

Community Benefits

Agreement CBA

- .Understanding a CBA
 - .Basic Elements
 - .Goals for the Owner
 - .Benefits to the Community
- .Also known as
 - .Project Stabilization Agreements
 - .Project Labor Agreements (PLA)

PURPOSE OF A CBA

- .The purpose of a CBA is to ensure all construction work be performed efficiently, economically and without interruption.**
- .The goal is to deliver a quality product on schedule and within the budget.**
- .Ensure inclusion of everyone, without prejudice.**
- .Opportunities for community members and disadvantaged for meaningful employment and careers.**
- .Meet the goals of the owner.**

BASIC ELEMENTS

- .Purpose.
- .Scope of Agreement.
- .Management's Rights and Union Recognition.
- .Work Stoppages and Lockouts.
- .Disputes and Grievances.
- .Jurisdictional Disputes.
- .Subcontracting.
- .Helmets to Hardhats.
- .Local Community Hiring.

WHAT IS A CBA?

- .A project management tool that is used to reduce risks to the owner.**
- .An agreement that has a long track record for delivering projects both on-time and on budget.**
- .Used by both public and private entities.**
- .A negotiated agreement between the owner of a project and labor.**
- .Project Delivery Tool.**

APPRENTICESHIPS & TRAINING

- .Provide a Career path for the community.
- .Best quality training through Joint Labor-Management Apprenticeships.
- .A Career Ladder for:
 - .Those without Higher Education.
 - .The Disadvantaged.
 - .The At-Risk Members of the Community.

HELMETS 2 HARDHATS

.Utilizes Helmets-2-Hardhats Program already in place to provide meaningful Career employment and training to VETERANS.

.Building Trades partnership with Center for Military Recruitment, Assessment and Veterans Employment.

.All represented Trades participating.

.Community benefits with Local Hire Veterans.

LEGAL COMPONENTS OF CBA

.Protection of owner rights.

.A provision defining the “Scope of Work”.

.Language recognizing representation of workers regardless of Union membership.

.A provision requiring all contractors to sign the CBA or a “Letter of Assent”.

.Pre-established procedures for Hiring and settling disputes/grievances.

.No work stoppages.

MISCONCEPTIONS

CBA's do not:

- .Require general contractors or subcontractors to become signatory to a collective bargaining agreement.**
- .Force unrepresented workers to become union members.**
- .Pre-empt the Public Contract Code or the Labor Code.**
- .Discriminate against minorities.**
- .Increase costs.**

BENEFITS TO THE OWNER

- .Encourages higher quality contractors & subcontractors to bid the Developer's projects.**
- .Local skilled workers.**
- .Apprentices enrolled in Joint Labor-Management Apprenticeship Training Programs with a well documented record of graduating apprentices.**
- .Supports the Awarding Agency's local economy by hiring local workers.**
- .Cost savings.**

RECAP OF CBA's

- .Encourages the use of quality contractors.**
- .Coordination of subcontractors.**
- .Management retains all of its rights.**
- .Employs skilled workers(*Journeyman and Apprentices*).**
- .Health Coverage for workers.**
- .No work stoppages.**
- .Does not increase costs.**
- .Supports the local economy.**

CITY OF BRENTWOOD

CIVIC CENTER PROJECT LABOR STABILITY STUDY

Prepared by:
SCARTH-LYONS & ASSOCIATES

EXECUTIVE SUMMARY

The City Council ("Council") for the City of Brentwood commissioned this Labor Stability Study to assist the Council in its evaluation of utilizing a Project Labor Agreement ("PLA") on the construction of its Civic Center Project. The Civic Center Project is a \$40 million multiple structure, parking and park renovation project to be constructed in downtown Brentwood. The construction period is anticipated to commence later this year and to last eighteen to twenty-four months.

The Council identified five specific objectives for the construction of the Civic Center Project: (1) Provide employment opportunities for Brentwood residents; (2) Provide employment opportunities for returning military veterans; (3) Competitive bidding; (4) Project cost efficiency; and (5) Timely completion of the Project without construction delays caused by labor issues. This Labor Stability Study analyzes each of these objectives and the ability of a PLA to enhance the likelihood that such objectives will be achieved.

Project Labor Agreements are pre-hire collective bargaining agreements negotiated with building trades unions and utilized primarily on large, complex, long term, multi-craft construction projects. PLAs generally provide standardized work rules, dispute resolution procedures, prohibitions against strikes and lockouts and workforce referral procedures. PLAs have been used by many public entities in California to achieve specific social and economic objectives on their publicly funded construction projects.

Based on our analysis, we conclude that utilizing a PLA containing provisions related to local hire, the Helmets to Hardhats program, prohibition against strikes and lockouts and dispute resolution procedures would enhance the ability of the Council to achieve its five objectives.

I. Background

A. Project

The City of Brentwood Civic Center Project (“Civic Center Project”) is an approximately \$40 million multiple structure, parking and park renovation construction project located in downtown Brentwood. The new multi-level 59,000 square foot City Hall building will house the City Council Chambers and offices for approximately 140 city employees. The 32,000 square foot multi-level Community Center will have a 350 person banquet room with a full caterer’s kitchen, arts and crafts room, public meeting room and a multi-purpose room. The newly renovated City Park will have a lighted outdoor stage, children’s play structures, and barbeque/picnic areas. Finally, the project will include a 76 space street level parking lot. Construction of the Civic Center Project is anticipated to commence in the second half of 2009 and be completed in approximately eighteen to twenty-four months.

B. Procedural History

At the meeting on March 24, 2009, the Council authorized the preparation of a Labor Stability Study to analyze whether or not a PLA will help the City achieve its objectives in constructing the proposed Civic Center Project.

C. Project Labor Agreements

The City of Brentwood City Council (“Council”) has investigated the use of a Project Labor Agreement for the construction of the Civic Center Project. Project Labor Agreements (“PLAs”) are pre-hire collective bargaining agreements negotiated with building trades unions and utilized primarily on large, complex, long term, multi-craft construction projects. PLAs generally provide standardized work rules, dispute resolution procedures, prohibitions against strikes and lockouts and workforce referral procedures. Since the 1930’s, PLAs have been used by public and private entities in California to achieve specified project objectives.¹ A public entity’s use of a PLA has been challenged on various grounds in many jurisdictions, including California, but in almost every case the use of a PLA by the public entity has been upheld as legal.² Since the 1999 decision of the California Supreme Court in *Associated Builders and Contractors, Inc. v. San Francisco Airport Commission* upholding the use of PLAs by local public entities, the use of PLAs on large, complex, long-term, multi-craft public works construction projects has increased.³

II. Purpose of Labor Stability Study

The purpose of this Labor Stability Study is to analyze the Council's objectives relative to construction of the Civic Center Project and the current construction labor market factors to determine if the use of a PLA will enhance the ability of the City of Brentwood to achieve its objectives. The alternative is to construct the Project without utilizing a PLA. While the determination of whether or not to utilize a PLA is one for the Council, this Labor Stability Study provides an evaluation of the Council's stated objectives in support of the Council's deliberations and decision.

III. Project Objectives

At the Council meeting on March 24, 2009, the Council identified the following objectives for construction of the Project: (1) Provide employment opportunities for Brentwood residents; (2) Provide employment opportunities for returning military veterans; (3) Competitive bidding; (4) Project cost efficiency; and (5) Timely completion of the Project without construction delays caused by labor issues. The ability of a PLA to enhance the achievement of each of these objectives is analyzed below.

A. Provide Employment Opportunities for Brentwood Residents

Project Labor Agreements have been used by public entities in California to achieve certain specified employment objectives, including the hiring of local residents by contractors performing work on the project. Hiring objectives necessarily involve the employment activities of contractors relative to their employees. While a local hire objective can be provided for in the construction contract between the contractor and the public entity, the PLA, as a comprehensive labor agreement for this specific Project, provides an additional and necessary contractual commitment to realize the objective.

Without a PLA providing for common referral procedures and employment of local residents objectives, contractors will utilize their normal and customary hiring procedures. Non-signatory contractors generally utilize advertising, word of mouth or draw from lists of walk-in applicants to fill employment needs. Signatory contractors are bound by their collective bargaining agreement(s) to fill employment needs through the use of the union referral procedures which generally provide that new employees are dispatched to the contractor in chronological order from the out of work list maintained by the union.

In typical PLAs, all construction craft workers working on the project are subject to common referral procedures. A PLA provision calling for the employment of local residents on the project commits the signatory unions to managing their hiring halls in such a manner as to enable the contractors to call for available workers from the local area ahead of those from outside the local area. Without such provisions, new workers are generally referred to the contractor in chronological order without regard to location

of their residence. While some union hiring hall regulations allow signatory employers to request individuals based on certain specified qualifications (e.g. certified welder or certified crane operator) or the ability to rehire individuals who previously worked for the employer, the hiring hall rules typically do not allow for preference based on location of residence unless provided by some other contractual provision in an agreement with the union. A study conducted by the UCLA Labor Center concluded that, among other things, PLAs containing local hire provisions significantly increased the number of local residents hired on the construction projects reviewed.⁴ Accordingly, a PLA including provisions for the hiring of local residents should enhance achievement of the objective of employing Brentwood residents on the Project.

B. Provide Employment Opportunities for Returning Military Veterans

Similar to the employment of Brentwood residents, the objective of hiring returning military veterans can be provided in the construction contract between the contractor and the City and enhanced by a PLA. The discussion presented above regarding the hiring process and referral procedures for employing Brentwood residents on the project also applies to the hiring of military veterans. A distinction exists relative to the employment of military veterans and the building trades unions collectively.

The national Building and Construction Trades Department of the AFL-CIO has developed a specific program to bring returning military veterans into the construction industry. The program, called Helmets to Hardhats, enables returning veterans to enter the individual building trade unions and receive training and employment opportunities in the construction industry.⁵ By utilizing a PLA including provisions incorporating the Helmet to Hardhats program, the City would be more likely to meet its objective regarding the employment of returning military veterans on this Project.

C. Competitive Bidding

Construction value through competitive bidding by qualified contractors is an objective shared by public and private owners. The number of bidders and the value of the bids submitted are the function of a number of factors including, but not limited to, the type of project, the current local construction market, the business practices of the owner, the bonding capacity of the contractor and the volatility of construction material and labor markets. It is important to note that the base labor cost is the same either with or without a PLA because public works projects require the payment of prevailing wages.

The effect of a PLA on the number of bidders and bid values submitted by contractors has been the subject of much debate between opponents and supporters of PLAs. There are published studies cited by opponents of PLAs that conclude that the use of a PLA by a public entity resulted in decreased bidders and increased costs.⁶ There are also published studies cited by proponents that conclude the use of a PLA had no negative effect on the number of bidders or the bid values received and, further, that

PLAs do not raise project construction costs.⁷ We are not aware of an independent quantitative study that has established a specific causal connection between the use or non-use of a PLA and either the number of bidders or the bid values. Because there are many factors unrelated to the PLA which affect both the number of bidders and the actual bid values submitted, objective analysis isolating the PLA as the determinative component—one way or the other—has proven difficult.

Opponents of PLAs, including representatives from the Associated Builders and Contractors, have stated to the Council that the use of a PLA on a public works project will cause non-signatory contractors who would otherwise bid on the project not to submit a bid. Further, opponents have claimed that those non-signatory contractors who do submit a bid, will submit a higher bid value on a PLA project because of the requirement that all contractors make pension contributions on all construction craft employees working on the project thereby requiring such non-signatory contractors to make “double payments”—once to the union pension fund and once to the contractors retirement benefit fund for its employees. We requested documentation supporting each of these claims from the Associated Builders and Contractors.

Analyzing each of these claims helps to frame the issue and clarify the facts. PLAs do not—and cannot legally—prohibit non-signatory contractors from bidding a project. Both signatory and non-signatory contractors are able to bid on PLA covered projects. In fact, on a number of public entity PLAs in northern California, non-signatory contractors have bid and performed work as general contractors and subcontractors. As stated by the California Supreme Court, whether not a non-signatory contractor bids on a project covered by a PLA is essentially a business decision since there is no prohibition on their participation in a project covered by a PLA.

The issue of “double payments” to an employee retirement fund by a non-signatory contractor is theoretically possible. Generally, PLAs provide that all construction craft employees be referred through the appropriate craft union hiring hall and all applicable fringe benefits provided for in the applicable prevailing wage determination be paid to the construction craft workers. In a non-PLA public works project, the applicable prevailing wage (wage and benefits) must be paid, however, a non-signatory contractor is required by the California Labor Code to pay only into state approved apprentice programs with the balance paid in either wages or benefits. Included in the fringe benefits contained in the craft prevailing wage determinations are defined benefit and/or defined contribution retirement funds. If a non-signatory contractor has a retirement benefit program for its construction craft employees in which it makes an employer payment (as opposed to an employee directed pre-tax contribution), then it would make a payment to the company program as well as to the union retirement fund on behalf of the employee. Thus, a double payment to a retirement fund on a PLA project would occur only if the non-signatory contractor has an existing retirement fund and makes employer contributions on behalf of its construction craft employees.

Proponents of PLAs claim that PLAs actually enhance bidding on public works projects because they provide a level playing field between signatory and non-signatory contractors and, as such, more signatory contractors will bid the project. Further, proponents argue that PLAs do not increase the cost of the project since all contractors—signatory and non-signatory—are required to pay the appropriate prevailing wage for the applicable craft work performed on the project. Finally, PLA proponents claim that PLAs actually help the public entity bring the project in on time and on budget by attracting the highest skilled craft workers, providing access to sufficient numbers of craft workers and apprentices and minimizing work interruptions through common dispute resolution, no strike/no lockout and jurisdictional dispute resolution provisions.

A review of the experience of another Contra Costa County public entity's experience in using PLAs on their large, complex, multi-craft, long term construction projects provides some specific data in the same geographic market. The data in Table-1 (below) shows the experience of the Contra Costa Water District regarding the number of bidders and the low bid values relative to the engineer's estimates for each project. As shown by the data, the Contra Costa Water District PLA covered projects have had multiple bidders and the low bid values were below the engineer's estimates on all but one project.

Table-1 Contra Costa Water District PLA Project Bid Experience⁸

Project	Construction Period	Low Bids (Millions)	Low Bids as % of Engineer's Estimate	Multiple Bidders
Bollman Water Treatment Plant	1995-1998	\$24.8	87.9%	Yes
Los Vaqueros Dam	1994-1998	\$142.8	86.8%	Yes
Multi-Purpose Pipeline	2000-2003	\$55.8	82.1%	Yes
WTP for the City of Brentwood	2006-2008	\$40.3	105.5%	Yes
Alternative Intake Project	2008-2010	\$61.8	78.4%	Yes

On balance, utilizing a PLA on the Civic Center Project should enhance the ability of the Council to achieve the objective of competitive bidding. There is no clear evidence that using a PLA specifically results in fewer bidders or higher bids. While there is the potential that some non-signatory contractors may elect to not bid the Project and some non-signatory contractors may submit higher bids, there is documented evidence that public entities in Contra Costa County using PLAs have achieved competitive bidding on their long term, complex multi-craft construction projects.

D. Project Cost Efficiency

The Council's objective of minimizing expenses and constructing the Project with maximum cost efficiency is shared by public and private owners engaged in large construction projects. Projects constructed without a PLA do not incur costs for negotiating or administering the PLA, but such projects do not have common procedures regarding referral of construction craft workers, work rules and dispute resolution procedures nor do they have protection against strikes or lockouts. Interruptions in the construction process arising from labor disharmony have the potential to increase the cost of the project. While PLA's do provide such procedures and protections from interruptions caused by labor issues, there is a financial cost for the negotiation and administration of a PLA. Accordingly, whether or not a PLA will help achieve project cost efficiency depends upon: (1) the objectives of the owner regarding negotiation of a PLA; (2) the provisions of the PLA regarding construction processes; (3) the level of administration required by the PLA and the associated costs; and (4) the effectiveness of the PLA provisions and administration in minimizing labor issues affecting the construction process.

PLAs provide uniform work rules for all construction craft workers on the Project. Specifically, most PLAs include provisions standardizing the work day, work week, shift work and holidays for the entire project. These provisions eliminate the potential for premium pay that may arise from the various craft union employees working on the Project under multiple collective bargaining agreements which have different provisions. A study by the School of Industrial and Labor Relations at Cornell University of PLA covered projects in New York concluded that the use of a PLA with provisions to standardize the work rules and resolve labor disputes can result in substantial direct and indirect cost savings on a construction project.⁹ Accordingly, the PLA, with its standardized provisions for all craft workers, enhances the efficient management of the various construction craft workers on the Project which should lead to greater ability to control overall labor costs.

Balancing these interests, a PLA could enhance cost efficiency of the Project if: (1) the direct costs associated with negotiating the PLA are minimized by utilizing provisions from other public works PLAs already negotiated in Contra Costa County; and (2) the administrative procedures contained within the PLA were streamlined to match the construction process and schedule for the Project; and (3) the PLA incorporates provisions for uniform work rules and dispute resolution procedures thereby minimizing the potential for work interruption caused by labor.

E. Timely Completion—Reduction of Construction Delays Due to Labor Issues

Delays related to labor issues in the timely completion of a construction project are generally caused by two factors: (1) not having a sufficient number of skilled construction craft workers to efficiently complete the project; and (2) disharmony

between construction craft workers on the Project and/or disputes between workers and their employer causing an interruption in the work on the Project.

1. Sufficient Supply of Skilled Craft Workers

If the Project is constructed without a PLA, non-signatory contractors will need to fill any craft workforce needs through their usual and customary hiring practices. Meeting their needs will be a function of the number of craft workers available in the local/regional labor market who respond to the contractor's advertisements or solicitations for workers. Signatory contractors needing construction craft workers will call the applicable union for the workers to be dispatched from the hiring hall. Satisfying their workforce needs will be dependent upon the number of workers on the out of work list and available to work. While some segments of the construction industry are active, the overall construction market in Contra Costa County is currently experiencing higher unemployment. Our research shows a relatively strong industrial, transportation and hospital construction market and continued weakness in the residential and commercial segments. As indicated by the information in Appendix A to this Study, the number of workers on the building trades craft union out of work lists show ample numbers of available workers. Accordingly, there should be a sufficient number of skilled craft workers currently available to work on this Project.

2. Labor Disharmony on the Project

Whether or not a PLA can achieve the objective of timely completion of the Civic Center Project without delays caused by labor issues is dependent upon the provisions contained in and the administration of the PLA. Generally, most PLAs contain provisions to minimize the risk of labor disruption on a project. These provisions include: prohibitions against strikes by workers and lockouts by contractors with expedited arbitration and financial penalties for proven violations; dispute resolution procedures for claimed violations of the agreement; pre-job meetings; jurisdictional dispute resolution procedures; and periodic labor/management meetings. The active administration of the PLA through these provisions helps to ensure that any labor issues that arise during construction are identified early and resolved without interruption of the construction work.

Without a PLA, non-signatory contractors would perform their work according to their normal and customary practices. Signatory contractors would work under the terms and conditions of the collective bargaining agreements to which they are signatory. There would not be a common set of rules regarding labor in the processing of the construction work nor would there be a common procedure for resolving any labor disputes that may arise. Finally, and significantly, there would be no protection against strikes or pickets.

The likelihood of potential labor disruptions in the context of signatory contractors increases at the expiration of the collective bargaining agreement. If the parties to the collective bargaining agreement cannot reach agreement during negotiations and no extension is granted, either party may exercise legal economic action (strikes, lockouts, etc.) to influence the negotiations. The No-Strike/No-Lockout provisions in a PLA protect the PLA project from such economic action in the event the contractor performing work on the project and a particular union may be engaged in such activity during the negotiation of their collective bargaining agreement. Table-2 (below) shows the expiration dates of the current craft collective bargaining agreements covering construction work in Contra Costa County.

