

Project Labor Agreement Issue and Invitation to local craft championship

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To: Measure E CBOC <cboc.measure.e@fremont.k12.ca.us>;

Cc: Desrie Campbell <desids@aol.com>;

 2 attachments

ABC NorCal Craft Competition poster I.pdf; PLA Talking Points - Fremont USD.docx;

Good morning Anu.Natarajan,

I am a former CBOC member in a different school district but wanted to alert you and the CBOC's attention to a controversial issue the Board is facing regarding the \$650M Measure E construction bond. They are considering a Project Labor Agreement for the construction which studies show will impact the value of the bond by 10 – 20% because of its effects of limiting competition and increasing costs due to the following:

- Workers must pay costly union dues, even if the employee is not a union member. These dues can cost \$1100!
- All workers must be hired through a union hiring hall. This discriminates against younger and non-union workers. Companies are often forced to lay off proven, productive workers to hire strangers picked by the union bosses.
- All employees must contribute to union health, welfare and pension plans, regardless of whether or not the workers already have their own plans. Union plans also require long vesting periods making it unlikely that the non-union worker will see the benefit of their contributions.
- All apprentices must come from state approved *union* programs, discriminating against thousands of apprentices in state approved merit shop programs.

At the September 9 Board of Trustees meeting, Board members requested the CBOC weigh in on this issue before they make a final decision. Would it be possible for the CBOC to agendize this issue for its October 7 meeting? To reduce the value of the bond in an already overcrowded district with no school slated for Patterson Ranch would be further devastating to the district.

We would also like to invite the CBOC members to attend our local craft championship competition on November 7 and would hope that any vote for a Project Labor Agreement that would impact the use of our apprentices be held off until after our craft competition. Thank you for your consideration of our request.

The Journey Begins

The road to the ABC National Craft Championships starts with a local craft competition in Livermore. On November 7, our talented electrical and carpentry apprentices will compete for top honors and the chance to showcase their skills at the national competition in Ft. Lauderdale in March 2016.

The local competition will closely mirror the national format and put our apprentices' skills to test in a six-hour, hands-on, "blueprint-to-final-product" practical test. Local officials will judge the final products and determine who will move on and represent Northern California in Ft. Lauderdale.

Local suppliers and sponsors will have booths at the event with information and goodies. We will also have a raffle with great prizes.

Be Part of the Excitement

Join us and cheer on our competitors as they vie for top honors and the experience of a lifetime! All are welcome, including children, and lunch is on us!

ABC NorCal Craft Competition

November 7, 2015

4577 Las Positas Rd., Unit C

Livermore

Competition starts at 8:00 a.m.

This is a free event, but registration is required so we can get a head count.

Nicole Goehring

Community and Government Relations Director

ABC NorCal

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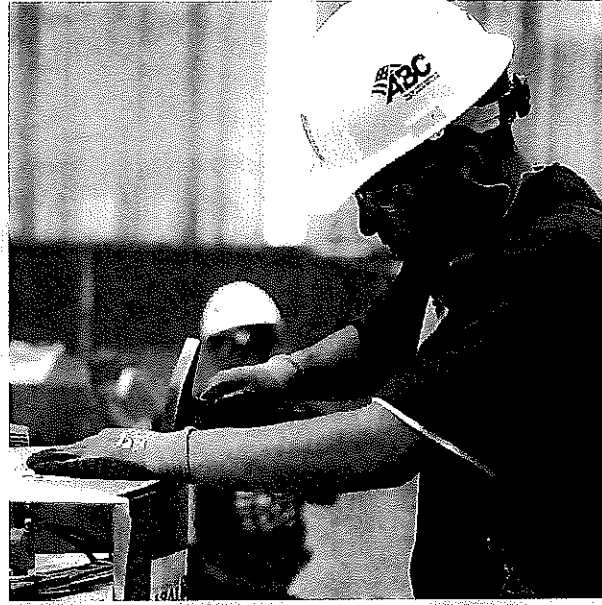
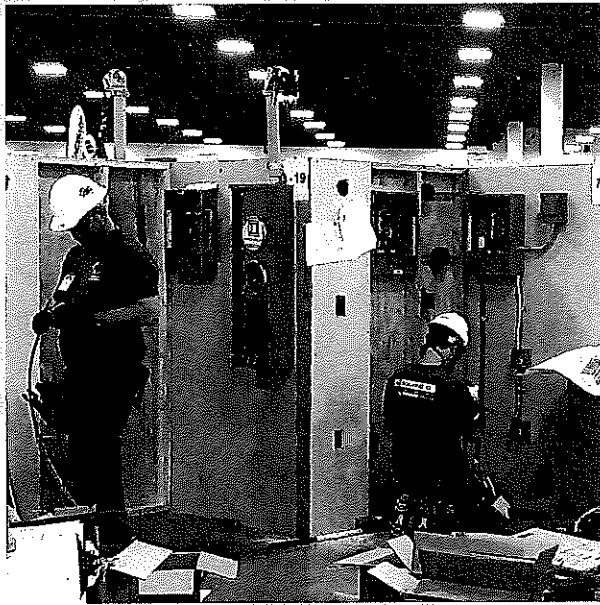
Founded on the merit shop philosophy, ABC helps members develop people, win work and deliver that work safely, ethically, profitably and for the betterment of the communities in which ABC and its members work.

