

**Santa Clara Valley Water District
Capital Improvement Program Committee Meeting
Information on Project Labor Agreements**

April 17, 2019

SPEAKER NOTES

Eric Christen, Coalition for Fair Employment in Construction
(Track 23, 03:58 – Track 27, 05:00)

- The Bureau of Labor Statistics reports Unions represent less than 15% of the California construction workforce
- Local hire goals in PLA's are aspirational, but do not mandate local hiring
- Non-Union Contractor employees hired to a PLA job are required to pay Union health, welfare, and pension fees for benefits they will never vest in or receive.
- PLAs require non-union employers, with workforces up to 2,500, to hire only 3-6 of their own employees, and staff the rest of the project with union labor.
- 2018 Statistics show that over 86% of skilled trade employees choose to work in non-union environments in the state of California
- The National Black Chamber of Commerce calls PLAs an act of segregation, non-competitive, and discriminatory
- The Asian American Contractors Association stated that the SFO PLA dropped minority participation dropped 91.9% and called PLAs a disaster for minority owned businesses
- Newspaper editorials unanimously express opposition to PLAs
- In every case, the Coalition for Fair Employment in Construction won ballot measures banning PLA's locally with over 60% of the vote, excluding San Diego which was won at 58% vote
- Labor strikes and their impact to project budgets and schedules are a negative impact to PLAs
- After enacting a policy that allowed open bidding for non-union contractors if three qualified bids are not received on a PLA, the Chula Vista Elementary School District realized \$468,920, or 13% savings, on three bid packages, referenced as Bid Packages 3, 5, and 8
- Studies find that PLA's increase project costs 13-15%
- The City of Selma, California reported bids for its police station project being driven up to 33% over estimated cost as a direct result of a non-competitive PLA process
- EBMUD and SJUSD chose not to use PLAs after surveying their contractors and receiving results that 50% of contractors that had previously worked on their projects would not bid on a PLA.
- The San Diego Unified School District spends over \$1 million a year to oversee their PLA agreements
- Only 360 PLAs have been implemented in over 20 years in California

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