

## David Cutaia

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**From:** David Cutaia  
**Sent:** Thursday, January 14, 2021 4:08 PM  
**To:** David Cutaia  
**Subject:** FW: Goleta PLA

**From:** Nickolas Harvey <[nharvey@ualocal114.org](mailto:nharvey@ualocal114.org)>  
**Sent:** Thursday, January 14, 2021 2:09:15 PM  
**To:** Kyle Richards <[krichards@cityofgoleta.org](mailto:krichards@cityofgoleta.org)>  
**Subject:** Goleta PLA

Good Afternoon,

My name is Nick Harvey, I am with UA Local 114 Plumbers and Pipefitters Santa Barbara county. I am writing to urge the Goleta City Council to support City Staff entering into negotiations on a Community Workforce Agreement (CWA) modeled on the Community Workforce Agreement that was adopted by Port Hueneme. There are a number of reasons why the City of Goleta should adopt a CWA. I wanted to touch on some of those.

1. CWAs are the only way to ensure that our tax dollars stay her local and that our local workforce will actually work on City-funded projects in Goleta.
2. CWAs are the only legal way to guarantee local construction workers actually do the work.
3. CWAs keep local tax dollars local putting local workers to work and continuing to fuel our local economy. The local hire provision of a CWA set hiring goals that allow for specific communities such as veterans, women, and underserved communities to benefit from the local jobs created on the project funded by local tax revenue.
4. CWAs are required by law to be non-discriminatory and they do not prohibit non-union contractors and subcontractors from bidding and winning work. They do ensure that local workers are paid the prevailing wage for the work that is being done and that our tax dollars stay local.

And finally,

5. CWA's are a completely negotiated contract, and to reiterate point number 4 again **they do not limit any qualified contractor** from bidding and winning the job.

I want to say thank you for reading my letter. If you have any questions please feel free to reach out as I would be happy to answer them. Thank you again.

--  
Sincerely,

Nickolas Harvey  
Organizer/Recruiter  
Local 114/ So. Cal Pipe-Trades  
Santa Barbara County  
[www.ualocal114.org](http://www.ualocal114.org)

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Buellton Ca 93427



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ADDRESSEE: City of Goleta, Attn.: City Clerk's Office  
[cityclerkgroup@cityofgoleta.org](mailto:cityclerkgroup@cityofgoleta.org)

DATE: January 15, 2021

SUBJECT: Project Labor Agreements (PLAs) for the City of Goleta  
Materials Testing and Special Inspection Services

City Council,

We wish to comment on the Council's consideration of the adoption of Project Labor Agreements for the City's projects, and more specifically, the policy option to exempt materials testing and special inspection services from PLAs for the City of Goleta. We believe that such exemption would serve the best interests of the City and be consistent with the applicable laws and regulations governing testing and inspections services (which are considered an extension of professional services), and the construction management consultants. As your staff report cited, we are also of the opinion that requiring testing and inspection services to adhere to the requirements of a PLA is in conflict with the intent of California Government Code Chapter 10 Sections 4525-4529.5, regardless of whether such professional services are procured directly by the awarding body or by the construction management consultant. Furthermore, a PLA requirement would either 1) unfairly exclude non-union firms from the qualifications-based selection process, or 2) require non-union firms to utilize non-employee union workers, which is problematic for a variety of reasons as discussed below.

In our case, Earth Systems is a local geotechnical, materials testing and special inspection firm with offices in Santa Barbara, Ventura and Santa Maria; we have provided services for the City of Goleta for over 35 years. Our technicians and inspectors are highly qualified, most with multiple inspection certifications. The vast majority of our inspectors have been employed with us for over 20 years. Not only do we have confidence in their qualifications and level of work, but we have several inspectors who are qualified to perform all types of ICC special inspection and materials testing. Typically, we assign one of these multi-certified inspectors as the lead on a major project, such as a fire station or other public works structure. This is of benefit both in terms of project continuity and ensuring that any non-compliant items are followed up and resolved, as well as the considerable cost savings that result from having one inspector capable of performing multiple types of inspection. PLA requirements typically involve separate requests and separate site visits for each type of inspection, which drives up costs.

From a professional responsibility standpoint, with a PLA in place and due to the typical hiring and referral system requirements to obtain workers from the union hall, we would be forced to rely upon technicians and inspectors with whom we are unfamiliar, and whose qualifications and experience may not be of the level we require from our own employees. As they would not be employees of Earth Systems, our ability to provide oversight and correct deficiencies would be



limited, and they would not be accountable to us in any meaningful way, while we would have to take professional responsibility for the outcome of the work. The end result is that we would have no control over the quality of the inspection work but would be required to assume all responsibility as the materials testing/special inspection laboratory of record. We feel that this would significantly constrain our ability to serve the City's projects in a professionally responsible and cost-effective manner. This is simply not fair or reasonable, and therefore, as President and CEO of this firm, I could not ask my team of engineers and professionals to expose the company or their own professional engineering licenses by assuming such risks.

I would also like to emphasize that adopting PLAs for the public bidding process will have a devastating unintended consequence of eliminating the potential awards of these contracts to non-union local firms and businesses because they cannot fairly compete under such encumbrances, and therefore cannot bid on such projects. This will clearly have a negative impact to this community when employers, through no fault of their own, no longer have the opportunity to employ their employees on projects because of PLAs. This community proudly supports its local businesses, keenly aware that such local businesses serve an integral link in the economy by employing local residents. However, the staff report clearly outlines the pitfalls of relying on PLAs as a guarantee to have only local workers on the projects.

While I am unable to participate in the January 19 meeting to appear before the Council to voice our concerns over the inclusion of testing and inspection services in any PLA, I thank the Council for giving this letter equal consideration.

Should you wish to have a more thorough discussion regarding our concerns with having our services subject to a PLA, please feel free to contact the undersigned at your convenience.

Sincerely,

Earth Systems Pacific

Craig Hill  
President/CEO

## David Cutaia

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**From:** Corri Perry <corri@slocbe.com>  
**Sent:** Monday, January 18, 2021 12:37 PM  
**To:** City Clerk Group; Paula Perotte; James Kyriaco; Roger Aceves; Stuart Kasdin; Kyle Richards  
**Subject:** Opposition to PLA.  
**Attachments:** PLA Opposition Letter City of Goleta 01-18-2021.pdf

Honorable Mayor Perotte & Goleta City Council Members,

We are one of the four (4) Local Builders Exchanges here on the Central Coast and I represent 500 local firms, their employees and their families and we are asking you to VOTE NO on the purposed City of Goleta PLA. Attached is our letter opposing PLA and why they hurt your local Firms and the Tax payers. We have nothing against Unions, many of our members are Union employers, we oppose the wage theft and lack of competition.

Thank you in advance for your time and consideration.

Respectfully,

Cordelia Perry

**Cordelia Perry, Executive Director**

SLO County Builders Exchange  
153 Cross Street, Suite 130, San Luis Obispo, CA 93401

Ph: 805-543-7330  
Fax: 805-543-7016

[corri@slocbe.com](mailto:corri@slocbe.com)  
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*"Advancing, Serving, and Supporting the Building and Construction Industry since 1949"*

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*"Advancing, Serving and Supporting the Building and Construction Industry Since 1949"*

January 18, 2021

RE: Opposition to PLA

City of Goleta

Honorable Mayor Perotte & Goleta City Council Members

RE: City of Goleta proposed PLA (Project Labor Agreement)

Dear Mayor and Council members:

As the Executive Director of our local Planroom, serving our local contractors, I am writing to encourage your Council to Vote NO on the Project Labor Agreement (PLA) for the City of Goleta construction projects of any dollar amount. PLAs keep local voting & tax paying contractors, from competing for work that their local tax dollars are helping to fund.

Santa Barbara County and San Luis Obispo County (Central Coast) have great contractor base. All that we need to survive is a chance to compete for local work. There are several items mandated by PLAs that disadvantage our local contractors.

