

## AGENDA ITEM SUMMARY

**Submitted For: Administration**

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	* =====	=====	=====	=====	=====
<b># ADDITIONAL FTE POSITIONS (Cumulative</b>	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes \_\_\_\_\_ No. \_\_\_\_\_

Budget Account No.: Fund \_\_\_\_\_ Agency \_\_\_\_\_ Org. \_\_\_\_\_ Object \_\_\_\_\_  
Reporting Category \_\_\_\_\_

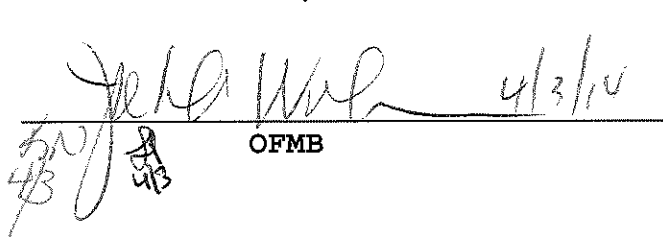
### B. Recommended Sources of Funds/Summary of Fiscal Impact:

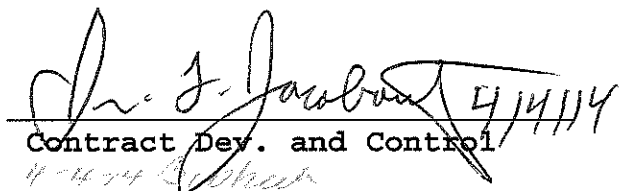
### C. Department Fiscal Review: \_\_\_\_\_

## III. REVIEW COMMENTS

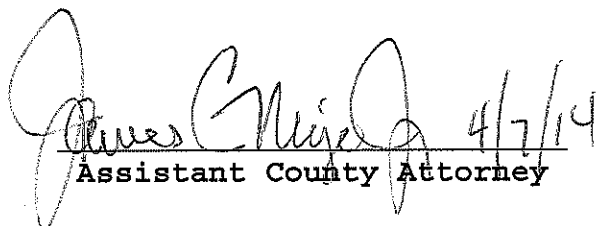
### A. OFMB Fiscal and/or Contract Administration Comments:

\* No fiscal impact

 4/3/14  
OFMB

 4/14/14  
Contract Dev. and Control

### B. Legal Sufficiency:

 4/7/14  
Assistant County Attorney

### C. Other Department Review:

\_\_\_\_\_  
Department Director

This summary is not to be used as a basis for payment.

At the request of the building trades unions, the Board initiated a review by staff of the possibility of adopting a building trades apprentice preference policy, similar in concept to the Small Business and Local Preference policies, both of which have been implemented by ordinance. A building trades apprentice policy would establish goals for the number of apprentices in State sanctioned programs to be employed on a County building construction project. If the apparent low bid contractor did not commit to achieve those goals, the County would award to the next lowest priced bidder who committed to the goal up to a price limit. The SBE preference provides up to a 10% price incentive in favor of the next lowest priced bidder that meets criteria as compared to the apparent low bidder that does not. Local preference provides up to a 5% price adjustment, for determining bid award, in favor of the next lowest priced bidder that meets criteria as compared to the apparent low bidder that does not. Similar rules apply to RFP contractor selection process with points awarded for committing to achieve goals.

A few smaller jurisdictions including St. Lucie County and the Port of Palm Beach have adopted apprentice preference rules. Aside from the fact that these entities typically have much smaller construction programs than our County, the St. Lucie rules are adopted only by resolution, providing a lesser legal status for enforcement. Their rules provide for various waivers that can be authorized by staff.

There are a variety of legal and practical problems with implementing the union proposal. If the Board wished to oblige this request, issues would include those listed below.

- 1) The policy could not be limited to only benefit Palm Beach County residents.
- 2) There are currently only union operated State sanctioned apprentice programs in our County. It would be necessary to accept apprentice program participants in other counties to avoid any perception that we were limiting participation to union members, which would be contrary to State law.
- 3) With multiple preferences, the Board would need to prioritize which preference would prevail in a bidding conflict.
- 4) Apprentice participation is challenging even for medium sized projects as there may not be sufficient staffing in particular trades. A minimum project size would need to be set.
- 5) While it was agreed by all that supporting apprentice programs is worthwhile, local contractor organizations have expressed their opposition to any mandatory policy for County projects.

While staff thinks that it is best that the Board choose NOT to give direction to implement any policy regarding the inclusion of apprentices on County projects, there is the potential alternative, though not yet well defined, to implement a voluntary incentive program whereby a contractor would submit his bid including his intention to use apprentices and would receive supplementary compensation from the County if they fulfilled their commitment. This may not accomplish the goal of the trades as it can't be predicted if contractors would consider such a possibility attractive and the cost to the County would be hard to predict.