Table-2 Local Building Trade Unions Collective Bargaining Agreement Expiration Dates

Building Trades Craft	Collective Bargaining Agreement Expiration Date
Boilermakers	September 2011
Bricklayers	April 2013
Carpenters	June 2012
Cement Masons	June 2013
Drywall, Floor Covering, Glazier	June 2011
Electricians	May 2011
Insulators	July 2010
Ironworkers	June 2010
Laborers	June 2010
Millwrights	June 2012
Operating Engineers	June 2010
Plumbers	June 2012
Pipefitters	June 2009
Painters	June 2009
Sheet Metal Workers	June 2013
Sprinklerfitters	June 2012
Teamsters	June 2010
Tile/Terrazzo	March 2011

Construction of the Civic Center Project is anticipated to commence in the fourth quarter of 2009 and will run for approximately eighteen to twenty-four months to the second quarter of 2011. During this period, ten local collective bargaining agreements (Drywall/Floor Covering/Glaziers, Electricians, Insulators, Ironworkers, Laborers, Operating Engineers, Teamsters and Tile/Terrazzo Layers) will expire and be re-negotiated by the historically recognized bargaining parties.

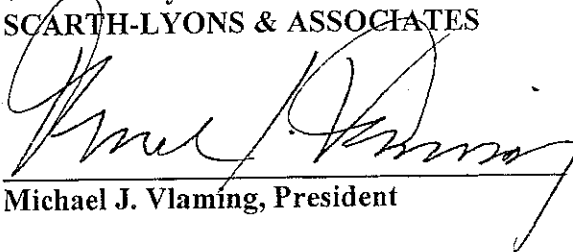
Another potential for the interruption of construction work due to labor disharmony is the union and non-union construction craft workers working in close proximity to each other on the same jobsite. Without common contractual provisions providing for the resolution of disputes arising on the Project applicable to all construction craft workers, there is an increased potential for a work interruption. A PLA containing a no strike provision as well as a dispute resolution procedure serves to minimize the risk of a work interruption in such cases.

One of the principal reasons for an owner—public or private—to utilize a PLA for the construction of a long term, complex, multi-craft project is to protect the project from strikes and lockouts. In light of the number of agreements expiring and the crafts affected, having a PLA with provisions protecting against strikes and lockouts would reduce the potential for construction delays caused by labor issues and enhance the likelihood of timely completion of the Project.

IV. Conclusion

The City Council has set forth the objectives it seeks to achieve with the construction of the Brentwood Civic Center Project. As discussed, use of a Project Labor Agreement will enhance the City's ability to achieve the objectives of: (1) Providing employment opportunities for Brentwood residents; (2) Providing employment opportunities for returning military veterans; (3) Competitive bidding; (4) Project cost efficiency; and (5) Timely completion without delays caused by labor issues. Based on our analysis presented in this Labor Stability Study, it is our conclusion that the Brentwood Civic Center Project would benefit from the use of a Project Labor Agreement and should be considered by the Council.

Submitted By:
SCARTH-LYONS & ASSOCIATES



Michael J. Vlaming, President

Endnotes

¹ Johnston-Dodds, Kimberly, *Constructing California: A Review of Project Labor Agreements*, California Research Bureau, 2001.

² Ibid. pp. 71-73.

³ *Associated Builders and Contractors, Inc. v. San Francisco Airports Commission* (1999) 21 Cal.4th 352.

⁴ *Construction Careers For Our Communities*, study by the UCLA Labor Center can be found at www.labor.ucla.edu/programs/pdfs/ConstructionCareersForOurCommunitiesFullReport.pdf.

⁵ Details of the Helmets to Hardhats Program can be found at www.helmetstohardhats.org.

⁶ Bachman, Paul, Chisholm, Darlene C., Haughton, Jonathan, Tuerck, David G., *Project Labor Agreements and the Cost of School Construction in Massachusetts*, Beacon Hill Institute Policy Study, 2003; Bachman, Paul, Haughton, Jonathan, Tuerck, David G., *Project Labor Agreements and the Cost of Public School Construction Projects in Connecticut*, Beacon Hill Institute, 2004.

⁷ Belman, Dale, Ormiston, Russell, Schriver, Willam and Kelso, Richard, *The Effect of Project Labor Agreements on the Cost of School Construction in New England*, Michigan State University School of Labor and Industrial Relations, 2005; Philips, Peter, *A Case Study of the East Side Union High School District 2004 Project Labor Agreement in San Jose, California*, 2005; Cockshaw, Peter, *Do PLA Projects Raise Costs?*, Cockshaw's Construction Labor News + Opinion, Vol. 33, No. 5, May 2003.

⁸ Information provided by Contra Costa Water District.

⁹ Kotler, Fred B., J.D., *Project Labor Agreements in New York State: In the Public Interest*, Cornell University IRL School, March 2009.

**APPENDIX A
CONSTRUCTION CRAFT SURVEY**

Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
<p>Sheet Metal Workers #104 1720 Marina Blvd. San Leandro, CA 94577 Rep: Kevin Van Buskirk</p>	<p>Commercial - the work picture is currently strong and it remains positive for the next 12 months.</p> <p>Ongoing and future commercial projects include the John Muir Hospitals in Concord and Walnut Creek, the Mount Diablo Community College HVAC Upgrades, Avalon Bay - a mixed use transit oriented development in Pleasant Hill, and the Pittsburgh High School renovation.</p> <p>Residential - the work picture here is very slow and looks to remain so for the remainder of 2009. A few houses are going up in transit oriented developments.</p>	6,850	1,600 - 1,750	850	6/30/2013
Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
<p>UA Plumbers Local #159 1308 Roman Way Martinez, CA 94553 Rep: Aram Hodess</p>	<p>Commercial - the work picture is good currently and appears to remain strong for the next 12 months.</p> <p>Ongoing and future commercial projects include the John Muir Hospitals in Concord and Walnut Creek, the Mount Diablo Community College HVAC Upgrades, Avalon Bay - a mixed use transit oriented development in Pleasant Hill, and the Pittsburgh High School renovation.</p> <p>Residential - the work picture here is very slow and looks to remain so for the remainder of 2009. A few houses are going up in transit oriented developments.</p>	500	60	80	6/30/2008

Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
Teamsters Local #315 2727 Alhambra Avenue Martinez, CA 94553 Rep: Dale Robbins	Commercial - the current work picture is good and its future prognosis will depend largely on the release and subsequent availability of bond money contained in the recently passed economic stimulus and recovery package. A current ongoing project is the Los Vaqueros Project within the Contra Costa Water District. Residential - the work picture here is expected to remain slow throughout the remainder of 2009 with hopes that it will improve in 2010.	5,200	20	There is ongoing training available for active members, including CDL licensing, equipment training, and certification upgrades.	6/1/2010
Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
Roofers Local #81 8400 Enterprise Way Oakland, CA 94621 Rep: Doug Zeigler	The current and future work picture is poor, with commercial work doing better than residential marketplace.	1,000	400	500	8/1/2010
Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
Boilermakers Local #549 2191 Piedmont Way Pittsburg, CA 94565 Rep: Frank Secreet	The work picture is good for the heavy industry sector. Ongoing major projects are a new Scrubber at Valero and upgrades at Valero and Chevron in Benicia.	450	40-50	100	9/30/2011
Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
Carpenters Local #152 3780 Alhambra Ave. Martinez, CA 94553 Rep: Tom Quinn	Indicated a slow work picture. Anticipates an increase in work by the middle of 2010. Current and prospective work opportunities include the Chevron expansion, Conoco Phillips, John Muir, Pleasant Hill Transit Station.	2800	230	280	6/30/2012


Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
Operating Engineers #3 1620 South Loop Rd. Alameda, CA 94501 Rep: Pete Figueiredo	Major projects currently include Chevron Refinery, Hetch Hetchy, Caldecott Tunnel.	39,000 total 17,000 in N.CA 2,500 in County	22%	450 total 50 in County	6/30/2010
Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
Cement Mason #300 703 S "B" St., #200 San Mateo, CA 94401 Rep: Greg Levy	The work picture is very slow in the residential market. The commercial market has become much more competitive, as the number of competing bids has increased.	3000	35	200	6/30/2013
Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
IBEW Local #302 1875 Arnold Drive Martinez, CA 94553 Rep: Mike Yarbrough	Industrial: work at USS-POSCO, to be completed during the summer of 2009. Chevron - to continue for 12-15 months. Conoco Phillips - work to be completed during the summer of 2009. Commercial: John Muir Hospitals in Concord and Walnut Creek - 1 to 1 1/2 years to completion.	1450	22	180	5/30/2011
Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
Painters Local #741 935 Alhambra Avenue Martinez, CA 94553 Rep: Richard Kennessey	Ongoing projects include John Muir Hospital and work in the West Contra Costa Unified School District. Indicated that the current work picture is slow with no new large projects expected in the immediate months.	475	49	75	6/30/2009

Craft	Work Picture (Current & Future)	Active Members	Out-of- Work List	Apprentices	Expiration
Iron Workers Local #378 3120 Bayshore Road Benicia, CA 94510 Rep: Robert Lux	Strong industrial, energy, hospital, transportation and school district work. Expects work picture to remain relatively strong for the next 12 months.	1750	115	320	6/30/2010

COUNTY OF CONTRA COSTA
OFFICE OF THE COUNTY ADMINISTRATOR
MEMORANDUM

DATE: August 9, 2004

TO: Internal Operations Committee

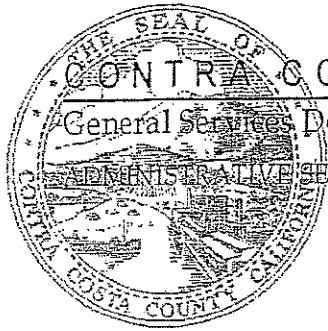
FROM: John Sweeten, County Administrator
Laura W. Lockwood, Director, Capital Facilities and Debt Management 

SUBJECT: UPDATE ON PROJECT LABOR AGREEMENT POLICY

In January 2002, the Board of Supervisors adopted a policy requiring the use of Project Labor Agreements (PLAs) on all County construction projects in excess of \$1 million. This policy was later modified to incorporate a standardized PLA format and to clarify that the \$1M threshold applies to the actual construction cost of a project, not simply the estimated cost. The Board also directed the CAO to report back in one year to the Internal Operations Committee regarding the County's experience implementing and administering the revised PLA policy.

Please find attached reports from the Directors of Public Works and General Services regarding their departments' experiences with PLAs on County construction projects. From May 2002 through December 2003, there were six County construction projects awarded to bidders that included PLAs, collectively totaling \$11.6 million in value. Thus far, the County has not seen a diminishment in the number of bids submitted for PLA projects versus non-PLA projects, although the length of time from bid opening to bid award did increase for a Public Works project subject to the PLA policy as compared to the department's non-PLA projects.

To date, there has been one reported wage violation/dispute under the standardized PLA format. The Electricians' Union (IBEW) is using the arbitration provisions of the Agreement to resolve a dispute with an electrical subcontractor regarding hiring through the IBEW hall and payment of union wages and benefits on the Iron Horse Greenway project. The County is not a party to the arbitration and the dispute has not affected the daily operations of this project.



CONTRA COSTA COUNTY

General Services Department

ADMINISTRATIVE SERVICES


Barton J. Gilbert
Director

Mickey Davis
Deputy Director

Michael J. Lango
Deputy Director

Dauida Amenia
Administrative
Services Officer

DATE: July 7, 2004

TO: John Sweeten, County Administrator 

FROM: Bart Gilbert, Director of General Services

SUBJECT: PROJECT LABOR AGREEMENT REPORT (MAY 2002 - NOVEMBER 2003)

BACKGROUND

This report summarizes our experience with implementing and administering the County's Project Labor Agreement (PLA) policy. The policy was initially adopted by the Board of Supervisors in January 2002 and later revised in August 2003. At the time of adoption, the Board directed that an annual report of the PLA program be prepared and presented to the Internal Operations Committee. This report is provided to you for that purpose.

SUMMARY OF PLA PROJECTS

During the reporting period, there were 8 projects advertised for bid subject to the PLA policy totaling \$22,969,036. Due to objections to the core workforce provision of the original policy by the Contra Costa Building and Construction Trades Council, the Board of Supervisors waived the PLA requirement for the first 3 projects totaling \$13,317,200. The policy was subsequently amended in August 2003 to address the Trade Councils' concerns. Therefore, since the PLA policy was adopted, there have been 5 projects awarded with an executed PLA totaling \$9,651,836.

A summary listing of the PLA projects that have been advertised and awarded is included in the attachment to this report. This information includes the architect's estimate of probable cost, the amount of the low bid, the amount of the contract award, the number of bids received and how many of the bids were submitted by union and non-union contractors.

SUMMARY OF PLA PROJECT BID AND CONTRACT AWARDS

All 8 projects advertised for bid subject to the provisions of the PLA policy were awarded to union contractors. The number of bids received per project averaged 7.75 with a low of 4 and a high of eleven. Of the 62 bids received, union contractors submitted 44, 15 were submitted by non-union contractors, and three bids were non-responsive.

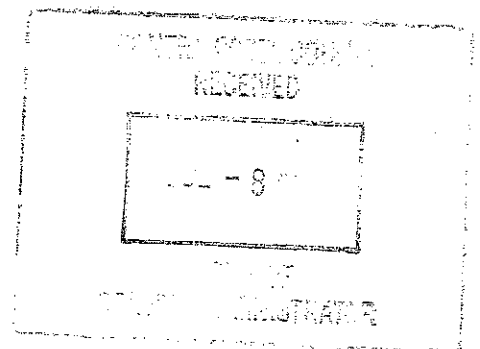
ARCHITECT/ENGINEER COST ESTIMATES AND PLA CONTRACT AWARDS

PLA bid amounts deviated from architect/engineer base bid cost estimates by an average of \$194,890 with a percentage variation between 2.11% and 12.96%. Architect/engineer cost estimates were \$328,000 lower to \$324,000 higher than base bid amounts. Bids for five of the eight projects subject to the PLA policy were lower than the architect/engineer cost estimate.

REPORTED WAGE VIOLATIONS AND DISPUTES

There has been one reported wage violation/dispute relative to the five Project Labor Agreements. The dispute involves a request by the electrical union (IBEW) to arbitrate a disagreement between the union and a subcontractor in relation to payment of union wages and benefits and the hiring of electricians for the Ironhorse Greenway Project. The County is not a party to the arbitration as stipulated in the PLA.

- c: Mike Lango, Deputy General Services Director
- Rob Lim, P.E., Capital Projects Division Manager
- Laura Lockwood, Director of Capital Facilities and Debt Management



PROJECT LABOR AGREEMENT CONTRACT AWARDS

PROJECT	# OF BIDS	CONTRACTOR	UNION NON UNION	ARCHITECT ESTIMATE (Base Bid)	DATE AWARDED	AMOUNT OF BASE BID	AMOUNT OF CONTRACT
New Powers Childcare Center, 27 th Street at Maine, Richmond	8	W. A. Thomas Co., Inc. PLA waived	Union 6 other bidders union, 1 non-union	\$4,066,000	5/14/02	\$4,394,000	\$4,439,700 (incl. Add. Alt No. 2, 3 & 5)
West Contra Costa County Animal Shelter, Pinole	4	Robert L. Brown Construction, Inc. PLA waived	Union 2 other bidders union, 1 non-responsive	\$1,143,200	7/9/02	\$1,272,500	(No alternates)
Contra Costa County Animal Services Facility, 4800 Imhoff Place, Martinez	9	Dennis J. Amoroso Construction Co., Inc. PLA waived	Union 7 other bidders union, 1 non-responsive	\$7,284,200	7/9/02	\$7,118,000	\$7,605,000 (incl. Add. Alt. No. 1 & 2)
First and Second Floor Remodel and Parking Lot Expansion at 1650 Cavallo Road, Antioch	7	Tinney Construction Corporation	Union 4 other bidders union, 2 non-union	\$2,200,000	5/13/03	\$2,413,000	\$2,413,000 (No alternates)
Remodel and Office Landscape Modifications at 1305 Macdonald Ave., Richmond	11	Taber Construction	Union 7 other bidders union, 3 non-union	\$2,500,000	5/20/03	\$2,176,000	\$2,176,000 (No alternates)
New Discovery House Facility at 4639 and 4642 Pacheco Blvd., Martinez	5	Vila Construction Company	Union 2 other bidders union, 2 non-union	\$2,415,218	8/5/03	\$2,111,623	\$2,156,071 (plus Add. Alt. No. 1)

PROJECT	# OF BIDS	CONTRACTOR	UNION NON UNION	ARCHITECT ESTIMATE (Base Bid)	DATE AWARDED	AMOUNT OF BASE BID	AMOUNT OF CONTRACT
Ironhorse Greenspace/Respite Area Park, Pleasant Hill	9	ValleyCrest Landscape Development, Inc.	Union 7 other bidders union, 1 non-union	\$1,660,000	12/16/03	\$1,625,000	\$1,625,000
Tenant Improvements at Pittsburg Health Center, 2311 Loveridge Road	9	Cal-Custom Construction	Union 1 other bidder union, 6 non- union, 1 non- responsive	\$776,000	11/4/03	\$715,974	\$1,281,765 (plus Add. Alt. No 1 & 2 and Ded. Alt. No. 1)

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Costa
County

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Web site: www.co.contra-costa.ca.us/depart/pw

Maurice M. Shiu
Public Works Director

R. Mitch Avalon
Deputy Director

Julia R. Bueren
Deputy Director

Patricia R. McNamee
Deputy Director

Date: July 28, 2004
To: John Sweeten, County Administrator
From: Maurice Shiu, Director of Public Works *MShiu*
Subject: Project Labor Agreement Report (May 2002 – December 2003)

Background

This report summarizes our experience with implementing and administering the County's Project Labor Agreement (PLA) policy. The policy was initially adopted by the Board of Supervisors in January 2002 and later revised in August 2003. At the time of adoption, the Board directed that an annual report of the PLA program be prepared and presented to the Internal Operations Committee. This is provided to you for that purpose.

Summary of PLA Projects

During the report period, there was one project, Parker Avenue Utility Undergrounding, advertised by Public Works for bid subject to the PLA policy totaling \$1,964,533. The County received five bids for this project. The bids ranged from a low of \$1,964,533 to a high of \$2,421,386. The engineers estimate for the project was \$2,265,795 or 15% higher than the lowest bidder. The low bidder is a union contractor.

Summary of PLA Project Bid and Contract Awards

The one project advertised for bid subject to the provisions of the PLA policy was awarded to a union contractor. The award of the contract occurred 100 days after the bid opening. For projects without a PLA requirement (less than \$1,000,000) the average turn around time from bid opening to award is 37 days.

Reported Wage Violations and Disputes

There has been no reported wage violation/dispute relative to the one Project Labor Agreement.

