January 7, 2019

Happy New Year and Welcome Back!

Eddie Sprecco, CEO

The holidays are (finally) behind us, and construction offices around San Diego are back to full strength! There is a lot to catch up on in your email inbox, but also at the AGC. Here are two things you can and SHOULD do today, to get up to speed on all the industry happenings for 2019:

1. First and foremost, before anything else, sign up for the 2019 AGC Installation and Awards Dinner, January 21 at the Bayfront Hilton:
the following new members:

AGC's Motto:
It's Good Business to do Business with an AGC Member.

Print out the registration form right now, walk around your office, and sign up with your nine favorite co-workers - then return the form to Rae Krushenksy, Director of Meetings and Events.

Seriously, I'll wait......

....ok, welcome back. At the Installation Dinner, new Chapter leadership is sworn in, and outgoing leaders are thanked for their service to the industry. We hear the successes of the past year, and what is to come in 2019. Graduates are recognized, and AGC Awards are presented - including a special recognition, not given annually, but only when merited by an individual's outstanding contributions to the industry. Overall, it is THE event of the year, and the best way to kick off 2019 - but why am I selling you on it? You signed up a paragraph ago....

2. Get your team involved with AGC, and familiar with AGC resources.

Some questions I regularly get:

"I missed this change - how do I keep up with all that is happening in the industry."

"A co-worker of mine is an AGC member, but how do I become one?"

"Who at the AGC is in charge of this important issue?"

"Why is your beard going gray so fast?"

I am happy to answer the first few...

Sign up for Monday Morning Quarterback

This weekly newsletter keeps you up-to-date on new laws, upcoming AGC functions, and current events. The Monday Morning Quarterback newsletter also directs you to AGC resources...including Construction Education & Safety Training, HR, and Labor Relations, should you need additional information and support. (Since you are reading this, you are probably already subscribed to Monday Morning Quarterback, and should forward this and other suggested links to your co-workers and industry partners.)

If you work for an AGC Member Company - YOU ARE AN AGC MEMBER! This gives each member employee access to all AGC services like the AGC Plan Room and discounted education courses. In addition to the Monday Morning Quarterback, employees should be encouraged to sign up for AGC Committees, which drive decisions for the whole organization, and are a source for upcoming projects, and industry news - before it becomes news!

Even with all of these resources, sometimes you just need to hear a friendly voice. To find out which smiling AGC staff member to go to first on any topic, check out and share our Staff Services Guide and give us a call. We won't make you "say or dial-in your account..."
number” and we won’t charge you by the minute. Our friendly staff are always amenable, receptive, and helpful.

Again, we hope to see you on Monday, January 21, 2019 at AGC’s 92nd Installation Dinner.

You are making great use of your AGC membership already!

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**INDUSTRY NEWS**

It's After January 1st...You Can be Fined $5-10K, have 150% of a Progress Payment Withheld, or be Debarred! Protect Yourself from DIR Enforcement of Skilled & Trained Workforce Requirements!

Brad Barnum, Executive Vice President

January 1st signaled the first day the California Labor Commissioner can enforce the "skilled and trained workforce" requirements for public works contractors. Since January 1, 2017, contractors and subcontractors on certain projects have been required to have a percentage of their journeymen be graduates of a state or federal-approved apprenticeship program. [Click here](#) for the specific delivery methods, percentage requirements, and affected apprenticeable trades.

With this enforcement comes a new contractual requirement that will help protect a prime contractor from being penalized on a job with skilled and trained workforce requirements: "For contracts entered into or on January 1, 2019, the contract executed between the contractor and the subcontractor for the performance of the work on the project shall include a copy of Chapter 2 of the Public Contract Code." [Click here](#) for a copy.

To better understand this new contractual requirement, and other requirements associated with a skilled and trained workforce, AGC is holding a seminar on Friday, January 25, 10:00 A.M. to 11:30 A.M., with construction law attorneys from Finch, Thornton & Baird, LLP, and representatives from AGC's Apprenticeship Program. It is free for AGC-member firms. This follows a December 6th seminar at AGC, where DIR outlined the state's responsibilities and contractor reporting requirements to over 160 contractors and public agency representatives.

