



## **MAINE STATE BUILDING AND CONSTRUCTION TRADES COUNCIL**

September 17, 2010

To: The members of the Portland Finance Committee and City Council

From: The Maine State Building and Construction Trades Council

Re: Proposed Responsible Contractor Language

The Maine State Building and Construction Trades Council (MSBCTC) offers the attached language on Responsible Public Contracting. The goal of both the MSBCTC membership and those who are part of the Concerned Citizens for Responsible Public Contracting Coalition is to ensure that public dollars are well spent in the construction arena while at the same time addressing the issues below.

The proposed language calls for pre-established qualifications, guidelines and certifications as well as OSHA training. The language also looks to enhance skilled apprenticeship programs which addresses quality workmanship and would enhance future workforce development. Maine like much of the country will have issues with skilled labor in the years to come.



This language would also ensure a sustainable wage with benefits. It is especially important that towns and cities do not inadvertently shift the burden of costs onto the taxpayer. A contractor who allows someone who should be classified as an employee but instead is classified as an independent contractor avoids paying into unemployment and often workers compensation. This has been on the rise throughout the country and the state of Maine.

We respectfully submit the language and letters of support and look forward to the September 23rd meeting to give our full presentation.

Sincerely,

John Napolitano

President, Maine State Building and Construction Trades Council

**City of Portland, Maine  
Responsible Contractor Ordinance**

**August 2010**

# City of Portland, Maine Responsible Contractor Ordinance

## Section 1. Purpose

The city of Portland recognizes that there is a need to ensure that all work on public construction and maintenance contracts is performed by responsible, qualified firms that maintain the capacity, expertise, personnel and other qualifications and resources necessary to successfully perform public contracts in a timely, reliable and cost-effective manner.

To effectuate the purpose of selecting responsible contractors for public contracts and to protect the city of Portland investments in such contracts, prospective contractors and sub-contractors, should be required to meet pre-established, clearly defined, minimum standards relating to contractor responsibility, including requirements and criteria concerning technical qualifications, competency, experience, adequacy of resources, including equipment, financial and personnel, and satisfactory records regarding past project performance, safety, law compliance and business integrity.

Further, due to the critical impact that skilled construction craft labor has on public works projects, and due to the limited availability of skilled construction craft labor and imminent craft labor skill shortages, it is necessary to require contractors and subcontractors to participate in established, formal apprenticeship training programs as a condition of bidding, for the purpose of both promoting successful project delivery and ensuring future workforce development. The city of Portland also recognizes that it is beneficial to the local community to ensure that firms receiving public contracts provide adequate wages and benefits to their employees and utilize fair business, employment and training practices that have a positive impact on local communities affected by such contracts.

Therefore, the city of Portland shall require compliance with the provisions of this ordinance by business entities seeking to provide services to city of Portland as specified herein. The requirements of this ordinance are intended to supplement, not replace, existing contractor qualification and performance standards or criteria currently required by law, public policy or contracting documents. However, in the event that any of the provisions of this ordinance conflict with any law, public policy or contracting documents of the city of Portland this act shall prevail.

## Section 2. Responsible Contractor Requirements

- (a) All contractors and subcontractors of any tier that perform work valued at over **\$10,000** on any public facility or public works project, including construction, alteration, renovation, repair, service or maintenance work, shall meet the requirements of this ordinance.
- (b) All firms engaged in contracts covered by this ordinance shall be qualified, responsible contractors or subcontractors that have sufficient capabilities in all respects to successfully perform contracts on which they are engaged, including the necessary experience, equipment, technical skills and qualifications and organizational, financial and personnel resources. Firms bidding on public contracts shall also be required to have a satisfactory

past performance record and a satisfactory record of law compliance, integrity and business ethics.

### **Section 3. Contractor Responsibility Certifications.**

- (a) As a condition of performing work on a public works contract subject to this ordinance, a general contractor, construction manager or other lead or prime contractor seeking award of a contract shall submit a Contractor Responsibility Certification at the time it submits its bid for a contract.

The Contractor Responsibility Certification shall be completed on a form provided by city manager and or city finance director and or city council and shall reference the project for which a bid is being submitted by name and contract or project number.