We are in support of:

1. Equal opportunity for both Union and Non- Union local Contractors
2. Prevailing and or Living Wage and benefits for all quoting contractors when required

We are opposed to:

1. Precluding our local qualified non-union contractors from competing for local work by tilting the rules to favor union shops via a PLA.
2. Adopting unnecessary requirements meant to unfairly advantage any group of contractors over another especially when this may lead to outside companies and tradespeople working on our local work and taking their wages & profits back home with them.

Key Points of Concern:

1. PLA's limit the number of Core employees that can be used by only allowing a 1 to 1 ratio dispatching one from the Union Hall first. That means once you have used all your Core workforce the rest of the workforce will have to be dispatched from the Union Hall. When the local Union Hall

can't supply the workforce then other workers have to come from out of town, while **our** local employees sit home.

2. PLAs require a contractor to pay Union dues, benefits, and retirement in addition to the benefits that the contractor already provides to their employees. This money goes directly to the union coffers with no benefit to **our local** employees. The result is that our local contractors must pay for benefits and retirement twice and for programs their employees will never participate in.
3. Overall, we are seeing PLA limited projects realize increased costs of over 13%. As a taxpayer, we should be delivering the best project, at the best cost for the public.

I urge you to let our local voting and tax paying contractors compete on a "level playing field" by rejecting the PLA. Please help us keep our locally earned taxpayer money local.

Best regards,

*Cordelia Perry*

Cordelia Perry,  
Executive Director

**Juliet Bailey Bischoff**  
**263 Aspen Way**  
**Santa Barbara, CA 93111**

January 18, 2021

City of Goleta  
Honorable Mayor Perotte & Goleta City Council Members

Re: City of Goleta proposed PLA (Project Labor Agreement)

Dear Mayor and City Council Members:

I am writing to you about the proposed Project Labor Agreement for the City of Goleta construction projects. My family ran J.W. Bailey Construction Co. in Santa Barbara for 63 years before we closed in 2011. During that time we completed over 6500 construction projects, most in Santa Barbara County. We were a union company and belonged to three unions, the Carpenters, the Laborers, and the Cement Masons. As the office administrator who filed all the monthly union reports and represented our company in all the annual union audits, I also oversaw all payroll, accounts receivable and payable, after spending years as a project manager.

I know union policies and I am against the implementation of any kind of PLA. Here's why.

Around 80% of the subcontractors in this county are nonunion. We used them all the time on our projects. Their performance was totally comparable to the union firms. We never needed to make a choice based on a subcontractor's status as union or nonunion.

Current existing Prevailing Wage Rules level the playing field between union and nonunion contractors on public works jobs. Please see link at end of letter. \*

However, here are a few very important reasons why so many of our local non-union contractors will not want to bid on a PLA project. Additionally, easily found research into PLA history shows that the competition lessens and taxpayer costs increase substantially.

1. Union Pension Rules: While the unions state it takes 4 or so years to become partially vested in their retirement plans, they don't tell you that most union pensions penalize workers who later work for nonunion contractors. After our firm closed, our union carpenters had 2 years of pension credits subtracted from their union pension years for each year worked for a nonunion contractor. Any worker who "temporarily" works under a PLA for his nonunion contractor will not see any of his pension benefits.



- a. Why would local nonunion workers wish to work on a project for benefits their employers must pay, but they will not receive?
2. Union Pension Management: Unions mostly manage their own trust funds. If there is a large unfunded pension amount, the unions have the right to assess the signed union member contractors an extra amount to make up the difference. This has happened to at least one Santa Barbara firm in the past and amounted to thousands of dollars every month for years. Any nonunion contractor signing onto a PLA agreement will probably be placing themselves under these same rules and potential future liability.
  - a. Why would a nonunion contractor accept that potential liability?
3. Hiring Practices: While the unions will tell you that any unemployed local worker can go to the union hall and signup, they don't mention what then happens. The local fully qualified worker will most likely be placed as a first tier apprentice, requiring up to four years of training and starting at beginning apprenticeship wages. There are often 6 or more apprenticeship levels to be achieved before becoming a journeyman able to receive full wages. The employee also could be placed on the bottom of the waiting list. This is another reason the local nonunion workers would not want their employers to place them on a PLA project.
  - a. Why would local nonunion workers subject themselves to lower wages?
  - b. The current existing prevailing wage rates for public works projects level the playing field for contractors and workers alike. It has worked in Santa Barbara County for years. Bringing in a PLA will heavily tilt the scale in favor of union workers, and adversely affect Santa Barbara taxpayers.
4. Limits on Construction Crews: PLA proponents state that local hire is a big goal. However, many PLA's also state that the nonunion contractor may only bring 4 or 5 of their own workers onto the PLA project, including the superintendent. Many trades come onto a jobsite several different times during the many phases of a construction project, often with large crews of 10 or more for several weeks or months. Under a PLA, any nonunion firm's workforce over 4 or 5 must be regular union members. In Santa Barbara County that means those union workers will come from out of town (LA or further) for many trades, resulting in reduced local hire and a definite increase in costs to taxpayers for unnecessary travel time and per diems.
  - a. If the goal is to increase local hire, a PLA will not accomplish that.
5. Medical Insurance: Most contractors have their own medical insurance policies for their workers. By signing a union agreement, the nonunion contractors will have to pay into a union medical policy that may not take effect for their workers for

months. In the meantime, they will need to continue making payments for their workers to their own policy as the workers go between the union and nonunion projects.

- a. There isn't any reason for a contractor to bid on a project where they will have to pay for two medical insurance policies.

These are just a few more reasons why the proposed PLA agreement is not only unnecessary, but in fact is a bad fit for the City of Goleta.

Please take more time to look into the true costs of already completed PLA projects. I believe you will find the City of Goleta does not need to sign any kind of PLA.

Thank you.

Sincerely,

Juliet Bailey Bischoff

Here is the link to more information on California's existing Prevailing wage laws.

\*California's prevailing wage laws ensure that the ability to get a public works contract is not based on paying lower wage rates than a competitor. All bidders are required to use the same wage rates when bidding on a public works project. California law requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on a public works project.

[https://www.dir.ca.gov/OPRL/FAQ\\_PrevailingWage.html](https://www.dir.ca.gov/OPRL/FAQ_PrevailingWage.html)



## **Tri-Counties Building and Construction Trades Council,**

*Ventura, Santa Barbara, San Luis Obispo Counties*

*3994 East Main Street, Ventura, CA 93003 - office 805-642-2149 -- fax 805-658-7507*

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Mayor Paula Perotte  
City of Goleta  
130 Cremona Drive, Suite B  
Goleta, CA 93117

Dear Mayor Perotte,

I am writing on behalf of the Tri-Counties Building & Construction Trades Council that represents over 7,500 members in San Luis Obispo County, Santa Barbara County & Ventura County to the Goleta City Council to support City Staff entering into negotiations on a Project Labor Agreement modeled on the Community Workforce Agreement that was adopted by the City of Port Hueneme.

Over the past decade, Community Workforce and Project Labor Agreements have emerged as one of the best vehicles for establishing strong job quality standards on publicly-funded construction projects, and for outlining a plan to recruit and hire local construction workers onto those projects keeping those tax dollars local putting local workers to work and continuing to fuel our local economy. A Project Labor Agreement achieves these outcomes through a targeted local hire provision designed to get area workers into construction careers.

The targeted local hire provision of a PLAs & CWAs set hiring goals that allow for specific communities such as veterans, women, and underserved communities to benefit from the local jobs created on the project funded by local tax revenue. PLAs & CWAs also provide an opportunity for local students to enter local apprenticeship programs to start careers in the construction trades that provide head of household jobs with health care benefits and pensions.

PLAs & CWAs protect the taxpayer and the City of Goleta by guaranteeing a skilled and trained local workforce is working to complete the Water Reclamation Facility.

PLAs & CWAs are required by law to be non-discriminatory and they do not prohibit non-union contractors and subcontractors from bidding and winning work. They do ensure that local workers are paid the prevailing wage for the work that is being done and that our tax dollars stay local.

Project Labor Agreements (PLAs) are powerful and effective tools for a number of reasons. In addition to the targeted local hire provisions, PLAs set out the terms under which building trades unions agree not to go on strike or picket the job, they help prevent delays, maintain workplace safety, and ensure high-quality construction products, all of which help protect taxpayers' investments when public money funds some or all of the project.

