

13 Yellow Flags – Warning Signs Concerning the U.S. Economy

The estimated U.S. federal deficit in the current fiscal year, made worse by the corporate tax cut, will reach -\$1 trillion. Washington's total debt is -\$22 trillion and climbing.



[Article was originally posted on www.constructconnect.com]

By Alex Carrick,

The U.S. economic recovery and expansion has now lasted more than a decade, which is historically 'long in the tooth.' With each passing month, and despite how well the major stock market indices may be doing, worries about a slowdown or next recession become harder to suppress.

The following are some of the yellow flags pointing to potholes in the road ahead. When warranted, countervailing positives have been added.

(1) Running Out of Track for the Stimulus Train

At present, it's the absence of something special to look forward to that is significant. Heading into 2018, executives throughout the U.S. were eagerly anticipating the steep cut in the corporate tax rate, from 35% to 21%, and several other business-friendly initiatives (i.e., incentives to repatriate money from overseas, etc.). There's nothing implying a similar upbeat impact on the horizon today.

The Trump administration has floated the idea of a big middle-class income tax cut. A formidable stumbling block, however, has emerged. The estimated federal deficit in the current fiscal year, made worse by the corporate tax cut, will reach

-\$1 trillion. Washington's total debt is -\$22 trillion and climbing. Personal income tax relief would most likely further exacerbate an already troubling situation.

Interest rates are at historic lows. When companies and individuals seize the opportunity to re-finance previously arranged and more expensive debt, that's good. When they load up on additional debt to permit more spending, however, that may be stimulatory in the short term, but it's fraught with peril longer term. Interest rates will eventually increase and when they do, the rise in carrying costs will be crippling for many, including the public sector.

(2) Jason, Freddy Krueger, and the Twin Deficits Problem

Before the 2007-2008 recession, there was a great deal of conversation in media and political circles about the 'twin deficits' problem. The 'twins' being referenced were trillion-dollar shortfalls in both government finances and foreign trade.

With the onset of the recession, a pronounced drop in imports helped reduce the trade imbalance by more than half. With respect to the public purse, belt tightening through such means as 'sequestration' diminished, but did not eliminate, the excess of expenditures over revenues.

Like the villains who can never really be dispatched in horror movie franchises—think Jason of Friday the 13th or Freddy Krueger from Nightmare on Elm Street—the double deficit problems are back. The only reason they've been escaping under the radar is because there are so many other competing distractions.

(3) The Blow to International Supply Chains

China's share of the U.S. 'goods' trade deficit has been between 40% and 50% each month over most of the past several years. The Trump administration launched tariff action to reduce that gap, with Beijing swiftly retaliating in kind. The U.S. wants more access to the Chinese marketplace, plus measures to protect proprietary intellectual property.

Promises of pending agreements to resolve the U.S.-China trade war have been made frequently, only to prove insubstantial soon afterwards. The agricultural sector and manufacturers dependent on exports have seen sales and shipments sink. International supply chains have been disrupted and there is confusion about how much re-adjustment will eventually be required.

Meanwhile, the U.S. merchandise trade deficit really hasn't improved at all. In July, it stood at almost -\$900 billion.

(4) A Wonky Interest Rate Environment

Two of the most widely discussed warning signs relate to interest rates. A phenomenon known as an 'inverted yield curve' occurs when short-term interest rates rise above long-term interest rates. In the past, this has almost always foreshadowed a recession. During much of 2019, the U.S. yield curve has either been close to or has exhibited inversion.

But the reason for short-term interest rates rising above long-term yields has been different this time. The Federal Reserve initially launched the latest round of 'federal funds rate' increases to 'normalize' carrying charges or return them to more usual levels. The Fed hasn't been desperately trying to rein in inflation, like it has often been required to do in the past. Inflation has been passive for a surprisingly long time.

To back away from yield curve inversion, the Fed has recently instituted two rate cuts of 25 basis points each, where 100 basis points = 1.00%. There's an expectation of more monetary easing

■ Continued on page 5



California Sub-Bid Request Ads

DESILVA GATES CONSTRUCTION

11555 Dublin Boulevard • P.O. Box 2909
Dublin, CA 94568-2909
(925) 829-9220 / FAX (925) 803-4263
Estimator: JIM YACKLEY
Website: www.desilvagates.com
An Equal Opportunity/
Affirmative Action Employer

DeSilva Gates Construction (DGC)
is preparing a bid as a Prime Contractor
for the project listed below:

**CALTRANS ROUTE 82 - CONSTRUCTION ON
STATE HIGHWAY IN SANTA CLARA COUNTY
FROM MCKENDRIE STREET IN SAN JOSE TO
THE ALAMEDA IN SANTA CLARA**

Contract No. 04-4J2824, Disabled Veteran
Business Enterprise Goal Assigned is 3%

OWNER:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
1727 30th Street, Bidder's Exchange, MS 26,
Sacramento, CA 95816

BID DATE: OCTOBER 2, 2019 @ 2:00 P.M.