- (b) In the Contractor Responsibility Certification the construction manager, general contractor or other lead or prime contractor shall confirm the following facts regarding its past performance and work history and its current qualifications and performance capabilities:
  - (1) The firm and its employees have all valid, effective licenses, registrations or certificates required by federal, state, county, or local law, including, but not limited to, licenses, registrations or certificates required to: (a) do business in the designated locale; and (b) perform the contract work it seeks to perform. These shall include, but not limited to, licenses, registrations or certificates for any type of construction or maintenance trade work or specialty work which the firm proposes to self-perform.
  - (2) The firm meets the bonding requirements for the contract, as required by applicable law or contract specifications and any insurance requirements, as required by applicable law or contract specifications, including general liability insurance, workers compensation insurance and unemployment insurance.
  - (3) The firm has not been debarred or suspended by any federal, state or local government agency or authority in the past three years.
  - (4) The firm has not defaulted on any project in the past three years.
  - (5) The firm has not had any type of business, contracting or trade license, registration, or other certification revoked or suspended in the past three years.
  - (6) The firm and its owners have not been convicted of any crime relating to the contracting business in the past ten years.
  - (7) The firm has not within the past three years been found in violation of any law applicable to its contracting business, including, but not limited to, licensing laws, tax laws, prompt payment laws, wage and hour laws, prevailing wage laws, environmental laws or others, where the result of such violation was the payment of

a fine, back pay damages or any other type of penalty in the amount of \$1,000 or more.

- (8) The firm will pay all craft employees that it employs on the project the current wage rates and fringe benefits as required under applicable federal, state or local wage laws.
- (9) All craft labor that will be employed by the firm for the project have completed at least the OSHA 10 hour training course for safety established by the U.S. Department of Labor, Occupational Safety & Health Administration.
- (10) The firm will employ craft employees in all classifications and individual trades required to successfully perform the work related to this project.
- (11) The firm has, for at least the past 3 years, participated in a Registered Apprenticeship Program for each separate trade or classification in which it employs craft employees and shall continue to participate in such program or programs for the duration of the project.
  - (A) For purposes of this section, a Registered Apprenticeship Program is an apprenticeship program that is currently registered with the U.S. Department of Labor and or the State of Maine Jobs Council and approved by the U.S. Department of Labor as defined by: Title 26, Chapter 25, subchapter 1, Section 2006, Subsection 5-A, Part O which requires that all Apprenticeship and Training programs established under this subsection must conform to 29 CFR, Parts 29 and 30 and any subsequent applicable provisions as per Federal Office of Apprenticeship and Training. The firm had to have graduated apprentices to journeyperson status for at least three of the past five years.
  - (B) To demonstrate compliance with this section, the firm shall provide, with this certification, a list of all trades or classifications of craft employees it will employ on the project and documentation verifying it participates in a Registered Apprenticeship Program for each trade or classification listed.
- (12) The firm has all other technical qualifications and resources, including equipment, personnel and financial resources, to perform the referenced contract, or will obtain same through the use of qualified, responsible subcontractors.
- (13) The firm will maintain all qualifications, resources and capabilities referenced in this certification throughout the duration of the project.
- (14) The firm shall notify the city manager and or finance director and or city council within seven days of any material changes to all matters attested to in this certification.
- (15) The firm understands that the Contractor Responsibility Certification required by this section shall be executed by a person who has sufficient knowledge to address

all matters in the certification and shall include an attestation stating, under the penalty of perjury, that the information submitted is true, complete and accurate.