Here on the Central Coast the City of San Luis Obispo did an exhaustive study of the options that are available to local governments that want to prioritize local hire on construction projects to ensure that tax dollars stay local and that local workers actually work on the projects and concluded that a CWA was the only way to ensure local hire.

City Staff concluded in the staff report that was prepared for the San Luis Obispo City Council meeting on November 13<sup>th</sup> (<http://opengov.slocity.org/WebLink/PDF/3ehrc2oc1c1oabxerody4bfd/6/11-13-2018%20Item%2014%20Approval%20of%20a%20Community%20Workforce%20Agreement%20for%20the%20Water.pdf>, page 406), that:

*"....absent a CWA, if the low bidder on the project is a union signatory contractor, that contractor and affiliated trades unions would have no legal ability to implement local hire preferences, notwithstanding any contractual enhanced outreach or local hire provisions the City might include in its bid documents. Contractors could enhance outreach efforts to encourage local workers to add their names to the relevant union out of work list from which signatory contractors are required to procure workers. However, the union would be required to make referrals based on which workers registered first and the contractors would be required to accept referrals from the union out-of-work list on a "first-in, first-out" basis, without regard to worker residence location. A CWA allows signatory unions to modify their normal worker referral procedures by giving preference to targeted work groups, including local residents, regardless of their position on the out-of-work list. In other words, under the terms of a CWA like the one recommended here, the union hall has the legal authority and commits to prioritize local workers for employment on the City's project. Non-union shops are not normally required to procure labor from the out of work list and could implement means to directly recruit and prefer local workers to work on the project, but employment of such workers cannot be mandated absent a CWA."*

CWAs & PLAs are the only way to ensure that our tax dollars stay here local and that our local workforce will actually work on City funded projects in Goleta.

On behalf of the 7,500 members of the Tri-Counties Building & Construction Trades Council, we urge the Goleta City Council direct staff to enter into negotiations for a Citywide Project Labor Agreement modeled on the Port Hueneme agreement.

Please let us know if we can provide any additional information.

Thank you in advance for your consideration of our request.

Respectfully,

  
**Joshua Medrano**

Executive Secretary & Treasurer





**PACIFIC  
ACOUSTICS -  
NORTH, INC.**

INTERIOR CONTRACTORS  
133 EAST ORTEGA STREET, SANTA BARBARA, CALIFORNIA 93101  
P(805) 963-1538 F(805) 564-7044

January 18, 2021

To: Goleta City Council

Re: **Support a Project Labor Agreement (PLA)**

I am writing to express our Company's support for the adoption of a Project Labor Agreement (PLA) being considered by the City of Goleta. As a Local Contractor performing work, on multiple projects throughout Santa Barbara County, we have a positive track record of working collaboratively with Union Craftsmen for over 50 years. For decades, publicly funded projects have been developed, expanded, and maintained thanks to the work of Union Contractors. Our Company complies with all labor and construction rules and continue to locally support the economic stimulation of the County as 90% of our Employees live in Santa Barbara County. Union Labor possess enhanced skill levels that translates into safe and high-quality outcomes, with reductions in cost due to lower injury rates and lower likelihood of having to rework or gain acceptance of poor-quality work. In addition, a PLA would provide access to an adequate pool of skilled Journeyman-Level Workers and Apprentices, shielding us from frequent labor shortages. Workers from the Union Hall are highly trained and professional which leads to projects being done on time and on budget.

We pride our Company on always being committed to delivering projects that stay on schedule, within budget and adhering to the highest standards of finished product and safety. Having been awarded many projects throughout the County of Santa Barbara, we can assure the City of Goleta of our commitment to continue bidding for projects after your PLA is formally in place. Please consider the proposed PLA.

Thank you,



Brian D. Cordeiro  
*President*

**David Cutaia**

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**From:** Brian Gregory <Brian@ibew413.org>  
**Sent:** Monday, January 18, 2021 11:02 AM  
**To:** City Clerk Group  
**Subject:** Speaking in Favor of Project Labor Agreement

Brian Gregory  
[brian@ibew413.org](mailto:brian@ibew413.org)  
(805) 331-1686

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January 17, 2021

*Mayor Paula Perotte,  
Goleta City Council  
130 Cremona Drive, Suite B,  
Goleta, CA 93117*

**RE: SUPPORT of a Project Labor Agreement**

Dear madame Mayor Perotte and honorable Councilmembers,

As the Chairman of the Carpenters Local 805 Political Action Committee, I am writing to express our support for the adoption of a Project Labor Agreement for public works projects and special districts projects in the city of Goleta. We are a committee formed of everyday hardworking rank and file members who take a particular interest in local government for the betterment of our local economies.

As professional tradesmen, we believe a PLA would provide more immediate openings for individuals looking to start a career in the trades and contractor the resources to access an adequate pool of skilled journey-level workers and apprentices. Throughout our careers, often, we have had to commute to distant areas to find sustainable employment allowing us to earn a decent livable wage and provide good benefits for our families and ourselves. A Project Labor Agreement would help ensure that more local skilled tradesmen and apprentices would be afforded the opportunity to work closer to home thus granting them more precious time to be involved in the lives of their loved ones, be more active in their communities, and ultimately spend their earnings within the local economy. This agreement will also ensure that better opportunities are granted to local disadvantaged residents, at risk youth, women, and Veterans alike.

Your decision will aid the local, growing, diverse, and competitive workforce in doing the work where projects are built with pride and dignity. We ask that you please consider building better community wealth and vote YES to adopt a Project Labor Agreement.

Thank you,

Michael Escamilla, Chairman  
Carpenters Local 805 PAC



January 18, 2021

Goleta City Council  
130 Cremona Drive, Suite B,  
Goleta, CA 93117



**RE: SUPPORT a Project Labor Agreement (PLA)**

Dear Honorable Mayor and Councilmen,

We are writing to express our support for the adoption of a Project Labor Agreement (PLA) being considered by the City of Goleta. As a Contractor performing work, on multiple projects throughout Santa Barbara County, we have a positive track record of working collaboratively with union craft workers. For decades, publicly funded projects have been developed, expanded, and maintained thanks to the work of union contractors. These companies comply with all labor and construction rules and continue to locally support the economic stimulation of the county. We strongly urge you to expand opportunities for local contractors and the expertise of their employees, in your negotiations for the PLA. Union labor possess enhanced skill levels that translates into safe and high-quality outcomes, with reductions in cost due to lower injury rates and lower likelihood of having to rework or gain acceptance of poor-quality work. In addition, a PLA would provide access to an adequate pool of skilled journeyman-level workers and apprentices, shielding us from frequent labor shortages. Workers from the union hall are highly trained and professional which leads to projects being done on time and on budget.

Having worked under PLAs in other municipalities many times before, we have not experienced increased or onerous costs due to any PLA. Government mandated labor agreements (PLAs, PSAs, and CWAs), whether project specific, municipality specific, or local workforce specific, should consider contractor feedback along with research data. Agencies and their projects can directly benefit from the expertise provided by union contractors who manage the day to day construction process.

Again, we urge you to consider local construction workers and their employers as the council moves forward with a PLA. Our company and union workers are committed to delivering timely projects that stay within budget and adhere to the highest standards. Having won many bids from throughout the County of Santa Barbara, we can assure the City of Goleta of our commitment to continue bidding for projects after your PLA is formally in place. PLAs work for us and we believe they are in the best interest of the City of Goleta.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick Waide", is written over a light blue horizontal line.

Viola Inc.  
Patrick Waide  
Field Operations Manager



## David Cutaia

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**From:** Jesse Bishop <jbishop@calportland.com>  
**Sent:** Monday, January 18, 2021 1:30 PM  
**To:** Paula Perotte; James Kyriaco; Roger Aceves; Stuart Kasdin; Kyle Richards; City Clerk Group  
**Subject:** City of Goleta agenda item C.2- PLA

Good afternoon Mayor and Councilmembers,

Thank you for the opportunity to share our perspective on your upcoming agenda item, PLA's. To respect your time, I will be brief.