MC:tb
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Cc: H. Ballenger, Deputy
L. Lockwood, CAO

Public Works Department Projects 1/2002 to 4/2004

Project #	Project Name	Bid Date	\$ Amount of Low Bidder	# of Bidders	Awarded Amount	Award Date	# of Days between Bid & Award
0662-6R4217-96	Bridge Seismic Rehabilitation	June 4, 2002	\$801,598.30	2	\$801,598.30	July 9, 2002	35 (D)
0662-6R4102-01	Countywide Sidewalk Gap Closure - Ph.2	April 23, 2002	\$361,642.50	4	\$447,658.00	May 21, 2002	28 (D)
0662-6R4276-02	Kister Cir. Reconstruction & Overlay	April 30, 2002	\$93,437.25	6	\$93,437.25	June 11, 2002	42
0662-6R4226-02	Park Avenue Improvements	April 23, 2002	\$152,633.50	7	\$152,633.50	June 4, 2002	42
0662-6R4235-02	Rodeo Reconstruction (4 sites)	May 21, 2002	\$346,215.80	9	\$352,851.75	July 9, 2002	49
0662-6R4346-01	San Pablo Dam Rd/May Rd Sidewalk Improvements	March 5, 2002	\$389,628.26	7	\$389,628.26	April 9, 2002	35
0662-6R4291-02	Thompson Lane Reconstruction	June 4, 2002	\$134,120.55	5	\$134,120.55	July 16, 2002	42
0672-6R6387-02	Wildcat Canyon Road	August 6, 2002	\$542,955.00	6	\$542,955.00	August 12, 2002	6 (E)
0672-6U2550-02	Shoulder Repair	March 12, 2002	\$708,742.00	9	\$765,902.50	April 23, 2002	42 (D)
4855-4666-SAS-6X5304	Buchanan Field Airport Taxiway Rehabilitation	June 11, 2002	\$800,204.00	11	\$800,204.00	July 16, 2002	35
7566-6D8493-01	Drainage Area-56 Lindsey Basin - Ph3	April 2, 2002	\$267,993.00	11	\$267,993.00	May 7, 2002	35
0662-6R4236-02	Livorna Road AC Overlay	May 14, 2002	\$471,810.00	7	\$471,810.00	May 31, 2002	17 (E)
0672-6R6351-98	Christie Road Erosion Repair	May 7, 2002	\$263,147.00	3	\$263,147.00	June 18, 2002	42
0662-6R4228-02	2002 Cul-de-Sac Improvements	May 7, 2002	\$523,641.04	4	\$523,641.04	June 18, 2002	42
0672-6U2852-02	2002 Slurry Seal	September 10, 2002	\$28,125.00	3	\$28,125.00	September 12, 2002	2 (I)
0662-6U4089-02	2002 West County Curb Ramp	June 18, 2002	\$117,820.00	5	\$117,820.00	July 23, 2002	35 (R)
0662-6R4296-01	Bay Street Reconstruction						

0672-6U2526-02	Carquinez Scenic Drive Slide Repairs	August 6, 2002	\$215,499.60	10	\$215,499.60	August 13, 2002	7 (E)
0662-6R4248-01	Castro Ranch Bike Lanes	March 19, 2002	\$195,091.25	8	\$195,091.25	April 23, 2002	35
0662-6R4297-02	Pacheco Blvd. Widening & Frontage Improvements	April 16, 2002	\$100,501.55	8	\$100,501.55	May 14, 2002	28
0662-6R4251	Port Chicago Highway Overlay & Widening	April 23, 2002	\$588,742.40	9	\$588,742.40	June 4, 2002	42
0662-6R4262-02	Christie Road Erosion Repair Mitigation	October 8, 2002	\$22,647.00	3	\$22,647.00	October 10, 2002	2 (I)
0672-6U2872-03	2003 Slurry Seal	May 20, 2003	\$394,948.57	4	\$394,948.57	June 24, 2003	35
0662-6U4021-03	Kirker Pass Road AC Open Grade Overlay	March 25, 2003	\$231,321.40	7	\$231,321.40	May 6, 2003	42
0662-6R4080-03	Bailey Rd. Bridge Mitigation Planting	October 21, 2003	\$12,060.00	4	\$12,060.00	October 28, 2003	7 (D)(D)
0662-6R4097-03	Vasco Rd./Camino Diablo Intersection Improvements	September 4, 2003	\$716,211.00	5	\$716,211.00	September 11, 2003	7 (O)
0662-6R4150-03	Bayo Vista Area Curb Ramp	April 1, 2003	\$65,253.00	9	\$65,253.00	May 6, 2003	35
4660-6X4152	Asbury Graphite Leachfield Ph. I	August 26, 2003	\$158,510.00	2	\$163,891.66	September 2, 2003	7 (E)
4660-6X4156-03	Pleasant Hill Rd, Marsh Dr. & Center Ave. Overlays	April 22, 2003	\$306,310.00	7	\$306,310.00	June 3, 2003	42
0662-6U4023-03	Cummings Skyway @ Crockett Blvd. Traffic Signal	September 2, 2003	\$121,539.00	5	\$121,539.00	September 16, 2003	14
0662-6R4232-03	John Glenn Drive Overlay	March 18, 2003	\$99,239.00	13	\$99,239.00	May 6, 2003	49
0662-6R4240-01	Byron Highway Modification	June 10, 2003	\$638,518.00	3	\$638,518.00	July 15, 2003	35 (D)
0662-6R4249-95	Bailey Road Bridge Replacement	March 4, 2003	\$472,574.00	11	\$472,574.00	April 8, 2003	35
0662-6R4259-03	Amend Road Overlay	March 4, 2003	\$102,391.35	16	\$102,391.35	April 1, 2003	28
0662-6R4260-02	Wharf Drive/Pacifica Ave. Pedestrian Path	April 29, 2003	\$94,525.00	6	\$94,525.00	June 3, 2003	35
0662-6R4264-03	El Sobrante Area Overlay	May 20, 2003	\$293,656.50	4	\$293,656.50	June 24, 2003	35

0662-6R4268-03	Pomona Street Bike Lanes and Sidewalk Ph.1	June 17, 2003	\$231,483.20	4	\$231,483.20	July 22, 2003	35
0662-6R4270-03	2003 Microsurfacing	May 13, 2003	\$278,236.50	4	\$278,236.50	June 17, 2003	35
0662-6R4119-03	Clark Street Reconstruction	May 27, 2003	\$135,865.00	7	\$171,216.50	June 24, 2003	35
0662-6R4320-03	3 rd Street Enhancement	May 13, 2003	\$492,036.55	4	\$492,036.55	June 17, 2003	35 (D)
4855-4685-6X5307	Buchanan Field Airport Electrical Upgrades	July 8, 2003	\$465,734.49	10	\$791,285.00	August 12, 2003	35 (D)
4841-6X5326-03	Buchanan Field Airport Pavement Repairs	March 4, 2003	\$25,331.76	16	\$25,331.76	March 31, 2003	27 (I)
7788-6X5426-03	Bay Point Parks Renovation	September 2, 2003	\$204,421.00	2	\$204,421.00	October 14, 2003	42 (R)
7758-6X5551-03	Stone Valley Road Replanting	June 10, 2003	\$180,300.00	4	\$180,300.00	July 15, 2003	35
7552-6D8160-02	Drainage Area 13, Line C-1 (Danville Blvd.)	March 18, 2003	\$298,500.00	13	\$298,500.00	May 6, 2003	49 (R)
7565-6F8476-03	Strenzel Lane Erosion Repair	July 1, 2003	\$315,555.25	5	\$315,555.25	August 5, 2003	35
7251-6F9200-03	Marsh Creek Levee & Bank Repair	August 5, 2003	\$246,800.00	2	\$246,800.00	August 12, 2003	7
7520-6B9324-03	San Ramon Creek @ Casa Vallecita Storm Drain	July 22, 2003	\$444,570.00	2	\$444,570.00	July 23, 2003	1 (E)
0662-6R1056-03	Parker Avenue Utility Undergrouding	October 14, 2003	\$1,964,533.00	5	\$1,964,533.00	February 3, 2004	112
0662-6R4126-03	Oak Rd Right Turn Lane & Signal Modifications	March 16, 2004	\$122,826.20	7	\$122,826.20	April 20, 2004	35

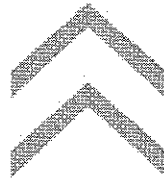
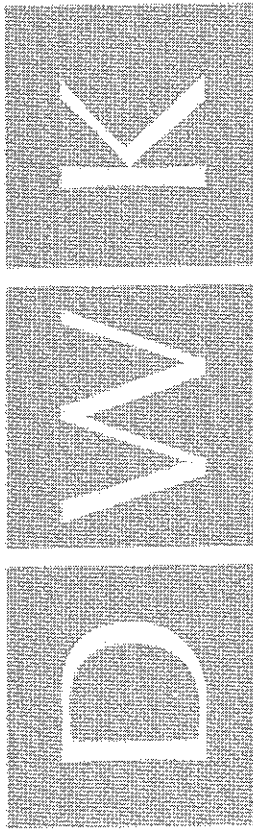
D = DBE (Federally Funded)

E = Emergency Project

I = Informal Project

O = Other Agency (i.e. SR-4 Bypass)

R = Bids Rejected, Readvertised



CALIFORNIA'S THOUGHT LEADERS
IN EDUCATION LAW

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Project Stabilization Agreement

New Academic Center

College of Marin Board of Trustees

April 16, 2013

Presenters:
Mark Kelley
Dannis Woliver Kelley

Bruce Hart
Jacobs Inc.

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What Is a Project Stabilization Agreement?

- An agreement between the District and all construction contractors/subcontractors on specified projects, to incorporate union requirements for employers and employees on the projects.
- Also called Project Labor Agreement.
- Note: all California public works projects are covered under state prevailing wage laws.



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COM's PSA History

- Adopted a Project Stabilization Agreement in 2008, applicable to two projects:
 - Kentfield: Science/Math/Central Plant
 - Indian Valley College: Main Building
- At the time, those were the largest projects on each campus.
- Board previously had considered fact-finding study by Swinerton Mgt. and Consulting, and authorized negotiations with Trades Council.



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Key Terms of COM's PSA

- Applies to listed projects only.
- Allows non-union contractors and workers to participate; must pay benefits and dues.
- No-strike clause, and skilled labor force provision.
- Includes dispute resolution process and mediator/arbitrator.
 - Also periodic meetings and pre-job conferences.
- Advocacy for utilizing COM students on projects via apprenticeship programs.
- "Core employees" provisions.
- Local hire focus, "Helmets to Hardhats" initiative.

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PSA Results At District

- PSA projects:
 - Science/Math/Central Plant at Kentfield.
 - Main Building at IVC.
- Non-PSA projects:
 - Mixed results re cost overruns and schedule.
 - Fine Arts and Performing Arts: cost overruns and delayed completion; District is evaluating design and other issues on both projects.
- General: no clear connection between PSA and costs – main cost driver appears to have been the construction economy. PSA dispute resolution process was an advantage on S/M/CP.

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Current Thinking About PSA's

- Key dispute is whether they increase cost/reduce competition.
- Some of the studies of cost impacts:
 - National University System Institute for Policy Research (NUSIPR), July 2011: 13% to 15% cost increase in California school projects attributed to PLAs.
 - UCLA Labor Center: critical of NUSIPR methodology and conclusions.
 - Building and Trades Council (Santa Clara/San Benito) report October 2012: no cost impact.
- Recent anecdotal information in the Bay Area is that PSA's/PLA's have not materially affected cost.

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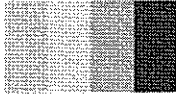
General Comments

- Evidence of cost impact/no cost impact of PSA's is either under question or anecdotal.
- Effect of PSA on COM projects is not known, but the two PSA projects had fewer problems than some non-PSA projects.
- Another factor to be considered is effect of construction market showing first signs of inflation in several years:
 - Assume there will not be a material reduction in the bidding pool when the Academic Center project bids.
 - Assurance of quality workers under PSA could come into play as the construction market (and skilled labor supply) tightens over the years.

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Action Item A.9.E.11

- To add New Academic Center project to the existing Project Stabilization Agreement.

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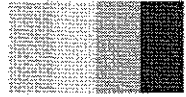
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Questions

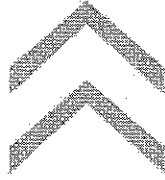
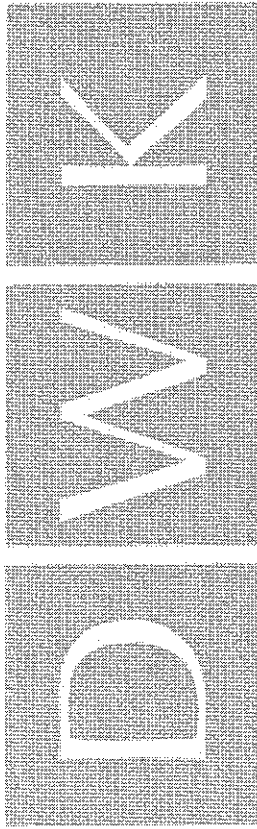


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CONSTRUCTION APPRENTICESHIP PROGRAMS

CAREER TRAINING FOR CALIFORNIA'S RECOVERY

SEPTEMBER 2009

Center on Policy Initiatives
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The Center on Policy Initiatives is a nonprofit research and advocacy organization formed in 1997 to address issues affecting working people. Through research, advocacy, public education and coalition-building, CPI promotes policy solutions that guarantee access to quality healthcare, ensure development meets community needs, and combat economic inequality.



CONSTRUCTION APPRENTICESHIP PROGRAMS

CAREER TRAINING FOR CALIFORNIA'S RECOVERY



KEY FINDINGS

- Construction work has two faces. It can provide stable, middle-class careers or temporary, hazardous, dead-end jobs.
- Apprenticeship programs strengthen communities by providing career paths and consistent health insurance for people from disadvantaged backgrounds. They also benefit the building industry by reducing workplace injuries, reducing turnover and providing a motivated and well-trained workforce.
- Most apprenticeship programs in California (82%) are joint labor-management programs established through collective bargaining. Those programs produce almost all (92%) of the state's apprenticeship graduates.
- The joint labor-management programs are more successful than unilateral management programs at removing barriers to graduation and therefore have much higher completion rates.
- Local policies are needed that encourage and support successful apprenticeship programs. These include local hiring requirements, resources for support services, and using the public contracting process to set and enforce standards.
- With a proven record of success in producing a skilled workforce, apprenticeship programs provide the best means to train workers in the skills needed for the new green economy.

EXECUTIVE SUMMARY

The current economic downturn has caused vast unemployment in California's construction industry. In the year ending in June 2009, the state lost almost a fifth (18.6%) of its construction jobs, the greatest percentage among all major industries.¹ Getting workers back on the job is crucial to getting the California economy back on its feet.

Yet, increased employment is not enough for an equitable recovery. The construction industry's historically good jobs have been depleted by the squeeze on the middle-class over the past 30 years. And the industry is shifting to a green economy, with a focus on new skills, in response to climate change and high energy costs. As the economy revives, new construction jobs must include middle-class career paths and training in skills for the green economy.

As this report demonstrates, building trades apprenticeship programs provide the best model to keep the construction industry on the high road and provide high-quality jobs, to the benefit of the industry, the workers and the greater community.

¹ California Employment Development Department, Labor Market Division. 2009. California Employment Highlights for July 2009. Current Employment Statistics (CES) Program.

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ECONOMIC TRENDS

An historical look at the middle-class shows that as worker productivity increases, wages also increase. Between 1947 and 1979, worker productivity and income doubled together. Since the 1980s, however, incomes have grown only a quarter as much as worker productivity. Since 2000, middle-class families have experienced a nearly 4% decline in real income while productivity has increased 18.5%.²

The disconnect between wages and productivity means that the benefits of increased productivity have not been shared equally. In fact, half of overall economic growth from 1993 to 2007 went to the top 1% of incomes. In the boom times of 2000-2007, the top 1% of incomes captured two-thirds of the economic growth.³

Besides family-supporting wages, a good, middle-class job encompasses employer-provided health insurance, pensions, paid vacation and holidays, sick leave and family leave, a safe and healthy workplace, some degree of employment security and opportunities for advancement.⁴ The history of "good jobs" over the last three business cycles (1980s, 1990s, and first half of 2000s) shows a sharp deterioration in the provision of benefits.⁵ For the years 1979-2006, the share of jobs with employer-provided health insurance declined 5.3% and those with employer-provided pensions declined 6.4%.⁶

Rebuilding the middle class will require reconnecting worker productivity with compensation through the creation and support of good jobs.

Shifting to the Green Economy

The new, green economy is changing the face of construction, with new types of jobs using new technologies and innovations on current practices. Solar panel installation or energy efficiency auditing are examples of new green jobs that build on skills that trained and qualified construction workers have had for years.

Definition:

Green jobs

Jobs with family-supporting wages and benefits, in fields that contribute significantly to preserving or enhancing environmental quality.⁷

² Middle Class Task Force (MCTF). The Vice President of the United States. 2009. *The American Recovery and Reinvestment Act: Helping Middle Class Families*.

³ Saez, Emmanuel. 2009. Striking it Richer: The Evolution of Top Incomes in the United States. Updated version of an article which appeared in *Pathways Magazine*. Stanford Center for the Study of Poverty and Inequality, Winter 2008, 6-7.

⁴ Definition taken from Schmitt, John. 2007. *The Good, the Bad, and the Ugly: Job Quality in the United States over the Three Most Recent Business Cycles*. Center on Economic and Policy Research (CEPR) and Sarah White and Jason Walsh. 2008. *Greener Pathways: Jobs and Workforce Development in the Clean Energy Economy*. Center on Wisconsin Strategy (COWS), The Workforce Alliance and The Apollo Alliance.

⁵ Schmitt, John. 2007. *The Good, the Bad, and the Ugly: Job Quality in the United States over the Three Most Recent Business Cycles*. Center on Economic and Policy Research (CEPR).

⁶ Schmitt, op cit.

⁷ White, Sarah and Jason Walsh. 2008. *Greener Pathways: Jobs and Workforce Development in the Clean Energy Economy*. Center on Wisconsin Strategy (COWS), The Workforce Alliance and The Apollo Alliance.

THE CONSTRUCTION INDUSTRY HAS THE HIGHEST CONCENTRATION OF CONTINGENT WORKERS...AND THE LOWEST RATE OF EMPLOYER-PROVIDED HEALTH COVERAGE AMONG CALIFORNIA'S NON-FARM INDUSTRIES.

THE TRUTH ABOUT CONSTRUCTION

The construction industry in California has two faces: the first is a high-road industry with family-sustaining wages, healthcare and pension benefits, safe working conditions, career stability and opportunity for advancement. The other is a low-road industry with low pay, no benefits, dangerous conditions and frequent periods of unemployment.

According to a study by the Construction Industry Institute, both contractors and workers report the same issues with recruitment and retention: unsafe job sites, insufficient wages and benefits, impermanency of employment, poor working conditions and poor treatment of employees.⁸

Construction is Hazardous

In 2007, the construction industry nationally accounted for 20% of workplace deaths and 10% of all workplace injuries and illnesses.⁹ California, Texas and Florida account for more than 25% of all non-fatal construction injuries and illnesses resulting in lost work days nationally.¹⁰

The total cost of death and injury in the U.S. construction industry is estimated at nearly \$13 billion (in 2002 dollars).¹¹ On average, when a construction worker dies, the overall loss is estimated to be \$4 million and a non-fatal injury that results in lost workdays costs approximately \$42,000.¹²

Construction Jobs are Low-Wage, Temporary and Lack Benefits

In 2005, more than 120,000 construction workers in California were in occupations that paid less than \$30,000 per year based on the weekly wage.¹³ In addition, many construction workers are not employed year-round, resulting in a much lower actual annual income.

Typically on construction projects, a worker's skill set may be needed only during certain phases, resulting in lay-offs, unemployment and loss of benefits. The construction industry has the highest concentration of contingent workers – defined as workers who do not have an implicit or explicit contract for on-going employment – of any non-farm industry in California.¹⁴ Contingent workers are twice as likely as permanent workers to report household or family income less than \$27,000 a year and are much less likely to have employment-based healthcare or pensions.¹⁵ The lower a worker's educational attainment, the higher the incidence of contingent work.

In 2005, at the height of the building boom, the construction industry had the lowest rate of employer-provided health coverage among California's non-farm industries – only 35%.¹⁶ The construction industry accounted for 15% of the state's chronically uninsured, with only 7.3% of the workforce.¹⁷ More than a quarter (27%) of construction workers were uninsured for the entire year while more than 40% were uninsured at least part of the year.¹⁸

⁸ Construction Industry Institute. 2000. *Attracting and Maintaining a Skilled Workforce*. Research Summary 135-1.

⁹ Occupational Injuries and Illnesses: Industry Data and Census of Fatal Occupational Injuries, 2007. Source: Bureau of Labor Statistics.

¹⁰ Samuel W. Meyer and Stephen M. Pegula. 2004. *Injuries, Illnesses, and Fatalities in Construction, 2004*. <http://www.bls.gov/opub/cwc/print/sh20060619ar01p1.htm>

¹¹ CWPR- The Center for Construction Research and Training. 2007. *The Construction Chart Book*, 4th ed. Sect. 48. <http://www.cprw.com/pdfs/CB%204th%20Edition/Fourth%20Edition%20Construction%20Chart%20Book%20final.pdf>

¹² CWPR, op cit.

¹³ Weekly wages and monthly employment for Construction Industry in 2005. Source: California Employment Development Department, Labor Market Information Division. Quarterly Census of Employment and Wages (QCEW).