- (c) Execution of the Contractor Responsibility Certification required by this ordinance shall not establish a presumption of contractor responsibility and the city manager and or finance director and or city council may require any additional information it deems necessary to evaluate a firm's status as a responsible contractor, including technical qualifications, financial capacity or other resources and performance capabilities. The city manager and or finance director and or city council may require that such information be included in a separate Statement of Qualifications and Experience or as an attachment to the Contractor Responsibility Certification.
- (d) The submitting firm shall stipulate in the Contractor Responsibility Certification that, if it receives a Notice of Intent to Award Contract, it will provide a Subcontractor List and required subcontractor information as specified in section 5 of this ordinance.
- (e) If the submitting firm has ever operated under another name or controls, is controlled by another company or business entity or in the past five years controlled or was controlled by another company or business entity, whether as a parent company, subsidiary or in any other business relation, it shall attach a separate statement to its Contractor Responsibility Certification that explains in detail the nature of any such relationship. Additional information may be required from such an entity if the relationship in question could potentially impact contract performance.
- (f) If a firm fails to provide a Contractor Responsibility Certification required by this section, it shall be disqualified from bidding. No action of any nature shall lie against the city of Portland because of its refusal to accept a bid for failing to provide information required by this section.

#### **Section 4. Notice of Intent to Award Contract.**

- (a) After it has received bids for a project, the city manager and or finance director and or city council shall issue a *Notice of Intent to Award Contract* to the firm offering the lowest responsive bid.
- (b) Such Notice shall be issued immediately or as soon as practicable after bids are submitted and shall stipulate that the contract award will be conditioned on the issuance of a written Contractor Responsibility Determination, as required by section 6 of this ordinance and any other conditions determined appropriate by the city manager and or finance director and or city council..

#### **Section 5. Subcontractor Lists, Subcontractor Responsibility Certifications.**

- (a) Within seven days from the date of Notice of Intent to Award Contract, a prospective awardee shall submit to the city manager and or finance director and or city council a Subcontractor List containing the names of subcontractors that will be used for the

referenced project, their addresses and a description of the work each listed subcontractor will perform on the project.

- (b) At the time a prospective awardee submits the Subcontractor List it shall also submit Subcontractor Responsibility Certifications for all listed subcontractors to the city manager and or finance director and or city council. Subcontractor Responsibility Certifications shall be executed by the respective subcontractors on forms prepared by the city manager and or finance director and or city council and shall contain the same information and representations required in Contractor Responsibility Certifications, including verification of apprenticeship qualifications as required by Section 3(c)(11), for each trade or classification of craft workers it will employ on the project.
- (c) Subcontractor Responsibility Certifications shall be executed by persons having sufficient knowledge to address all matters in the certification and shall include an attestation stating, under the penalty of perjury, that all information submitted is true, complete and accurate.

#### **Section 6. Contractor Responsibility Review and Determination.**

- (a) After a Notice of Intent to Award Contract has been issued, the city manager and or finance director and or city council shall undertake a review process for a period of at least 30 days to determine whether the prospective awardee is a qualified, responsible contractor in accordance with the requirements of this ordinance and other applicable laws and regulations and has the resources and capabilities to successfully perform the contract.
- (b) As part of this review process, the city manager and or finance director and or city council shall ensure that the Contractor Responsibility Certification, the Subcontractor List and the Subcontractor Responsibility Certifications, as required by this act, have been submitted and properly executed.
- (c) The city manager and or finance director and or city council may conduct any additional inquiries to verify that the prospective awardee and its subcontractors have the technical qualifications and performance capabilities necessary to successfully perform the contract and that the firms have a sufficient record of law compliance and business integrity to justify the award of a public contract. In conducting such inquiries, the city manager and or finance director and or city council may seek relevant information from the firm, its prior clients or customers, its subcontractors or any other relevant source.
- (d) If at the conclusion of its internal review, the city manager and or finance director and or city council determines that all responsibility certifications have been properly completed and executed and if it concludes that the qualifications, background and responsibility of the prospective awardee and the firms on its Subcontractor List are satisfactory, it shall issue a written Contractor Responsibility Determination verifying that the prospective awardee is a qualified, responsible contractor. In the event a firm is determined to be non-responsible, the **city** manager and or finance director and or city council shall advise the firm of its finding in writing and proceed to conduct a responsibility review of the next lowest, responsive bidder or, if necessary, re-bid the project.

- (e) The Contractor Responsibility Determination shall be issued at least 30 days after the date of the Notice of Intent to Award Contract. This Responsibility Determination may be revoked or revised in any manner at any time if the city manager and or finance director and or city council obtain relevant information warranting any such revocation or revisions.