DGC is soliciting quotations from certified Disabled Veteran Business Enterprises, for the following types of work and supplies/materials including but not limited to:

ADJUST IRON, CONSTRUCTION AREA SIGNS, ELECTRICAL, LEAD COMPLIANCE PLAN, MINOR CONCRETE, MINOR CONCRETE STRUCTURE, PAVEMENT MILLING, ROADSIDE SIGNS, ROADWAY EXCAVATION, STRIPING, SWPPP/WATER POLLUTION CONTROL PLAN PREPARATION, UNDERGROUND, TRUCKING, WATER TRUCKS, STREET SWEEPING, CLASS 2 AGGREGATE BASE MATERIAL, HOT MIX ASPHALT (TYPE A) MATERIAL, RUBBERIZED HMA (GAP GRADE) MATERIAL, ASPHALT OIL BINDER.

Plans and specifications may be reviewed at our offices located at 11555 Dublin Boulevard, Dublin, CA or 7700 College Town Drive, Sacramento, CA, or at your local Builders Exchange, or reviewed and downloaded from the ftp site at <ftp://ftp%25desilvagates.com:f7pa55wd@pub.desilvagates.com> (if prompted the username is <ftp://ftp%25desilvagates.com> and password is f7pa55wd) or from the Owner's site at www.dot.ca.gov/hq/esc/oe/weekly_ads/all_adv_projects.php

Fax your bid to (925) 803-4263 to the attention of Estimator Jim Yackley. If you have questions for the Estimator, call at (925) 829-9220. When submitting any public works bid please include your DUNS number and DIR number. For questions regarding registration for DIR use the link at www.dir.ca.gov/Public-Works/PublicWorks.html

If you need DVBE support services and assistance in obtaining bonding, lines of credit, insurance, necessary equipment, materials and/or supplies or related assistance or services, for this project call the Estimator at (925) 829-9220, or contact your local Small Business Development Center Network (<http://californiasbdc.org>) or contact the California Southwest Transportation Resource Center (www.transportation.gov/osdbu/SBTRCs). DGC is willing to breakout portions of work to increase the expectation of meeting the DVBE goal.

At our discretion, 100% Payment and 100% Performance bonds may be required as a subcontract condition. This will be a PREVAILING WAGE JOB. DGC is an Equal Opportunity/Affirmative Action Employer.



Proven Management, Inc.
225 3rd Street, Oakland, CA 94607
Phone: 510-671-0000 • Fax: 510-671-1000

Requests proposals/quotes from all qualified and certified Disadvantaged Business Enterprises (DBE) subcontractors, suppliers, and truckers for the following project:

**Fair Oaks Ave Overhead Bridge Rehabilitation
City of Sunnyvale
Bids: October 16, 2019 @ 3 pm
SUBCONTRACTING GOAL - DBE - 7.82%**

The work consists but not limited to the following: Control of Work; Temporary Traffic Control; Water Pollution Control; Existing Facilities; Grading; Clearing & Grubbing; Earthwork; Landscape; Surfacing & Pavements; Hot Mix Asphalt; Structures; Prestressing Concrete; Concrete Structures; Rebar; Steel Structures; Painting; Drainage; Concrete Pipe; Miscellaneous Construction; Concrete Curbs & Sidewalks; Miscellaneous Metal; Local Infrastructure; Signal & Lighting; Erosion Control; Chainlink Fences & Gates; MTL Railing; Painting; Railings & Barriers; Markers & Delineators

Bonding, insurance, lines of credit and any technical assistance or information related to the plans & specifications & requirements for the work will be made available to interested DBE certified suppliers & subcontractors. Assistance with obtaining necessary equipment, supplies, materials, or related assistance or services for this project will also be offered to interested DBE certified suppliers, subcontractors, truckers. PMI is signatory to the Operating Engineers, Carpenters, and Laborers Collective Bargaining Agreements.

100% Payment & Performance bonds will be required from a single, Treasury-listed surety company subject to PMI's approval. PMI will pay bond premium up to 1.5%. Subcontractors awarded on any project will be on PMI's standard form for subcontract without any modifications. For questions or assistance required on the above, please call.

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O.C. Jones & Sons, Inc.
General Engineering Contractor

1520 Fourth Street • Berkeley, CA 94710
Phone: 510-526-3424 • FAX: 510-526-0990
Contact: Donat Galicz & Jason Martin

REQUEST FOR SB/LSB/MBE/WBE
SUBCONTRACTORS AND SUPPLIERS FOR:

**Antioch Station Expansion Parking Project
And Miscellaneous Site Improvements
Contract No. 04SF-190**

**San Francisco Bay Area Rapid Transit District
BID DATE: October 1, 2019 @ 2:00 PM**

We are soliciting quotes for (including but not limited to): Trucking, Temporary and Permanent Erosion Control Measures, Signage, Striping, Markings, Lime-Cement Soil Stabilization, Electrical and Communications, Electrical Street Lighting, Landscaping and Irrigation, Railing, Gates, Fencing, Temporary Fencing, Misc. Concrete, Seal Coat, Survey Staking, Materials Testing, Construction Area Signs, SWPPP, Signal Modifications, Guardrail, Underground, and Construction Materials

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100% Performance & Payment Bonds may be required. Worker's Compensation Waiver of Subrogation required. Please call OCJ for assistance with bonding, insurance, necessary equipment, material and/or supplies. OCJ is willing to breakout any portion of work to encourage SB/LSB/MBE/WBE Participation. Plans & Specs are available for viewing at our office.