¹⁴ California Employment Education Department. 2006. *Contingent Workers Bolster California Work Force*. <http://www.labormarketinfo.edd.ca.gov/article.asp?ARTICLEID=626>

¹⁵ Contingent and Alternative Employment Arrangements, February 2005. Source: U.S. Bureau of Labor Statistics. <http://www.bls.gov/news.release/history/conemp.txt>

¹⁶ BLS, op cit.

¹⁷ Center on Policy Initiatives (CPI). 2009. *Construction: Working Without a Healthcare Net*. http://www.onlinecpi.org/downloads/ConstructionReport_webversion.pdf

¹⁸ CPI, op cit.

REGISTERED APPRENTICESHIP: THE BASICS

Apprenticeship is a combination of on-the-job training and related instruction in which workers learn the practical and theoretical aspects of a highly skilled occupation.¹⁹ The apprentice works side-by-side with a journeyworker to attain demonstrable competency in the craft.²⁰ Apprenticeships are time-intensive and require high standards of performance.

Oversight of registered programs is provided directly by the U.S. Department of Labor for 25 states and through state-approved agencies in the other 25 states.²¹

How Apprenticeship Differs From Other Training

The strict legislative regulation over apprenticeship programs creates a unique immersion training system and sets it apart from others, such as paid internships. The apprentice and the program sponsor sign an apprenticeship agreement, which contains

the terms and conditions of the employment and training of the apprentice.²² Included in the agreement is the graduated wage scale to be paid to the apprentice throughout the program, the required hours and skills learned in on-the-job training and related technical instruction and performance standards.²³

A registered apprenticeship program must meet government-mandated standards of quality and quantity of instruction.²⁴ Further, the sponsor must provide adequate and safe equipment and facilities, and safety training for apprentices on the job and in related instruction. Most apprenticeship programs require 3-5 years of training with between 2,000 and 8,000 hours of on-the-job training and 144 hours of related technical instruction.²⁵ Advancement depends on the apprentice's work record and progress in related instruction.²⁶

An apprenticeship graduate has completed a specified minimum number of on-the-job training hours and related technical instruction hours, and has demonstrated competency in the skills and knowledge necessary for work at the highest standards.²⁷ Each program evaluates apprentices regularly, usually every 6 or 12 months, with both on-the-job performance assessments and written exams. Wage increases and continuation in the program depend on successful demonstration of competency.²⁸

Apprentices emerge from the programs proficient in safety and environmental laws and regulations, first aid and CPR, mathematics, drafting, blueprint reading and other sciences connected with the trade.²⁹ Often included is training in diversity, sexual harassment, personal development, environmental remediation and jobsite management.³⁰

Definitions

Competency:

The attainment of manual, mechanical or technical skills and knowledge, as specified by an occupational standard and demonstrated by an appropriate written and hands-on proficiency measurement.

Journeyworker:

A worker who has attained a level of skill, abilities and competencies recognized within an industry as having mastered the skills and competencies required for the occupation.

On-the-Job Training (OJT):

An outline of the work processes in which the apprentice will receive supervised work experience and training on the job, and the allocation of the approximate time to be spent in each major process.

Related Technical Instruction (RTI):

An organized and systematic form of instruction designed to provide the apprentice with knowledge of the theoretical and technical subjects related to his/her trade.

Source: Code of Federal Regulations, 29 CFR 29 "Labor Standards for the Registration of Apprenticeship Programs."

¹⁹ U.S. Department of Labor. *Apprenticeship*. <http://www.dol.gov/dol/topic/training/apprenticeship.htm>

²⁰ California Apprenticeship Coordinators Association. *Apprenticeship: Pathways to Success*. <http://www.calapprenticeship.org/>

²¹ Lerman, Robert, Lauren Eyster and Kate Chambers. 2009. *The Benefits and Challenges of Registered Apprenticeship: The Sponsors' Perspective*. The Urban Institute on Labor, Human Services and Population. http://www.urban.org/UploadedPDF/411907_registered_apprenticeship.pdf

²² 29 CFR 29 "Labor Standards for the Registration of Apprenticeship Programs." Code of Federal Regulations.

²³ 29 CFR 29, op cit.

²⁴ 29 CFR 29, op cit.

²⁵ U.S. Department of Labor. *Apprenticeship FAQs*. <http://www.doleta.gov/OA/faqs.cfm>

²⁶ California Apprenticeship Coordinators Association. *Apprenticeship: Pathways to Success*. <http://www.calapprenticeship.org/>

²⁷ U.S. Department of Labor, Employment and Training Administration. *At-a-glance: Three Approaches to Apprenticeship Completion*. http://www.doleta.gov/OA/pdf/Three_Approaches_Apprenticeship_Program_Completion.pdf

²⁸ U.S. Department of Labor, Employment and Training Administration. *At-a-glance: Three Approaches to Apprenticeship Completion*. http://www.doleta.gov/OA/pdf/Three_Approaches_Apprenticeship_Program_Completion.pdf

²⁹ California Department of Industrial Relations, Division of Apprenticeship Standards. *Minimum Industry Training Criteria*. <http://www.dir.ca.gov/DAS/mitc.htm>

³⁰ California Department of Industrial Relations, Division of Apprenticeship Standards, op cit.

TABLE 1:
Apprenticeship Program Requirements for Selected Crafts
Top 10 crafts sorted by total number of apprentices graduated from programs

Craft	Years	On-the-job hours	Classroom hours/year
Carpentry	4	4,800	144
Electrician, Residential	3	4,800	160
Commercial/Industrial	5	8,000	160
Plumbing	4	7,200	200
Operating Engineer	4	6,000	144
Sheetmetal	4	6,500	160
Laborer	2	3,000	216
Painting & Decoration	3.5	7,000	114
Roofers	3.5	4,000	144
Plumbing	4	7,200	200
Air conditioning & refrigeration	5	7,500	216
Carpet, Linoleum & Soft Tile	4	6,400	160

Source: California Department of Industrial Relations, Division of Apprenticeship Standards. Minimum Industry Training Criteria. <http://www.dir.ca.gov/DAS/mitc.htm>

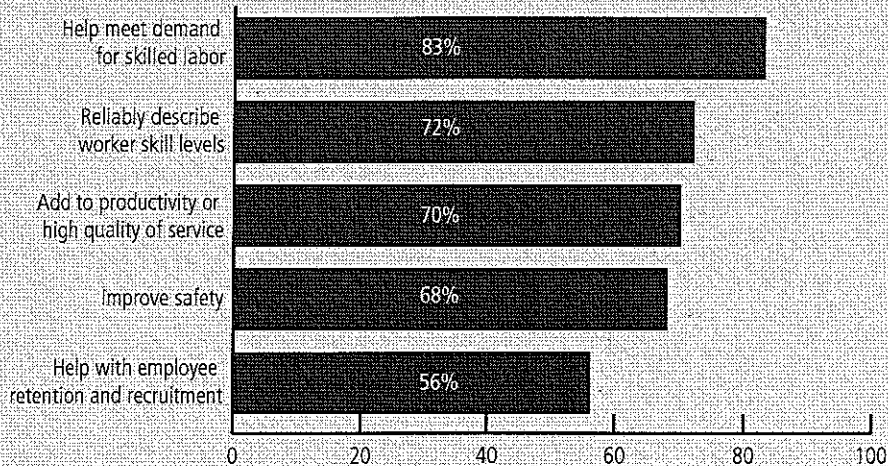
THE VALUE OF APPRENTICESHIPS

Apprenticeship programs benefit the entire community by providing good wages, health insurance and career stability for disadvantaged community residents. The stringent training also helps ensure high quality public works projects and cost containment by decreasing turnover, workplace accidents and lost productivity.

The Value for Industry

Apprenticeship programs provide skilled workers trained to employer specifications, and lead to reduced turnover, improved

FIGURE 1. PROGRAM SPONSORS REPORT THAT APPRENTICESHIPS:



Source: Lerman, Robert, Lauren Eyster and Kate Chambers. 2009. *The Benefits and Challenges of Registered Apprenticeship: The Sponsors' Perspective*. The Urban Institute on Labor, Human Services and Population.

on-the-job safety and higher quality results, according to a study commissioned by the U.S. Department of Labor.³¹

The value of apprenticeship training is extolled by the Construction Users Roundtable (CURT), comprised of some of the largest companies in the U.S., including Boeing, Procter & Gamble, General Electric, and the U.S. Army Corps of Engineers. CURT recommends that end users or owners require the contractors working for them to commit to training programs as a prequalification for doing business.³²

³¹ Lerman, Robert, Lauren Eyster and Kate Chambers. 2009. *The Benefits and Challenges of Registered Apprenticeship: The Sponsors' Perspective*. The Urban Institute on Labor, Human Services and Population. http://www.urban.org/UploadedPDF/411907_registered_apprenticeship.pdf

³² Construction Users Roundtable. 2004. *Confronting the Skilled Workforce Challenge*. White Paper 401.

APPRENTICESHIPS LEAD TO CAREERS WITH HIGHER AVERAGE WAGES AND PROMOTE JOB STABILITY THROUGH SKILL CERTIFICATION AND PORTABILITY

The Value for Workers

Most apprenticeship programs provide good jobs from the beginning, with fair wages, family healthcare benefits, a pension plan, paid sick days, a safe work environment and employment stability. Program completion secures these advantages for an entire career.

Wages and Career Stability

Apprenticeships lead to careers with higher average wages and promote job stability through skill certification and portability. Apprentice wages start out as a percentage of the journeyworker hourly rate, significantly higher than minimum wage, and increase regularly as competency is demonstrated.³³

As Table 2 demonstrates, apprentices in San Diego County begin at a basic hourly rate equal to more than \$28,000 per year. Program graduates make a basic hourly wage equating to nearly \$60,000 annually.

Moreover, a certificate of completion signifies attainment of nationally and globally recognized skills.³⁴ With the portability of credentials a worker can move between projects and employers with a documented set of skills on their resume, thereby facilitating the hiring process and ensuring the correct pay rate commensurate with skill level.

Many apprenticeship programs have formal agreements with 2- and 4-year colleges and universities which offer credits for the education received.³⁵ A worker can use accumulated credits to pursue a college degree later in life, facilitating transition to another career, if desired.

TABLE 2:
Apprenticeship Basic Hourly Wage Increase Schedule, San Diego County, California, Q1 2009*
Wage increases dependent upon successful completion of training segments

Years in Program	Part of year (1/2)	Carpenter, Commercial	Electrician, Inside Wireman	Plumber, Pipefitter, Steamfitter
		Wage level per 600 on-the-job training hours	Wage level per 800 on-the-job training hours	Wage level per 1,600 on-the-job training hours
1	1st	\$14.54	\$14.54	
	2nd	\$16.15	\$15.99	\$16.65
2	1st	\$19.38	\$17.45	
	2nd	\$21.00	\$18.90	\$19.97
3	1st	\$22.61	\$20.36	
	2nd	\$24.23	\$21.81	\$23.30
4	1st	\$25.84	\$23.99	
	2nd	\$29.07	\$25.45	\$26.63
5	1st	—	\$28.35	
	2nd	—	\$29.81	\$29.96

*Source: California Department of Industrial Relations, Division of Apprenticeship Standards, Public Works Apprentice Wage Sheets. <http://www.dir.ca.gov/DAS/PWAppWage/PWAppWageList.asp>

³³ California Department of Industrial Relations data for end of 2008. *Apprentice wage determinations* <http://www.dir.ca.gov/DAS/PWAppWage/wage/08237400pdf?VarWageId=08237400> and *Prevailing Wage determinations* <http://www.dir.ca.gov/dlsr/PWD/Determinations%5CSanDiego%5CSD-023-102-4.pdf>

³⁴ U.S. Department of Labor. *Registered Apprenticeship: A Solution to the Skills Shortage*. http://www.doleta.gov/atels_bat/pdf/fsfront.pdf

³⁵ California Department of Industrial Relations, Department of Apprenticeship Standards. *Educators home page*. <http://www.dir.ca.gov/das/educators.htm>

PAYING PREVAILING WAGE STRENGTHENS FAMILIES

California and many other states require that contractors pay Prevailing Wage on public projects, but cities can selectively opt out. For example, the City of San Diego requires prevailing wage only on projects worth more than \$10 million, and the City of Vista recently voted to abandon prevailing wage completely.³⁸ Prevailing wage requirements invest in communities by providing good wages and benefits, and protect taxpayers from the hidden costs of supporting the uninsured and the working poor.³⁹

In California, the Department of Industrial Relations reviews the wages and compensation paid to workers in the local area and sets the local prevailing wage at the level most commonly paid to workers in each classification.⁴⁰ Prevailing wage is also required for apprentices.⁴¹

As Table 3 illustrates, prevailing wage creates middle-class jobs by determining the amount of employer contributions to worker benefit funds, including health insurance, pension, holidays and vacation, and training.

Prevailing wage requirements

- Do **not** increase cost, because workers who earn more are more productive. Also, workers are safer, lowering worker's compensation costs.⁴²
- Increase rates of health coverage and self-sufficient retirement through pensions.⁴³
- Improve worker safety by encouraging better training and use and retention of experienced workers.⁴⁴
- Encourage minority participation in apprenticeship programs, creating pathways out of poverty for local workers.⁴⁵ States with prevailing wage laws have nearly 20% more minorities in construction apprenticeships than states that do not require prevailing wage.⁴⁶

Definition:

Prevailing Wage

Contractors bidding on construction built with public subsidy must compensate all workers on the project equally, based on their occupational classification.³⁶ Federal prevailing wage was created in 1931 by the Davis-Bacon Act, "specifically to protect communities and workers from the economic disruption caused by competition arising from non-local contractors coming into an area and obtaining federal construction contracts by underbidding local wage levels."³⁷

Healthcare and Pension Benefits

Many apprenticeship programs give workers access to health coverage and pension benefits, and when the program sponsor is part of a multiemployer trust, workers have benefits portability between jobs.⁴⁷ Without that structure, the frequent job changes in construction can result in loss of health insurance and pensions, which generally are accessed through employers in the United States.

Multiemployer plans are created through collective bargaining. With this structure, 83% of unionized construction workers had job-based health coverage compared to only 48% in the nonunion sector of the industry in 2005.⁴⁸ Unionized workers are also 23% to 54% more likely to be in employer-provided pension plans.⁴⁹

³⁶ California State Labor Code, Div. 2, Part 7, Chp. 1, Sec. 1771.

³⁷ U.S. Department of Labor. 2002. *Prevailing Wage Resource Book*, 11/2002. <http://www.wdol.gov/docs/WRB2002.pdf>

³⁸ Tenbroeck, Craig. Vista: Unions seek to overturn prevailing wage ruling. North County Times. June 30, 2009. and City of San Diego Council Resolution R-298185. A Resolution rescinding Resolution No. R-251555; and authorizing the advertisement of certain public works municipal affair projects as subject to state prevailing wage requirements. Adopted July 14, 2003.

³⁹ Fiscal Policy Institute. 2006. *The Economic Development Benefits of Prevailing Wage*. <http://www.fiscalpolicy.org/FPI%20Prevailing%20Wage%20Brief%20May%2006.pdf>

⁴⁰ California State Labor Code, Div. 2, Part 7, Chp. 1, Sec. 1773.

⁴¹ California State Labor Code, op cit., Sect. 1777.5(b).

⁴² Mahalia, Nooshin. 2008. *Prevailing Wages and Government Contracting Costs: A Review of the Research*. Economic Policy Institute (EPI), Briefing Paper 215. <http://www.epi.org/publications/entry/bp215/>

⁴³ Petersen, Jeffery S. 2000. Health Care and Pension Benefits for Construction Workers: The Role of Prevailing Wage Laws. *Industrial Relations*. Vol. 39, No. 2.

⁴⁴ National Alliance for Fair Contracting (NAFC). 2003. *In Defense of Prevailing Wage Laws: Studies and Reports by The Experts*. http://www.lecet.org/Clearinghouse_Public/LECET/NAFC/in_defense_of_prevailing_wage_laws.pdf

⁴⁵ NAFC, op cit.

⁴⁶ Phillips, Peter Ph.D. 1999. *Kentucky's Prevailing Wage Law: It's History, Purpose and Effect*. University of Utah.

⁴⁷ Phillips, op cit.

⁴⁸ CWPR- The Center for Construction Research and Training. 2007. *The Construction Chart Book*. 4th ed. Sect. 26. <http://www.cpwpr.com/odfs/CB%204th%20Edition/Fourth%20Edition%20Construction%20Chart%20Book%20final.pdf>

⁴⁹ Mishel, Lawrence and Matthew Walters. 2003. *How unions help all workers*. Economic Policy Institute (EPI). Briefing paper #143. http://www.epi.org/publications/entry/briefingpapers_bp143/

Table 3
Prevailing Wage: Hourly Wage & Employer Contributions for Selected San Diego County Apprentices
Year Two of Program

	Basic Hourly Wage	Employer Contributions					Total Hourly Wages
		Health & Welfare	Pension	Vacation/Holiday	Training	Other	
Carpenter	\$21.00	\$3.95	\$2.91	\$3.30	\$0.42	- 0 -	\$31.58
Electrician, Inside Wireman	\$18.90	\$5.12	\$2.83	- 0 -	\$0.56	\$0.16	\$27.57
Plumber/Pipefitter/Steamfitter	\$19.97	\$6.02	\$0.31	\$1.79	\$0.32	\$0.39	\$28.80
Operating Engineer	\$28.55	\$7.95	\$5.05	\$2.82	\$0.56	\$0.17	\$45.19
Sheet Metal	\$19.33	\$3.42	\$2.63	- 0 -	\$0.68	\$0.46	\$26.52
Laborer	\$19.01	\$4.26	\$0.39	\$2.62	\$0.64	\$0.30	\$27.22
Painter	\$14.21	\$4.60	\$0.15	\$0.30	\$0.34	\$0.67	\$20.27
Roofer	\$16.02	\$4.76	\$1.62	- 0 -	\$0.10	\$0.20	\$22.70
Heating, Ventilation & Air Conditioning**	\$19.62	\$6.38	\$1.13	- 0 -	\$0.70	\$0.25	\$28.08
Carpet	\$20.01	\$6.00	\$0.94	\$0.23	\$0.45	\$0.15	\$27.78

*Source: California Department of Industrial Relations, Division of Apprenticeship Standards, Public Works Apprentice Wage Sheets, Q1-2009

<http://www.dir.ca.gov/DAS/PWAppWage/PWAppWageList.asp>

**Los Angeles and Orange counties

A SURVEY OF 8,000 CONSTRUCTION LABORERS IN WASHINGTON FOUND THAT HEALTH AND SAFETY TRAINING DECREASED THE LIKELIHOOD OF WORKERS' COMPENSATION CLAIMS BY 12%.

Worker Safety

Safety training is highly effective in preventing workplace accidents and injuries, which saves money. A survey of 8,000 construction laborers in Washington found that health and safety training decreased the likelihood of workers' compensation claims by 12%. Among workers ages 16-24, there were 42% fewer claims.⁵²

Apprenticeships in the building trades provide certified and coordinated instruction in building and earthquake codes, environmental laws and safety, including hazardous materials handling and remediation.⁵³ Minimum apprenticeship training for all crafts must include safety instruction provided on-the-job and in the classroom.⁵⁴ In California, most crafts require first aid, CPR, tools and materials safety.⁵⁵

Definition:

Multiemployer trust

A benefits plan that covers the workers of two or more unrelated companies in accordance with a collective bargaining agreement.⁵⁰ In industries where seasonal or irregular employment and high labor mobility are common, like construction, few workers would qualify under a single company's plan due to eligibility requirements.⁵¹

⁵⁰ Employment Benefit Research Institute (EBRI). 2009. *Fundamentals of Employee Benefit Programs*. 6th ed. <http://www.ebri.org/publications/books/index.cfm?fa=fundamentals>

⁵¹ EBRI, op cit.

⁵² Xiuwen Dong, Pamela Entzel, Yuring Men, Risanna Chowdury, and Scott Schneider. 2004. Effects of Safety and Health Training on Work-related Injury Among Construction Laborers. *Journal of Occupational & Environmental Medicine*. 46(12), pp. 1222-1228.