## **Section 7. Subcontractor Responsibility Review Requirements.**

- (a) A construction manager, general contractor or other lead or prime contractor shall not be permitted to use a subcontractor on any work performed for the city of Portland unless it has identified the subcontractor on its Subcontractor List and provided a Subcontractor Responsibility Certification in accordance with the requirements of Section 5 of this ordinance.
- (b) A subcontractor listed on a firm's Subcontractor List shall not be substituted unless written authorization is obtained from the city manager and or finance director and or city council and a Subcontractor Responsibility Certification is provided for the substitute subcontractor.
- (c) In the event that the city manager and or finance director and or city council determines that a prospective subcontractor listed by the apparent low bidder does not meet the responsibility standards of this Section, it may, after informing the prospective awardee, exercise one of the following options:
  - (1) permit the awardee to substitute a qualified, responsible, subcontractor in accordance with the requirements of this section;
  - (2) require the awardee to self-perform the work in question if the firm has the required experience, licenses and other qualifications to perform the work in question; or
  - (3) disqualify the prospective awardee.
- (d) In the event that a subcontractor is disqualified under this ordinance, the general contractor, construction manager or other lead or prime contractor shall not be permitted to make any type of contractual claim against the city manager and or finance director and or city council and the city of Portland on the basis of a subcontractor disqualification.

## **Section 8. Public Review Process.**

- (a) The Contractor Responsibility Certification for a firm identified in a Notice of Intent to Award Contract, Subcontractor Lists and Subcontractor Responsibility Certifications shall be made immediately available to the public for inspection through a publicly accessible website or other comparable means.
- (b) During the Public Review Period, any person or organization may protest a contractor or subcontractor for failing to meet applicable requirements of this ordinance or on any other relevant grounds by submitting a letter with supporting evidence to the city manager and or finance director and or city council.
- (c) If the **[jurisdiction]** determines that a Contractor or Subcontractor Responsibility Certification contains false or misleading material information that was provided knowingly or with reckless disregard for the truth or omits material information knowingly or with reckless disregard of the truth, the firm for which the certification was submitted shall be prohibited from performing work for the city of Portland for a period of

three years and shall be subject to any other penalties and sanctions, including contract termination, available to the city of Portland] under law. A contract terminated under these circumstances shall further entitle the city of Portland to withhold payment of any monies due to the firm as damages.

- (d) A procurement contract subject to this ordinance shall not be executed until all requirements of this ordinance have been fulfilled and until Contractor and Subcontractor Responsibility Certifications and Subcontractor Lists have been made available for public inspection for at least twenty one days.

**Section 9. Severability, Effective Date.**

- (a) If any provision of this ordinance shall be held to be invalid or unenforceable by a court of competent jurisdiction, any such holding shall not invalidate any other provisions of this ordinance and all remaining provisions shall remain in full force and effect.
- (b) This ordinance shall become effective \_\_\_\_\_, but the city manager and or finance director and or city council shall take such anticipatory administrative action in advance as shall be necessary for the implementation of this ordinance.
- (c) The requirements of this ordinance shall not apply to contracts executed prior to the effective date of this act, except that the exercise of an option on a contract covered by this ordinance shall be deemed to create a new contract for purposes of this ordinance.

## **CONCERNED CITIZENS FOR RESPONSIBLE PUBLIC CONTRACTING**

**Coalitions Partners as of Sept. 17, 2010**

- **MAINE PEOPLE'S ALLIANCE**
- **MAINE EQUAL JUSTICE PARTNERS**
- **MAINE CENTER FOR ECONOMIC POLICY**
- **AFL-CIO**
- **MAINE WOMEN'S LOBBY**
- **FUR CULTURAL REVIVAL**
- **OPERATION HOME FRONT**
- **DIANE RUSSELL**
- **ETHAN STRIMLING**
- **SOUTHERN MAINE LABOR COUNCIL**
- **LEAGUE OF YOUNG VOTERS**
- **LABOR COUNCIL FOR LATIN AMERICAN ADVANCEMENT**
- **ENGAGE MAINE**

September 15, 2010

The Fur Cultural Revival organization would like to express its support for the movement to pass an ordinance in Portland that would steer publicly funded construction work towards responsible contractors. This law would give preference to contractors that hire local workers, that pay a living wage with benefits, and that have an apprenticeship program.

