



Housing Contractors of California (HCC) members are reminded about the uncertainty of the material supply chain in the era of COVID-19. There are many variables that can impact the availability of construction materials and products. These include a component manufacturer or supplier curtailing production during 2020 with anticipating of a construction slowdown due to COVID. In fact, there was no slowdown, but an acceleration of demand that challenged the whole industry. Efforts to play “catch-up” to the demand only became hampered with the repeated outbreaks of COVID at a plant or distribution center. As 2021 progresses, our national construction forecasts lead indicators predict another record year of demand. Product manufacturers and/or suppliers are still working out of 2020 COVID challenges as supply chains linger.

Many of our members report shortages already taking place of certain products and material, and we anticipate more as housing starts ramp up. Suppliers project that these shortages are likely to get worse. It will take some a long time to catch up to demand.

Along with shortages, sharply escalating costs of products and material are being experienced.

Best practices include preparing the construction process for potential delays and cost impacts due to scarcity of product and materials. These practices can include:

1. Advanced communication and notifications to Builders/Owners/GCs of the longer-term uncertainty of product, and the need for flexible product alternatives and scheduling.
 - a. Notifications when there are shorter term uncertainties, and constant communication for schedule adjustment.
2. Continuing practices of efficiency and value engineering to streamline the construction process to minimize the disruptions of product or material unavailability.
3. Reasonable contract documentation that protects both Trade and Builder under adverse uncertainties the industry will face. Examples are a “mutually agreed schedule” and “change orders to accommodate alternative materials and products when the original specifications are not available”.

HCC members are at the forefront of industry innovation and efficient practices. We want to make sure all industry partners are planning appropriately for the likely disruptions in construction schedules that will take place until California and the nation gets clearly on the other side of the COVID crisis.



**Housing Contractors of California
BOARD POLICY STATEMENT 0101**

ANTITRUST COMPLIANCE

It is the policy of the Board of Directors that Housing Contractors of California (HCC) shall at all times be in strict compliance with all Federal and State Antitrust laws, rules and regulations. These policies and procedures apply to all Board, Committee, Trade Council and other meetings of the Association, and all meetings attended by representatives of the Association.

1. Discussions of prices or price levels, as well as features that can have an impact on (raise, lower or stabilize) prices such as discounts, costs, salaries, terms and conditions of sale, warranties, or profit margins, are prohibited. Note that a price-fixing violation can in some instances be inferred from price-related discussions – even in the absence of an agreement.
2. Boycotts in any form are unlawful. Discussion relating to boycotts is prohibited, including discussions about blacklisting or unfavorable reports about particular companies, including their financial situation.
3. DO NOT agree with competitors to divide up customers, markets or territories. DO NOT agree with competitors not to deal with certain suppliers or others or try to prevent a supplier from selling to your competitor(s).
4. DO NOT agree with competitors as to uniform terms of sale, warranties or contract provisions.
5. DO ensure that if questions arise about the legal aspects of HCC's activities or your individual responsibilities under the antitrust laws, you seek advice and counsel from your own counsel or from the staff and counsel of HCC. It is a violation of antitrust laws to agree not to compete. Discussions of division of territories or customers or limitations on the nature of business carried on or products sold are not permitted.
6. It is the Association's policy that at all meetings attended by representatives of the Association where discussion can border on an area of antitrust sensitivity, the Association's representative request that the discussion be stopped and ask that the request be made a part of the minutes of the meeting being attended. If others continue such discussion, the Association's representative should excuse himself from the meeting and request that the minutes show that he left the meeting at that point and why he left. Any such instances should be reported immediately to the President and staff of the Association.
7. It is the Association's policy that a copy of these Antitrust Compliance Policies and Procedures shall be given to each officer, director, committee member, official representative of member companies and Association employees annually and that the same be read, or understood, at all meetings of the membership of the Association.

Subject: Antitrust
Adopted: April 3, 2003
Amended: November 12, 2003