Zolman Construction & Development, Inc.
as a "GENERAL CONTRACTOR"

is requesting quotations on "ALL TRADES" from all qualified subcontractors & suppliers, including LBE, DBE, SBE, MBE, WBE firms for the following project:

**PROJECT TITLE: CCSF OCEAN CAMPUS -
TEMPORARY CAMPUS SECURITY
OFFICE PROJECT
INVITATION FOR BID #2020-015**

**PROJECT LOCATION:
50 FRIDA KAHLO WAY, CORNER OF
FRIDA KAHLO WAY AND JUDSON AVENUE,
SAN FRANCISCO, CA 94122**

**ESTIMATED CONSTRUCTION VALUE
OF THE WORK: \$ 250,000.00**

OWNER: CITY COLLEGE OF SAN FRANCISCO

BID DATE/TIME: October 8, 2019 AT 2:00 PM

ZOLMAN CONSTRUCTION & DEVELOPMENT, INC.
(Signatory to the Carpenters & Laborers Union)
90 GLENN WAY, UNIT 2,
SAN CARLOS, CA. 94070

Please Submit & Fax all proposals to
650-802-9902

For more information, please call
Jahan Ramezanbeigi at (650) 802-9901

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Computer Generated Reports

Will fit right into your proposal, along with a list of interested firms to contact.

Contact Info:

**795 Folsom Street, 1st Flr, Room 1124
San Francisco, CA 94107**

Email: sbe@sbeinc.com

Website: www.sbeinc.com

Phone: (415) 778-6250, (800) 800-8534

Fax: (415) 778-6255

**Publisher of
Small Business Exchange
weekly newspaper**



California Sub-Bid Request Ads



Proven Management, Inc.
 225 3rd Street, Oakland, CA 94607
 Phone: 510-671-0000 • Fax: 510-671-1000

PMI requests proposals/quotes from all qualified and certified Disadvantage Business Enterprise (DBE) subcontractors, suppliers, and truckers for the following project:

Embarcadero Station Platform Elevator Capacity and Redundancy Project
BART CONTRACT NO. 11FE-110

Bids: 10/29/2018 @ 2 pm
DBE GOAL - 22%

The work includes but is not limited to: Selective Demo; Portland Cement Concrete; Conc Forming/Falsetwork/ Accessories; Waterstops; Rebar; Cast-In-Place Conc; Precast Conc; Non-Shrink Grout; Conc Unit Masonry; Mtl Welding; Structural Steel Framing; Mtl Decking; Cold-Formed Mtl Framing; Mtl Fabrication; Mtl Stairs & Railings; Decorative Mtl; Rough Carpentry; Crystalline Waterproofing; Vapor Retarders; Flashing & Sheet Metal; Roof & Wall Specialties & Accessories; Cementitious / Intumescent Fireproofing; Firestopping; Joint Protection; Mtl Doors & Frames; Access Doors & Panels; Door Hdwr; Glazing; Fire-Rated Glass & Framing; Gypsum Board; Stone Flooring; Painting; Signage; Illuminated Cabinet Signage; Safety Specialties; Electric Traction & Hydraulic Elevators; Plumbing & HVAC Insulation; Indoor Cabinets, Racks, Frames & Enclosures; Electronic Circuits, Wires and Cables, Wet-Pipe Sprinkler System; Storm Drainage; Sump Pumps; Testing, Low Voltage Wires & Cable; Electrical Cabinets & Enclosures; Circuit Breakers & Panelboards; Lighting; Telephone Systems; Fire Detection & Alarm System; CCTV; Traction Power Cables

Bonding, insurance, lines of credit and any technical assistance or information related to the plans & specifications & requirements for the work will be made available to interested DBE certified suppliers & subcontractors. Assistance with obtaining necessary equipment, supplies, materials, or related assistance or services for this project will also be offered to interested DBE certified suppliers, subcontractors, truckers. PMI is signatory to the Operating Engineers, Carpenters, and Laborers Collective Bargaining Agreements.

100% Payment & Performance bonds will be required from a single, Treasury-listed surety company subject to PMI's approval. PMI will pay bond premium up to 1.5%. Subcontractors awarded on any project will be on PMI's standard form for subcontract without any modifications. For questions or assistance required on the above, please call.

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O.C. Jones & Sons, Inc.

1520 Fourth Street • Berkeley, CA 94710
 Phone: 510-526-3424 • FAX: 510-526-0990

Contact: Jason Martin

REQUEST FOR DVBE
 SUBCONTRACTORS AND SUPPLIERS FOR:

VTC York Street Improvements
 Vallejo, CA

Solano Transportation Authority

BID DATE: October 8, 2019 @ 11:00 AM

We are soliciting quotes for (including but not limited to): Trucking, Temporary and Permanent Erosion Control Measures, Survey, Progress Schedule (Critical Path Method), Site Video Taping, Water Pollution Control Program, Traffic Control System, Clearing & Grubbing, Adjust Utilities to Grade, Import Topsoil, Lean Concrete Backfill, Slurry Seal, Roadside Signs, Paint Curb, Minor Concrete, Paint Traffic Stripe, Decomposed Granite, Type III Barricade, Water Filled Barrier, Tree Protection & Pruning, Tree Removal, Site Furnishings, Ornamental Metal Fence, Planting & Irrigation, Bus Shelters, Kiosk, Sprinkler Control Conduit, Lighting & Electrical Systems, Construction Area Signs, Temporary Fencing, Utility Locating, and Construction Materials

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100% Performance & Payment Bonds may be required. Worker's Compensation Waiver of Subrogation required. Please call OCJ for assistance with bonding, insurance, necessary equipment, material and/or supplies. OCJ is willing to breakout any portion of work to encourage DVBE Participation. Plans & Specs are available for viewing at our office.