Get your golf on!

ABC NorCal Golf Classic | Sept. 18, 2015

**Great sponsorships still available!*

2015 ABC NORCAL CRAFT COMPETITION



FEATURING

Carpentry and electrical competitions • Food • Local construction vendors and more!

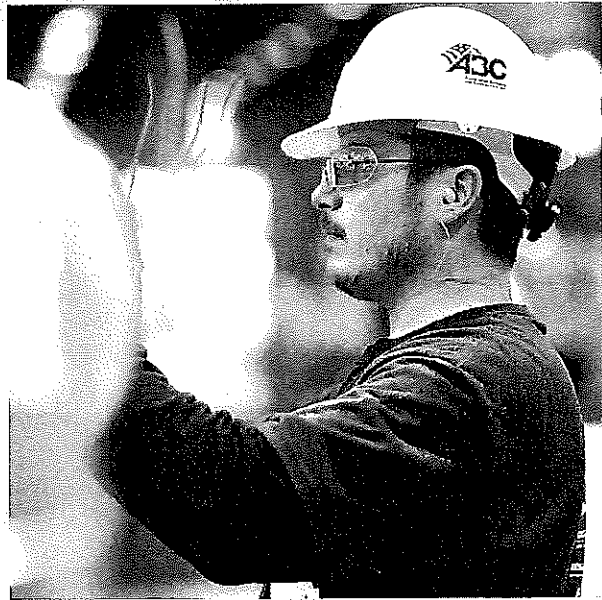
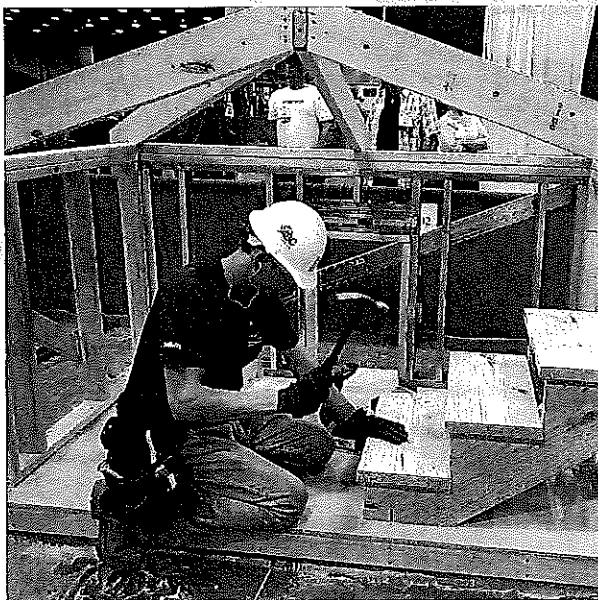
**COMPETITION
STARTS @ 8 AM**

ABC NorCal, 4577 Las Positas Rd. Unit C
Livermore, CA 94551

11.7.15
JOIN IN ON THE FUN!

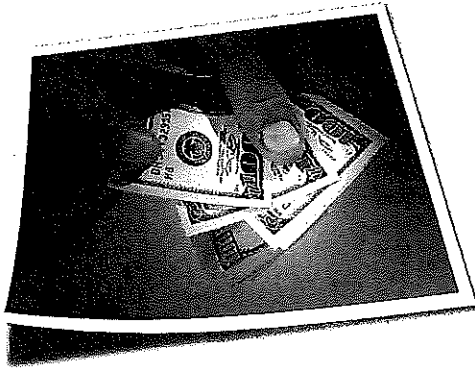
**FREE FOR
ALL AGES**

Lunch is included
Register @ abcnorcal.org



ABC NorCal is a trade association dedicated to serving construction professionals from Fresno to the Oregon border.
(p) 925.474.1300 | abcnorcal.org | #lovewhatyoudo #lovewhatyoubuild

What Is A PLA?



Project Labor Agreements (PLAs) are a special interest kickback scheme that ends open, fair and competitive bidding on public work projects denying the vast majority of local contractors and small business owners the opportunity to bid on work. PLAs impose discriminatory mandates on small business ensuring that projects are awarded to only vendors preferred by big labor unions.

PLAs: Bad for Workers. Bad for Taxpayers.

