



TO: Albuquerque City Councilors

RE: Adopting A New Article In Chapter 5 Of The Revised Ordinances Of Albuquerque 1994, To Establish The Use Of Apprentices For Public Construction Project Contracts, Titled "The Apprenticeship Empowerment Ordinance" (Fiebelkorn and Champine)

Dear Members of the Albuquerque City Council,

Associated General Contractors (AGC) New Mexico is a statewide trade association representing the commercial construction industry, and we submit this regarding the proposed "Apprenticeship Empowerment Ordinance" (O-24-39), introduced by Councilors Fiebelkorn and Champine. While the intention to increase apprenticeship opportunities in public construction projects is commendable, several aspects of the ordinance may have unintended consequences that could affect the efficiency and accessibility of our construction sector.

**Key Concerns:**

1. **Workforce Shortage:** According to data from the Bureau of Labor Statistics (May 2022) and the NM Apprenticeship Assistance Act, total employment in construction occupations in New Mexico amounted to 42,098 individuals, excluding inspectors, helpers, and highway work roles. The number of construction apprentices currently in the state is roughly 2,500. This creates a significant disparity between the number of trades workers and available apprenticeships. Specifically, with 42,098 trade workers, approximately 10,524 apprentices would be needed to meet industry demands. This would result in a current deficit of roughly 8,000 apprentices. Mandating that 15-25% of labor hours on projects be performed by apprentices could lead to numerous waiver requests and potentially disrupt projects if programs cannot meet these demands. This could also negatively impact long-standing working relationships, particularly for smaller subcontractors who operate with a limited core crew.
2. **Administrative Burdens:** The ordinance introduces additional administrative requirements, including monthly payroll reporting and detailed labor hour estimates. These requirements may deter contractors, particularly larger firms, from bidding on city projects due to the increased administrative load. This could lead to fewer bids and higher costs for public construction projects.
3. **Penalties for Non-Compliance:** The provision of a one-year suspension from public construction projects for non-compliance appears excessive, especially when considering that there are already remedies for honest mistakes. A more balanced approach could be beneficial, allowing for corrective actions rather than outright disqualification.

**Associated General  
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4. **Exemptions and Clarity:** The ordinance's provision for exemptions if sufficient apprentices are not available is crucial. However, the process for obtaining such exemptions needs clear and practical guidelines to ensure its feasibility.
5. **Sensitive Pricing Information:** The requirement for contractors to provide detailed labor hour estimates could inadvertently expose sensitive pricing information. This raises concerns about transparency and fairness in the bidding process, potentially putting smaller or less experienced contractors at a disadvantage.

**Alternative Approaches:**

Instead of rigid requirements, setting flexible targets for apprentice utilization combined with incentives, such as tax breaks for hiring local apprentices, might be a more effective strategy. This would encourage contractors to invest in apprenticeships without imposing undue strain on existing workforce structures or project timelines.

In conclusion, while the goals of the Apprenticeship Empowerment Ordinance are commendable, a more nuanced approach that addresses the current workforce realities and administrative challenges could achieve similar objectives without unintended negative consequences. I urge the City Council to consider these concerns and explore alternative measures that balance the need for workforce development with the practicalities of project execution.

Thank you for considering our input on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kelly Roepke-Orth', with a long horizontal flourish extending to the right.

Kelly Roepke-Orth