⁵³ California Department of Industrial Relations, Department of Apprenticeship Standards. *Minimum Industry Training Criteria*. <http://www.dir.ca.gov/das/mitc.htm>

⁵⁴ 29 CFR 29 "Labor Standards for the Registration of Apprenticeship Programs." Code of Federal Regulations.

⁵⁵ California Department of Industrial Relations, Department of Apprenticeship Standards. *Minimum Industry Training Criteria*. <http://www.dir.ca.gov/das/mitc.htm>

APPRENTICESHIPS SUCCEED BECAUSE LABOR AND MANAGEMENT WORK TOGETHER

Due to the resources required to adequately train workers, the structure of sponsorship plays an important role in the success of the program. Apprenticeship programs can be sponsored by a single employer, a group of employers or a group of employers in cooperation with labor. Sponsors plan the training, review apprentice progress, maintain the records of appropriate progress and pay for the program.⁵⁶ The total cost can be \$40,000 to \$200,000 per apprentice, depending on the trade and length of apprenticeship.

The sponsor must have the ability to hire and train apprentices in a real work environment. If the sponsors don't provide steady work, the apprentices have fewer opportunities to earn wages and thereby remain in the program.

The Vast Majority of California's Apprenticeship Programs are Joint Labor-Management

**Table 4:
Advantages of joint labor-management apprenticeship programs**

California State Certified Apprentice Programs	Number of Programs		Number of Graduates (Individuals) 2002 - 2007	
	Joint Labor-Mgmt	Unilateral Mgmt	Joint Labor-Mgmt	Unilateral Mgmt
Asbestos Workers	2	none	186	none
Boilermakers	1	none	62	none
Bricklayer	3	2	110	16
Carpentry	25	3	4,449	337
Carpet, Linoleum & Soft Tile	2	1	330	2
Cement Masons	3	none	520	none
Drywall / Lather	9	2	1,904	none
Electrical & Electronic	29	9	4,362	1,110
Elevator	2	none	617	none
Engineer	4	3	2,026	13
Glazier & Glass Workers	6	none	437	none
Heating, Ventilation & Air Conditioning	8	2	532	246
Iron & Steel Workers	8	none	2,116	none
Laborers	8	2	1,540	56
Lineman	1	2	324	37
Millwright	2	none	185	none
Painting & Decorating	5	4	1,033	66
Plasterers	4	none	294	none
Plumbing	29	6	2,769	306
Roofers	7	2	618	115
Sheet Metal	9	2	1,654	114
Surveyor	2	none	482	none
Tile Layer/Setter	8	none	976	none
Total	177	40	27,526	2,418
Percentage	82%	18%	92%	8%

Joint labor-management (joint) programs sponsor the majority of apprenticeship programs offered in California and graduate the vast majority of apprentices. The sponsorship structure, meaning whether the sponsor is joint or unilateral management, is a key component to the strength of a program. Cooperation and a shared commitment to training unite employers and workers to create the success of joint programs.

In California, 217 registered programs train apprentices in 23 trades. Joint labor-management programs provide 82% of those programs and offer training in all trades. In 10 trades, only joint programs are offered.

Definitions:

Sponsor

Any person, association, committee, or organization operating an apprenticeship program and in whose name the program is (or is to be) registered or approved.

Joint labor-management (joint)

Composed of an equal number of representatives of the employer(s) and of the employees represented by a bona fide collective bargaining agent(s)

Unilateral

An apprenticeship program sponsor without a bona fide collective bargaining agent.

Source: Code of Federal Regulations, 29 CFR 29 "Labor Standards for the Registration of Apprenticeship Programs."

Source: California Department of Industrial Relations, Division of Apprenticeship Standards dataset, April 2009.

⁵⁶ 29 CFR 29 "Labor Standards for the Registration of Apprenticeship Programs." Code of Federal Regulations.

Joint Programs Have More Graduates and Higher Completion Rates

Ninety-two percent (92%) of California's nearly 30,000 apprenticeship graduates in 2002-2007 were from joint labor-management programs (Figure 2). Since program completion is what secures middle-class career wages and benefits, the ability of apprentices to succeed is vital.

Completion rates in joint programs are higher because they are more established and better funded, according to a Government Accountability Office report.⁵⁷ Joint apprenticeship training trusts are funded through collective bargaining, meaning that member workers agree to have a small part of their paycheck deposited by the employer into the trust.

Definition:

Completion rate

The percentage of an apprenticeship cohort who receive a certificate of apprenticeship completion within one year of the projected completion date.

Joint labor-management programs use a multi-employer structure, with several signatory contractors, to keep apprentices fully employed

to fulfill their on-the-job training hours. Joint programs generally take responsibility for placing apprentices with employers, rather than requiring the apprentices to look for work and experience intermittent unemployment. Through local chapter affiliation and portability agreements, apprentices in joint programs keep their benefits and are more likely to find work in other areas with another local.⁵⁸

Ninety-five percent (95%) of women and 92% of people of color graduating from apprenticeship programs are in joint labor-management programs (Figure 3 and Figure 4).⁵⁹

Joint labor-management sponsored apprenticeship programs have a significantly higher completion rate (49%) than unilateral programs (33%) across the board. In many of the largest trades, the joint program completion rates are 20-30% higher than unilateral programs (Figure 5, Page 12).⁶⁰

BARRIERS TO PROGRAM COMPLETION

Program sponsorship has two main challenges: failure to complete the program and the loss of a trained worker to another employer, or "poaching."⁶¹ These problems increase the cost of training and threaten continuation of the programs.

Dropouts

Apprenticeship programs are rigorous. It is full-time, physically

FIGURE 2: TOTAL GRADUATION

California Construction Apprenticeship Programs Individual Completions by All Persons 2002-2007

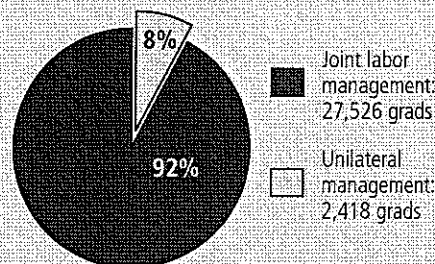


FIGURE 3: WOMEN GRADUATES

Apprenticeship Program Completions by Women in California, 2003-2008 (Individuals)

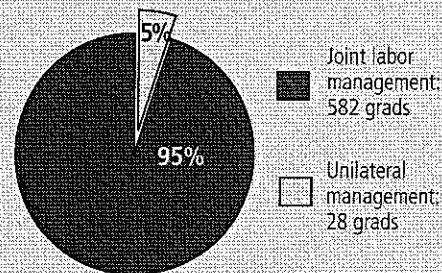
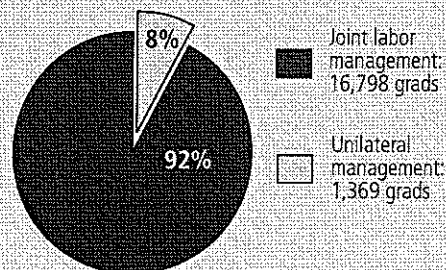


FIGURE 4: MINORITY GRADUATES

Apprenticeship Program Completions by Minorities in California, 2003-2008 (Individuals)



Source for above figures: California Department of Industrial Relations, Division of Apprenticeship Standards dataset, April 2009.

⁵⁷ Government Accountability Office (GAO). 2005. *Registered Apprenticeship Programs: Labor Can Better Use Data to Target Oversight*. Report to Congressional Requesters. <http://www.gao.gov/new.items/d05886.pdf>

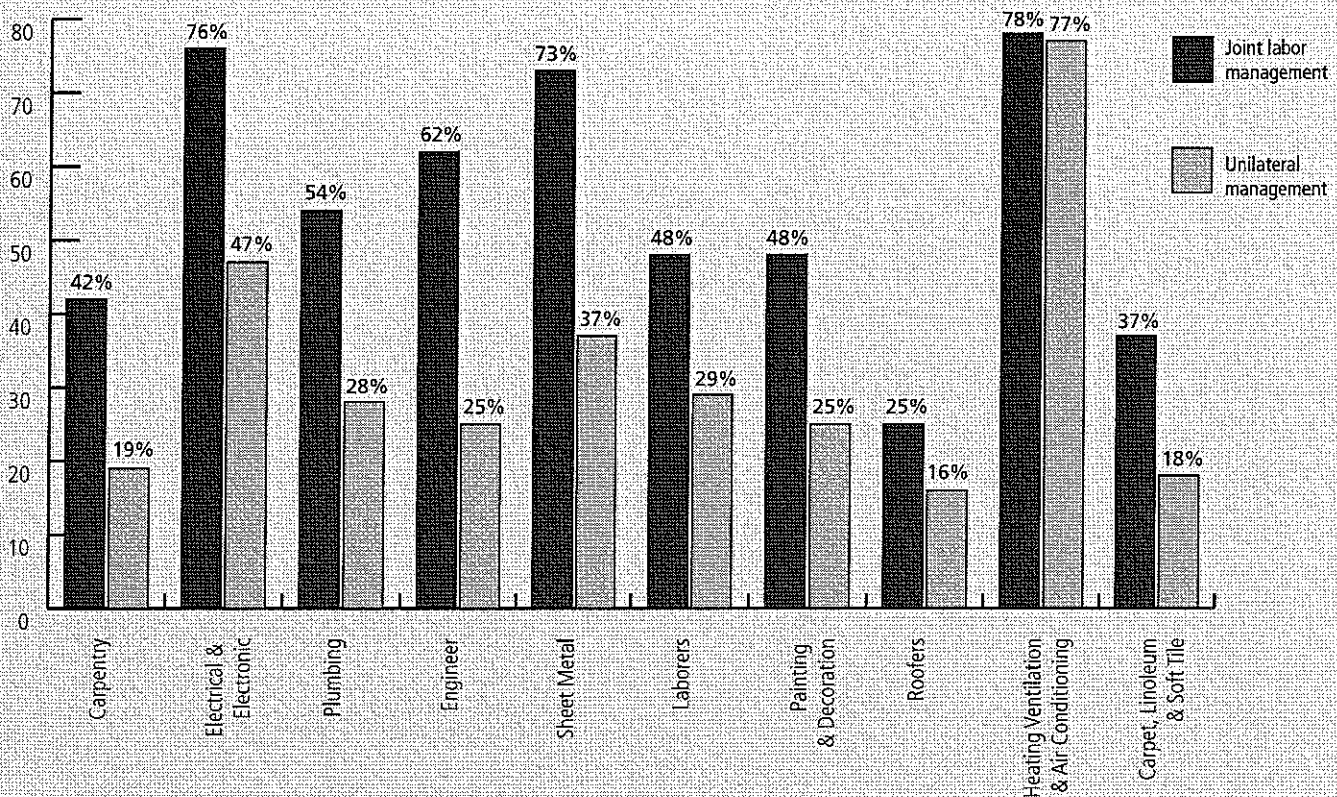
⁵⁸ GAO, op cit.

⁵⁹ Apprenticeship dataset received from the California Department of Industrial Relations, Division of Apprenticeship Standards, April 2009.

⁶⁰ Apprenticeship dataset, op cit.

⁶¹ Lerman, Robert, Lauren Eyster and Kate Chambers. 2009. *The Benefits and Challenges of Registered Apprenticeship: The Sponsors' Perspective*. The Urban Institute on Labor, Human Services and Population. http://www.urban.org/UploadedPDF/411907_registered_apprenticeship.pdf

FIGURE 5: CALIFORNIA CONSTRUCTION APPRENTICESHIP PROGRAMS COMPLETION RATE BY CRAFT, 2002-2007
 Top 10 crafts by number of graduates. Completion rate weighted average



Source: California Department of Industrial Relations, Division of Apprenticeship Standards dataset, April 09

Methodology: Most data used in this report come from the California Department of Industrial Relations, Division of Apprenticeship Standards. One dataset listed individual program completions by sponsor for gender and ethnicity and was received at the end of March 2009. The other dataset listed program completions by sponsor for all persons and was received mid-April 2009. Weighted averages were created by multiplying total intake of apprentices for each sponsor for 2002-2007 by average completion rate after the 1st year. The results for each sponsored program within each trade were added together. This total was then divided by total average annual intake rate to find the weighted average for each trade by type of sponsor.

demanding work, with classroom instruction and studying after work or on weekends. It can be difficult to juggle time commitments or manage the stress of constant training challenges and evaluations. An apprentice needs both personal commitment and a support system to be successful. This is even more critical if the apprentice comes from an at-risk background.

Social service or support programs within the community can help apprentices succeed by providing needed additional services, such as substance abuse or mental health counseling, childcare, or small loans for reliable transportation. Using assessments and case management to assist apprentices in identifying personal barriers to success and then connecting them to support services can address many of the reasons for dropping out.⁶²

The most commonly cited reasons for non-completion of a program were:⁶³

- 36% – personal reasons (family needs, mental health or substance abuse problems, physical illness or legal issues).
- 32% – performance problems on the job or in the classroom.
- 30% – gained craft certificate or took another job before completion.

⁶² The Apollo Alliance, et al. 2008. *Green-Collar Jobs in America's Cities: Building Pathways Out of Poverty and Careers in the Clean Energy Economy*. <http://apolloalliance.org/downloads/greencollarjobs.pdf>

⁶³ Lerman, Robert, Lauren Eyster and Kate Chambers. 2009. *The Benefits and Challenges of Registered Apprenticeship: The Sponsors' Perspective*. The Urban Institute on Labor, Human Services and Population. http://www.urban.org/UploadedPDF/411907_registered_apprenticeship.pdf

WORKER STORY: Iron Woman

"I was working in retail and was tired of it. I wanted a career and something that would keep me outside, healthy and happy," says 28-year old ironworker Mariko Preston. "I began training in ironworking in New Orleans but was looking to get out. Katrina helped with that."

Following Hurricane Katrina, Preston was evacuated by the American Red Cross to San Diego. She approached the staff at Ironworkers Local 229, she remembers. "They said OK. Show us what you got."

Five years later, Preston is a journey-level iron worker with comprehensive welding certifications and on-the-job experience in welding for infrastructure like highways, bridges and dams and for skyscrapers.

A 5'3" African-American woman, Preston says, "I work smarter, not harder. Being a woman in the trades, it's hard enough, especially as an ironworker, to go out on the job and think you are going to get paid as much as the next guy. When I'm in the union, I know that they have to treat me fairly, and we are all going to get paid the same."

And Preston credits her joint labor-management apprenticeship with teaching her more in a few years than she ever would have learned as a nonunion worker.



Poaching

The loss of a trained worker to another employer, known as "poaching," can lead to underinvestment in an employer's workforce.⁶⁴ In order to maximize profits in the short-term, some contractors may choose to hire others' apprentices or journey-workers rather than make the long-term investment to sponsor their own training programs.⁶⁵

The focus on selecting the lowest bidder for construction projects can exacerbate "poaching." When bidding, contractors may cut training costs to reduce total overhead as much as possible and win the work. This fierce pressure to contain labor costs and undercut the competition encourages employers to poach workers from other contractors rather than incur the costs of training.⁶⁶

Joint labor-management programs report less concern with dropouts and "poaching."⁶⁷ Steady work, higher wages and health insurance may resolve many of the personal reasons for dropping out of a program. A steady paycheck at a family-sustaining level may allow workers to pay for childcare or other assistance, while health insurance provides treatment for physical illness, substance abuse or mental health issues.

Joint programs pool their training costs and resources, creating a "fair playing field" among union contractors, thereby negating the disincentive to provide training and the incentive to poach.⁶⁸

⁶⁴ Organization for Economic Co-operation and Development (OECD). 1994. *The OECD Jobs Study: Facts, Analysis, Strategies*. <http://www.oecd.org/dataoecd/42/51/1941679.pdf>

⁶⁵ Kotler, Fred. 2009. *Project Labor Agreements in New York State: In the Public Interest*. Cornell University Industrial and Labor Relations School, Cornell University.

⁶⁶ Kotler, op cit.

⁶⁷ Lerman, Robert, Lauren Eyster and Kate Chambers. 2009. *The Benefits and Challenges of Registered Apprenticeship: The Sponsors' Perspective*. The Urban Institute on Labor, Human Services and Population. http://www.urban.org/UploadedPDF/411907_registered_apprenticeship.pdf

⁶⁸ Kotler, Fred. 2009. *Project Labor Agreements in New York State: In the Public Interest*. Cornell University Industrial and Labor Relations School, Cornell University.

NECESSARY POLICIES TO SUPPORT APPRENTICESHIP PROGRAMS

The success of apprenticeship programs in creating middle-class careers depends on supportive public policies. Effective policy options include funding the programs and support services, requiring contractors to pay prevailing wage and hire apprentices on more projects, and enacting responsible contracting standards.

Definition:

Responsible contracting policies

Prohibit public contracting with employers who violate workplace, tax or other laws. They can also provide a mechanism to favor employers who provide good jobs – good wages and benefits, a safe workplace – and comply with workforce standards.⁶⁹

Career Ladders - Pathways out of Poverty

A career ladder or pathway out of poverty is a succession of training and support systems that prepare workers for a series of jobs with increasing skill requirements and compensation, providing a bridge from unemployment or dead-end jobs into middle-class careers.⁷⁰ Career ladders focus on community members who traditionally face multiple

barriers to employment – low-income, people of color, women, unemployed, homeless, ex-offender, returning veterans or those lacking a high school diploma or GED.

A comprehensive career pathway links job seekers, employers, community organizations, educational institutions and the workforce development system, creating “wrap-around” services.⁷¹ Apprenticeship is a key step.

Recruitment and Case Management

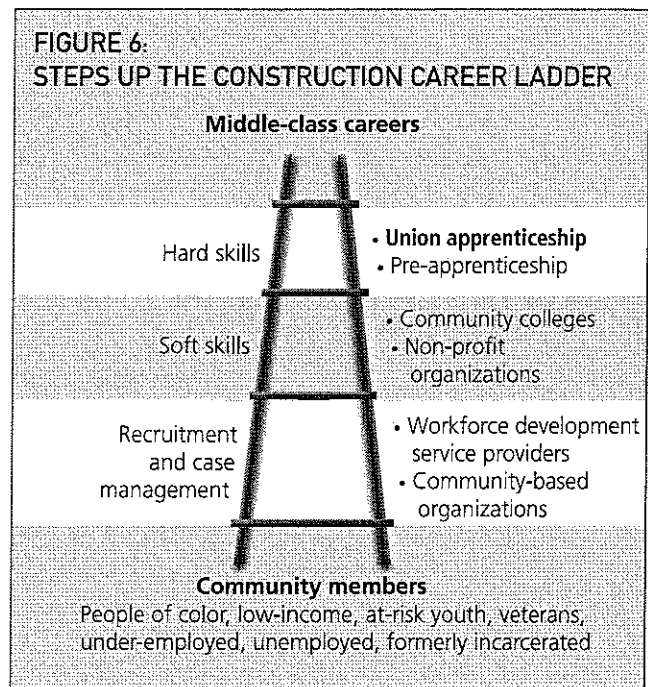
Community-based organizations and workforce development providers help connect community members with career pathway programs. They provide skills assessments, identify participant needs and coordinate support services. Some community members need case management assistance along the entire pathway out of poverty. Case management assistance is often necessary for ex-offenders or youth, those with a history of substance abuse, or to help low-income people remain qualified for assistance until they become stably employed.⁷²

Soft Skills

Nonprofit organizations and community colleges provide soft skills, including job hunting skills, workplace etiquette, communication skills, conflict management, as well as assistance with obtaining a driver's license or GED.⁷³

Hard Skills

Nonprofit organizations, labor unions and employers provide the actual on-the-job skills training for careers through pre-apprenticeship and apprenticeship programs.⁷⁴



Adapted from The Apollo Alliance, et al. 2008. *Green-Collar Jobs in America's Cities: Building Pathways Out of Poverty and Careers in the Clean Energy Economy.*

⁶⁹ Sonn, Paul K. and Tsedeye Gebreselassie. 2009. The Road to Responsible Contracting: Lessons from States and Cities for Ensuring That Federal Contracting Delivers Good Jobs and Quality Services. National Employment Law Project (NELP). http://nelp.3cdn.net/fd1c66786fb98867e7_1dm6brs8l.pdf

⁷⁰ Mitnik, Pablo and Matthew Zeidenberg. 2007. *From Bad to Good Jobs? An Analysis of the Prospects for Career Ladders in the Service Industries.* Center on Wisconsin Strategy (COWS). http://www.cows.org/about_publications_detail.asp?id=399, and The Apollo Alliance, et al. 2008. *Green-Collar Jobs in America's Cities: Building Pathways Out of Poverty and Careers in the Clean Energy Economy.* <http://apolloalliance.org/downloads/greencollarjobs.pdf>

⁷¹ The Apollo Alliance, et al. 2008. *Green-Collar Jobs in America's Cities: Building Pathways Out of Poverty and Careers in the Clean Energy Economy.* <http://apolloalliance.org/downloads/greencollarjobs.pdf>

⁷² The Apollo Alliance, et al, op cit.