CalPortland Construction is a well-established firm based in Santa Barbara County, employing nearly 275 local residents. We have a reputation for partnering and high quality work, building highways, bridges and underground infrastructure. We contract with your lovely City. However, we are strongly opposed to any PLA/ CWA (PLA) that contains standard language. And all new PLA's presented by the Building Trades are "standard" PLA's using a boilerplate agreement that is written to benefit the unions. Many of the issues brought up in PLA's are topics we as an open-shop contractor care for also, such as local hire and employing under-served community members.

However, please understand that the "standard" PLA language will:

- Decrease competition- many open-shop contractors will not bid when a PLA is in place
- Increase costs- Lower competition and increased cost to open-shops
  - By requiring open-shop contractors to double pay fringe benefits. For an operator classification, the hourly fringe benefit is near \$30/hr. Not to be confused with wage, when this has to be double paid, non-union contractors are at a disadvantage
  - The actual employee doesn't see the second fringe payment, the union keeps it
- Limit apprenticeship- only apprentices from union programs would be allowed
- Decrease local work- contractors would have to replace their employee with one from the union hall that may not even be local

PLA's are exclusionary in an environment where we strive for inclusion. Why eliminate the choice of a skilled worker to chose to work union or non-union? Both have co-existed and should continue to be supported equally.

We urge your Team to deny a PLA. However, should you move forward, it is imperative for the local non-union worker and your local open-shop companies to have a voice in the matter when dealing with public funds. One way of doing this is to allow representatives to the negotiating table beyond just the Building Trades, who by the way only represent approx. 20% of the companies in our region.

I am happy to provide any additional detail you may desire and I appreciate your time.

Best Regards,



CalPortland | 1625 E. Donovan Rd. | Santa Maria, CA 93454

☎ Direct (805) 345-3466 | ☎ Cell (805) 305-9364

Email: [jbishop@calportland.com](mailto:jbishop@calportland.com)

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**From:** ericdchristen@gmail.com <ericdchristen@gmail.com>

**Sent:** Monday, January 18, 2021 4:29 PM

**To:** City Clerk Group <cityclerkgroup@cityofgoleta.org>; Paula Perotte <pperotte@cityofgoleta.org>; James Kyriaco <jkyriaco@cityofgoleta.org>; Roger Aceves <raceves@cityofgoleta.org>; Stuart Kasdin <skasdin@cityofgoleta.org>; Kyle Richards <krichards@cityofgoleta.org>

**Cc:** Michelle Greene <mgreene@cityofgoleta.org>; Michelle Greene <mgreene@cityofgoleta.org>; marianne@independent.com; delaney@independent.com; ahanshaw@newspress.com

**Subject:** Why are you considering an exclusionary Project Labor Agreement?

**Importance:** High



Goleta City Councilmembers:

In the middle of a pandemic, where tax dollars are scarce and unemployment high, [why are two councilmembers pushing a controversial “Agreement”](#) that will raise your costs and discriminate against workers, 90% of whom are union-free?

My name is Eric Christen and I am the Executive Director of the Coalition for Fair Employment in Construction (CFEC). Formed 22 years ago to oppose Project Labor Agreements (PLAs) CFEC seeks to educate those considering their use and why that would be a terrible idea.

Project Labor Agreements (PLAs) [are banned in 24 states](#) and [11 entities have done the same in California](#) Why? Because, in California’s case, they implicitly and explicitly discriminate against [the 85% of the workforce who are union-free](#).

PLAs create barriers for local, minority and women-owned construction employers and their employees from participating in building their community because they contain provisions that do not allow for the full utilization of their own workforces [and force union-free workers to pay into union pension plans they will never vest in](#). This is wage theft. (see attached)

Furthermore, [studies show these types of agreements increase project costs](#) – anywhere from 10-30% above prevailing wage because they restrict competition. Open competition is healthy and increases quality. It levels the playing field and local money is invested into the community. With the construction market so busy right now and with more work than workers, why would you do anything that makes is less likely you’ll attract bidders. If you want to see what this means in real life [here is what happened to the City of Selma recently!](#) Their new police station was supposed to have been awarded already but despite having 10 pre-qualified bidders only

1 ended up bidding the project. Why? As you can see **from the attached document**, staff lays the fault squarely at the feet of the PLA.

And finally, PLAs 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.

Consider the following instead:

1. Continue to bid your work with fair and open competition. What problems exist that this solution in the form of a PLA is to remedy? There are none.
2. Survey contractors who do work for you and ask them about PLAs. When the San Jose Unified School District and East Bay Municipal Utility District did this they found they would receive 50% FEWER bidders and as a result they chose not to employ a PLA. (see attached)
3. Conduct a PLA Study Session that allows you to hear from both sides so you may make an informed decision.

The bigotry, exclusion and higher costs that are the fruits of PLA have no place in our state in 2021. Please give this issue the thorough review it requires.

Best regards,

Eric Christen  
Executive Director  
Coalition for Fair Employment in Construction  
[www.opencompca.com](http://www.opencompca.com)

PLAs are typically touted as being in the “best interests of the workers.” But here is the painful truth for construction workers who are forced to participate in a PLA. It could cost a worker – in this example a journeyman electrician – as much as \$70,233 to work under a PLA.

The “total package” of wages and benefits are set by the state in what is called a “prevailing wage determination” which is almost always based upon the union’s collective bargaining agreement. In Orange County for the job of inside wireman – the total package is \$58.57 an hour but let’s look what happens to that.

The package is composed of an hourly wage, and amounts for health insurance, pension, training, and an amount for “other purposes” (really - a union slush fund).

So long as the total of payments add up to the total package – the amounts for some of these items can vary – but the wage can never drop below \$39.50. But watch what happens and the impact these variances have on non-union workers who are forced to contribute under the PLA.

The PW amount for health and welfare is set at \$10.20 an hour – and that is the amount the contractor must send to the union for medical coverage for the covered employee. That is \$1,632 a month for medical. WECA collects \$720 a month for a full coverage plan for a typical covered worker and family and another example – under the ACA – you can purchase a gold plan policy for a family of three for \$856 a month. So, at a minimum, the electrician forced into the unions’ “one size fits all plan” costs him or her at least \$800 a month! And if the worker doesn’t need any medical coverage – say they are covered on their spouse’s plan or parent’s – they lose the entire \$1,632 for coverage they don’t need (remember – the total package must add up to \$58.57 – so an employer who pays less than \$10.20 an hour – pays more into one of the other categories – usually pension.

So let’s look at the pension. That is set at \$7.45 an hour. The vesting can vary from union to union but according to the IBEW/NECA website – it is five years for locals in Southern California. So, unless the non-union worker gets five years of work in the IBEW – they lose the **entire** \$7.45 because they never qualify for retirement from the union. To qualify for being part of the total package, a non-union contractor must make an **irrevocable** contribution to the benefit of the worker – usually the contributions are made into a 401K.

The package includes an amount called “other payments” which we in the merit shop call the unions’ slush fund. In the OC it’s \$.44 an hour – not much – but it still is an involuntary “deduction” from the total package that in the merit shop is typically paid into pension.

Finally – these workers now are obligated to pay union dues for a union they did not voluntarily join. I am sure some in the audience will complain that no one can be forced to join a union or pay dues – but I’ve seen PLAs that mandate union membership beginning on the 7<sup>th</sup> day of work – so I argue the dues are required – and in SLO it is \$31.70 a month or \$.20.

So when you add up the higher costs for medical, the loss of pension contributions, the payment of dues and “other” fees, a PLA at Centralia SD will cost a non-union electrician at least **\$13.14 an hour** – for a union the worker never agreed to join!