Our community would benefit from this project on several fronts - the apprenticeship programs would offer another alternative for employment. We are still in a time of economic crisis with high unemployment. Unemployment remains as a serious problem, and the state and federal governments are wisely spending money to put people back to work and initiate much needed projects. If the goal is to stimulate the economy, it's very important that these projects don't actually bring down the living standards of workers.

The requirement that these contractors participate in an apprenticeship program is also very important. At a time when it is difficult for young people in Maine to find entry-level jobs that lead to advancement, apprenticeships in skilled trades are extremely important. Taxpayer money should not be used to pay low wages for dead-end jobs.

Sincerely,



9/15/10

Mansour Ahmed  
president.



# MAINE AFL-CIO

**A Union of Unions Fighting for Maine Workers 21**

Gabriel Drive, Augusta, Maine 04330

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*Berry* [maineajcio@yahoo.com](mailto:maineajcio@yahoo.com)

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*Secretary Treasurer  
Alan  
Shepard* [ashepard@ibew567.com](mailto:ashepard@ibew567.com)

September 1, 2010

The Maine AFL-CIO would like to express its support for a (RCO) Responsible Contractor Ordinance in Portland. RCO language would award publicly funded projects to reputable contractors with a proven track record of providing what we deem to be essential to a thriving community - sustainable wages and benefits such as healthcare for employees and their families. At a time when we see continuing upward trends involving our citizens leaving the state to find good paying jobs and benefits, there is no better time for this ordinance to be put in place. A sustainable wage paid to local workers would ensure that these hard working men and women would stay put in the state of Maine, and would ensure that they and their families experience the benefits of a financially healthy career in the construction industry.

The Maine AFL-CIO will partner with this effort to ensure the ordinance is passed in Portland.

Don Berry  
President, Maine AFL-CIO



**142 High Street, Suite 302**

**Portland, Maine 04101**

**[www.theleague.com](http://www.theleague.com)/[metwitter.com/MaineLeague](https://twitter.com/MaineLeague)**

**207.772.3207**

*Mission: The League of Young Voters is a non-partisan multi-issue group that works to make politics relevant, accessible, and fun by empowering and engaging young people in social and civic action. We achieve these goals by raising awareness and providing tools for leadership through working on positive social change in our communities.*

August 24, 2010

To Whom It May Concern:

The League of Young Voters would like to express its support for a Responsible Contractor Ordinance (RCO) in Portland. RCO language would award publicly funded projects to reputable contractors with a proven track record of providing what we deem to be essential to a thriving community - sustainable wages and benefits such as healthcare for employees and their families.

At a time when we see continuing upward trends involving our young people leaving the state to find good paying jobs and benefits, there could be not better time for this ordinance to be put in place. A sustainable wage paid to local workers stimulates the economy by keeping the money earned in Maine and not having it rush out of state with employees who are hired for less money, no benefits and often are untrained.

The League of Young Voters will partner with this effort to educate the community and ensure the ordinance is passed in Portland.

Sincerely,

**Will**

Will Everitt  
Maine State Director  
League of Young Voters



565 Congress St Ste 200 Portland ME 04101 (207) 797-0967 Fax (207) 797-4716 mpa@mainepeoplesalliance.org  
145 Lisbon St Ste 201 Lewiston ME 04240 (207) 782-7876 Fax (207) 782-3236 gen@mainepeoplesalliance.org  
27 State St Ste 44 Bangor ME 04401 (207) 990-0672 Fax (207) 990-0772 jesse@mainepeoplesalliance.org

September 13, 2010

The Maine People's Alliance would like to express its support for a (RCO) Responsible Contractor Ordinance in Portland. RCO language would award publicly funded projects to reputable contractors with a proven track record of providing what we deem to be essential to a thriving community - sustainable wages and benefits for employees and their families. At a time when we see continuing upward trends involving our citizens leaving the state to find good paying jobs and benefits, there is no better time for this ordinance to be put in place. A sustainable wage paid to local workers would ensure that these hard working men and women would remain in the state of Maine, and would ensure that they and their families experience the benefits of a financially healthy career in the construction industry.