⁷³ The Apollo Alliance, et al, op cit.

⁷⁴ The Apollo Alliance, et al, op cit.

Careers

Graduates of apprenticeship programs become journeyworkers. With increasing experience and continuing education, many later become foremen, supervisors or contractors.

Definition:

Pre-apprenticeship

A program that provides contextualized training in the basic skills used in the building trades and prepares students for entrance into an apprenticeship program. Many programs train on smaller and less complex construction projects, such as a model structure on the program site, or in residential weatherization of community homes.

None of this is cheap. Providing the diverse services necessary for moving an at-risk community member to self-sufficiency requires resources. Some funds come from government programs and others through nonprofit or charitable organizations.

Regardless, programs like these need both policy and financial support, especially in today's economy.

Local Hire Requirements

On-the-job training is the main component of the apprenticeship system. Each apprentice must stay fully employed to complete their program on time. Therefore, a shortage of jobs limits the availability of apprenticeships for community residents.

Local hire policies provide local jobs and also incentivize the creation of career ladders by moving community members into apprenticeship programs and into middle-class careers. Local hire policies require that a certain number of journeyworkers and apprentices who are residents of the local area to be employed on development projects. Many local hire policies also require a set participation rate by "at-risk" residents or living in poverty. Local hire is a concrete mechanism to ensure that the investment of public funds into the community helps low-income residents.⁷⁵

A successful example of local hire policies in action, the City of Los Angeles implemented local hire after an audit of the 1996 City Hall renovation project showed that less than 2% of project work hours were performed by local residents.⁷⁹ The City's Department of Public Works now requires that 30-40% of project hours be performed by City residents. Because of that policy, \$41.5 million has been reinvested in the City through the estimated wages and benefits paid to 2,600 local residents and 2,300 apprentices employed on nine Public Works projects.⁸⁰

CASE STUDY: Los Angeles Unified School District "We Build"

Since 1999, the Los Angeles Unified School District (LAUSD) has strived to use local district residents to perform at least 50% of total hours worked on bond projects. The local-hire policies cover over \$27.1 billion dollars of bond funds, the largest school construction project in the nation. Through diligent, innovative administration and community partnerships, 33% or 19,509 local residents have been employed on LAUSD projects, as of March 2009.⁷⁵

Due to the size and scope of the bond projects, LAUSD has created an internal department to facilitate local hire and community partnerships, called We Build. We Build connects community members with pre-apprenticeship training through both the LAUSD Division of Adult and Career Education Training Centers and the nonprofit Century Community Training Program. Completion of the pre-apprenticeship program places workers in a competitive position to enter union apprenticeship programs and be employed by contractors working on bond construction projects.⁷⁶

The Century Community Training Program is one example of an organization providing "wrap around" services. Trainees receive hands-on experience building on-site model structures where they learn the basics of several trades, including concrete pouring, residential plumbing and electrical systems, reinforcing iron setup and basic framing. Daily physical agility and endurance-building exercises help prepare trainees for the physical demands of construction. Classroom instruction includes shop math, written test-taking, blueprint reading and OSHA 10-hour safety certification. Trainees also receive case management services and job placement assistance, with 85% of graduates entering union apprenticeship programs.⁷⁷

⁷⁵ Los Angeles Unified School District. *We Build*. <http://www.laschools.org/contractor/webuild/> and "We Build" Program Update & UCLA Labor Center Study Summary. Facilities Committee Report. March 5, 2009. Received from We Build program upon request.

⁷⁶ Los Angeles Unified School District. *We Build*. <http://www.laschools.org/contractor/webuild/>

⁷⁷ Information from the Century Community Training Program website. <http://www.centurycommunitytraining.org/>

⁷⁸ Kathleen Mulligan-Hansel, PhD. 2008. *Making Development Work for Local Residents: Local Hire Programs and Implementation Strategies that Serve Low-Income Communities*. Partnership for Working Families. <http://www.communitybenefits.org/downloads/Making%20Development%20Work%20for%20Local%20Residents.pdf>

⁷⁹ City of Los Angeles Bureau of Contract Administration, Project labor agreement documents posted online. http://bca.lacity.org/index.cfm?next_body=local_hiring.cfm

⁸⁰ Manny Perez, 2009. *Local Hire in the City of Los Angeles*. City of Los Angeles, Department of Public Works, Bureau of Contract Administration. Presentation to the San Diego Unified School Board, January 2009.

Good Jobs in the Green Economy

The green economy is large and growing rapidly. According to the American Solar Energy Society, renewable energy and energy efficiency generated \$970 billion in revenues and 8.5 million jobs in 2006.⁸¹ By 2030, ASES estimates that 1 in 4 U.S. workers will have jobs involving renewable energy or energy efficiency.⁸²

With that much of our economy at stake, policy decisions are needed today to ensure high-road, middle-class careers for the future. Increasing numbers of state and local governments and agencies are addressing climate change through requiring buildings to be certified "green" and to increase use of renewable energy. The City of Los Angeles, for example, does both. All new buildings over 50,000 square feet must be LEED certified, City buildings over 7,500 square feet must be retrofit to LEED Silver standards and the Los Angeles Department of Water and Power has an aggressive solar incentive program.⁸³

Achieving maximum energy efficiency requires a "whole-building" approach and correct construction and installation.⁸⁴ Industry analysts recommend certification of contractors as a means to ensuring proper installation.⁸⁵

Apprenticeship training already incorporates green skills and provides the workforce certified in these skills. Together with a strong foundation in skills of the trades, apprenticeship graduates already are well prepared for most green economy jobs.

For example, solar electric systems require electrical training and licensing, and solar water systems require training in plumbing.⁸⁶ Apprentices in the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry (UA) learn how to be green plumbers.⁸⁷ In the 32-hour, LEED-approved course, apprentices receive training in water conservation technologies such as gray, recycled and wastewater treatment; solar hot water systems; reducing the energy consumption of heating and cooling appliances, and performing energy and water audits.

Weatherization Pre-Apprenticeships

For the last 32 years, the Department of Energy Weatherization Assistance Program (WAP) has helped low-income families permanently reduce their energy bills by making their homes more energy efficient.⁸⁸ Basic construction skills are used to address comprehensive energy usage, water consumption and related health and safety improvements. Weatherization workers seal leaks, replace or repair windows, add insulation and repair duct work, upgrade heating and ventilation appliances, and install water-saving devices, among other tasks.⁸⁹

Since weatherization uses the same basic skills as many of the construction crafts, it is a perfect fit for pre-apprenticeship programs. Community-based organizations and the Laborer's International Union of North America (LIUNA) are creating programs to train community members in weatherization as a pathway into apprenticeships and out of poverty.⁹⁰ Moreover, the American Recovery and Reinvestment Act (ARRA) includes commitments to weatherizing 1 million homes and requires payment of federal prevailing wage to workers.⁹¹ Combining ARRA funds for the WAP program with pre-apprenticeship programs will provide good jobs at an early stage of the pathway out of poverty.



The Green Training Trailer is a mobile classroom that travels nationwide teaching union apprentices the latest in green technologies in the plumbing, heating and mechanical trades.

Definition:

Leadership in Energy and Environmental Design (LEED):

A green building certification system providing third-party verification that a building or community was designed and built using strategies aimed at improving performance and stewardship of resources and sensitivity to their impacts.⁹²

⁸¹ Bedzec, Roger. 2007. *Renewable Energy and Energy Efficiency: Economic Drivers for the 21st Century*. American Solar Energy Society (ASES). <http://www.ases.org/images/stories/ASES-JobsReport-Final.pdf>

⁸² Bedzec, op cit.

⁸³ City of Los Angeles, *EnvironmentLA. New Green Building Program*. <http://www.lacity.org/lead/environmental/greenbuilding/newgreenbuilding.htm> and City of Los Angeles. *Green Retrofit and Workforce Program Ordinance*. Administrative Code, Div. 7, Chp. 3, Art. 5.

⁸⁴ U.S. Department of Energy, Energy Efficiency and Renewable Energy. Building Technologies Program. *Commercial Buildings*. http://www1.eere.energy.gov/buildings/commercial/whole_building_approach.html and U.S. and Green Building Council. *LEED Rating Systems*. <http://www.usgbc.org/displaypage.aspx?CMSPageID=222>

⁸⁵ Choi Granade, Hannah, et al. 2009. *Unlocking Energy Efficiency in the U.S. Economy*. McKinsey and Company. http://www.mckinsey.com/client-service/electricpower/naturalgas/US_energy_efficiency/

⁸⁶ Op Cit. and Pollin, Robert, Heidi Garrett-Peltier, James Heintz and Helen Scharber. 2008. *Green Recovery: A Program to Create Good Jobs and Start Rebuilding a Low-Carbon Economy*. Center for American Progress (CAP) and Political Economy Research Institute (PERI). http://www.americanprogress.org/issues/2008/09/pdf/green_recovery.pdf

⁸⁷ GreenPlumbers, USA. *Green Plumbers Course Information*. <http://www.greenplumbersusa.com/training-accreditation/course-information/#climatecare>

WORKER STORY: From Apprentice to Contractor

Electrical contractor Andre Johnson credits his apprenticeship training as the most valuable factor in his growing business success. "In the apprenticeship, I learned about all aspects of the electrical trade -- from residential to commercial, from tenant improvements to motor controls."

Johnson, 38, spent time in San Diego during his service in the Air Force during the first Gulf War, and knew this was where he wanted to plant roots. He later returned to San Diego to raise his family and work in the electrical industry.

Johnson began his electrical apprenticeship with IBEW in 1995. After completing the program, he worked as a journey-level electrician and then progressed to foreman with San Diego-based Robinson Electric. Gaining experience and business acumen along the way, he then started Johnson Electric in the summer of 2006.

Johnson now employs local electricians and apprentices, and provides health care and retirement benefits, proving that a small business can provide family-sustaining careers and succeed.

"It is important to employ apprentices and make sure they are mentored and supported and learn all the aspects of the trade, so they can take their careers in whatever direction they want to go," Johnson said.

"It is not easy to start your company, but I did it," he said. "Now, young apprentices see me, and see that they could own a company one day, too."



SUMMARY

Completion of apprenticeship programs creates household self-sufficiency rather than a reliance on taxpayer-supported services. Construction workers are also consumers and taxpayers, so their wages and benefits are reinvested in the community as bills and mortgages are paid, local shops are patronized and workers have the time and health to participate in church, schools and other civic associations. Creating more local jobs for apprentices is the key to a strong local community. Rebuilding the economy means creating and supporting high-road, good jobs through policies that train and reward workers for their productivity.

RECOMMENDATIONS

1. State and federal "related technical instruction" funding for apprenticeship programs should increase, and funding should be provided for pre-apprenticeship and support services programs.
2. Projects receiving government subsidy should employ apprentices from registered programs at the highest allowed ratio for all trades.
3. Projects receiving government subsidy should utilize local hire policies that target low-income and/or disadvantaged workers through quality state-certified apprenticeship programs with a proven history of graduating apprentices.
4. Public contracting should give preference to responsible contractors and apprenticeship programs that provide health-care and pension benefits and OSHA safety training certifications.
5. Public contracting should utilize policies that reduce reliance on public assistance and that provide economic benefits to the community.

⁸⁸ U.S. Department of Energy, Energy Efficiency and Renewable Energy. *Weatherization Assistance Program*. <http://apps1.eere.energy.gov/weatherization/>
⁸⁹ U.S. Department of Energy, Energy Efficiency and Renewable Energy. *Weatherization Assistance Program Technical Assistance Center. Core Competencies Document*. <http://www.waptac.org/sp.asp?id=1818>
⁹⁰ Laborer's International Union of North America. *LIUNA Builds America*. <http://www.liunabuildsamerica.org/weatherize> and *MAAC Project. Green Career Opportunities*. <http://www.maacproject.org/Weatherization%20Trainee%20Program>
⁹¹ *Recovery.gov. The Act*. <http://www.recovery.gov/?q=content/act> and U.S. Department of Energy, Energy Efficiency and Renewable Energy. *Weatherization Assistance Program*. <http://apps1.eere.energy.gov/weatherization/>
⁹² U.S. Green Building Council. *Intro -- What LEED Is*. <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1988>

APPENDIX: WORK DESCRIPTIONS AND ENROLLMENT REQUIREMENTS FOR SOUTHERN CALIFORNIA JOINT LABOR-MANAGEMENT APPRENTICESHIP PROGRAM OCCUPATIONS

TRADE	DESCRIPTION OF WORK	REQUIREMENTS
Allied Workers	Applying thermal insulation to pipes, ducts, boilers, vessels, etc., throughout the commercial and industrial industries.	Min. 18 yrs. old, H.S. diploma or GED, certified copy of birth certificate, CA ID, & SS card. Must pass math, English, & physical.
Boilermakers	Build & repair boilers, tanks, pipelines & refineries.	Min. 18 yrs old, H.S. diploma or GED. Drug test.
Bricklayers/ Stonemasons	Build with masonry materials, bricks, blocks, stone, & marble.	Min. 18 yrs. old, CA ID & SS card. Drug test.
Carpenters	Erect wood framework in buildings, build forms for concrete, CA erect partitions, studs, joists, & rafters.	Min. 17 yrs. old w/ parental consent, good physical condition, & mechanical aptitude necessary. Also, CA ID & SS card. Drug test.
Carpenter - Acoustic Installer	Installs a variety of factory produced systems & construction material in commercial buildings & public structures.	Same as for Carpenter listed above. Drug test.
Cement Mason	Finishes concrete surfaces of floors, walls, streets, driveways, sidewalks, curbs, & gutters & sets forms & screens for all of the above. Assists in preparation & grading for pouring & removal of old concrete. Operates troweling machines & grinders.	Min. 18 yrs. old, H.S. diploma or GED, good physical condition, CA ID, & SS card. Drug test.
Drywall Finisher	Prepares drywall surfaces for painting. Individual must sand, prepare, tape, & do touch-up using hand applied operations or machine applied systems.	Min. 17 yrs. old w/ parental consent, CA ID, & SS card. Must have good physical condition & no fear of heights. Drug test.
Drywall Lather	Erects wood or metal framing, fastens metal studs, metal lath, & drywall with tie wires, screws, nails, clips, & staples. Work is mostly indoors & in high places.	Same as for Finisher above and needs to have good mechanical aptitude. Drug test.
Electrical	Apprentices perform all aspects of electrical/ telecommunication wire tasks in commercial, industrial, & residential construction.	Min. 18 yrs. old, H.S. diploma or GED, CA ID, SS card, & good physical condition. Must show proof of successful completion of 1 yr. of H.S. algebra or 1 semester college algebra & provide sealed transcripts. Must have reliable transportation. Math & aptitude exam given and drug test.
Elevator Constructors	Install & maintain elevators.	Min. 18 yrs. Old, H.S. diploma or GED. Aptitude test & personal interview.
Floor Covering	Apprentices learn to prepare sub-flooring & install new, resilient flooring & carpet installation.	Min. 18 yrs. old, CA ID, SS card & good physical condition. Drug test.
Glazing	Requires the use of hand tools, electric drills, electric metal saws, & glass polishing equipment. Also requires blueprint reading, layout work, handling, cutting, & processing glass of all sizes. Work is at various heights on ladders & scaffolds.	Min. 18 yrs. old, H.S. diploma or GED, Calif. ID, SS card, & good physical condition. Applicants should not have blood clotting issues. Drug test.
Ironworker	Apprentices are employed in four related segments of the trade: Structural Ironworker, Reinforcing Ironworker, Ornamental Ironworker, or Riggers & Machine Movers.	Min. 18 yrs. old, H.S. diploma or GED, CA. ID, SS card, & good physical condition. Must have own reliable transportation. Drug test.
Laborers	Support service for concrete, asphalt, landscape, pipelines, masonry & mining.	Min. standard evaluation & good physical condition. Drug test.

CONSTRUCTION APPRENTICESHIP PROGRAMS: CAREER TRAINING FOR CALIFORNIA'S RECOVERY

TRADE	DESCRIPTION OF WORK	REQUIREMENTS
Landscape & Irrigation Fitters	Apprentices acquire proficiency in layout, installation, and testing of irrigation systems. Also requires use of hand tools, power tools, and construction equipment related to the trade.	Min. 18 yrs. old, H.S. diploma or GED and good physical condition. Drug test.
Millwright:	Apprentices install & perform maintenance on machinery in factories & on precision work in nuclear power plants.	Min. 18 yrs. old, good physical condition, and mechanical aptitude necessary. Drug test and physical exam.
Operating Engineer:	Apprentices are heavy equipment operators & mechanics for major projects using rock, gravel, sand, or dredging operations.	Min. 18 yrs. old, H.S. diploma or GED, and strong physical condition. Must pass 3 part test: verbal, mechanical & math skills. Drug test.
Painter	Apprentices prepare surfaces & apply paint working on floors, walls, ceilings, & equipment in & outside of buildings. Paint is usually applied via brushes, spray guns, or rollers.	Min. 17 yrs. old w/ parental consent, and good physical condition. Transportation required. Drug test.
Pile Driver	Apprentices work in the early states of construction by driving metal, concrete, or wood pilings into the earth for base foundation.	Min. 17 yrs. old w/ parental consent, good physical condition, and mechanical aptitude necessary. Drug test.
Plasterer	Apprentices gain knowledge, skills, & techniques required for the plastering industry. Skills include: applications of scratch & brown coats, finish coats, as well as maintenance & operation of equipment, machine applied plaster & acoustic materials.	Min. 17 yrs. old w/ parental consent, functional reading writing, and math skills required. Also, must not have fear of heights or hard physical labor. Drug test.
Plaster Tender	Tending plasterers in all aspects of interior & exterior plaster, fireproofing & EIFS applications, scaffold building, pump & mixer operation of forklifts & other mechanical equipment.	Min. 18 yrs. Must have a CA drivers license, SS card & reliable transportation. Physical agility, oral interview & drug test.
Plumber & Pipefitter	Apprentices learn all aspects of plumbing and pipefitting for commercial, industrial, and residential construction.	Min. 18 yrs. old, H.S. diploma or GED w/ sealed transcripts, valid photo ID, and birth certificate. Must pass aptitude test at community college & drug test.
Roofers	Installation of all types of roofing including slate, tile, & composition. Also includes waterproofing.	Min. 18 yrs. old, valid photo ID, ss card, and ability to lift 100 lbs. Functional reading, writing, and math skills needed. Drug test.
Sheet metal	Apprentices lay out, cut, form, fabricate, assemble, & install sheet metal items. This trade works from blueprints, lays out the work, cuts and forms the metal, then welds, bolts, rivets, and solders as required.	Min. 18 yrs. old, H.S. diploma or GED, and good physical condition. Must pass community college math test & drug test.
Surveyor	Surveyors use advanced math to determine the proper location of property lines and various field & construction survey work. Measure elevations & distances for preparation of maps showing land surfaces, boundaries, & legal descriptions of property.	Min. 18 yrs. old, H.S. diploma or GED, strong algebra and geometry skills, and good physical condition. Must pass algebra & geometry test & drug test.
Teamster	Driving rock trucks, water trucks, flatbeds, semi tractor trailer & dump trucks.	Min. 18 yrs. for warehouse/commerical vehicle. Min. 20 yrs. for a class A or B license driving position. Drug test.
Tile Setters	Preparation and installation of tile.	Min. 18 yrs.