## PLAs Cost Workers

These scenarios assume a two-year construction project with 48 weeks of full-time, paid employment.<sup>1</sup>

|   | JP electrician, 2 dependents. PLA in place | JP electrician, 2 dependents. No PLA in place | JP electrician, no dependents, health covered under ACA |
|---|--|---|---|
| Total package                                   | \$58.57                                    | \$58.57                                       | \$58.57   |
| Health & Welfare                                | \$10.20 <sup>2</sup>                       | \$5.35 <sup>3</sup>                           | \$0   |
| Training <sup>4</sup>                           | \$0.78                                     | \$0.78  | \$0.78  |
| Union Dues <sup>5</sup>                         | \$0.20                                     | -   | -   |
| “Other” <sup>6</sup>                            | \$0.44                                     | -   | -   |
| “Lost” Pension <sup>7</sup>                     | \$7.45                                     | -   | -   |
| Available Take home pay                         | \$39.50                                    | \$52.44                                       | \$57.79   |
|   |  | \$13.14 <sup>8</sup>                          | \$18.49 <sup>9</sup>                                    |
| “Savings” to worker free from PLA <sup>10</sup> |  | \$50,457.60                                   | \$71,001.60   |

<sup>1</sup> These scenarios do not calculate any tax consequences that could result from an employers decision to pay additional wages to reach the total package or make pension contributions that could shield some payments from federal and/or state taxation

<sup>2</sup> Paid to union trust – assumes full coverage for employee and dependents

<sup>3</sup> For illustration, this is an estimate from Covered California for a Blue Shield Gold 80 PPO policy for this family in SLO County.

<http://www.coveredca.com/shopandcompare/2015/#healthplans>

<sup>4</sup> Required payment of training contribution to State CAC or apprenticeship program

<sup>5</sup> <https://www.unionfacts.com/lu/25310/IBEW/639/#membership-tab>

<sup>6</sup> From DIR PW calculations. *INCLUDES AN AMOUNT FOR THE NATIONAL LABOR-MANAGEMENT COOPERATION FUND AND THE ADMINISTRATIVE MAINTENANCE FUND.*

<sup>7</sup> According to IBEW/NECA pension vests in five years, contributions made if worker doesn’t vest are “lost.” <https://www.scibew-neca.org/html/pspd0080.htm>

<sup>8</sup> This is the difference between the required basic hourly rate of \$39.30 and the total package of \$58.37. The employer MAY pay this on the wage – which results in additional costs to employee and employer or more typically, may make an irrevocable contribution to a retirement account like a 401K.

<sup>9</sup> Ibid

<sup>10</sup> As previously noted, this amount could be in the form of wages or a contribution to a pension program.

# What Women and Minority Groups Say About PLAs

"PLAs are de facto segregation... African-American workers are significantly underrepresented in all crafts of construction union shops...PLAs are non-competitive and, most of all, discriminatory."

**National Black  
Chamber of Commerce**

"We believe PLAs make it more difficult for minority-owned contractors to compete...they effectively work against the goals of increasing the number of projects awarded to minority-owned businesses by placing roadblocks in the way."

**Latin Builders Association**

"Bay Area Black Contractors Association has been a strong advocate for merit shop construction firms in the Bay Area and we are opposed to PLAs."

**Bay Area Black Contractors Association**

"WCOE opposes government mandated PLAs...PLAs will disproportionately impact small business, particularly those owned by women and minorities."

**Women Construction  
Owners and Executives**

"The ultimate effect of the San Francisco Airport PLA is clear...once the PLA was implemented minority business prime contract participation dropped 91.9%. This PLA has been a disaster for minority-owned businesses."



**Asian American Contractors Association**

**At Some Point it  
Becomes Obvious What PLAs are REALLY All About**



The City prequalified 10 contractors for the project. On July 20, 2018, the project went out to bid, and on August 30, 2018, the City received one bid for the project, from Seals Construction for \$7,952,000. In reviewing the bids, Vanir opined that the labor costs

January 22, 2019 Council Packet

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associated with the PLA coupled with the lack of competition created by the PLA, drove the bid to exceed the engineer's estimate.

On September 4, 2018, because the bid exceeded the engineer's estimate, Council rejected the bid, directed City Staff to revise the project, and return to the City Council with a revised project scope and estimated cost, as well as discuss revisions to the PLA requiring union labor. These steps were taken with the intention to rebid the project and attract more competitive bids.

Vanir also reached out to the pre-qualified contractors for the project, to determine the reasons that those contractors did not submit a bid for the project. The various contractors indicated that given the healthy construction market, contractors prefer to bid on projects that do not have a PLA in place, given the rigorous requirements contained in PLAs.





SAN JOSE UNIFIED  
SCHOOL DISTRICT

*All Students Can Learn... All Students Can Succeed!*

**School Construction**  
**Ty Williams, Director**

September 29, 2003

OCT 06 2003

**RECEIVED**

**To: Contractors Bidding Work in San Jose Unified School District**

Dear Contractors,

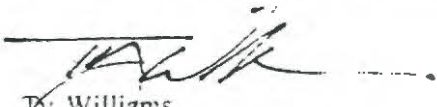
The San Jose Unified School District Board of Education has instructed staff to study the issues involved in possibly entering into a Project Labor Agreement (PLA) with the Building Trades Council for the upcoming work funded by the Measure F bond proceeds. The Board believes this may be a controversial step and has instructed staff to determine whether common ground exists between the various parties on which a PLA beneficial to the District could be established. Staff has met on several occasions with the Building Trades Council representatives and has solicited and received feedback on the proposed form of the PLA from the Associated Builders and Contractors and the California Fair Employment Commission. We have heard the comments and concerns of individual contractors and construction industry representatives and have distilled the major issues down to those involving apprenticeship programs, prevailing wage compliance, payments into health and retirement programs, and the hiring of one's own employees through the Union halls.

As contractors who have bid on construction projects within the San Jose Unified School District in the recent past, your input is invaluable to us in this effort. The District's intent is to enter into an agreement only if it does not discourage contractors from bidding our work, regardless of their affiliation to the Trades Unions. We recognize the important role the contracting community has had in the successes of our Modernization Program to date, and would like your input on how a PLA might affect your company's willingness to bid on District projects.

With this in mind we wish to survey the contracting community to understand where the owners of these companies stand in regard to the potential of the District entering into a PLA. We request that you please take the time to answer the following survey questions, attach any additional comments you care to, and return the survey by mail or by fax to the SJUSD School Construction Department at the following address:

San Jose Unified School District, 855 Lenzen Avenue, Room 211, San Jose, CA 95126  
Attn: Debbie Doty FAX: (408) 535-2322

Thank you very much for your attention to this important matter.

  
Ty Williams  
Director, School Construction

## SURVEY RESULTS FROM BIDDERS

If the SJUSD enters into a Project Labor Agreement with the Building Trades Council containing the following clauses, how would this affect your willingness to continue bidding projects in our District:

1. If all of your employees, other than your 'core' employees (those meeting a criteria defined within the PLA as a 'core' employee), would have to be hired through the appropriate Union hall.

Would this make you (Less Likely 34) (The Same 29) (More Likely 52) to bid on the work?

2. If you had to pay benefits for all employees into the defined benefit and retirement programs administered by the appropriate trade's labor management trust fund for the hours worked on the project(s) under the PLA.

Would this make you (Less Likely 33) (The Same 32) (More Likely 50) to bid on the work?

3. Non-Union employees choosing not to join a Union upon completion of work under the PLA would forfeit their contributions to the retirement programs administered by the appropriate trade's labor management trust fund, unless the employee is vested in the plan (typically a 5 year period).

Would this make you (Less Likely 38) (The Same 31) (More Likely 44) to bid on the work?

4. If all employees had to pay either agency fees or initiation fees to the applicable trade union.

Would this make you (Less Likely 40) (The Same 28) (More Likely 46) to bid on the work?

5. If those funds in the appropriate trade's labor management trust fund programs were portable and the employees were able to take the contributions with them and reinvest them in a personal retirement plan, Roth IRA, 401k etc.

Would this make you (Less Likely 28) (The Same 56) (More Likely 28) to bid on the work?

6. If you were required to hire apprentices through the appropriate trade's labor management trust fund apprenticeship programs.

Would this make you (Less Likely 30) (The Same 41) (More Likely 45) to bid on the work?

7. If you could hire apprentices from any State-approved apprenticeship program.

Would this make you (Less Likely 32) (The Same 54) (More Likely 28) to bid on the work?

