Michele King

From: ericchristen <ericdchristen@gmail.com>
Sent: Thursday, September 20, 2018 9:41 AM
To: Michael Baratz; Board of Directors
Cc: Diversity & Inclusion Program

Subject: For your Project Labor Agreement Agenda Item

Attachments: School PLA PowerPoint.pptx; PLA Cost to Workers.pptx; Minority_revised.pdf

Importance: High

Dear SCVWD Board and Staff,

Here is information from our perspective on the PLA issue you will be discussing next week.

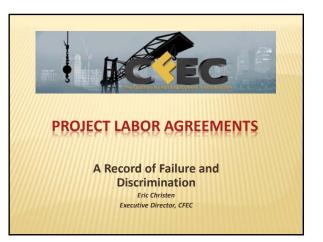
PLAs are highly discriminatory and wasteful. I have noticed that <u>you purport to support "diversity"</u> yet a PLA explicitly and implicitly discriminates against union-free employees, who happen to constitute over 80% of the local construction workforce. Attached are where various diverse construction groups stand on the PLA issue.

You have a choice to make. Chose what is right and have it support what you say you believe.

Let me know if you have any further questions.

Thank you.

Eric Christen
Executive Director
Coalition for Fair Employment in Construction
www.opencompca.com



WHAT IS A PLA?

- CFEC was created in 1998 to oppose Project Labor Agreements (PLAs).
- CEFC is comprised of both union and non-union companies and associations
- Without exception every PLA has contained the following provisions that make them problematic for merit shop contractors, employees, and apprentices.

WHAT IS A PLA? (CONT.)

All employees are required to comply with the union provision of the applicable Master Labor Agreement regarding rendering payment of applicable monthly working dues and any non-initiation fees.

WHAT IS A PLA? (CONT.)

All Employers, not signatory to a Master Labor Agreement with the appropriate Union, may employ, as needed, first, a member of his/her core workforce, then an employee through a referral from the appropriate union hiring hall, then a second core employee, and a second employee through the referral system, and so on until a maximum of four (6) core employees are employed, after which all further employees shall be referred from the appropriate union hiring hall.

WHAT IS A PLA? (CONT.)

Employers agree to be bound by the hiring practices of the respective Union, including hiring of apprentices, and to utilize its registration facilities and referral systems.

Employers shall pay contributions to the established employee health, welfare, and pension plans in the amounts designated in the appropriate Master Labor Agreement and make all employee authorized deductions in the amounts designated in the appropriate Master Labor Agreement

AT WHOM ARE THESE PROVISIONS AIMED?

Union membership and representation for the construction industry in California, 2010-2013:

Year	Member 9
2013	15.9
2012	19.8
2011	16.2
2010	13.9

PLAS: THE OPPOSITION

- Opposed:

 x Air Conditioning and Trades Association
 x American Subcontractors Association
 California Subcontractors Association
 American Road Builders and Transportation Association
 Associated Builders and Transportation Association
 Associated Builders and Contractors
 Sasociation
 Associated General Contractors
 Black Contractors Association
 Bay Area Black Contractors Association
 Californians for the Advancement of Apprenticeship & Training
 Golden State Builder's Exchanges
 Independent Roefing Contractors of California
 Independent Electrical Contractors Association
 Xern Minority Contractors Association
 National Association of Minority Contractors
 Painting Decorating Contractors Association
 Plumbing and Heating Contractors of California
 Western Electrical Contractors Association
 Independent Electrical Contractors Association

PLAS ARE OPPOSED BY WOMEN & MINORITY **ORGANIZATIONS**

"PLAs are de facto segregation...African-American workers are significantly underrepresented in all crafts of construction union shops...PLAs are non-competitive and, most of all, discriminatory."

National Black Chamber of Commerce

"WCOE opposes government mandated PLAs...PLAs will disproportionately impact small business, particularly those owned by women and minorities."

