1-2 weeks before the bid documents are available, which will be sometime in April 2004. If there are any questions, you can call Mr. Steve Pierce at 209-724-0150. The library bid documents, 8-10 packages, are for all the interior work and will be available in Apr/May. The library project manager Chris Young can be contacted at the above phone number. The classroom project manager is Richard Green, and those bid documents will also be available in Apr/May. If for some reason one of the above individuals is unavailable, you can call him at 510-208-5861. Mr. Johnson noted that 60-65% of his work has been awarded to local contractors (Fresno to Modesto). All of their trade work is subcontracted out.

He has held two community outreach meetings to give information on the bid process and various requirements, and will be having another one sometime in Mar 2004.

The other two general contractors will construct the housing, and science and engineering building.

3. Business Resources and Services: Mr. Nicholas Benjamin gave an overview of the construction-training program, called Firm Build (nonprofit) that the Housing Authority started about six years ago. This is a “work first” program that teaches the basic work ethics to public housing residents and/or low-income individuals who are paid while being trained. The Housing Authority collaborated with Merced County Office of Education (MCOE) to add the academic component to the “work first” program. Those with a background in the construction trade will be trained from 4-9 months, but those who are unskilled may be in the program for 12 months. Firm Build graduates are trained in various parts of the construction trade, and are a great resource for local contractors.

Ms. Mary Cervantes noted the Merced County Dept of Business Economic Opportunities, aka Action Business Center (ABC), provides technical assistance programs to the business community. Contractors might be interested in contacting their Procurement Technical Assistance Center, which provides one-on-one counseling and workshops regarding the “how-to” process of bidding on state and federal contracts. They have a “revolving” loan fund for small businesses that do not have access to full long-term funding of projects. This loan is repayable. ABC has taken on the Castle Reuse Project, and the business license program. They are involved in the Enterprise Zone that provides tax credits to businesses that locate in that designated area. They also provide one-on-one counseling on various business-related areas; i.e., marketing, financing, etc. She provided handouts regarding the various programs ABC offers.

Mr. Mike Souza noted The Alliance Small Business Development Center is funded by the Small Business Administration (SBA). The Alliance exists to help individuals in business and/or companies and corporations to succeed, expand or start a business. He provided a handout regarding the SBA 7(a) Loan Program, along with a list of participating 7(a) lenders in this area that is available to all individuals. He also gave out information on the SBA Surety Bond Program—1) Plan A, SBA will guarantee 80% under \$100,000; if you are a minority, it will guarantee 90% under \$100,000. 2) Plan B, SBA will guarantee 70% up to \$2 million. He noted that their services are free.

4. Brainstorming Session: Mr. Heading noted that the WIB Program Planning and Policy Committee have questions for the contractors regarding the availability of workers and training programs associated with them. He started the discussion off by asking:

Q – Do you have problems finding employees? If so, what specifically are the issues you are facing right now that the WIB might be able to assist you with.

A – Contractors noted they are not looking for workers, that most of their hiring is done by word-of-mouth. It is hard to find skilled workers in this area. Workers must be able to pass a drug test, have a driver’s license, and want to work. They must be taught the soft skills; i.e., attitude, reliability, appearance. Even engineer level positions have work ethic issues or lack thereof.

Q – Do you find union apprenticeship programs to be responsive to your needs?

A – No/Open Shop Contractor, but miss the training program and work ethic that union people have. When hiring union people, you cannot have them doing several job skills. The union pay scale (prevailing wage) is an issue in the Merced area. Timing and paperwork is cumbersome with union people. Some of the competition do not have workers comp, liability insurance or

bonding. Merced has a large underground market of unlicensed contractors.

Firm Build formed a curriculum with the help of a Curriculum Advisory Council that got feedback from actual contractors. The Carpenters Local in Manteca is willing to develop a partnership with the WIB or anyone in the Merced community for an apprenticeship/training program.

Q – What types of training programs should the WIB be funding?

A – The problem in the construction trade is that no one wants to be a craftsman. The schools need an outreach program to explain to students at the Junior High and High School level exactly what the construction trade is all about to peak interest. Need more trade schools and vocational training, but any exposure to students is valuable. Not everyone needs to go to college.

Merced Union High School District has approval to start construction trade courses at Merced High and Golden Valley. The Superintendent is encouraging UC engineers/construction trade people to come to these schools and educate the teachers and students on the various types of engineers and what the construction trade entails.

Merced County Office of Education has a Workplace Learning Academy, which is a training program for “at risk” high school students that focus on the building and construction trade. The academic courses are structured so that students are learning to do research, math, have career industry days, etc. and it is all tied in to the construction trade but also meets state standards for academics.

Q – Is there any particular construction trade that the WIB can concentrate on promoting?

A – Across the board there is a need for all types of qualified skilled craftsmen in the construction trade. In 10 years we could be faced with a total lack of trained workers in the construction trade.

5. Closing Comments and Next Step: Mr. Headding thanked everyone for attending and providing their input, because everyone obtained a very unique perspective on the issues being faced in Merced County. He noted at the next WIB meeting on March 11, 2004, there will be a forum on Castle Reuse Issues.

6. Adjourn: The meeting was adjourned at 2:45 p.m.

Minutes prepared by Devilla D. Knight.

Telephone Survey of Contractors

These are similar questions to those that were asked at the Contractors' Forum held on January 29, 2004. From the list of contractors and sub-contractors that were invited to the Forum, twenty additional employers were called the first week of February and asked these questions. Of the twenty that were called, there were seven who responded and the responses are recorded below.

Do you have problems finding employees, and if so, what are your problems?

Don't have any problems finding employees.

Yes, they can't pass the drug test, don't have valid driver's licenses and they are not qualified.

Yes, lack of experience.

No.

None.

Yes, it is difficult to find good employees who are punctual.

Yes, employees are not trained and don't want to work.

What positions/occupations do you have trouble filling?

None.

Carpenters.

Laborers and equipment operators.

None.

Welders.

Skilled workers in general.

Journeymen, roofers and laborers.

Do you find a trained workforce or do you have to train on the job?

Train on the job.

On-the-job training.

On-the-job training.

On-the-job training.

On-the-job training

On-the-job training.

Do you find Union apprenticeship programs to be responsive to your needs?

No. None of the respondents were affiliated with the union.

Do you find your workforce locally, or do you have to go outside of the local area? If so, where? What positions?

Local.

Stockton, Modesto, Fresno.

Local.

Modesto and Stockton.

Local.

Local.

Local.

Do you know of any training courses, which are successful?

None of the respondents knew of any training courses.