The Maine People's Alliance will partner with this effort to ensure the ordinance is passed in Portland.

Sincerely,

Jesse Graham  
Executive Director  
Maine People's Alliance

*Celebrating 27 Years of Organizing for a Better Maine ~ We are stronger together!*



**Sara Gagné-Holmes**  
Executive Director  
(207) 626-7058, Ext. 201  
[sg@mejp.org](mailto:sg@mejp.org)

September 16, 2010

To Whom It May Concern:

I am pleased to provide this letter of support on behalf of Maine Equal Justice Partners (MEJP) for the adoption of a Responsible Contractor Ordinance by the City of Portland. We wholeheartedly endorse the Maine State Building and Construction Trades Council's efforts to ensure that all contracts for public works are awarded to reputable, responsible firms that provide a livable wage and healthy work opportunities for Maine workers.

Maine Equal Justice is a nonprofit legal aid provider founded in 1996, dedicated to finding solutions to poverty and improving the lives of people with low income in Maine. We represent their interests before the courts, governmental agencies and the legislature. MEJP focuses its work on issues that affect people's daily lives - access to adequate health care, food and income security, supports for working families, and higher education and training opportunities.

As an organization focused on the needs of low-wage earners, MEJP is very supportive of public policies and practices that promote economic opportunity and security for these individuals and their families. We appreciate the efforts of the Trades Council to advance such policies in Maine and hope that you will give favorable consideration to the proposed ordinance.

Sincerely,

Sara Gagné-Holmes  
Executive Director



# Maine Women's Lobby

THE VOICE OF MAINE WOMEN

P.O. Box 15  
Hallowell, ME 04347  
207.622.0851  
Fax 207.621.2551  
info@mainewomen.org  
www.mainewomen.org

September 14, 2010

Portland City Council  
339 Congress St  
Portland, ME 04101

Dear Council Members,

On behalf of the Maine Women's Lobby, I write to express support for a Responsible Contractor Ordinance in Portland (RCO). The RCO language that you are considering would award publicly-funded projects to qualified contractors who have a proven track record of providing sustainable wages and benefits for employees, and a commitment to ensuring all employees are properly trained and classified

This ordinance builds upon existing laws to promote workplace safety, fair wages and benefits for workers. It's also a prudent investment in assuring the quality of publicly-funded construction projects and will give taxpayers the assurance that their money is being well spent.

Of particular importance to women workers is the apprenticeship program required by this ordinance. Maine's Registered Apprenticeship Program provides critical pathways to well-paying jobs. According to the Maine Apprenticeship Program, women in non-traditional occupations such as construction complete their apprenticeship at a wage 9.7% higher than average. The RCO will increase opportunities for women workers and enable their families to thrive in a changing economy.

The Maine Women's Lobby looks forward to collaborating in this effort to establish a Responsible Contractor Ordinance in Portland. Thank you for your consideration.

Sincerely,

Sarah Standiford  
Executive Director



*Supporting our troops and helping the families they leave behind*

August 31, 2010

To Whom It May Concern

As the Chapter President of Operation Homefront of New England, I would like to express my support for a (RCO) Responsible Contractor Ordinance in Portland, Maine. RCO language would award publicly funded projects to reputable contractors with a proven track record of providing what we deem to be essential to Operation Homefront of New England and that is quality work and highly skilled employees who complete a task on time and within budgets. "As a non-profit dealing with many home repairs it is too costly to have a project going and the work is unfinished and the proper permits don't get pulled and you have to hire another contractor to finish a project." In dealing with military families of deployed family members to have this happen, adds more undo stress on a family." Using an RCO you have faith in the contractors. I fully endorse a (RCO) Responsible Contractor Ordinance.

