Bill 40
Testimony

MISC. COM. 213

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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

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TO: HONORABLE COUNCIL CHAIR ANDERSON AND MEMBERS OF THE HONOLULU CITY COUNCIL

SUBJECT: TESTIMONY IN OPPOSITION TO BILL 40 - RELATING TO COMMUNITY WORKFORCE AGREEMENTS

Hearing
DATE: Wednesday, April 15, 2020
TIME: 10:00 A.M.
PLACE: Council Meeting Room
Honolulu Hale

Dear Council Chair Anderson and members of the City and County of Honolulu Council:

The General Contractors Association of Hawaii (GCA) is an organization comprised of over five hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The mission of the GCA is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

Thank you for the opportunity to share our **opposition** to Bill 40 which seeks to amend Bill 37 which requires the City and County of Honolulu to negotiate a Community Workforce Agreement (CWA) for larger public works projects.

While we deeply appreciate the efforts of members of the City Council to amend Bill 37 which mandated CWAs, we do believe that the amendments proposed in Bill 40 only strengthen that effort, that this is an inappropriate role for the City to play and that this is an inappropriate time, given the current heath and economic crisis that the City faces, to move forward with Bill 40.

Opposition:

GCA member firms provide the highest quality services to public and private sector clients in the commercial and public building, highway, heavy industrial and municipal utility construction markets, as well as in international markets. GCA represents equally construction firms that operate with collective bargaining agreements and those that operate on an "open shop" basis.

As GCA proudly counts among its members both unionized and non-union general contractors and subcontractors, it is our duty to share with the council that both our union and non-unionized members alike oppose mandating CWAs or any similar type of restriction on public projects.

Open competition:

GCA is committed to free and open competition in all public construction markets and believes that publicly-funded contracts should be awarded without regard to the lawful labor relations policies and practices of the government contractor. GCA is committed to full and open

competition for all public projects and is in support of the well-established principle that taxpayer-financed construction must be open to all qualified firms regardless of their labor policy.

CWAs restrict choice:

CWAs effectively compel both union and open shop contractors to alter their hiring practices, work rules, job assignments, and benefits in order to compete for or to perform work on publicly funded projects thus limiting the number of qualified firms that can bid for tax-payer funded construction projects.

Our members strongly believe that the choice of whether to adopt a collective bargaining agreement should be left to the contractor-employers and their employees, and that such a choice should not be imposed as a condition to competing for, or performing on, a publicly funded project.

Moreover, government mandates and preferences for CWAs can drive up costs, cause delays, lead to jobsite disputes and disrupt local collective bargaining. In cases where use of a CWA would benefit a particular project, the construction contractors otherwise qualified to perform the work would be the first to recognize that fact and to adopt a CWA voluntarily. They would also be the most qualified to negotiate the terms of such an agreement.

No evidence of the performance benefits of CWAs:

There is no reliable evidence that CWAs improve performance or have a significant impact in promoting high-quality construction. While case studies of the economic benefits of CWAs have had varying conclusions, the Government Accounting Office recently reported that it could not document the alleged benefits of past mandates for CWAs on federal projects and that it doubted such benefits could ever be documented due to the difficulty of finding projects similar enough to compare and the difficulty of conclusively demonstrating that performance differences were due to the CWA versus other factors.

Inappropriate role for the City and County of Honolulu to play:

Should Bill 40 move forward, it will be forcing union representation on all construction employees working on the public project regardless of their wishes. This has never been a legitimate or proper role for a public entity. CWAs violate the well-established principle that public entities have no business in determining the labor policies of private contractors.

Inappropriate time to address:

Given the immense health and economic crisis the City is experiencing, we believe that this is a time for the City to work with the entire construction industry to streamline processes such as entitlement and permitting, and focus on initiatives that could potentially spur greater construction activity, rather than impede it.

GCA opposes Bill 40.

Thank you for the opportunity to share our opposition.

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