

FREMONT UNIFIED SCHOOL DISTRICT
Bond Measure E: Project Stabilization Agreement
Frequently Asked Questions
11/2/16

Q. What is a Project Stabilization Agreement?

A. A Project stabilization agreement (PSA), sometimes referred to as a project labor agreement, is a contract usually entered into between a project owner or developer (including public agencies) and several building trade unions. The contract is designed to govern employer-employee relations of the general contractor and all sub-contractors.

The goals of the District's PSA are: 1) to provide for local hiring, 2) contain costs, and 3) give the District flexibility in management of projects.

Q. What impact does a PSA have on wage rates?

A. According to the California School Boards Association Construction Management Task Force, all California school construction is covered by state prevailing wage laws. A PSA has no effect on wage rates.

Q. What is prevailing wage?

A. The prevailing wage rate is the mandated minimum wage for a particular type of work paid on public works projects.

Prevailing wages must be paid to all workers employed on a public works project when the public works project is over \$1,000.

Q. What were the costs to implement the PSA and what are the anticipated costs to manage it? Are these costs paid out of Measure E funds?

The costs for implementation were primarily for the FUSD's negotiating team, which included an attorney and the consultants the District hired to monitor this program. The costs for negotiating the agreement were \$30,000 for an attorney, and \$5,075 for a PSA administrator. The Board approved a contract in the amount of \$125,280, with Solis Group on February 24, 2016, to serve as the PSA administrator of the program. These costs **are not** paid through Measure E. The PSA implementation and monitoring is paid through the General Fund - Career Technical Education.