PLAs deny nearly 84% of California's construction workforce the ability to work on public work projects reducing competition and significantly driving up costs to taxpayers. With government budgets stretched to the breaking point and essential services being cut, it is critical that taxpayers get the best quality work at the best price. Always. PLAs put special interests ahead of the public interest by restricting the bidding process to ONLY contractors backed by big labor unions – denying others the opportunity to do a better job at a better price.

A Project Labor Agreement for Fremont USD, for instance, means more taxpayer dollars will be spent on higher construction costs. Under this scenario, only 4 taxpayer funded projects will be built for the price of 5.

Under the PLA:

- Workers must pay costly union dues, even if the employee is not a union member. These dues can cost \$1100!
- All workers must be hired through a union hiring hall. This discriminates against younger and non-union workers. Companies are often forced to lay off proven, productive workers to hire strangers picked by the union bosses.
- All employees must contribute to union health, welfare and pension plans, regardless of whether or not the workers already have their own plans. Union plans also require long vesting periods making it unlikely that the non-union worker will see the benefit of their contributions.
- All apprentices must come from state approved *union* programs, discriminating against thousands of apprentices in state approved merit shop programs.

Contractor Mandates

- Contractors are not allowed to negotiate the PLA. Only union representatives are allowed at the negotiating table with the owner.
- Proven, innovative, flexible and effective work rules are junked for a new set of mandates imposed by the PLA.
- PLAs use only union job classifications.
- PLAs force union arbitration and grievance procedures on all contractors.

*Few contractors will alter their operations or impose union requirements on their employees in order to be awarded a bid. Many **union** contractors will not expose their employees to work rules and new jurisdictions they had no hand in negotiating. Because of these provisions, PLAs reduce competition and drive up costs for taxpayers and contractors.*

PLA Facts

- In September 2009, nationally known pollster Frank Luntz surveyed Americans about taxpayer funded bidding procedures. 88.5% said they preferred a "fair, open, and competitive bidding process." 12% felt that unions should have the exclusive right to the work.

Americans overwhelmingly reject PLAs

- Fremont USD taxpayers want their projects built by the best contractors at the best price and want their elected officials to choose the construction firm that offers the best value. The record clearly shows PLAs harm all of these goals.

"Project Labor Agreements unnecessarily inflate the costs of taxpayer-funded construction and discourage the economic growth and job creation so desperately needed in California at this time. All governments in California could help ensure the best quality construction at the best price for taxpayers by prohibiting Project Labor Agreements on their taxpayer-funded construction." Jon Coupal, President, Howard Jarvis Taxpayers Association

"From Boston's Big Dig to the San Francisco airport, if it's a project with egregious cost overruns, a project labor agreement is probably involved." Wall Street Journal – June 14, 2010

"PLAs are a form of political bid-rigging that robs taxpayers even in good economic times. They deserve to be outlawed." Wall Street Journal – July 19, 2011

"California school construction costs taxpayers 13-15% more when built under Project Labor Agreements." Measuring the Costs of Project Labor Agreements on School Construction in California – National University July, 2011

- Recently, there was a 30% reduction in bidders on the City of Brentwood Civic Center bid under a PLA and only one local contractor on the winning bid list. 25 general contractors went through the pre-qualification process. 20 prequalified. On the day of the actual bid, the total number of contractors bidding the work suddenly dropped almost 50% to 11! Less competition + less bids = higher costs to taxpayers.
- In the Oakland Unified School District a construction bond was passed for \$300 million in order to rehab and modernized old schools. Bids went out for a rehab project which received EIGHT bids. The lowest responsible bidder came in at \$1.8 million – which happened to be from a merit shop contractor. After the bids came in, the district decided to re-bid the contracts for the rehab project, as a PLA had been placed on all work. The result was another bid and this time there were only THREE bids with the lowest coming in at \$2.2 million dollars. The project's cost skyrocketed 24%, which is typical. IRONY - the district had to close down 13 schools due to budget cuts. The savings to the district for each closure was about \$437,000 or the cost of ending competitive bidding.
- An audit conducted by Contractor and Compliance Monitoring Inc., found violations by 16 contractors working on a \$150 million Los Angeles Unified School District high school under construction in San Fernando. The school was built under a PLA. The alleged violations include failure to pay prevailing wages and inadequate supervision. Several of the contractors had expired or suspended licenses.
- The San Diego Unified School District placed a PLA on its construction bond July 2009, and the first project to go out to bid under the PLA had 66% less bids than a similar project without a PLA attached to it. Worse yet, the bid was 35% over budget. The job was awarded to a bidder from Los Angeles despite big labor claims that a PLA would result in more "local hires."
- Two contractors recently bid the 2010 Discovery Bay Asphalt Rubber Cape Seal job in Contra Costa County, one with a PLA and one without a PLA – PLA bid was from Southern California contractor and 17% over engineer's estimate.
- Family Law Center in Contra Costa County—all five prospective non-union bidders dropped out; low bid was 19 percent over the estimate calculated before there was a PLA.