8. Would the District's entering into a PLA make you stop bidding our work regardless of the content of the PLA? (Yes 29) (No 86)

Please explain your response:

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9. Do you believe that the District entering into a PLA would attract more Union contractors?  
(Yes 74 ) (No 38 )

Please explain your response:

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10. Do you believe that the District entering into a PLA would discourage non-Union contractors?  
(Yes 83 ) (No 26 )

Please explain your response:

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11. Does your company currently provide health benefits and a retirement package(s) for all employees?

If yes, please state how it is administered and who is eligible. Please provide information the District can use to confirm levels of participation.

yes - 106      no - 4

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12. If you have any comments you would like to add, feel free to use the space provided below.

Please add additional sheets if you would like to add more information for any questions.

## PLA Survey of Selected Contractors who have Bid on District Projects

| Contractor | Union Signatory? | PLA Disincentive to Bid? | PLA Increases Cost? | Comments  |
|------------|------------------|--------------------------|---------------------|---|
|            | Yes              | Yes                      | Yes                 | <p>PLA not good public policy for agencies to be “married to unions” and require hiring of union workers. 90% of our staff are long-time employees who are also members of union but we will not bid SFPUC projects because of PLA and generally stay away from PLA jobs.</p> <p>Prevailing wage enforcement is a level playing field for all contractors and is sufficient. Hiring staff should be prerogative of the contractor – better contractors develop their own trained personnel, have lower turnover and better safety records. Employees lose benefits if they shift from one trade union to another. We are signatory to laborers union because we reached agreement with them on training and ability to pay benefits directly to employee rather than to union trust fund.</p>   |
|            | No               | Yes                      | Yes                 | <p>Prefer not to bid PLA jobs but it depends on the PLA. SFPUC’s PLA is contractor friendly and has no problem working with it. Allows contractor some freedom to negotiate terms and conditions. Jurisdictional disputes between unions are a bigger problem than the PLA itself.</p> <p>Despite the fact contractors have their own benefits plans, PLAs require open shop contractors to pay their workers’ health and retirement benefits to union benefit and pension funds. Thus, companies have to pay benefits twice: once to the union and once to the company plan. Nonunion employees never see any of the benefits from contributions sent to union plans unless they decide to join a union and remain with the union until vested.(So now the open shop contractor is at a disadvantage with wage rates)</p> <p>We have had employees to previous PLA’s let their pension funds go. In order to stay vested for the pension funds, the employee had to continue paying union dues or bring union dues up to date in order to obtain their pension monies.</p> |

## PLA Survey of Selected Contractors who have Bid on District Projects

| Contractor | Union Signatory? | PLA Disincentive to Bid? | PLA Increases Cost? | Comments   |
|------------|------------------|--------------------------|---------------------|--|
|            | Yes              | No                       | Yes                 | <p>Do not care for PLA but deal with it. No purpose except to complicate and confuse issues. Forces work with teamsters and electricians union. Work rules of some unions increase costs – e.g. pipe fitters union not competitive.</p> <p>Bids are higher for SFPUC work because of PLA. Requiring non-union contractors to pay into union trust fund under a PLA helps level the playing field for union contractors. Union contractors are hampered by union jurisdictional issues and lack flexibility of non-union contractors to have workers perform multiple tasks and pay the appropriate prevailing wage for the different tasks.</p>  |
|            | Yes              | Yes                      | Yes                 | <p>PLAs do not make much sense for modest sized projects (&lt;\$100M). The main benefit provided by PLAs, if properly negotiated, is the assurance of labor peace, no pickets or work stoppages and a 4-10 staggered work week.</p> <p>Prevailing wage enforcement is a sufficient step to assure the level playing field between union and non-union contractors. On larger projects, bonding and pre-qualification requirements are a better method to assure a qualified construction team.</p> <p>PLAs are expensive to negotiate/implement and limit competition from both union and non-union contractors. Costs/bids increase largely due to the reduced control over craft labor and it becomes more difficult to ensure safety. We are very selective in deciding to bid projects for Contra Costa County and SFPUC when the bid documents include a PLA.</p> |
|            | Yes              | No                       | Yes                 | <p>Generally not a fan of PLA but will bid those jobs. Not a big fan of unions either but being a union contractor helps to avoid pickets on prevailing wage jobs. Prevailing wage enforcement provides a level playing field.</p> <p>Biggest problem with PLA is jurisdictional disputes between unions particularly with plumbers and what work do plumbers have to do vs. laborers or boiler workers. PLA increases bid amount due to limiting competition.</p>   |

## PLA Survey of Selected Contractors who have Bid on District Projects

| Contractor | Union Signatory? | PLA Disincentive to Bid? | PLA Increases Cost? | Comments  |
|------------|------------------|--------------------------|---------------------|---|
|            | Yes              | No                       | Yes                 | <p>PLA can work well. Have not had a negative experience. Danger is when agency and union negotiate PLA without contractor input – sometimes local area practices are not included. Increases costs for some trades where we are not signatory because non-union subs will not bid PLA jobs and competition is limited. Bigger problem is jurisdictional disputes between unions (e.g. pipe fitters vs. millwrights). PLA could help by clarifying who does what work.</p> <p>PLA does not help with quality/safety and in fact may hinder it. Quality/safety is driven by company not the unions. Like the “core worker” and trust fund payment provision in PLA because it increases costs for non-union contractors who have to pay into union trust fund.</p> |
|            | Yes              | No                       | Yes                 | <p>Generally have no problems with PLA and it works for us. However pre-qualification is a better route to go than PLA. As a union contractor, we can only hire union sub-contractors. However, some disciplines have no union contractors (e.g. slurry sealing) and this causes problems.</p> <p>PLA can help with jurisdictional disputes between unions (e.g. plumbers vs. boiler workers re: welding of large diameter pipe). Plumbers want to do it but are generally not qualified. PLA requirements regarding payment into union trust funds do not affect us but it impacts non-union contractors. Non-union workers never see the benefits paid into the trust fund on their behalf.</p>   |
|            | No               | Yes                      | Yes                 | <p>Do not like PLA and avoid at almost all cost. Limits freedom with staffing and ability to move people around. Prevailing wage provides level playing field.</p> <p>Was a sub on SFPUC job with PLA – did not receive good service from union because (as a non-union signatory) we were low on totem pole. PLA did allow our staff to join union, and then hired them for the job. But benefit costs increased because we had to pay benefits to union in addition to company benefits in order to ensure staff retention after the PLA job was over. Extra cost was about \$12/hour per worker.</p>   |



## PLA Survey of Selected Contractors who have Bid on District Projects

| Contractor | Union Signatory? | PLA Disincentive to Bid? | PLA Increases Cost? | Comments   |
|------------|------------------|--------------------------|---------------------|--|
|            | No               | Yes                      | Yes                 | <p>85% of the construction work force in California is non-union. Non-union contractors have accepted prevailing wages as the level playing field. There are penalties for violating prevailing wage laws and EBMUD does a good job monitoring prevailing wages.</p> <p>Unions do not want non-union contractors on PLA jobs and it is a blatant move to eliminate the open shop. We did seven jobs for the Port of Oakland prior to the PLA but now can't bid Port jobs anymore. Absolutely increases contract costs due to limiting competition. Also increases agency costs for administering the contract and PLA.</p> <p>Workers should not be forced to join union to work on PLA job. There should be no requirement for companies to pay into the union trust fund for workers who are not union members, thereby paying double benefits. We would want a minimum of two core workers before being required to go to the union hiring hall. Unions deliberately send the "bottom of the barrel" to non-union contractors on PLA jobs because trust fund payments are for one project only. District should set a high threshold of \$35m contract amount for PLA projects.</p> |
|            | Yes              | Yes                      | Yes                 | <p>Do not like PLAs. If they have to be used, the threshold for contract amount should be \$20m. Problems occur with some disciplines where union subcontractors are not available and the non-union subs stay away from PLA jobs. It is impossible for us to build jobs without the ability to use our core workers. We are forced to carry "excess baggage" in order to meet the requirements of a PLA.</p> <p>Jurisdictional issues are a problem with plumbers who are unable to meet the needs for mechanical piping on water and wastewater jobs but claim the work is theirs. Prevailing wage provides a level playing field. On PLA, non-union subcontractors have to pay double benefits to union trust fund if workers are not union members. On one SFPUC job this amounted to \$46/hour per worker. PLA limits competition by effectively removing non-union subcontractors from the bidding pool.</p>   |

