

RESPONSIBLE CONTRACTOR ORDINANCES

1. RCO'S generally only permit contractors that participate in a federally or state approved apprenticeship training program to bid on public work in a particular jurisdiction.
2. The ordinances are crafted and proposed by local unions in an effort to exclude most open shop contractors from being eligible to work on public construction projects.
3. RCO's were originally drafted by union attorneys in Washington, DC and have been promoted under the guise of protecting the public entities from contractors who have not trained their employees adequately.
4. ABC believes that most provisions of the proposed ordinance are acceptable.
5. The real problem is that the only form of training recognized in the ordinances is a state or federally approved apprenticeship-training program.
6. Most open shop contractors elect to utilize other methods to train their employees and thus, the net effect of an RCO is to eliminate virtually all local open shop contractors from bidding on public work.
7. Since unions use state and federally approved apprenticeship programs exclusively and open shop contractors do not, the apprenticeship requirement clearly favors union contractors to the exclusion of open shop contractors.

8. It is important to note that in PA 80% of construction employees work for open shop contractors, compared with only 20% who have elected union representation. Thus, RCO's eliminate the opportunity for most construction employees to work on public construction projects.
9. Most of the employees who are excluded from working on public construction projects pay taxes to help fund projects they are precluded from working on.
10. By limiting the majority of contractors from bidding on public construction projects, competition will be reduced and prices will increase from 10% - 30% at a time when taxpayers can least afford it.
11. Most jurisdictions already have safeguards in place or available to insure that construction contracts are awarded to responsible contractors. They include bonding requirements, minimum qualifications and prior experience.
12. ABC opposes any provision that includes a discriminatory requirement that requires participation in a state or federally approved apprenticeship program participation requirement.