Shimmick Construction Company Inc.

8201 Edgewater Drive, Suite 202 • Oakland, CA 94621
 Phone (510) 777-5000 • Fax (510) 777-5099

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LSB and M/WBE Subcontractor/Supplier Bids Requested For:

San Francisco Bay Area Rapid Transit District
Station Emergency Lighting
 Contract No. 15II-120A

BID DATE: October 15, 2019 at 2:00 p.m.

Fax all quotes to 510-777-5099 or email to northwest.esteeming@shimmick.com

Requesting certified LSB and M/WBE Subcontractor and Supplier Quotes on:
Coring, Grouting, Paint-Stain, Misc. Metal

Please visit www.bart.gov/about/business/procurement to register for access to Contract Documents. You may also contact Natasha Inglis at ninglis@shimmick.com for access to the documents.

Subcontractors and Suppliers interested in this project may contact Dave Leonard by email at dleonard@shimmick.com.

100% Performance and Payment bonds with a surety company subject to approval of Shimmick Construction Company, Inc. are required of subcontractors for this project. Shimmick Construction will pay bond premium up to 1.5%. Subcontractors will be required to abide by terms and conditions of the AGC Master Labor Agreements and to execute an agreement utilizing the latest SCCI Long Form Standard Subcontract incorporating prime contract terms and conditions, including payment provisions. Shimmick Construction's listing of a Subcontractor is not to be construed as an acceptance of all of the Subcontractor's conditions or exceptions included with the Subcontractor's price quote. Shimmick Construction requires that Subcontractors and Suppliers price quotes be provided at a reasonable time prior to the bid deadline to enable a complete evaluation. For assistance with bonding, insurance or lines of credit contact Scott Fairgrieve at (510) 777-5000.

REQUESTING PROJECT ASSISTANCE from DBE/MBE/WBE and Other Business Enterprises:

DMZ Builders is bidding the following project as a Prime Contractor and is seeking subcontractors and vendors to assist with the project by submitting quotes for their trades and/or products.

Project: Richmond Yard Fire Protection

Reference #: 54RR-270

Owner: San Francisco Bay Area Rapid Transit District (BART)

Bid Date: October 8, 2019 @ 2:00 pm

The Work includes replacing fire mains and hydrant system, including domestic water distribution, flow monitoring/alarm equipment, valves, buried pipe and coupling system, thrust blocking, isolation valves, fire hose valves, communication and low voltage wire and associated conduits at BART's Richmond Yard. Additionally, provide sewer and industrial waste pipe replacement and selective sewer lining with CIPP.

Trades/Suppliers requested:

Pipe & Valve Supply, Electrical Material Supply, SWPPP, AC Paving, Steel Reinforcing, Sidewalk, Curb & Gutter, Trenching, Saw Cutting, Pipe, Hydrant and Appurtenance Abandonment, Temporary Fire Service, Underground Pipe Installation, Valves & Backflow Preventer Assemblies, Communications and Low Voltage Conduit and Wiring, Fencing, Temporary Barriers, Traffic Control, Field Office, Sanitary Services, Survey, Quality Control/Material Testing, Trucking/Hauling/Material Disposal, Cured-in-Place-Pipe.

Plans and specifications are available to interested firms via the BART procurement website at <http://www.bart.gov> and/or can be viewed at DMZ Builders Concord, CA office, by contacting the DMZ office to make an appointment.

Subcontractors must provide their active contractor's license number and Department of Industrial Relations (DIR) registration number with their quote. DMZ Builders is a union signatory contractor, and this will be a prevailing wage contract requiring certified payrolls. Subcontractors will be required to execute DMZ Builders Standard Subcontract Terms and Conditions and meet insurance requirements, including Worker's Compensation Waiver of Subrogation. A copy of our Standard Subcontract Terms and Conditions and Purchase Order Agreement (for suppliers) are available for review in electronic format, upon request. Subcontractors may be required to provide payment and performance bonds in the amount of 100 percent of Subcontract value. DMZ Builders will reimburse Subcontractors for bond premium at actual cost, not to exceed 2.0%. For assistance in obtaining bonding, lines of credit, insurance, equipment, supplies, materials, technical information, and/or any other coordination required for the project, please contact Richard Zito: Phone # (925) 826-5387, Fax # (925) 826-5766, or e-mail esteeming@dmzbuilders.com. DMZ will work with interested subcontractors, suppliers, service providers, and truckers to identify opportunities to break down items/work into economically feasible packages. DMZ Builders intends to work cooperatively with all qualified firms seeking work on this project.