Source: San Diego Building & Construction Trades Council, 2008. Apprenticeship Matrix. <http://www.sdbctc.org/Apprenticeship.html>

A great deal of attention has been focused on a handful of studies related to costs and other impacts of Project Labor Agreements (PLAs). Studies by the Beacon Hill Institute (2009), and the National University System, Institute for Policy Studies (NUSIPR), are often cited by the Associated Builders and Contractors (ABC).

It should be noted that nationally respected Labor Economist, Dr. Dale Belman, Michigan State University, published a response to the NUSIPR authors, finding that their conclusion is not even supported by their own research. Dr. Belman, states that the reports research actually supports the opposite conclusion. Dr. Belman also states, **“When appropriate controls are included for difference in the characteristics of schools built specifications, materials used, etc., there is no statistical evidence that PLA schools are more costly compared to non-PLA schools.”**

Due to conflicting outcomes of various national studies, trustees looking into making an intelligent and well informed decisions may find other more pertinent data in court cases (where facts and evidence inform decisions) and independent 3rd party reports sponsored by school districts or local government agencies, using statistical data from experience using PLAs.

Court Cases

(1999) California Supreme Court

Associated Builders and Contractors, Inc vs. San Francisco Airports

The courts ruled against the ABC – finding that:

- 1). PLA was consisted with both local and Statewide competitive building laws
- 2). PLA did not bar or substantially discriminate against a “class of contractors”
- 3). PLA was adopted in furtherance of legitimate governmental interests consistent with competitive building laws – including prevention of costly delays and access to skilled crafts
- 4). and did not violate the State or Federal Constitution.

(2000) California First Appellate Court ruled in the “West Cost Contractors” case, finding that:

- 1). The claim that PLAs decrease competition was improbable and “chimerical”.
- 2). There was no evidence that a single additional bid was received after removal of the PLA and there was no evidence of any reduction in the overall level of the bidding resulting from the removal of the PLA strictures.
- 3). Found no support for the claim that more bids – means lower bids.
- 4). The constructors' argument that PLAs increase cost was speculative and “ideological” in nature, explaining that, “if there is evidence of savings of public funds on the project (by removing the PLA requirements), it has not been shown”.

RCCD PLA Annual Status Update

2/2010 – 6/2014 Prime and Sub-Contractor Awards

217 non-union 54%

192 union 46%

Local workers participation goal 50%

Attainment 65%

Local Business participation 54%

San Diego Unified School District – PSA

(2011) REA and Parker – District Consultant Construction Cost, Labor, Contractor
Survey & PSA Report

Key Findings

- There has been no increase in the cost of the winning bids for school construction projects under the San Diego Unified School District (SDUSD) Project Stabilization Agreement (PSA) than were the winning bids for non-PSA projects under Proposition S that was approved in November, 2008
- The number of general contractor bidders and participating subcontractors per project has declined for PSA projects; however, this decline is not reflected in any increase in cost to SDUSD.
- Profit margins for contractors have declined under the PSA, but these contractors appear to be absorbing these increased costs rather than increasing their bids-thereby imposing no additional cost upon SDUSD taxpayers.
- Project completion time is faster under the PSA than for Proposition S projects that predated the PSA. Faster completion allows for the District to experience less overhead per project and for the more efficient replacement school improvements to be in operation more quickly.
- Quality of construction, as indicated by contractor and construction manager interviews and by survey responses, is unchanged between projects constructed under the PSA and those that were contracted prior to the PSA.

- Workers from targeted zip codes (economically disadvantaged portions of the District) have increased during the past six months and are presently close to achieving the very ambitious target of 35 percent that was set in the PSA.
- The achievement of the high level of workers from targeted zip codes is due predominantly to union referrals that are focus upon obtaining workers from these zip codes. This increase in targeted area workers is not reflected among non-union core workers or existing workers for union signatory contractors.
- There has been an increase in reporting violations and deficiencies pertaining to labor compliance since the PSA was adopted; however, there is no discernible or perceived impact on construction quality or duration of construction caused by these deficiencies. Furthermore, it can be interpreted that this increased attention to worker payroll and benefits under the PSA than before, which is beneficial to the payment of prevailing wages to the working population.
- The Los Angeles Unified School District PSA required approximately 5 years to achieve operational efficiency. SDUSD's PSA has been in effect for only 2 years and, by the measures included in this report, is significantly ahead of the LAUSD scheduled.

Following consideration of this study, the SDUSD Board voted unanimously to continue using the PSA for all future construction projects.

School Board Member, Scott Burnett, stated, "I admit I was highly skeptical of the PSA". Former head of the San Diego County Taxpayers Association, who joined the board after approval of the PSA. "That's why I pushed for an independent review of the Prop 5 projects by a trusted source".

Burnett also stated, "the facts are clear, the PSA is good for the taxpayers".

LAUSD – UCLA Labor Center Study

2003 – 2011 48% of construction dollars went to small and disadvantaged businesses

Prime Contracts 496 Small Business Enterprise 219

Sub-Contracts 4773 Small Business Enterprise 1074

Local Hire

Within LAUSD zip codes 49%

Within LA County 60%

The LAUSD school board renewed the PLA an additional five (5) years, twice since 1999 – last year (2013), renewed for ten (10) years.

College of Marin – Report by, DWK Law

Project Stabilization Agreement – New Academic Center

Board previously considered a fact finding study by, Swinerton Management and Consulting – leading to authorized negotiations with Trades Council

- 1) General: no clear connection between PSA findings and costs – main driver appears to have been the construction economy.
- 2) PSA dispute resolution process was an advantage on the Science/Math/Central Plant Project
- 3) Evidence of cost impact/no cost impact of PSAs is either under question or anecdotal
- 4) Effect of PSA on College of Marin projects is not known, but the two (2) PSA projects had fewer problems than some non-PSA projects
- 5) Assurance of Quality Workers under PSA could come into play as the construction market, and skilled labor supply, tightens over the years.

County Contra Costa

2004, October

By: John Sweeten, County Administrator

Laura Lockwood, Director, Capital Facilities and Debt Management

Summary of PLA Bid and Contract Awards

All eight (8) projects advertised for bid subject to the provisions of the PLA policy were awarded to "union contractors". The number of bids received per project averaged 7.75 with a low of four (4), and a high of eleven (11). Of the 62 bids received, union contractors submitted forty-four (44), and non-contractors submitted fifteen (15).

Architect / Engineer Cost Estimates and PLA Contract Awards

PLA bid amounts deviated from architect/engineer base bid cost estimates by an average of, \$194,890, with a percentage variation between 2.1%, and 12.96%. Architect/Engineer cost estimates, were \$328,000 lower to \$324,000 higher than base bid amounts. Bids for five (5) of eight (8) projects subject to the PLA policy were lower than Architect/Engineer Cost estimate.

City of Brentwood

Civil Center Project Labor Stability Study by, Searth, Lyons & Associates

(Page 6) As shown by the data, the Contra Costa Water District PLA covered projects have had multiple bidders and the low bid values were below the engineers estimates on all but one (1) project.

On balance, utilizing a PLA on the Civil Center Project should enhance the ability of the council to achieve the objective of competitive bidding. There is no clear evidence that using a PLA specifically results in fewer bidders or higher bids.

Foothill DeAnza Community College

2012, June - A recent vote by the Foothill DeAnza Community College District trustees provides persuasive evidence that PLAs work. Two board members who voted against a PLA four years ago, are now part of a unanimous vote last week to expand that PLA to include more than \$45 million worth of additional work.

In 2008, the trustees voted 3-2 to enter into a PLA with the Santa Clara and San Benito Building Trades Council for their \$500 million Measure C Modernization Bond. The two trustees voting in opposition said they were persuaded by ABC's anti-PLA arguments.

But now those same two previously anti-PLA trustees, after watching their districts PLA work for four years, have cast pro-PLA votes.

They were persuaded by district staff's mid-term evaluation of the PLA to the Board. Staff affirmed that the PLA has worked extremely well and has provided the benefits itemized by Neil Struthers of the Building Trades in 2008: 1) there has been plenty of bidders; 2) bids are more than competitive; 3) the quality of contractors work is more than satisfactory; 4) the dispute resolution procedure in the Agreements works; 5) local residents and students have received more opportunities for work; 6) staff workload related to prevailing wage enforcement has gone down and compliance has improved; and 7) new State regulations will benefit the District and save them money in the future by virtue of having a PLA in place.

PLA/PSA Notes

- **Los Angeles Community College District**, has renewed or extended their PLA numerous times, in five (5) year increments.
- **Los Angeles World Airports**, which includes, Ontario Airport, renewed their PLA, twice since 1999
- **Metropolitan Water District of Southern California**, has extended their PLAs twice since 1995
 - Inland Feeder PLA – San Bernardino County
 - Eastside Reservoir PLA – Riverside County
 - San Diego Six PLA – Riverside County
- **LAUSD** – The board renewed the PLA an additional five (5) years, twice since 1999, and last year (2013), renewed for ten (10) years
- **SDUSD** – In 2011, the board voted to continue using the PSA for all future construction projects
- **Foothill De Anza Community College District** – In 2012, the board voted to expand the PLA to include more than \$45 million worth of additional work

RCCD

RIVERSIDE COMMUNITY
COLLEGE DISTRICT

MORENO VALLEY COLLEGE | NORCO COLLEGE | RIVERSIDE CITY COLLEGE

Project Labor Agreement (PLA) Annual Status Update 2013/14

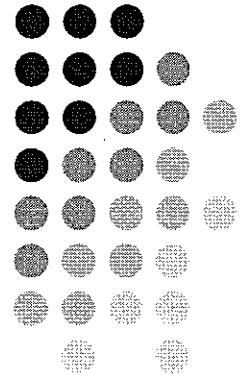
Presented by:

Facilities Planning & Development

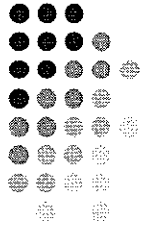
and



August 5, 2014



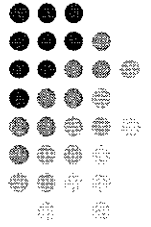
Overview of RCCD's PLA



- The RCCD Board of Trustees voted to approve a five-year PLA on March 16, 2010. Executed: April 1, 2010
Expires: April 1, 2015
- The Agreement covers all RCCD construction projects using \$1 million or more in Measure C funds.
- The RCCD Board of Trustees approved Padilla & Associates, Inc. as the PLA Administrator over a PLA that includes a labor compliance component on June 15, 2010.
- The Annual PLA Status Report covers the period of July 1, 2010 to June 30, 2014 and includes a status of achievements in meeting the RCCD Board's Economic Development Initiatives.



SNAPSHOT: RCCD PLA/LCP Monitored Projects

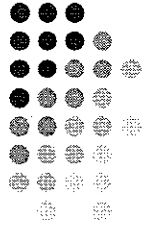


Current Active Projects During the Reporting Period of July 1, 2010 through June 30, 2014.

CURRENT ACTIVE PROJECTS	PROJECT NAME
	RCC 12KV Utility Infrastructure
	Culinary Academy And District Offices (CAADO) - Phase 2
	Coil School for the Arts (CSA) and Parking Structure



SNAPSHOT: RCCD PLA/LCP Monitored Projects

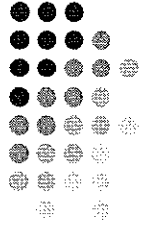


Completed Projects During the Reporting Period From Project Inception of July 1, 2010 through June 30, 2014.

COMPLETED PROJECTS	PROJECT NAME
	<p>RCC Lovekin Projects</p> <p>RCCD (RCC, Norco, MVC) ADA Transition</p> <p>Norco Central Plant / Infrastructure</p> <p>MVC Student Services Center</p> <p>Norco Operations Center</p>



SNAPSHOT: RCCD PLA/LCP Monitored Projects

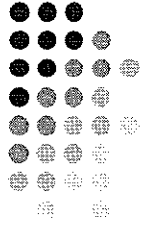


Completed Projects During the Reporting Period From Project Inception of July 1, 2010 through June 30, 2014. (Continued)

	PROJECT NAME
COMPLETED PROJECTS	Norco Secondary Effects
	RCC Wheelock Complex, Gymnasium, Seismic Retrofit
	MVC March Dental Education
	MVC Lions Lot
	MVC Nursing Portables



SNAPSHOT: Non-Union vs. Union Contractors Awarded Work



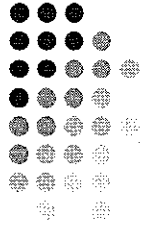
Reporting Period: July 1, 2010 through June 30, 2014.

Summary of All Contractors (Prime and Subs) Awarded PLA Work

217 Non-Union (54%)

192 Union (46%)

5 Major Components of RCCD's PLA

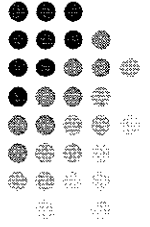


1. Uniform Application of Employment Practices and Wage Standards.
2. Readily Available Skilled Labor Workforce
3. State Labor Compliance
4. Fringe Benefit Waiver Provisions
5. Local Hire Goals

Added Economic Development Board Resolution
Monitored and Reported

- Local Business Initiative

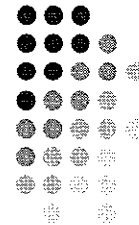
Uniform Employment Practices and Standards



The PLA establishes uniformed employment practices and standards for adoption by all contractors performing covered work. Contractors sign a "Letter of Assent" that they will comply with the PLA established:

- > work rules
- > hours of work
- > shift and alternate work schedules
- > single dispute resolution process
- > no strike/no lockout provisions
- > rest period
- > overtime
- > show-up pay and make-up days

PLA Labor Compliance Component



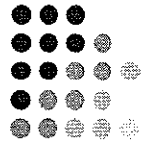
Labor Compliance Monitoring Activities on Covered PLA Projects from July 2010 through June 30, 2014

- ✓ 842 Contractor Discrepancy Notices Issued
- ✓ 70 Contractor Prevailing Wage Violations Identified, Investigated and Resolved
- ✓ \$116,934.30 of Worker Wages Recovered
- ✓ 1 Finalized DIR approved Audit & Withholding

RCCD Accountability with California Prevailing Wage Laws and PLA = Reduction in Possible Wage Violations:

- Early, visible and ongoing labor compliance monitoring
- Pre-construction meetings with prime and subcontractors
- Collection and review of contractor Certified Payroll Records
- Ongoing site visits, observations and worker interviews
- Prevailing wage audits and investigations
- Reconciliation of worker interviews against CPR reporting
- Ongoing contractor technical assistance with California prevailing wage laws and reporting requirements

PLA ACCOUNTABILITY



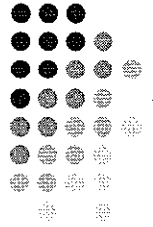
- **RCCD PLA Steering Committee Oversight**

- PLA Steering Committee Meetings held to review status of PLA Administration and related activities
- The RCCD PLA Steering Committee is made up of the :
 - RCCD Chancellor,
 - RCCD General Counsel,
 - RCC, MVC and Norco Vice Presidents of Business Services,
 - RCCD Chief of Staff and Facilities Development
 - 2 local open-shop contractors; and
 - 2 representatives of the San Bernardino and Riverside Building and Construction Trades Council.

- **Joint Labor Management Committee Meetings**

- Pursuant to PLA Article 17, 3 meetings have been held with the San Bernardino and Riverside Building and Construction Trades Council, Affiliate Unions, PLA Administrator and RCCD Facilities Planning and Development representatives and RCCD General Counsel.
- The purpose of the meeting is to promote harmonious and stable labor management relations, ensure effective and constructive communication between labor and management parties, and evaluate and ensure an adequate supply of skilled labor for all RCCD Project Work.

Important RCCD PLA Driven Initiatives



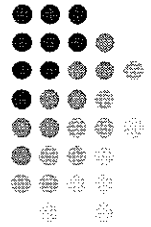
PLA Local Hire Goal Requirement:

- *At least fifty percent (50%) of the positions for Project Work for a particular contractor (including contractor's "core workforce") are to be filled with residents of the Riverside and San Bernardino Counties, with a first priority provided to the residents of Riverside County.*

Snapshot: PLA Local Hire Goal Initiative

Attainment Report: Cumulative

(Reporting Period: July 1, 2010 to June 30, 2014)

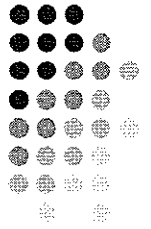


District Wide Local Hire Attainment For Active & Closed Projects 65%

	PROJECT NAME	TOTAL WORKERS REPORTED	TOTAL LOCAL WORKERS	LOCAL HIRE ATTAINMENT (as of June 30, 2014)
BY ACTIVE PROJECTS	RCC 12KV Utility Infrastructure	64	54	84%
	Culinary Academy And District Offices (CAADO) - Phase 2 (Start Date: June 1, 2014)	*	*	*
	Coil School for the Arts (CSA) and Parking Structure (Start Date: June 1, 2014)	*	*	*

* Projects Commencement June 2014 data not available.

Snapshot: PLA Local Hire Goal Initiative Report (Continued)



Attainment Report: Cumulative
 (Reporting Period: July 1, 2010 to June 30, 2014)

District Wide Local Hire Attainment For Active & Closed Projects 65%

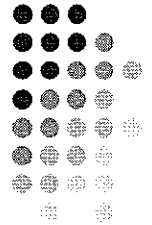
	PROJECT NAME	TOTAL WORKERS REPORTED	TOTAL LOCAL WORKERS	ACTUAL LOCAL HIRE ATTAINMENTS
CLOSED PROJECTS	RCCD ADA Transition	228	155	68%
	Norco Central Plant/Infrastructure	43	31	72%
	Norco Operations Center	380	250	66%
	MVC Student Academic Services	457	265	58%
	Culinary Academy And District Offices (CAADO) - Phase 1*	49	33	67%

* Demolition phase only

Snapshot: PLA Local Hire Goal Initiative (Continued)



Attainment Report: Cumulative
(Reporting Period: July 1, 2010 to June 30, 2014)



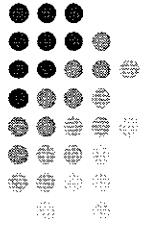
**District Wide Local Hire Attainment For
Active & Closed Projects 65%**

	PROJECT NAME	TOTAL WORKERS REPORTED	TOTAL LOCAL WORKERS	ACTUAL LOCAL HIRE ATTAINMENTS
CLOSED PROJECTS	Norco Secondary Effects	419	227	54%
	RCC Wheelock Complex, Gymnasium, Seismic Retrofit	558	406	73%
	MVC March Dental Education	343	225	66%
	MVC Lions Lot	142	104	73%
	MVC Nursing Portables	19	14	74%



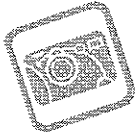
Snapshot: Project Local Business Participation

(Reporting Period: July 1, 2010 to June 30, 2014)



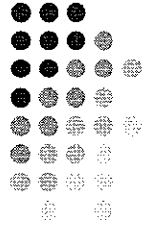
	PROJECT NAME	TOTAL NUMBER OF LOCAL BUSINESSES	LOCAL BUSINESS COMMITMENT
ACTIVE PROJECTS	RCC 12KV Utility Infrastructure	8	100%
	Culinary Academy And District Offices (CAADO) - Phase 2	11*	66%*
	Coil School for the Arts (CSA) and Parking Structure	11*	66%*

*Source Document: Selected-Prime Contractors Bid Document. Reported data is subject to change based on actual executed subcontract agreements.



