

Clerk

From: Nicole Goehring <nicole@abcnorcal.org>
Sent: Tuesday, March 15, 2016 5:49 AM
To: Bill Harrison; Lily Mei; Suzanne Chan; Vinnie Bacon; Rick Jones - Councilmember; Cliff Nguyen; [REDACTED] Suzanne Chan
Cc: CClerk
Subject: Re: Agenda Item 8. Agenda 8.A.1. Oppose - Project Labor Agreement for the First Phase of our Downtown Civic Center project
Attachments: PLA Oppose - Fremont Civic Center.pdf
Importance: High

Dear Mayor Harrison and Fremont City Council:

Associated Builders and Contractors Northern California Chapter (ABC NorCal) is a construction trade association of nearly 500 construction and construction related firms representing 22,000 merit shop construction workers. Many of our contractor members and their employees are located in Alameda County and have performed work for the City of Fremont. ABC NorCal operates apprenticeship programs approved by the state in several trades. We believe in increasing opportunities for all workers regardless of their labor affiliation.

Before the Council makes any decisions to move forward with a Project Labor Agreement (PLA) for Phase One of the Downtown Civic Center Project, we kindly request the council delay action until the following questions can be addressed: Why is there a rush for a PLA agreement for this project that is only 50% designed and alters the way contracting has historically been done at the city? Why are you allowing the council to make a decision on a complex topic without surveying contractors who work for the city for their input and without holding a proper special study forum to give proponent and opponent presenters equal time to properly educate councilmembers?

We thank you for your consideration of our request to delay the discussion and look forward to working with you to find solutions that will remove barriers and provide a more inviting environment for the entire Fremont community to bid on the project.

Please include this correspondence in your March 15, 2016 meeting minutes.

Nicole Goehring

Community and Government Relations Director
ABC NorCal

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abcnorcal.org

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.

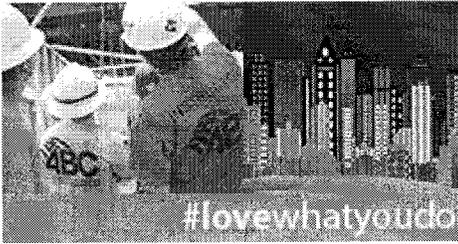
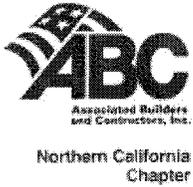
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Item 8.A.1

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March 15, 2016

Bill Harrison, Mayor
City of Fremont
3300 Capitol Ave., Bldg. A
Fremont, CA 94538

Re: Agenda Item 8. A. 1. Oppose - MAYOR HARRISON REFERRAL: Requests staff to enter into discussions with the Alameda County Building and Trades Council to develop a Project Labor Agreement for the First Phase of our Downtown Civic Center project

Dear Mayor Harrison:

Associated Builders and Contractors Northern California Chapter (ABC NorCal) is a construction trade association of nearly 500 construction and construction related firms representing 22,000 merit shop construction workers. Many of our contractor members and their employees are located in Alameda County and have performed work for the City of Fremont. ABC NorCal operates apprenticeship programs approved by the state in several trades. We believe in increasing opportunities for all workers regardless of their labor affiliation.

Before the Council makes any decisions to move forward with a Project Labor Agreement (PLA) for Phase One of the Downtown Civic Center Project, we kindly request the council delay action until the following questions can be addressed: Why is there a rush for a PLA agreement for this project that is only 50% designed and alters the way contracting has historically been done at the city? Why are you allowing the council to make a decision on a complex topic without surveying contractors who work for the city for their input and without holding a proper special study forum to give proponent and opponent presenters equal time to properly educate councilmembers?

Project Labor Agreements (PLAs) create barriers for local, minority and women-owned construction employers and their employees from participating in building their community because they often contain provisions that do not allow for the utilization of their own workforces. PLAs also exclude the men, women, and veterans who have chosen to enter into state approved, unilateral apprenticeship training programs in pursuit of a construction career from the opportunity to work and gain the invaluable on-the-job training experience that provides stability for them, their family and their community.

Additional concerns for workers, the city and taxpayers have to be taken into consideration before a vote can take place.

Concerns for the workers

- Union dues requirement for non-union workers on or after 8th day (less money on pay-check)
- Companies are forced to lay off productive non-union workers
- Requires payment into union pension programs in which workers may never vest
- Requires workers with existing ACA health coverage to pay into additional union health & welfare programs
- Non-union apprentices cannot learn their trade and work on these jobs in their own communities

Concerns for the city

- Negotiations can take up to two years – delaying project start times
- Negotiations cost additional money to the awarding body (legal fees)
- Professional services to administer PLAs cost additional money to the awarding body
 - Alameda County \$1,167,240

Concerns for the taxpayers

- Exclusion of bidders and increased costs
 - \$39M Pinole Hercules Wastewater Treatment Plant recently bid with a PLA. There were only two bidders, and bids came in at 8% and 22% over the engineer's estimate.

- Conversely, the \$13.6M EBMUD Chabot Dam Seismic Retrofit Project recently bid without a PLA. There were six bidders and bids came in \$1.7M below the estimate.
- 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.

We thank you for your consideration of our request to delay the discussion and look forward to working with you to find solutions that will remove barriers and provide a more inviting environment for the entire Fremont community to bid on the project.

Please include this correspondence in your March 15, 2016 meeting minutes.

Sincerely,



Nicole Goehring
Government Affairs Director

CC: Lily Mei, Vice Mayor
Suzanne Lee Chan, Councilmember
Vinnie Bacon, Councilmember
Rick Jones, Councilmember
Cliff Nguyen, Urban Initiatives Manager