DMZ BUILDERS

4070 Nelson Avenue, Ste A,
 Concord, CA 94520

Phone 925-826-5387 • Fax: 925-826-5766

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California Sub-Bid Request Ads



5225 Hellyer Avenue, Suite #220
San Jose, CA 95138
Phone (408) 574-1400 • Fax (408) 365-9548
Contact: Patrick McDonald
Email: estimating@graniterock.com

**REQUESTING SUB-QUOTES FROM
QUALIFIED SBE / LSBE / MBE / WBE
SUBCONTRACTORS/SUPPLIERS/
TRUCKERS FOR:**

**Antioch Station Expansion Parking Project
and Miscellaneous Site Improvements
Contract No. 04SF-190**

**Owner: San Francisco BART District
Engineers' Estimate: \$12,800,000**

BID DATE: October 1, 2019 @ 2:00 PM

Items of work include but are not limited to: Construction Staking, Quality Control & Testing, Striping & Pavement Marking, Storm Water Pollution Implementation, Lighting, Traffic Signal, Metal Beam Guard Rail, Minor Concrete, Storm Drain, Water Truck, Trucking, Sweeping, Signs, Fence / Handrail, Landscape Planting, Irrigation, Hydroseeding, Lime Treat Soil, Bio Retention Area and Wayfinding Signs.

Granite Rock Company 'Graniterock' is signatory to Operating Engineers, Laborers, Teamsters, Carpenters and Cement Masons unions. 100% performance and payment bonds will be required from a qualified surety company for the full amount of the subcontract price. Bonding assistance is available. Graniterock will pay bond premium up to 1.5%. In addition to bonding assistance, subcontractors are encouraged to contact Graniterock Estimating with questions regarding obtaining lines of credit, insurance, equipment, materials and/or supplies, or with any questions you may have. Subcontractors must possess a current contractor's license, DIR number, insurance and worker's compensation coverage. Subcontractors will be required to enter into our standard contract. Graniterock intends to work cooperatively with all qualified firms seeking work on this project.

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431 Payran Street, Petaluma, CA 94952
Phone: 707-835-2900 • Fax: 707-835-2994

REQUESTS QUOTATIONS FROM ALL
CITY & COUNTY OF SAN FRANCISCO
CERTIFIED LBE/MBE/WBE/OBE
SUBCONTRACTORS & SUPPLIERS AND ALL
QUALIFIED SUBCONTRACTORS & SUPPLIERS
FOR ALL TRADES
FOR THE FOLLOWING PROJECT:

**MUNI METRO EAST BOILER AND HVAC
REHABILITATION PROJECT**

CONTRACT NO. 1309

SAN FRANCISCO, CA

BID DATE: October 3, 2019 @ 3:00pm

ESTIMATE: \$2,750,000

CONTACT:

Kelsey Godfrey bid@arntzbuilders.com

Trades needed but not limited to: Site Work, Demolition, Concrete, Concrete Reinforcement, Cast-in-Place Concrete, Structural Steel, Painting and Coating, Mechanical, Plumbing, Electrical. All contractors shall be registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5 to be qualified to bid on, be listed in a bid proposal (submitted on or after March 1, 2015) or be awarded a contract for public work on a public works project (awarded on or after April 1, 2015). In addition, they are subject to the requirements of Section 4104 of the Public Contract Code.

All contractors shall be registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5 to be qualified to bid on, be listed in a bid proposal (submitted on or after March 1, 2015) or be awarded a contract for public work on a public works project (awarded on or after April 1, 2015). In addition, they are subject to the requirements of Section 4104 of the Public Contract Code.

BONDING, INSURANCE, TECHNICAL ASSISTANCE AVAILABLE. PLANS AVAILABLE IN GC'S PLAN ROOM OR ELECTRONICALLY UPON REQUEST. SUCCESSFUL SUBCONTRACTORS WILL BE REQUIRED TO SIGN ARNTZ BUILDERS, INC. STANDARD SUBCONTRACT AGREEMENT WHICH INCLUDES ARNTZ BUILDERS, INC. REQUIREMENT THAT SUBCONTRACTORS PROVIDE A 100% FAITHFUL PERFORMANCE AND PAYMENT BOND OF THE SUBCONTRACT PRICE FROM A TREASURY LISTED SURETY COMPANY ACCEPTABLE TO ARNTZ BUILDERS. BOND PREMIUM TO BE INCLUDED IN BID AS A SEPARATE ITEM. SUBCONTRACTORS WILL BE REQUIRED TO PROVIDE A WAIVER OF SUBROGATION ENDORSEMENT TO THEIR WORKERS COMPENSATION INSURANCE.

WE ARE SIGNATORY TO THE
CARPENTER'S AND LABORER'S
COLLECTIVE BARGAINING AGREEMENTS

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Project Name: Bernal Dwellings Rehab DIV 1-33

Location: San Francisco, California

Bid Date: October 23, 2019 @ 2:00pm

Pre-Bid: October 7, 2019 @ 10:00am

Labor Reqs: Prevailing Wage

Est. Start: December 2019

Est. Completion: August 2021

Nibbi Brothers has been selected as the General Contractor for the Bernal Dwellings RAD Phase 3 project in San Francisco. We are in receipt of the 90% CD Set and are currently requesting bid proposals from qualified subcontractors including those certified with SBE's for DIV 1-12 & 21-33. The Contract Monitoring Division (CMD) has set the SBE participation goal for this project at 25%. All SBE and/or Non-SBE with SBE participation are strongly encouraged to submit. For more information about the San Francisco SBE program as it relates to this solicitation, please contact Mr. Romulus Asenloo at the City and County of San Francisco Contract Monitoring Division via email, ian.fernando@sfgov.org.