As numerous questions were raised at the first seminar, this second seminar is intended to provide more clarity. Prime contractors and subcontractors will be provided with best practices for compliance (such as reporting documents), and how to protect against potential monetary penalties, mandatory payment withholdings, and even...
debarment from public works. The consequences for non-compliance are real, and contractors need to be prepared!

REGISTER

Skilled Workforce Requirements on Other Projects

Although these skilled and trained workforce requirements are legislatively mandated for various delivery methods or public owners, any public agency can choose to implement these requirements on any project. AGC will continue to monitor the actions of various local agencies, as well as follow any legislative activities that may further change these requirements.

Will Political Rant Spell Trouble for Infrastructure? We Don’t Think So!

Mike McManus, Director of Engineering Construction & Industry Relations

Did she really say that.....? The civility in Washington D.C. I thought had bottomed out and had nowhere to go but up. Wrong again. After hearing the profanity-laced outburst of one of our newly minted members of Congress, the new question is how low can we go and, by the way, don’t let small children watch cable news. But there is much good news, and many opportunities as we roll into 2019.

A positive report was issued by the Department of Labor on Friday that U.S. employers went on a hiring spree in December adding 318,000 jobs; which was reported as nearly double what was expected by investors. On the horizon, we face several big issues such as a trade war with China, a global slowdown, rising interest rates, and now a partial government shutdown over less than half a percent of the overall budget. Really?! But, there is much good news.

Construction employment continues, for now, to be strong across the country and here in California. There were gains in construction employment in thirty-six states, including 10% increases in five states, and greater than 5% gains in 18 states. California led all states with 858,000 jobs in the construction industry, which is up 30,000 in new jobs added over the last year. Nationwide, there are 7.3 million jobs in the construction industry, hourly pay is up almost 4%, and unemployment is near historic lows.

One challenging area is that the cost of most materials and commodities have posted price increases over the last year according to AGC of America reports. The biggest percentage changes were led by diesel fuel and steel products. Smaller percentage increases were noted in aluminum products, AC paving mixtures, and ready mixed concrete.
Industry watchers are noting that construction activity continues to expand at a steady clip showing a strong demand for construction services. But as contractors pay more for labor and most materials they use to build, construction costs are expected to climb, which could potentially dampen future demand for services as customers rethink or reschedule projects.

AGC San Diego firms are reporting that they are hiring as fast as they can find qualified workers. The shortage of workers spans the whole industry, from project managers and engineers, to craft workers in all trades. Difficulty in hiring is reported, by our members, as most difficult.

As we start 2019, the drama continues in Washington D.C. as the newly divided Congress is now sworn in and swearing; and the new California Governor takes his seat today, with huge Democrat majorities. There will be new challenges and opportunities for AGC San Diego. Starting with the need to communicate and educate our lawmakers on the policy issues that are important to contractors. Like the critical importance of making new investments in career and technical education in our schools to grow the next generation of skilled trade workers for construction and manufacturing. This also has implications related to how immigration reform is eventually approached. Second, is the need for swift resolution of trade disputes which create major uncertainty for contractors and owners.

There is a need to make sure our lawmakers are aware of the construction industry's many contributions to our national economic prosperity, and the many challenges the industry faces. As well as the fact that our prosperity is also built on the foundation of a world class infrastructure that is being threatened by years of inaction in Washington D.C. Fortunately, the new leadership in the House has called infrastructure one of their top priorities. However, there is still no agreement on how to secure additional dollars to fund the maintenance and upkeep needs that are being reported widely, by the American Society of Engineers for example, as in the trillions of dollars in the upcoming decade. There is also a looming crisis related to the Highway Trust Fund, which without a cash infusion will become insolvent in three years.

Here locally, we now have a very different San Diego City Council which will present some opportunities and challenges for the industry. There will be some fresh eyes looking at old issues. There is an opportunity to communicate to local elected officials how the big picture issues in the industry have local implications. Such as how the shortage of craft workers and the number of union and non-union workers can have major cost and schedule impacts to their infrastructure programs. We will need "all hands on deck" in the near future to deliver the City's ambitious construction program.