Women Construction Owners and Executives

"Bay Area Black Contractors Association has been a strong advocate for merit shop construction firms in the Bay Area and we are opposed to PLAs. "

Bay Area Black Contractors Association

"We believe PLAs make it more difficult for minority-owned contractors to compete...they effectively work against the goals of increasing the number of projects awarded to minority-owned businesses by placing roadblocks in the way." Latin Builders Association

"The ultimate effect of the San Francisco Airport PLA is clear...once the PLA was implemented minority business prime contract participation dropped 91.9%. This PLA has been a disaster for minority-owned businesses."

Asian American Contractors Association

43 EDITORIALS IN CA.HAVE OPPOSED PLAS

"But PLAs favor union contractors and, by extension, unions. Thus public officials adopting a PLA are currying favor with, and possibly political campaign contributions from, unions. This is just the kind of cronyism the competitive biddies between the world." bidding laws seek to avoid.

Engineering News-Record

"The fact is that PLAs increase construction costs considerably and have no place

Contra Costa Times

"Competition is the key to our economy...that's why we question the Port of Odkland's decision to negotiate an agreement (PLA) that does just the opposite.

Oakland Tribune

"At issue is whether (UC) regents should force people to join a private group (unions) in order to work on a job. That 's hardly consistent with the intent of a major University.

The Modesto Bee

"PLAs are about empowering unions, not helping workers." The Sacramento Bee

UNION FIRMS OPPOSED TO PLAS

Myth: "PLAs are only opposed by merit shop contractors who don't take care of their workers.

Reality: PLAs are opposed by <u>every segment</u> of the construction industry, union and merit shop alike

"PLAs first and foremost are discrimination, period. Secondly PLAs interfere with existing work rules that union contractors already have in place. It's companies like mine that employ union workers, not the political types like (union) business agents who are pushing these things. This is important to remember because we will probably not bid a project covered by a PLA.

Wayne Lindholm **Hensel Phelps Construction**

THE PEOPLE ARE OPPOSED TO THEM

City of Oceanside - Charter Provision - Fair and Open Competition

Approved by 54% of Voters, June 8, 2010

City of Chula Vista - Ordinance - Fair and Open Competition in Contracting

Approved by 56% of Voters, June 8, 2010

San Diego County - Charter Provision - Prohibition on Requiring **Project Labor Agreements**

Approved by 76% of Voters, November 2, 2010 (nullified by Senate Bill 922)

City of San Diego - Ordinance - Fair and Open Competition in Construction

Approved by 58% of Voters, June 5, 2012

City of El Cajon - Charter Provision - Purchasing and Contracts

Approved by 58% of Voters, June 5, 2012

PLAS: A RECORD OF FAILURE

San Francisco International Airport Expansion

- \$500 million over budget (30%) and completed over a year behind schedule
- Two separate strikes
- Subject to an FBI investigation and a lawsuit over minority participation

Port of Oakland

Two separate strikes

Contra Costa County's Family Law Center

Before PLA was imposed there were 13 prospective bidders. Engineer's estimate: \$8.5 million

After PLA was imposed there were 5 bidders with the low bid 21% over

West Contra Costa Unified School District

First school to be built under the PLA (DeJean Middle School) was supposed to cost \$15 million. *Final cost: \$36 million!*

Petco Park in San Diego

Two work stoppa

A RECORD OF FAILURE (CONT.)

- L.A. Police Headquarters

 More than \$150 million over budget
- Strike and 2 work stonnages

Los Angeles Community College District

- 7-part series in the L.A. Times on the waste, fraud, and abuse that took place there
- Millions wasted on projects that had to be fixed and repaired due to poor

- Port of L.A. Pier 400 Project
 Local residents were 7% and 12% of the work force despite goal of 30%
 Oakland Unified School District
- A Construction Bond was passed for \$300 million in order to rehab and modernized old schools.
- modernized old schools. Bids were not for a rehab project which received EIGHT bids. The lowest responsible bidder came in at \$1.8 million—which happened to be from a merit shop contractor. After the bids came in, the district decided to re-bid the contracts for the rehab project, as a PLA had been placed on all work. The result was another bid and this time there were only THREE bidders with the lowest coming in at \$2.2 million dollars. The project's cost actually increased by 24%, which is typical.

A RECORD OF FAILURE (CONT.)