MOH, Section 3 HUD / Additional local hiring goals:

Contractors are required to work in good faith with the City's Office of Economic and Workforce Development (OEWD) to employ disadvantaged workers to meet the following hiring goals:

- 30% of all work hours are performed by Section 3 residents
- 30% of new-hire opportunities are fulfilled by Section 3 residents
- 6.9% of all work hours by trade are performed by female workers
- 25.6% of all work hours by trade are performed by minority workers

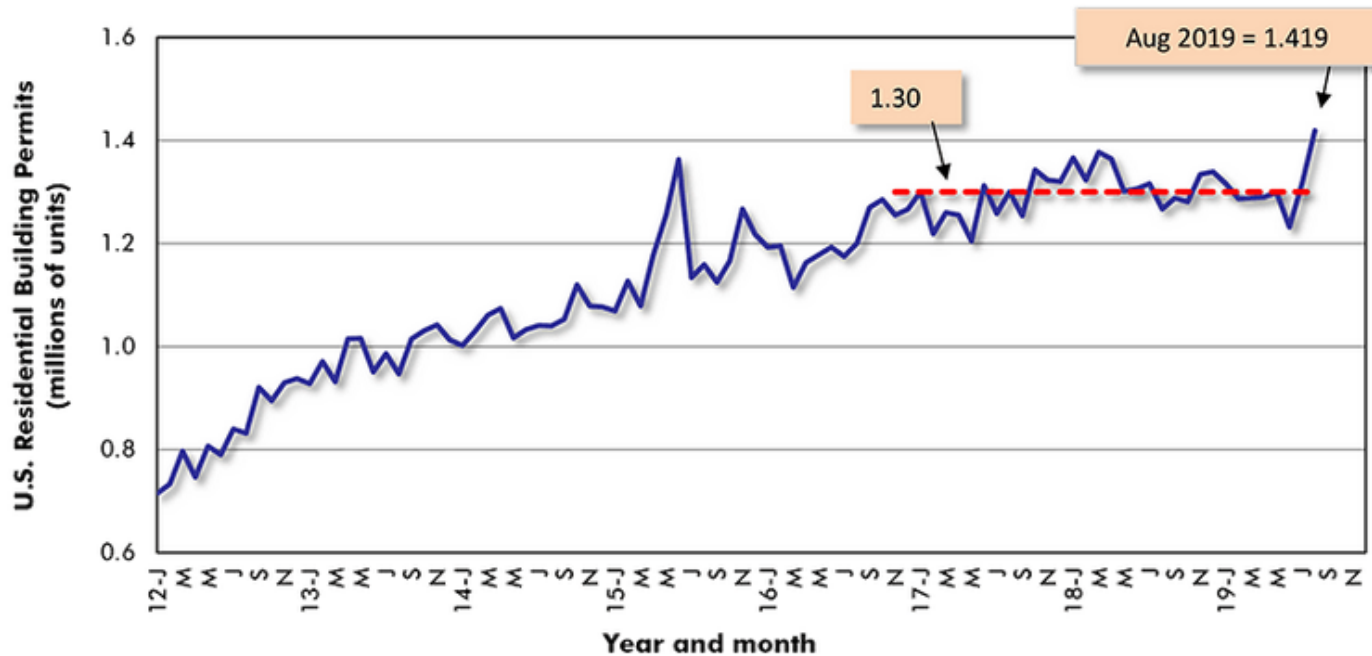
The Bernal Dwellings RAD Phase 3 project is located at the intersection of Cesar Chavez and Harrison Street, originally constructed in 1998-2001. The 4-acre site contains two private access roads, Kamille Court and Treat Lane, which define four blocks on the parcel. There are 17 existing slab-on-grade non-elevator R-2 primary use buildings comprised of TJ floor joists and manufactured wood trusses. Buildings are connected by exterior privacy walls on each block which enclose "garden courts" and private rear yards with wood fences at the center of each block. Residential buildings have exterior concrete patios at grade and wood deck balconies with metal guardrails serving each dwelling unit. All existing buildings are comprised of painted cement plaster and cement board lap siding exterior finishes, metal frame windows, and pitched roofs with asphalt shingles, fascia/eaves, metal gutters and downspouts. All ground floor residential apartments and common area amenities were approved in 1998 for accessibility compliance with California T-24. According to a recent third-party RAD Physical Conditions Assessment, most existing units are categorized as fair to good condition. All buildings contain existing dwelling units for interior rehabilitation and modernization totaling 160 residential dwelling units, comprised of 50 flats and 6 townhouses at grade and 104 walk-up townhouses occupying the second and third floors where occurs. The proposed project scope includes interior improvements at the ground floor of Building 10 and Building 12. Site improvements are limited to areas of sidewalk regrading at accessible routes, and three off-street accessible parking spaces adjacent to Building 12.