Respectfully,

Donna Chapman  
Chapter President  
Operation Homefront of New England  
P.O. Box 1447  
Windham, Maine 04062  
[www.operationhomefront.net/newengland](http://www.operationhomefront.net/newengland)

Operation Homefront of Maine, also Serving New England  
P.O. Box 1447, Windham, Maine 04062

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A nonprofit 501(c)3 organization - Tax ID #26-0184277



September 17, 2010

Portland City Council  
389 Congress Street  
Portland, Maine 04101

**Staff**

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Executive Director

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Associate Director

Judy Ward  
Office Manager

Dan Coyne  
Fiscal Policy Analyst

Connie Zhu  
Policy Analyst

Mark Sullivan  
Communications Director

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Elizabeth Ward-Saxl  
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Dear Members of the City Council:

The Maine Center for Economic Policy strongly supports adoption of a Responsible Contractor Ordinance (RCO) in Portland. In addition to promoting workplace safety and other sound public policy objectives, the draft RCO under consideration would require that public works contracts valued at more than \$10,000 are awarded to qualified firms and contractors who provide livable wages.

Requiring that awardees provide a livable wage is an important public policy goal, especially in difficult economic times when many skilled, hard-working Mainers are not earning enough to provide for their families. Unlike the minimum wage, which does not provide sufficient compensation to cover the broad range of actual day-to-day living expenses, a livable wage would help hard-working Maine families meet expenses such as food, housing, health care, and child care. Much of the money earned by these workers will enter the local economy when, for example, they purchase groceries and pay their rent.

The Maine Department of Labor, based on a methodology first developed by the Maine Center for Economic Policy, publishes an annual livable wages report. The report demonstrates that a livable wage is a stronger measure of income adequacy than other measures, such as the federal poverty level or minimum wage.

For all these reasons, Portland should adopt the RCO under consideration.

Thank you for your consideration. Please let me know if you have any questions or if the Maine Center for Economic Policy can be of assistance as you consider adopting the RCO.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christopher St. John'.

Christopher "Kit" St. John  
Executive Director

I am writing to formally express my support for the proposed (RCO) Responsible Contractor Ordinance in Portland. This type of ordinance would ensure publicly funded projects are awarded to reputable contractors with a proven track record of providing sustainable wages and benefits, as well as apprenticeship programs offering pathways out of poverty and toward careers.

As we all know, state and local governments have increasingly limited resources with which to invest in our public infrastructure. However, we must begin looking beyond immediate project costs and find the greatest impact for each project dollar. For every dollar that remains in our community, it comes back to us seven-fold. Let's set a working example for the state of how public infrastructure resources can be used to stimulate the local economy by 1. ensuring our government contracts go to reputable contractors; 2. those contractors hire locally whenever possible and 3. those contractors provide training opportunities designed to lift people out of poverty and into career paths.

It is often difficult to balance our economic realities with the desire to be a statewide role model, and I recognize the difficulty this proposal might have as you review available resources. However, in times of great unemployment, public infrastructure has often been at the heart of economic recovery and it would be great if we could channel much of that money back into our community through local jobs and solid career paths.

Thank you for your consideration.

Diane Russell

State Representative – District #120 (Portland)

The Southern Maine Labor Council would like to express our total support for the movement to pass an ordinance in Portland that would steer publicly funded construction work towards responsible contractors. This law would give preference to contractors that hire local workers, that pay a living wage with benefits, and that have an apprenticeship program.

We are still in a time of economic crisis, whether or not the recession is officially over. Unemployment remains as a serious problem, and the state and federal governments are wisely spending money to put people back to work and initiate much needed projects. If the goal is to stimulate the economy, it's very important that these projects don't actually bring down the living standards of workers.

The requirement that these contractors participate in an apprenticeship program is also very important. At a time when it is difficult for young people in Maine to find entry-level jobs that lead to advancement, apprenticeships in skilled trades are extremely important. Taxpayer money should not be used to pay low wages for dead-end jobs.

The Southern Maine Labor Council and each of our affiliated unions will do whatever we can to help make this idea a reality, and we look forward to its passage.

Chris Teret  
President, Southern Maine Labor Council

**122nd Legislature  
Senate of Maine  
Senate District 8**

**Senator Ethan K. Strimling**  
*Labor Committee, Chair  
Taxation Committee, Member*

*3 State House Station  
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*211 Spring Street  
Portland, ME 04102  
(207) 828-8634*

September 2, 2010

Honorable members of the Portland Housing Committee;

As the former Senate Chair of the Labor Committee and member of the Taxation Committee during my time in the Maine State Senate, I would like to publicly express my support for a Responsible Contractor Ordinance in Portland.