Rancho Campana High School - Oxnard Union High **School District**

Estimate: \$42-\$45 million

Preliminary Guaranteed Maximum Price: \$58,285,794

Staff blames Project Labor Agreement as #1 of five likely reasons for the "staggering" cost of the project.

A RECORD OF FAILURE (CONT.)

On Pinole Valley High School, in the WCCUSD, WLC Architects had an original fee for their work of \$8.5 million based on a total construction cost of \$84.6 million. But by February of 2014, the construction cost had ballooned to nearly \$134.4 million. Billing at 12 percent of the total, MacQuarrie said WLC's fees should be increased by \$4.3 million.

But that wasn't all. WLC said they should be compensated more than \$3.2 million for the increased timeline, which has stretched from about six years to 10 years. In addition, he offered to provide on-site construction administration at the school for 59 months at a cost of \$806,251, for a grand total of \$8.3 million more, which would nearly double WLC's contract from \$8.5 million to \$16.9 million.

PLAS: WHAT THE STUDIES SAY

To date every comprehensive study done on PLAs refutes PLA proponents claims. What do the facts say?

"... the <u>reduction in the number of prospective bidders</u> willing to bid work may not have resulted in the lowest possible price because of reduced competition."

Montgomery Watson review of Sump 2 Project in Sacramen

on federally-funded construction alone PLAs will <u>increase costs an estimated \$4.8 billion</u>, or in these days of budgetary restraint, a reduction in the amount of federal construction spending by 30%. "

Herbert R. Northrup-Government Union Review
"Cost savings proposed by the PLA proponents are <u>substantially unfounded</u>."

San Diego County Toxpayers Association Review of San Diego County Toxpayers Association Review of San Diego County Water Authority 's Emergency Storage Project

"The Southern Nevada Water Authority PLA end-result has been reduced competition and higher costs."

University of Nevada Las Vegas review of SNWA PLA

"We have found no discernible economic or social lincreased sofety or pay for workers) benefit to utilizing a PLA, but there is substantial evidence that indicates the opposite is true."

in our analysis of 52 school projects the average PLA job cost \$31 more per square foot.

Beacon Hill Institute Study (MA.,
"PLAs add 13-15% more to the cost of projects."

niversity Study After Reviewing 500+ School Con

UNION LEADERS IN THEIR OWN WORDS:

"These (projects) were built with a hundred-percent union labor using project labor agreements

Former California Building and Construction Trades Council President Robert Balgenorth in speech before National IBEW

"...but it (PLA) does make us the exclusive source of manpower for the companies that successfully bid the work."

Joseph Hunt

Ironworkers International President

PLAs have, in some ways, become a welfare program for some unions that have been unable, unwilling or incapable of meeting the markets needs for years.

Mark Breslin, Engineering and Utility Contractors Association

UNION LEADERS IN THEIR OWN WORDS (CONT.)

"The best way to describe the meeting (John Swett USD Board Meeting) is that ABC's snake oil salesmen and women, Eric "Captain Road Rage" Christian (sic), Kevin "The Weasel" Dayton, and Nicole "Clueless" Goehring and their small band of rat contractors

"As far as I'm concerned there's no difference between ABC and child molesters."

Greg Feere, Contra Costa County Building and Construction Trades Council (the guy who "negotiates" PLAs)

QUESTIONS THAT REQUIRE ANSWERS:

- What problems now exist that require a PLA to "correct" them?
- What are current "local hire" statistics on your projects?
- What do other PLAs actually say about "local hire" goals? Can it be mandated?
- How can union bosses, who have a irrational & demonstrated hatred of "others", be expected to negotiate fairly for merit shop contractors, workers, and apprentices?
- How many strikes, slowdowns, and work stoppages have occurred on your projects?
- Do PLAs in fact prevent such things from occurring?
- Have you conducted a survey of contractors who have bid projects in the past for you to see what their feelings are regarding PLAs and asking them if they would bid a project with one?
- Will the Trustees be presented with copies of each union's "Schedule A" and "Master
- What are the "dues" and "fees" for each union?
- Where is your BOC on the issue of PLAs?
- Why should non-union firms who already provide benefits be forced to pay into union plans?
- What are vesting requirements for each trade union?
- How much will it cost you simply to oversee the PLA? (RCCD)

LOCAL HIRE?