IN ORDER TO OBTAIN BID DOCUMENTS AND SUBMIT A BID, PLEASE CONTACT KRISTIN MEDWICK VIA EMAIL, KRISTINM@NIBBI.COM

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13 Yellow Flags – Warning Signs Concerning the U.S. Economy

Graph 1: U.S. Monthly Residential Building Permits Seasonally Adjusted at Annual Rates (SAAR)



Monthly U.S. nation-wide residential building permits that were stuck around 1.3 million units for a long time finally broke free in August and climbed to 1.42 million.

The last data points are for August, 2019.

Data source: U.S. Census Bureau (Department of Commerce)/Chart: ConstructConnect.

Continued from page 1

to come. Unfortunately, this points to the possibility of an anomaly that has gripped much of the banking sector in Europe, negative interest rates. Some banks overseas are paying individuals and corporations to take out loans. These are unprecedented times. Surely, this can't be a viable business model for the financial sector.

(5) Manufacturing in Contraction

For August 2019, the Purchasing Managers Index (PMI) of the Institute of Supply Management (ISM) dropped below 50.0% for the first time since August 2016. The latest month's PMI fell to 49.1% from 51.2% in July. A PMI reading above 42.9% but below 50.0% indicates that while the overall economy is expanding, the manufacturing sector is contracting.

Furthermore, nine of the PMI's ten subindices also recorded values below 50.0% in this year's August. The biggest month-to-month drops occurred in the 'new orders' index, moving from 50.8% to 47.2%; the 'employment' index, retreating from 51.7% to 47.4%; and most dramatic of all, the 'new export orders' index, sliding from 48.1% to 43.3%. Respondents to the PMI survey

expressed concern about the negative fallout from the U.S.-China trade spat.

The ISM also calculates a nonmanufacturing index (NMI) each month and it's been moving in counterpoint to the PMI. In August, the NMI performed admirably, climbing to 56.4% from 53.7% in July. Among the NMI's sub-indices, the stand-out month-to-month gains were recorded in 'business activity', rising to 61.5% from 53.1%, and in 'new orders,' shifting to 60.3% from 54.1%. The NMI's 'new export orders' subindex, though, declined to 50.5% from 53.5%.

(6) Production-Line CapEx has Stalled

President Trump often expresses his fond wish for a resurgence in American manufacturing. Signs of inertia in the sector, however, continue to be readily apparent. The latest (July 2019) measure of capacity utilization in U.S. manufacturing taken by the Federal Reserve places it at just above 75%, and below where it was a year ago.

Government measures to stimulate capital expenditures, or 'CapEx,' won't have much success when utilization rates are so low. There's no need to expand square footage when additional output, if it is required, can be easily satisfied with exist-

ing assets. Capacity utilization in a sector needs to rise to at least the mid-80% level for member firms to begin considering adding to footprints or investing in more automation.

Plus, there's the shot across the bow of management-labor relations made by the 50,000 striking workers at General Motors. To increase profits and please investors, GM has been closing plants in the U.S. and Canada that have been assembling the automaker's less popular and mainly passenger car models. Primary among their demands, GM's workers want guarantees of more job security.

Also warranting mention is the fact that compensation improvement in the U.S. has been okay, but not spectacular. Year-over-year hourly and weekly wage growth has been stuck in a +3.0% to +4.0% range. The GM strike may be a harbinger of more labor unrest to come. There are always upsetting economic ramifications from big labor disputes.

(7) Births Down, Deaths Up

U.S. population growth is slowing. In economic theory, there's a key proposition that says having

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more people leads to more consumer spending, a good thing. (Of course, the extra people must also have jobs and incomes to allow additional spending.) America's population growth rate from mid-2017 to mid-2018 dropped to 0.62%, its slowest pace in 80 years, dating back to the late 1930s.

The 'natural' increase in population is being held back mainly by a notable absence of babies. The number of U.S. births in 2018, at 3.79 million, was the lowest in 32 years. 2018 was the fourth straight year of birth declines, according to statistics from the Centers for Disease Control and Prevention.

Moreover, there are now 1,728 births per 1,000 women during their entire lifetimes, also down from prior years. This is often represented as a 'fertility rate' of 1.73 births per woman of child-bearing age. The replacement fertility rate, i.e., the rate needed to keep the population steady, with no help coming from international migration, is 2.1.

Also serving to render population growth more sluggish has been a recent increase in the 'age-adjusted' death rate. Augmenting the standard causes of death from sickness, accidents and suicides, there has been a surge in drug-related mortalities. Overdoses arising from the usage of too-potent fentanyl and illicit or prescription opioids have more than doubled over the past decade.

(8) Cuts in Immigration and Internal Migration

Approximately half of U.S. population growth is now reliant on immigration. A figure of about 800,000 legal immigrants per year has been the U.S. norm. But sentiment concerning immigrant arrivals, both legal and illegal, has taken a reverse turn in Washington. The prospects of bringing in younger workers to help support an aging population in America (i.e., due to 'baby boomers' growing older) has dimmed.

Nor is a warm welcome presently being extended to refugees. And foreign student enrollments are down to such an extent that insurance policies are being offered to protect some institutions against severe tuition fee losses.

Also, on the demographic front, there is no longer the frenzied internal migration in the U.S. that there once was. In the 1950s, more than 20% of Americans changed residence each year. In the latest time frame for which data is available, 2017-2018, the 'let's-relocate' proportion was only 10.1%. The 10.1% mobility ratio was the lowest since World War II.