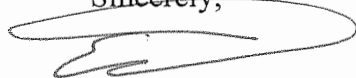
This language would ensure that publicly-funded projects would be awarded to contractors that have a track record of providing items that we believe are essential for the employee; a sustainable wage, and benefits for themselves and their families.

At a time when unemployment is at a staggering rate, we must help to provide opportunities to keep hard working men and women here in the state of Maine. The sustainable wage that they would earn from working on the public works projects would ensure that the salaries paid on the job sites would stay in the local community, therefore help in the process of stimulating our local economy.

The RCO would also help to prevent taxpayers being negatively affected through cost-shifting due to a loss in tax revenue. This would help ensure items such as insurance premiums and healthcare costs would not be raised to help recover costs.

I will partner with the efforts of the Maine State Building and Construction Trades Council to continue to educate the local community to help ensure this ordinance is passed in Portland.

Sincerely,



Ethan Strimling



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## Contractor Laws Equalize Bidders

05/13/2009

By [Francis X. Callahan Jr.](#)

Text size: [A](#) [A](#)

Responsible Employer Ordinances (REOs) are a very public response to the frustration of municipal officials over the problems created by a handful of contractors that cheat on prevailing wages, workers' compensation insurance and unemployment insurance. These bad actors undermine the bidding process and reduce the number of potential bidders by discouraging reputable contractors that play by the rules.

Nationwide, dozens of jurisdictions have adopted REOs, including 18 municipalities in Massachusetts alone. While the language of the ordinances vary, they all restate principles of existing state laws concerning workers' compensation insurance, unemployment insurance and proper classification of workers to ensure tax compliance.

City officials who have adopted these ordinances believe that contractors who are willing to cut corners or violate statutory requirements are more likely to cut corners in other areas such as quality,



CALLAHAN

schedule and performance.

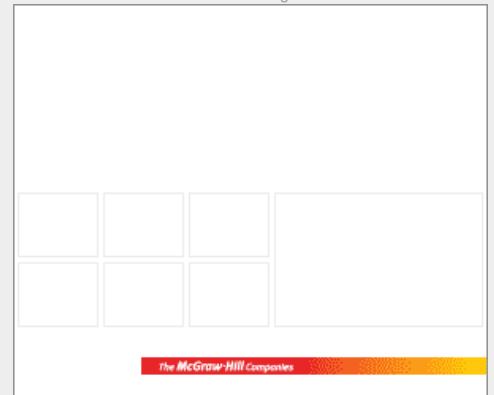
Municipalities with REOs have chosen to create a level playing field for all bidders by insisting on the enforcement of clear and unambiguous rules as a matter of contract law, as well as removing violators from ongoing projects and debaring them from future bidding.

This leveling of the playing field achieves two primary objectives: It informs all potential bidders prior to bidding that the city is serious about enforcing statutory requirements, and it encourages reputable contractors to bid on municipal projects.

Massachusetts is unusual in that its Health Care Reform Act of 2006 requires all workers to have health-insurance coverage and all employers with 11 or more employees to meet certain requirements. REOs encourage such positive public-policy initiatives by supporting employee health-insurance coverage, retirement plans and bona fide apprenticeship programs.

All REOs in Massachusetts require bidders to maintain an apprentice-training program registered with the state. This is important because apprentice training is key to promoting a middle-class standard of living for thousands of young workers. It also helps develop a skilled workforce in construction, which will be facing serious manpower shortages in the future. It also ensures the public receives a quality project.

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Without state-established minimum standards, many apprentices will be denied proper training. This is a disservice to them and to the industry.

Opponents of REOs argue that they increase costs by discouraging nonunion contractors from bidding. Nothing could be further from the truth. REOs are not a union vs. nonunion issue. REOs establish standards that all responsible contractors can meet, regardless of union status.

*Francis X. Callahan Jr. is president of the Massachusetts Building Trades Council, Boston. He can be reached at (617) 436-3551 or [mabuildingtrades@aol.com](mailto:mabuildingtrades@aol.com).*

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