SBCCD Boards Local Hire Policy Keeps Jobs and Wages in the Inland Empire

Publish Date: 6/16/2014 2:22 PM By: Alisa Sparkia Moore, Esq., SBCCD Communications and

80% of Construction Projects using Local Labor

In November, 2013, the Board of Trustees of the SAN BERNARDINO COMMUNITY COLLEGE DISTRICT (SBCCD) unanimously approved Policy number BP 6610 in order to create opportunities for local hires and local business participation on district capital improvement and construction

A recent review of the projects administered by the facilities offices of the District show that the policy has been implemented with great success

"Between November 2013, when our local workforce participation statistics were last evaluated, and April 2014, the latest date for which data is available, the current local workforce analysis on our nine active Measure M Bond projects, four at San Bernardino Valley College and five at Crafton Hills College, indicates that we have used 80% local workforce, which supports our commitment to keeping our resources here in the Inland Empire," said SBCCD CHANCELLOR BRUCE BARON. "The combined value of the contracts involved for these projects is in excess of \$15.5 million, of which wages are a substantial component."

\$1.8 MILLION AT RCCD JUST TO OVERSEE!

- Recommended Action

 1/1/3/2014. Committee

 Committee Facilities (IV-E-1)

 Agreement Amendment No. 1 for Project Labor Administration with Padilla and Associates District

 It is recommended that the Board of Trustees approve Agreement Amendment No. 1 in the amount not to

 exceed \$200,000 for project labor administration services with Padilla and Associates for additional projects
 with the Riverside Community College District

- Background Narrative:

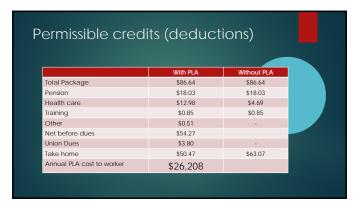
 On March 18, 2010 the Board of Trustees approved an agreement with Padilla and Associates in the amour of \$1.600,000 for Project Labor Agreement (PLA) for Measure C projects in Riverside Community College District. The number of projects has exceeded the projects envisioned when the PLA was passed by the Board. The original contract amount in the PLA has been nearly expended or encumbered. The projects currently underway or about to start will require additional funds for the PLA in the amount of \$200,000.

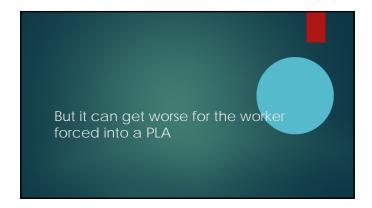
 At this time it is requested that the Board of Trustees approve Agreement Amendment No. 1 in the amount not to exceed \$200,000 for additional PLA services with Padilla and Associates for additional projects with the Riverside Community College District. This would bring the total contract amount to \$1,800,000.

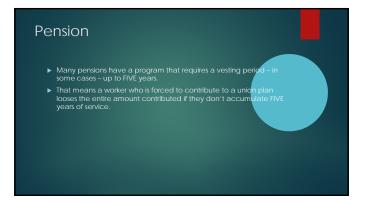
















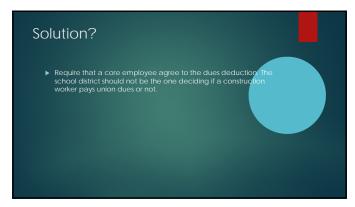












Other elements of a Fair PLA

- ▶ Core workers. You select a contractor based upon his/her price and experience preforming similar work. It is nonsensical to pick a qualified contractor to perform your work then require them to replace their workforce with unemployed union workers. Allow a contractor to use their own workers and only require them to take additional workers from the unemployed.
- Apprenticeship. Many employers have existing apprentices enrolle in unilateral apprenticeship programs. These apprentices, in most cases, cannot work on PLA projects. Allow any state-approved apprenticeship program to dispatch apprentices.

What Women and Minority Groups Say About PLAs

"PLAs are de facto segregation...
African-American workers are
significantly underrepresented in
all crafts of construction union
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Asian American Contractors Association

At Some Point it
Becomes Obvious What PLAs are <u>REALLY</u> All About

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