Fewer people on the move is one of the reasons housing starts since the 2008-2009 recession have not fulfilled their expected promise. A trend line placed through historical housing starts levels would suggest an annual figure of 1.6 million units. Instead, they've struggled each month to stay steady at 1.3 million units, seasonally adjusted and annualized (SAAR).

August's residential building permits number, however, suddenly burst above 1.4 million units, giving rise to the hope that the home-building sector has finally broken out of its lethargy.

(9) Jobs Growth Decelerating

The average monthly increase in U.S. employment through August of last year was +235,000 jobs. The comparable figure for this year has been +160,000, down by one-third. The nation's exceptionally low unemployment rate of 3.7% is making it harder to sign-up workers.

Year-over-year jobs growth in nearly every major industrial sector is now slower than it was at the same time last year. In other words, there has been a deceleration in hiring.

By major industrial sector, manufacturing year-over-year employment has downshifted from +2.1% to +1.2%; construction, from +5.0% to +2.4%; retail trade, from +0.1% to -0.5%; 'transportation and warehousing', from +4.5% to +2.2%; 'professional and business services', from +2.4% to +2.1%; and government, from +0.6% to +0.4%.

The two major exceptions have been 'education and health', moving up to +2.4% in August 2019 from +2.0% in August 2018, and 'leisure and hospitality', going to +1.9% from +1.7%.

(10) Construction Activity Waning

ConstructConnect's grand total construction starts statistics through August 2019 have been -3.3% year over year. There's been a marked shift in the composition of this year's starts towards ultra-large projects, a.k.a. mega projects of \$1 billion or more each. The total value of mega project initiations in 2019 so far has been \$92.5 billion, much higher than 2018's comparable figure of \$35.4 billion.

Excluding mega projects from the picture, in other words, focusing more on medium and smaller-sized undertakings, the percentage change in starts two-thirds of the way through 2019 versus January-August 2018 has been -15%.

Confirmation of a general easing in enthusiasm for construction can also be found in the latest 'billings index' results from the American Institute of Architects (AIA). The Architects Billing Index (ABI), which monitors the demand for design services, pulled back to 47.2 in August from 50.1 in July. A number less than 50.0 indicates a decrease in billings. The ABI has been below 50.0 three times this year.

The 'inquiries' sub-index (54.5) of the ABI has also been retreating, although it remains above 50.0, and the 'design contracts' sub-index (47.9) has sunk to its lowest level since the recession. Regionally, only the West (51.2) has an ABI that's still above the halfway-to-100.0 mark.

(11) Geopolitical Hot Spots

Conflict among nations, that sometimes bubbles over into more than just words, is seemingly an ever-present danger. But the current degree of political acrimony around the globe seems even

more fractious than usual. Saudi Arabian oilfields have proven vulnerable to drone attack, whether launched from Yemen by Houthi rebels, or as is suspected by U.S. intelligence, from sites in Iran.

The U.S. has withdrawn from the international agreement designed to halt Iranian nuclear weapons production and has ratcheted up sanctions on trade with that nation. It's also demanding that other countries (e.g., India) restrict their dealings with Iran. In response, Iran has taken several military actions (e.g., seizure of tankers) to disrupt the flow of oil from the Middle East. Tensions could escalate further.

In the Pacific sphere, protesters in Hong Kong are refusing to be tamed by mainland China. No doubt the patience of the central government is being sorely tested, but with the public relations disaster of Tiananmen Square still fresh in many memories, will Beijing dare risk a severe crackdown? Also, North Korea, to the chagrin of the U.S. and to the considerable alarm of Japan, is continuing to test its missile delivery capabilities.

(12) Brexit and the 2020 Presidential Campaign

Across the 'Atlantic pond,' whether the United Kingdom will withdraw from the European Union remains an open question. If there is a Brexit, will it be 'soft' (i.e., made easier by negotiated trading arrangements) or 'hard' (i.e., no special deals)? Will there be another vote on Brexit, now that P.M. Boris Johnson's maneuver to prorogue, or temporarily suspend, Parliament has been ruled illegal by the courts?

Combine Brexit with the ongoing U.S.-China trade conflict and the shaky state of some European banks, especially in Italy, and world trade continues to be restrained by a surfeit of uncertainty.

There's also the distressing state of U.S. politics—at best a distraction; at worst, a toxic stew in which no legislation beneficial to the nation as a whole can be passed due to rancorous partisanship. With impeachment hearings about to begin, the 2020 Presidential election campaign promises to be quite an unseemly spectacle.

(13) How 'Bout This Weather?

There's one final unknowable to worry about, the weather. Along the Gulf Coast and the Atlantic shoreline, severe weather events have been cutting vast swathes of destruction—to plant, animal and human life and to man-made structures—with increasing regularity.

On the West Coast, it's been wildfires that have devastated enormous acreages and drawn widespread press coverage.

Most scientists chalk these events up to climate change and a warming planet. Better crisis prevention preparation will help, but there will be no easy-to-implement complete fixes.

SOURCE: <https://www.constructconnect.com/blog/13-yellow-flags-warning-signs-concerning-the-u.s.-economy>