## PLA Survey of Selected Contractors who have Bid on District Projects

| Contractor | Union Signatory? | PLA Disincentive to Bid? | PLA Increases Cost? | Comments  |
|------------|------------------|--------------------------|---------------------|---|
|            | Yes              | Yes                      | Yes                 | <p>A PLA not only limits the number of general contractors looking at a project, but also limits the number of subcontractors exponentially reducing competition and increasing costs. Even “union contractors” are impacted by a PLA because many contractors are only signatory to a few trades, but under a PLA the contractor is now bound to the collective bargaining agreements of <u>all</u> trades and those work rules, another factor that increases costs.</p> <p>The double payment of benefits or waiting period for union benefits discourages contractors from bidding PLA projects, and most likely increases costs for those that do bid. Each contractor whether non signatory, or signatory with only a few unions had made that business decision and obviously felt that decision and their means and methods made them competitive. A PLA changes those means and methods which in turn can change the contractor’s costs and bid.</p> <p>Core worker provisions, while a novel concept and offered in some PLAs by proponents to hide the discriminatory nature of a PLA, do little to address the issues created by a PLA. While a core worker provision does allow contractors not signatory with a particular trade to bring in some of its workers for that trade it still disrupts the crew already established by the contractor (union and non-union).</p> |

Survey initially conducted 5/15/12 – 5/29/12

Updated 7/15/15



**From:** Elizabeth Vaughn <EVAughn@abccentralcal.org>

**Sent:** Monday, January 18, 2021 4:20 PM

**To:** City Clerk Group <cityclerkgroup@cityofgoleta.org>; Paula Perotte <pperotte@cityofgoleta.org>

**Cc:** Roger Aceves <raceves@cityofgoleta.org>; Stuart Kasdin <skasdin@cityofgoleta.org>; Kyle Richards <krichards@cityofgoleta.org>; James Kyriaco <jkyriaco@cityofgoleta.org>

**Subject:** ABC Central California Chapter Letter Regarding PLA on 1-19-2021 Agenda

Good afternoon Goleta City Clerk and Council:

Regarding tomorrow's council meeting, please see the attached letter in response to the Project Labor Agreement consideration.

We appreciate your attention on this important topic.

Best,

**Elizabeth Vaughn**

Associated Builders and Contractors

Central California Chapter

PO Box 80718

19466 Flightpath Way

Bakersfield, CA 93380

[www.abccentralcal.org](http://www.abccentralcal.org)

January 18, 2021

*Phil Engler*  
*JTS Modular*  
**Chairman**

*Greg Gutierrez*  
*Truitt Oilfield Maint.*  
**Chair-Elect**

*Phil Clarke*  
*KSI*  
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*PCL: Industrial Svcs*  
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**Ken Dunbar & Sons**

*Tony Mejia*  
**Braun Electric**

*Jeff Warren*  
**Klein, DeNatale Goldner**

*Rob Watson*  
**Brown's Construction**

Mayor and City Council  
City of Goleta  
130 Cremona Drive, Suite B  
Goleta, CA 93117

## **RE: Opposition to Project Labor Agreements**

Dear Mayor and City Council:

I am writing regarding the proposal to discuss a Project Labor Agreement (PLA) on your January 19, 2021 agenda. On behalf of the members of the Associated Builders and Contractors Central California Chapter, we are **strongly opposed to PLAs**.

PLAs discriminate against 83% of the California construction workforce that are non-union. PLAs are schemes implemented by labor unions to prevent local non-union contractors, local workers, and apprentices from working on local projects.

Because of this discrimination, many non-union companies cannot bid on projects with PLAs in place. This leads to less competition and higher prices for the taxpayers. In fact, many studies have shown that PLAs raise the cost of a project by 13-18%.

Furthermore, PLAs shut out local workers and apprentices. Here are three ways that PLAs are discriminatory:

1. **CORE EMPLOYEES:** Limits a contractor from utilizing their core workforce even if they meet the definition of local. Meaning local workers stay home while out of town workers are dispatched because of the union hiring rules.
2. **PREVENTS QUALIFIED FRINGE BENEFIT PLANS:** Prevents contractors from using their own fringe and benefit plans. Often contractors have a qualified health plan and a qualified retirement plan. PLAs often require payment into a union health and retirement plans. This means they are paying for benefits for their employees that they will never receive due to complicated union vesting rules.
3. **DISCRIMINATES AGAINST STATE APPROVED APPRENTICESHIP PROGRAMS:** PLAs often limit apprentices from only union programs. This prevents local apprentices that may be enrolled in a unilateral apprenticeship program from working on jobs. Furthermore, this hurts the construction industry overall and limits the ability of working people to gain the required on-the-job-training hours required to matriculate and complete apprenticeship training programs.

Bottom line, PLAs increase costs and prevent local workers and apprentices from working on City jobs. You can learn more about PLAs at [www.thetruthaboutplas.com](http://www.thetruthaboutplas.com). We strongly urge your board to reject the use of PLAs.

Best regards,

A handwritten signature in cursive script, appearing to read "Laura Barnes".

Laura Barnes  
President & CEO  
Associated Builders and Contractors  
Central California Chapter

**From:** Danny Zaragoza <danny@local220.us>  
**Sent:** Tuesday, January 19, 2021 9:56 AM  
**To:** City Clerk Group <cityclerkgroup@cityofgoleta.org>  
**Subject:** RE: PLA Letter in Support  
**Importance:** High

Good morning City Clerk,  
Please accept the attached letter from LiUNA Local 220 in support of the PLA.

Thank you,  
*Danny Zaragoza*  
Secretary Treasurer/Business Agent

**LiUNA! Local 220**

2201 H Street

Bakersfield, CA 93301

Ph: (661) 322-3460

Fax: (661) 281-1333

Mobile: (626) 636-1923

[www.local220.us](http://www.local220.us)

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**LiUNA!**

Laborers' International Union of North America



# LiUNA!

## LOCAL 220

2201 "H" Street

Bakersfield, CA 93301

Phone (661) 322-3460 • Fax (661) 281-1333

January 19, 2020

**HERTZ RAMIREZ**

**Business Manager**

Goleta City Council & City Clerk

130 Cremona Dr, Suite B

Goleta, CA 93117

**DANIEL ZARAGOZA**

**Secretary Treasurer**

Dear Mayor and Council Members:

**MARIO SALINAS**

**President/Agent**

My name is Hertz Ramirez and I am the Business Manager for LiUNA Local 220. We represent a membership of 1700 skilled men and women that live in Kern, San Luis Obispo and Santa Barbara Counties. Project Labor Agreements (PLA) have been a major part of Building America dating back to the 1930's when the US was in its worst economic downturn. These PLAs created thousands of good paying local jobs, provided a variety of benefits for the workers, families, the companies, and community. Projects such as Hoover Dam, Grand Coulee Dam and Shasta Dam were built with a PLA. During World War II when the government increased funding for construction projects in such a short time the demand for skilled labor was needed PLA's were used to establish rates of pay and prevent work stoppages. A PLA is an investment back into the community that will bring economic benefits to the City of Goleta. While saving taxpayers money by discouraging contractors from under paying workers, circumventing public works laws, cutting corners and avoiding abusive employment practices. A PLA will bring a steady stream of jobs to the people who live in the community. Workers receive benefits such as healthcare for themselves and their families, preventing a burden local services.

**FRED WALTHER**

**Recording Secretary**

During these unprecedented times due to COVID-19 it has had a negative effect on the community. A PLA would help create a positive economic jump start for downtown businesses. A PLA would provide good paying jobs with benefits and offer many in the community to enter into the middle class for the first time. A PLA would provide a new career path for some by offering Apprenticeship and Training opportunities. Inclosing a PLA or Community Benefits Agreement is a win-win for the City, Business, the Community and Taxpayers. LiUNA Local 220 is in favor of the PLA and urges the City Council to vote YES.