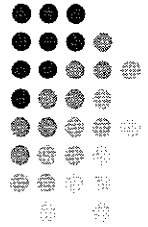
Snapshot: Project Local Business Participation

(Reporting Period: July 1, 2010 to June 30, 2014)



CLOSED PROJECTS	PROJECT NAME	TOTAL NUMBER OF LOCAL BUSINESSES AWARDED	PROJECT LOCAL BUSINESS COMMITMENT	ACTUAL PROJECT BUSINESS ATTAINMENT
	RCC Lovekin Projects	2	9%	9%
	Norco Infrastructure	3	92%	93%
	RCC ADA	18	56%	59%
	Norco Operations Center	29	98%*	85%
	MVC Student Services Center	22	68%	69%
	Norco Secondary Effects	9	14%	16%
	MVC Lions Lot	13	52%	62%
	MVC Nursing Portables	7	100%	100%
	RCC Wheelock Complex, Gymnasium, Seismic Retrofit	21	38%	48%
MVC March Dental Education	19	45%	71%	

PLA Feature: Fringe Benefit Exemption Overview and Status



Intent of Fringe Benefit Exemption:

- To level field and afford open and merit shops an equal opportunity to receive credit for existing benefit structure.

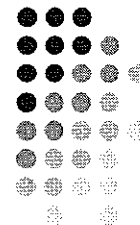
PLA Requirement:

- Bidders may qualify for an exemption to the PLA Fringe Benefit requirements if their benefit plan(s) (health, welfare and pension) meet or exceed the applicable Union fringe benefit individual plan(s) referenced in the Schedule A's.
- Bidders are informed of the opportunity to submit a PLA Fringe Benefit Exemption request at all project job-walk meetings.
- Contractor Fringe Benefit Exemption Requests are processed on a project by project basis, therefore providing all parties with the opportunity to be reconsidered based on the evaluation terms.





Snapshot: PLA Feature: Fringe Benefit Exemption Requests

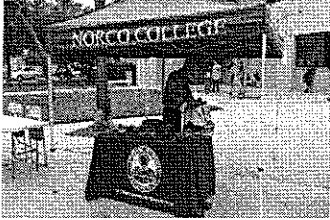
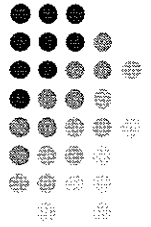


FRINGE BENEFIT TRADE EXEMPTION REQUEST SUMMARY (Reporting Period: July 1, 2010 to March 17, 2013)

Total Number of Prospective Bidders Filing Exemption Requests *	8
Total Number of Individual Trade Exemption Requests Processed	60
Full Trade Benefit Package Exemptions <u>Granted</u>	21
Partial Trade Benefit Package Exemptions <u>Granted</u>	35
Trade Benefit Package Exemptions <u>Denied</u>	4

*An individual bidder may have submitted multiple requests.

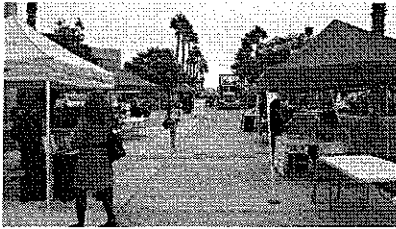
PLA Affiliate Outreach to RCCD Community: Participation in RCCD Job Fairs



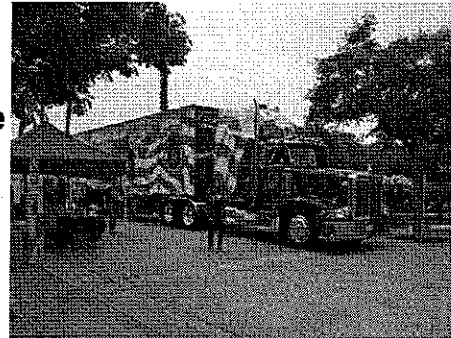
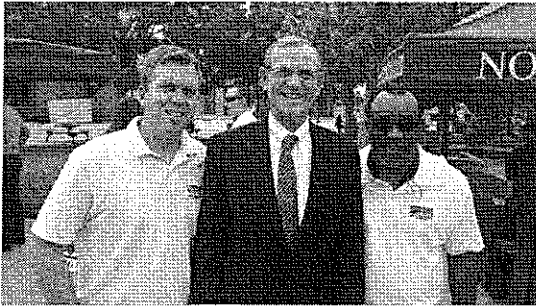
Norco Annual Spring 2013 Career & Job Fair
April 2, 2013
46 Employers Participated



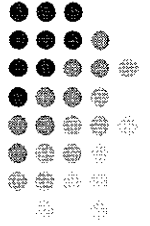
Norco Annual Fall 2013 Career & Job Fair
October 2, 2013
40 Employers
2250 Student Interactions



Moreno Valley College Spring Career Fair
March 18, 2014
Actual Participation
Not Readily Available



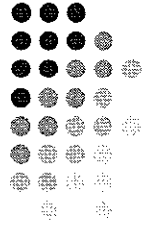
RCCD PLA IMPLEMENTATION: “*WHAT’S NEXT?*”



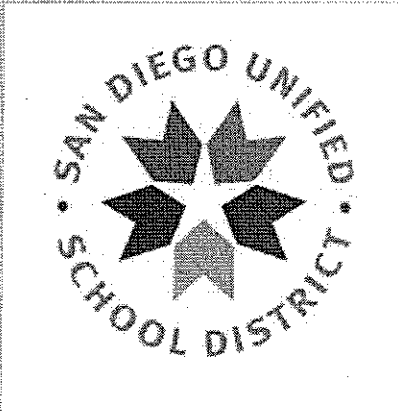
- Building Trades and affiliate Unions to participate in the Job & Career Job Fairs in Fall 2014.
- Continue to meet with RCCD PLA Oversight Committee.
- Facilitate Joint Labor Management Committee Meeting.
- Perform Ongoing Labor Compliance Monitoring of Active Projects.
- Collectively work with contractors and unions to dispatch local residents for RCCD projects.
- Assist in Local Business Outreach Efforts.

RCCD PLA Annual Status Update 2012/13

Recap of Highlights



✓ Local Worker Participation	65% Attainment vs. 50% Goal
✓ Local Business Participation	54% Attainment
✓ RCCD Partnerships	Active participation in campus Career and Job Fairs.
✓ Transparency in PLA Administration	Reporting to RCCD PLA Steering Committee and Joint Labor Management Committee, Active SB Outreach
✓ Union vs. Non-Union	192 Union (46%) 217 Non-Union (54%)



**San Diego Unified
School District
Project Stabilization
Agreement : A
Review of
Construction
Contractor and
Labor
Considerations**

Rea & Parker Research
November, 2011



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EXECUTIVE SUMMARY

In April, 2011, the San Diego Unified School District (SDUSD) engaged the services of Rea & Parker Research to perform a study of construction and labor-related issues pertaining to construction projects of SDUSD under Proposition S. On July 1, 1998, the SDUSD Board of Education unanimously voted to place a \$1.51 billion bond measure - called Proposition MM - on the November 1998 ballot to fund modernization of 161 existing schools and construction of 12 new and three rebuilt schools. On November 3, 1998, 78 percent of San Diego voters approved Proposition MM.

Ten years later, in 2008, SDUSD again went to the voters with a \$2.1 billion general obligation bond issue (Proposition S) that was passed by nearly 70 percent of San Diego voters on November 4, 2008. This bond program provided resources for the district to repair, renovate and revitalize its neighborhood schools. It also made the San Diego Unified School District (SDUSD) eligible for State matching funds to construct classrooms and schools to accommodate enrollment growth in certain specified areas.

Administration of Proposition S includes a Project Stabilization Agreement (PSA) with the San Diego Building & Construction Trades Council and Southwest Regional Council of Carpenters that was entered into in July, 2009. The PSA establishes a standard for a contractor's relationship with his/her workers by setting basic standards for hiring, dispute resolution, payment of fringe benefits, and utilization of apprentices, among other features. These basic standards are those that are applied by labor unions in the County.

1. Perform an analysis of cost of PSA projects versus non-PSA projects.

The cost of PSA projects is the same as projects under Proposition S before the implementation of the PSA. The mean winning bid on the PSA projects is the same as the mean winning bid on the comparable non-PSA projects—both at approximately \$4.3 million. Bids continue to be under budget, although somewhat less under budget for PSA projects than for non-PSA projects.

The survey of contractors showed 58 percent indicating that their bid cost on projects for SDUSD (without distinguishing between PSAs and non-PSAs) was the same as for other public agencies; however, 38 percent indicated higher bids for SDUSD; however, this is for SDUSD projects in their entirety—not for PSA vs. non-PSA projects. Regarding profit margins, 56 percent of the surveyed contractors indicate that profit margins are the same for SDUSD projects and other public agencies; whereas 40 percent indicate lower profit margins on SDUSD projects. These reduced profit margins are a benefit to District taxpayers in the form of lower prices.

2. Perform an analysis concerning the duration of construction for PSAs and non-PSAs

PSA projects are performing better than non-PSA projects in duration of construction measured against initial estimates of time required to complete the project—project delays are considerably lower under the PSA. Five PSA projects that were complete or substantially complete by September 6, 2011 took an average of 77 days more than originally estimated, whereas the four non-PSA projects (all of which were complete or substantially so) averaged 128 days longer than estimated. PSA

projects experienced one particularly lengthy project (Cherokee Point Elementary Chiller was 247 days late) as did non-PSA projects (Morse High School Automotive and Culinary was 327 days late). Treating these very late projects as outliers, the remaining projects averaged 34 days late for PSA projects and 62 days late for non-PSA projects.

More prompt completion of projects serves to benefit contractors by reducing the costs they incur for overhead and financing and also benefits the District by reducing staff and overhead devoted to the projects. Furthermore, by completing and opening the improved school project sooner, the school can begin operating in its more modern and cost efficient structure and saving the District certain costs of operation.

3. Analyze contractor bidding participation in public works and District's Prop S program
4. Identify the factors that contribute to a general contractor's decision to pursue SDUSD construction projects in general and, specifically, PSA covered projects.
 - a. Willingness to subcontract with union or non-union contractors;
 - b. Administrative requirements necessary to monitor prevailing wages, project labor/stabilization agreements, etc.

The mean number of bidders per PSA project (6.2 bidders) is less than the number that bid non-PSAs (11.7). Furthermore, the number of plan holders for non-PSAs greatly exceeded that number for PSAs (80.7 versus 35.4) as did the number of contractors and others who participated in the required tour of the property (site walk)—40.0 versus 24.4. These data tend to indicate a lesser degree of interest in working on PSAs than on non-PSAs; however, this lesser degree of interest does not translate into higher construction bids.

The survey of contractors showed that administrative work and obtaining payments ranked 8th and 9th in satisfaction among 11 issues associated with working on SDUSD projects. Obtaining change orders and finding employees in targeted zip codes were the only factors rated lower in satisfaction, indicating that administration and obtaining payments do weigh heavily on the experience of working with SDUSD—as do finding targeted zip code workers and obtaining change orders.

According to the survey, small subcontractors need help in obtaining bonding and meeting their insurance requirements much more than they feel that they need technical or administrative aid. Quotas and/or a point system to encourage small contractor participation have widespread support among contractors surveyed.

5. Perform an analysis of the PSA covered projects to determine the effect of requiring PSA compliance by subcontractors of every tier
6. Determine the level of satisfaction/dissatisfaction with construction opportunities with SDUSD among building contractors within the County.

The survey showed that 61 percent of contractors found that finding sub-contractors during the bidding process was the same for SDUSD projects and for other public agencies and that 28 percent found it more difficult on SDUSD projects. Any negative impacts that may be felt by contractors in the form of higher internal costs are not reflected in their bid prices.

The survey found that the level of satisfaction working on SDUSD projects is good (2.43 on a scale of 1=very good experience and 5=very poor experience). Working with SDUSD is seen as being a more

favorable experience by larger, union contractors and minority-owned businesses than it is by smaller, non-union, women-owned businesses.

7. Perform an analysis to determine if PSA covered projects have increased compliance with California Labor laws including prevailing wage requirements
8. Perform extensive review of PSA covered projects to determine whether workers are receiving fringe benefits, including pension, health care, etc., and compare against fringe benefits for workers on non-PSA projects

PSA labor compliance reporting has been more deficient than has been labor compliance on non-PSA projects, with deficiencies representing 1.5 percent of total project cost for PSA projects and 0.7 percent (approximately one-half the rate of PSA deficiencies) for the comparable non-PSA projects.

Benefits reporting, as with deficiencies, favors the non-PSA projects (68 percent non-PSAs versus 55 percent PSAs). On the other hand, some of the PSA projects are quite new and show very poor reporting rates. Removing the three new and highly deficient reporting projects—Hoover High School Athletic Field (17 percent), Jefferson Child Development Center and Playground (28 percent), and Morse High School Child Development Center (35 percent), PSA reporting of benefits to be paid to each class of worker by subcontractors and the general contractor increases to an effectively non-PSA matching 66 percent. Benefits paid by PSA and non-PSA projects are also similar, as would be expected in Prevailing Wage types of projects such as these.

It is known that PSA projects grant access to union representatives and that deficiencies may be due to increased attention to labor issues, and it may be that this increased attention may have resulting in increased protection of the wages and benefits of workers than may have existed prior to the PSA.

9. Perform an analysis to determine extent of local worker utilization under the PSA covered Prop. S projects versus non-PSA projects.
10. Perform an analysis and make recommendations of how the District can achieve PSA goals regarding the utilization of local workers.

SDUSD has a very ambitious local worker utilization program that targets economically distressed communities in southeastern San Diego plus Linda Vista and parts of Clairemont to represent 35 percent of all workers on PSA projects. Within the District boundaries, the objective is 70 percent of workers, with 100 percent to come from San Diego County. Hiring workers in the targeted zip codes and within the larger region is viewed as a major benefit of the PSA since these local workers will help to stimulate the local economy.

For most of the time before April, 2011, approximately 18 percent of all workers resided within the SDUSD targeted zip codes, 30 percent within the District and 94 percent within the County. These percentages represent individual workers—not labor hours or total payroll. There has been substantial growth in these percentages since April, 2011, with 30 percent presently from the targeted zip codes (a 67 percent increase from April), 40 percent within the District (33 percent increase) and 96 percent from the County.

These increases over the past 6 months are due to union referrals. Non-union workers have not changed in residential distribution during the period, but union referrals have changed significantly. In April, 22 percent of union referrals resided within the targeted zip codes; that has grown to 41

percent in October. Similarly, non-union workers are unchanged with regard to SDUSD zip codes, but union referrals have grown from 38 percent to 53 percent.

The implication of this is that the District is close to achieving the objectives for targeted zip codes and is doing so almost entirely due to union referrals. It can be expected that target zip code participation will achieve the 35 percent goal in short order if this growth continues. The participation from workers residing within the District is still well short of the 70 percent goal, but is moving in the right directions.

An analysis based on payroll dollars instead of individual workers does not show the same level of local worker participation. This chart would not reflect the growth discussed above because of the weight of all expenditures from 2009 and 2010 versus the growth that has been very recent. The advantage of this data, however, is that they reflect actual hours on the job more closely than do individual worker counts. These numbers reflect somewhat less of a local workforce--16 percent of total payroll has gone to targeted zip code workers, 31 percent to workers residing in the District, and 84 percent to County residents—percentages quite similar to those of individual workers through April, 2011 and not reflective of recent growth.

As indicated above, the survey showed that contractors find that recruiting workers from the targeted zip codes is one of the more challenging tasks with which they are confronted in working on SDUSD projects.

11. Perform an analysis to determine quality of construction work on PSA covered projects

SDUSD construction manager interviews unanimously indicated that construction quality is the same for PSA projects and for non-PSA projects. Quality is set by architect specifications and by State inspections, and, PSA or not, these remain the same.

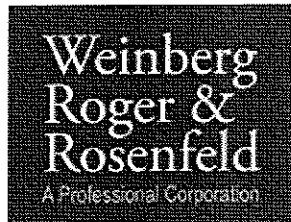
The survey inquired about construction standards of SDUSD in comparison to other public agencies, and tended to support the construction managers' opinions that quality was unchanged. The findings from the survey were that 71 percent indicated that construction standards were the same between SDUSD and other public agencies and 25 percent thought that SDUSD standards were higher, reflecting a strong sense of excellent construction being performed. When asked about the number of repairs contractors were required to make on SDUSD projects, 81 percent saw no difference between SDUSD and other public agencies and the remaining 19 percent were relatively equally split between more and less repairs.

12. Study the start-up period for acceptance of PSAs (e.g., length of time until newly implemented PSA projects achieve their most beneficial/productive level of performance).

The Los Angeles Unified School District (LAUSD) started its PSA in 1998, but found that it took approximately 5 years to get all of the pieces in place to make it operate efficiently and effectively. SDUSD's PSA has been in effect for approximately 2 years, and, as one of the interviewed construction managers stated, some of the problems that occurred on the job sites during the first year have been ironed out since. It is reasonable to consider that the same might be said sometime in the near future about some of the technical and administrative issues discussed in this report. That is to say, SDUSD's PSA would seem to be reaching operational efficiency faster than did LAUSD.

According to Parsons Constructors, Inc. (the PSA coordinator for LAUSD and SDUSD), and the four keys to the success of the LAUSD PSA are:

- **Education:** *Parsons is responsible for educating contractors and other relevant parties regarding the PSA agreement. Questions about the PSA from contractors are answered daily. This continuing educational process helps to maintain good relations between contractors and the School Districts.*
- **Dispute Resolution:** *Representatives of Parsons administer/mediate disputes that arise between contractors and the School District through specific procedures provided in the PSA.*
- **Labor Relations:** *Parsons maintains strong relationships with unions. Every effort is made by Parsons to gain the trust of the unions (locally and nationally) and this serves the best interest of the School District.*
- **Community Workforce Development:** *This is an effort to reach out to contractors. Parsons and School District staff try to educate contractors regarding projects that are in the pipeline so that they will be prepared to bid on these projects.*



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MEMORANDUM

To: Greg Feere
Contra Costa Building and Construction Trades Council
File: BTCCC- 132625

From: Sharon Seidenstein and Jolene Kramer
Weinberg, Roger and Rosenfeld, PC

Date: October 24, 2014

Subject: *West Coast Contractors, Inc. v. City of Pinole Redevelopment Agency*

The purpose of this memorandum is to address the validity of the Superior Court decision of *West Coast Contractors, Inc. v. City of Pinole Redevelopment Agency*, Case No. 96-02498 (Sept. 9, 1996) ("*West Coast Contractors*"). That lower court decision, issued in 1996, held that the Project Labor Agreement at issue violated California's competitive bidding laws because it purportedly limited the number of potential bidders on a project.

In 1999, the California Supreme Court effectively overruled the holding in *West Coast Contractors* when it decided *Associated Builders & Contractors, Inc. v. San Francisco Airports Com.*, 21 Cal. 4th 352, 981 P.2d 499 (1999) ("*San Francisco Airports*"). In *San Francisco Airports*, the Supreme Court held that the subject Project Labor Agreement was consistent with both local and statewide competitive bidding laws, did not bar or substantially discriminate against a class of contractors, was adopted in furtherance of legitimate governmental interests consistent with competitive bidding laws (including prevention of costly delays and ensuring access to skilled craft workers), and did not violate the State or Federal Constitution. In short, the State Supreme Court upheld the use of Project Labor Agreements as fully consistent with applicable State and Federal laws, including competitive bidding laws.

Furthermore, shortly before the *San Francisco Airports* case was decided, the California First Appellate District, Division Two, ruled on the appeal of a related issue in the *West Coast Contractors* case ("Appellate Opinion"). The Appellate Opinion was very skeptical of the lower court's reasoning, observing that the claim that Project Labor Agreements decrease competition was improbable and "chimerical." (Case No. A082935, P. 12.). The Appellate Opinion found that "there was no evidence that a single additional bid was received after removal of the PLA requirement; and there was no evidence of any reduction in the overall level of the bidding resulting from the removal of the PLA strictures." (P. 8-9.)

The Appellate Opinion also found no support for the claim that more bids mean lower bids. The Court held that the contractor's argument that PLAs increase costs was speculative and

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appeared “ideological” in nature, explaining that “[i]f there is evidence of savings of public funds on this project [by removing the PLA requirement], it has not been shown.” (P. 9-10.)

For these reasons, the lower court opinion in *West Coast Contractors, Inc. v. City of Pinole Redevelopment Agency*, Case No. 96-02498 (Sept. 9, 1996), is no longer good law and cannot be relied upon by PLA detractors.