So there is a lot to do. Welcome to 2019!
SDSU Students to Compete in ASC Competition - Help the Teams Prepare!

Kellie Korhonen, AGC Digital Communications and Technology Manager

Join us next Thursday, January 17 4:30-7:30 PM at AGC

Over the past nine months, SDSU Construction Engineering & Management (CEM) students have been working hard and training for the annual Associated Schools of Construction (ASC) "Reno Competition" in February 2019. The competition teams are gearing up for their final training event before they head up to Reno, Nevada, for the competition.

AGC's Construction Leadership Council (CLC) is hosting a final mock problem for the students Thursday, January 17 at the AGC San Diego Chapter. Help us help the students by sharing your industry knowledge - the return on investment is preparing these bright young people to be great construction industry professionals.

Learn more about the ASC Reno Competition by watching a recap of the 2016 competition experience.

Please join the CLC on January 17 as spectators. We will be serving beer/wine and food starting at 4:30 PM. We promise you will be impressed!

EVENT INFORMATION
4:30 PM to 7:30 PM
at AGC San Diego Chapter Facility
6212 Ferris Square, San Diego, CA 92121
(858) 558-7444

Reception & Networking - 4:30 PM
Welcome & Introduction - 5:00 PM
Mock Problem #1 Commercial- 5:10 PM
Mock Problem #2 Electrical - 5:10 PM
Mock Problem #3 Pre-Construction - 6:15 PM
Mock Problem #4 Heavy Civil - 6:15 PM
Feedback to Students and Closing Remarks - 7:10 PM
CONSTRUCTOR

AGC San Diego Constructor Magazine - 2018
Volume 4 Now Available

Check out the digital edition of the AGC San Diego Constructor Magazine.

This issue includes new laws facing the construction industry, safety and education news, post-election coverage, event photo galleries, and more.

Your feedback is always welcome. Please contact Kellie Korhonen with comments.

CLASSES/SEMINARS

January 2019

Jan. 8  Stormwater Breakfast Forum
Jan. 9-10 CQM-C 2-Day Training
Jan. 14 EM 385-1-1 Refresher
Jan. 17 Trenching & Excavating CPT
Jan. 21-24 OSHA 30-Hour For Construction Outreach, 4-Day Class
Jan. 21 Microsoft PowerPoint 2016, Advanced (Offsite)
Jan. 22 Project Engineer's Boot Camp
Jan. 23 Traffic Control Technician (TCT)
Jan. 28-29 Rigging & Signal Person, 2-Day Class
Jan. 28 Fall Protection 8-Hour Refresher
Jan. 29-31 Estimating Sitework Construction 3-day class
Jan. 29 PRIMAVERA P6 Workshop 1 day class
Jan. 30 Traffic Control Technician
Jan. 30 CPR, First Aid & AED Training
Jan. 30  Construction Contract Administration
Jan. 31  Confined Space Entry Training
Jan. 31  OSHA Record keeping 300 Log

For more information on classes, contact: Becca Schaffer at (858) 731-8155.

January - June 2019  Register Online

COMMITTEE MEETINGS

Jan. 9  7:30 AM - 9:00 AM  Build & Service Charitable Alliance
Jan. 23  1:00 PM - 3:00 PM  City of San Diego Meeting
Jan. 25  2:00 PM - 5:00 PM  CLC Meet & Mingle Mixer
Jan. 29  1:30 PM - 3:00 PM  County of San Diego Meeting

@ County Operation Center (5500 Overland Ave, San Diego, CA 92123)

About Monday Morning Quarterback
AGC San Diego Chapter's Monday Morning Quarterback is a “hot off the press” and to the point Monday morning briefing on the important issues facing San Diego’s construction industry. It is prepared by AGC Chief Executive Officer, Eddie Sprecco, and Executive Vice President, Brad Barnum.

Please contact Eddie Sprecco or Brad Barnum with your comments, or with information that should be conveyed to the industry through this service. Well over 3,000 individuals employed by AGC member firms are part of this system.

ARCHIVE

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