**NOE AGUIRRE**

**Executive Board**

Respectfully,

Hertz Ramirez

Business Manager

LiUNA Local 220

[hramirez@local220.us](mailto:hramirez@local220.us)

**JAMES SIMONEAU**

**Executive Board**

**RICKY WILLIFORD**

**Sergeant at Arms**

[www.local220.us](http://www.local220.us)

*Feel the Power*

**From:** Santa Barbara Contractors Association <[info@sbcontractors.org](mailto:info@sbcontractors.org)>

**Sent:** Tuesday, January 19, 2021 9:40 AM

**To:** City Clerk Group <[cityclerkgroup@cityofgoleta.org](mailto:cityclerkgroup@cityofgoleta.org)>; Paula Perotte <[pperotte@cityofgoleta.org](mailto:pperotte@cityofgoleta.org)>; James Kyriaco <[jkyriaco@cityofgoleta.org](mailto:jkyriaco@cityofgoleta.org)>; Roger Aceves <[raceves@cityofgoleta.org](mailto:raceves@cityofgoleta.org)>; Stuart Kasdin <[skasdin@cityofgoleta.org](mailto:skasdin@cityofgoleta.org)>; Kyle Richards <[krichards@cityofgoleta.org](mailto:krichards@cityofgoleta.org)>

**Subject:** SBCA Letter regarding PLA's

Good Morning All,

Please see attached letter in regard to the Santa Barbara Contractor Associations stance on the topic of PLA's. We would appreciate you taking our input into consideration at your meeting this evening. Please let me know if you have any questions or would wish to discuss anything further.

Thank you!

Warmly,  
Jessie Tobin  
Office Manager  
Santa Barbara Contractors Association  
424 Olive Street, Santa Barbara CA 93101  
[www.sbcontractors.org](http://www.sbcontractors.org) - (805) 884-1100





424 Olive Street  
Santa Barbara, CA 93101  
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January 19, 2021

City of Goleta

Honorable Mayor Perotte & Goleta City Council Members

Re: City of Goleta proposed Project Labor Agreement

Dear Mayor and City Council Members,

My name is Jessie Tobin and I am the Office Manager of the Santa Barbara Contractors Association (SBCA). I am writing to you in regard to the proposed Project Labor Agreement (PLA) for the City of Goleta construction projects. The Santa Barbara Contractors Association exists to serve our local contractors through fostering relationships with private owners and public bodies, encouraging high professional standards as well as advocating for fairness and cooperation in the construction industry. We are an association of both Union and private contractors and wish to support both entities equally.

As an association it is our responsibility to represent our members in a way that can best reflect our goals; helping to support and develop opportunities for our members to grow in the industry. Please see our outline below on where we stand on these issues and how we wish to support our members equitably.

#### The SBCA supports:

Equal opportunity for Union and Non Union local contractors

Prevailing Wage and or Living Wages for contractors when required

#### The SBCA does not support:

Procedures or regulations that might provide an unfair advantage for one contractor vs. another.

Creating policies that could lead to non-local tradespeople working on local projects.

Procedures that eliminate competitive bidding and in turn drive up costs affecting local taxpayers.

Procedures that can lead to local funds leaving Santa Barbara.



The SBCA respects that this is a very important issue and will require a great deal of thought and discernment. We just request that the council seeks a decision that provides a fair opportunity for all of our local contractors.

Respectfully,

Jessie Tobin

Office Manager  
Santa Barbara Contractors Association



**From:** Lee Cushman <[lee@cushmancontracting.com](mailto:lee@cushmancontracting.com)>

**Sent:** Tuesday, January 19, 2021 12:13 PM

**To:** Paula Perotte <[pperotte@cityofgoleta.org](mailto:pperotte@cityofgoleta.org)>

**Cc:** James Kyriaco <[jkyriaco@cityofgoleta.org](mailto:jkyriaco@cityofgoleta.org)>; Roger Aceves <[raceves@cityofgoleta.org](mailto:raceves@cityofgoleta.org)>; Stuart Kasdin <[skasdin@cityofgoleta.org](mailto:skasdin@cityofgoleta.org)>; Kyle Richards <[krichards@cityofgoleta.org](mailto:krichards@cityofgoleta.org)>; City Clerk Group <[cityclerkgroup@cityofgoleta.org](mailto:cityclerkgroup@cityofgoleta.org)>

**Subject:** City of Goleta Contemplation of PLA

City of Goleta

Honorable Mayor Perotte & Goleta City Council Members,

Cushman Contracting Corporation is a third generation family owned Construction business. Our headquarters has been located in Goleta since 1972. We are a regional General Contractor who employs 47 individuals. Our employees have been approached on several occasions over the years by Union organizers and have chosen to NOT be represented by the Unions.

As I am sure you are aware all Public Works Contractors are required to pay tradespeople the same hourly rate as determined by the State DIR. However PLA's Force all tradespeople to be union members this is discriminatory

- PLAs discriminate against tradespeople who choose not to be represented by a Union in the following areas.
  1. PLA's require them to pay union dues and fees which support political and moral issues with which they disagree.
  2. In addition the pension portion of their hourly wage (\$10-15) is required to be deposited into the union retirement trusts where the vesting period is 3-5 years. What this means is a tradesperson who normally receives there pension benefit on an hourly basis without vesting will be punished for working on a PLA as they will never recover pension monies that were deposited into the Union Trust fund. This is wage theft!
  3. PLA's also require union-free tradespeople to have all of their health insurance portion of their hourly wage (\$8-12) to be deposited into the union health trust fund thereby causing them to have lapses in their coverage or to be dropped all together by their State Certified employer plans. The Unions will not allow the health benefit monies to be contributed to the employees current health plan(State Certified employer plans). Instead the Unions keep the employees contributions to over fund and keep union health plans from becoming insolvent. Again stealing monies from the employees.
- Union-free contractors are discriminated against as they are not allowed to bring all their employees on to a PLA project because the union retains the right to dispatch all workers from the union hiring hall.

We are a local family contractor who employs 47 individuals. Our employees have made a choice to work for with us in a union-free environment in which they receive health and pension benefits in addition to Bonuses and Profit Sharing contributions. Our company has built numerous projects in Goleta over the past 50 years and our employees live locally. But because of the discriminatory provisions contained in PLAs We will not bid any PLA job and subject our employees to these discriminating conditions.

Many other local construction firms will not bid this work for the same reason. This will reduce the number of Bidders on City projects and increase the cost, see attached file for results on recent City of Goleta project. Throw in the cost for the City to “negotiate” and implement this PLA, estimated to be \$200,000-350,000, and one is left asking why something this divisive is being considered at all.

A PLA will prevent the local tradespeople and contractors who pay taxes from participating in City Projects in which their tax dollars are being spent. In addition the PLA increases the costs of City projects by decreasing competition/participation of the majority of local Construction firms and their employees . For these reasons a PLA should be rejected outright.

Lee Cushman  
Cushman Contracting Corporation  
5354 Overpass Rd.  
Goleta, CA 93116-0147  
(805) 964-8661

City of Goleta  
 Bid Results for: San Jose Creek Channel Emergency Repair

Bid: 08/06/20, 3:00 P.M.

|           | Place | Bidder Name   | \$ Bid Amount: | % Increase Above<br>Low Bid | \$ Greater Than<br>Low Bid |
|-----------|-------|---------------|----------------|-----------------------------|----------------------------|
| Non-union | 1     | CCC           | \$ 304,600.00  |                             |                            |
| Non-union | 2     | Jeremy Hersey | \$ 369,523.00  | 20%                         | \$ 64,923.00               |
| Union     | 3     | Granite       | \$ 463,620.00  | 52%                         | \$ 159,020.00              |
|           | 4     |               | \$ -           |                             |                            |
|           | 5     |               | \$ -           |                             |                            |
|           | 6     |               | \$ -           |                             |                            |
|           | 7     |               | \$ -           |                             |                            |
|           | 8     |               | \$ -           |                             |                            |