



ADMINISTRATIVE REPORT

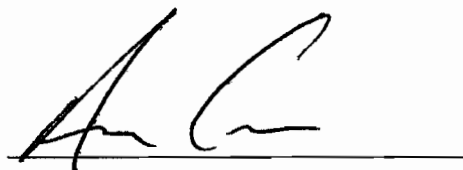
Item No. 6

Date 11/21/05

HONORABLE MAYOR AND CITY COUNCIL

November 10, 2005


Robert F. Beyer
Director of Community Development


Arne Croce, City Manager

SUBJECT: Project Labor Agreement for New Police Station Construction Project

RECOMMENDATION:

It is recommended that the City Council approve the Project Labor Agreement (PLA) with the San Mateo County Building Trades Council for the new Police Station Construction Project.

BACKGROUND:

In December, 2003, the City of San Mateo, at the request of the San Mateo County Building Trades Council entered into a Project Labor Agreement for the new Main Library Construction Project.

The City's experience with the PLA has been very good. The working relationship between the Contractor, sub contractor and various labor unions has been good, without any interruptions or major problems on the job. There are at least two instances where the PLA worked favorably for the project. One was when the Contractor could not get any plumbing bids for the work on the Library. The Building Trades Council was contacted and they recommended three plumbing contractors for consideration. The other example was when there was a possibility that the Plasterer's Union in the County might go out on strike. It was made very clear by the Building Trades Council that such an action would not apply to the Main Library Construction Project because of the Project Labor Agreement

DISCUSSION

The purpose of this PLA is "to promote efficiency of construction operations during the construction of the new Police Station Project and provide for peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Project."

A Project Labor Agreement (PLA) is a contractually binding agreement negotiated between the Contractor, City and the Building and Trades labor unions. The Agreement supersedes all collective bargaining agreements. It is a form of pre-hire agreement, negotiated before any employees are hired, and becomes part of the bid specification that all winning contractors on the

project must follow. Once negotiated, the PLA remains effective for the duration of the construction project. Under a PLA unions representing craft workers and the project's prime contractor agree on terms and conditions of employment for the construction project. The contractor agrees that all workers on the project must join the union with jurisdiction over their craft specialty. The contractor also agrees to pay wages and benefits set forth in the agreement. Work rules are uniform for all crafts; any form of strike or lockout is prohibited. The agreement is available to any contractor, union or non-union. The term and scope of the agreement is limited to a single, specific project.

◆ Scope of the Agreement

This Agreement applies and is limited to all Contractors/Employers performing construction contracts on the new Police Station, the City and the San Mateo County Building and Construction Trades Council, AFL-CIO and any other labor organization which might become signatory to the agreement.

The PLA only applies to the construction of the New Police Station Project and does not apply to any other construction projects in which the City might be involved.

◆ Effect of the Agreement:

The PLA, as negotiated, covers the construction contract for the new Police Station. The Agreement binds the City and the signatory unions to all of the provisions of the Agreement. Upon award of the contract to the general contractor for the primary construction contract, the provisions of the Agreement are also binding on the contractor. The contractor is required, when entering into subcontracts, at any tier for the performance of construction work within the scope of the agreement to require that all the terms and provisions of the PLA also bind the subcontractor. The PLA includes the incorporation of all of the signatory unions local agreements as a Schedule A to specify the basic terms of employment with respect to the individual unions.

◆ Work Stoppages, Strikes, Sympathy Strikes and Lockouts

Strikes and Lockouts are strictly prohibited under the PLA. Neither the union nor the employees are allowed to engage in any disruptive activity neither at the job site nor at any other facility of the city because of a dispute on the project. Disputes arising between the unions and contractor on the project are to be resolved pursuant to the dispute resolution procedures specified in the Agreement. If a strike or other disruptive labor activity is initiated at the project the City can allege a violation of the no strike provision and acquire a very quick arbitration procedure set forth in the Agreement designed to resolve the dispute within a few hours.

Honorable Mayor and City Council
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◆ Labor Management Committee:

The Agreement provides for the establishment of a labor management committee with a representative from the Trade Council, contractor and the City. The Committee meets periodically to review progress on the project, to discuss matters of general concern such as safety and security. The Committee is intended to foster communication between labor and management, complete the project in an economic and efficient manner without interruption, delays or work stoppages. This committee is not directly involved in the grievance procedures previously discussed. Its charge is one to encourage the maintenance of harmonious labor relations on the project.

CONCLUSION

Each construction project must be evaluated on its own merits as to the complexity of the project, the environment in which it is being constructed, and the financial benefit of such an agreement to the city and the project. It is essential that the new Police Station project be constructed in a quality manner with minimum problems and delays within budget.

A PLA for construction of the new police station will assist the City in meeting construction time schedules, ensure that project meet the highest standards of safety, and ensure peaceful, orderly procedures for resolving labor issues and avoid labor disputes and result in minimizing cost overruns.

The enclosed Project Labor Agreement for the Police Station Construction Project is the same as that previously approved by the City Council for the Main Library Construction Project. It has worked so well, neither staff nor the Building Trades Council saw a need to make any changes to the document

Cc: City Attorney
Police Chief
Bill Knack, Building Trades Council

Police station set for vote tonight

*By Kate Williamson
Staff Writer*

SAN MATEO — After five years of planning, San Mateo police may finally get the go ahead on the design for a new police station.

The new station will replace the existing headquarters on Delaware Street because it is too small for the number of staff, according to police. The new building, which will sit on a 2.2-acre site at the corner of Franklin Parkway and Saratoga Drive, will be 47,000 square feet and come equipped with more parking, an indoor firing range, environmentally friendly features and a more inviting design. As a planned area emergency command center, it will also be built to withstand a major earthquake and fit the department's needs for at least 20 years, city staff said.

The City Council is set to vote on the design for the new station tonight, as well as approve two agreements that will impact construction of the \$43.3 million project.

One agreement is a construction-management contract with Charles Pankow Builders. In exchange for more than \$375,000, the company would act as a consultant to oversee the work, but without the usual competitive bid process. The advantages of going "no bid" include a guaranteed maximum price on construction, a reduced risk of expensive change orders and other cost-saving measures, city officials said. The actual construction work uses competitive bidding.

Cost overruns are no small point for the project. San Mateo's other big public-works effort, a new library, had contractors bid \$10 million over budget earlier this year. City staff and consultants were able to reduce that by nearly \$8 million by a cost-trimming move called "value engineering," Community Development Director Bob Beyer said.

The police station project itself was announced last winter to be \$7 million over the original projected budget due to the rising costs of concrete and steel. "I think it's going to be tight," he said, adding that Charles Jankow would help them look for savings.

The second agreement the council will vote on is between the city and the San Mateo County Building Trades Council. The agreement would stipulate that all contractors, union or not, would agree to union-set rules and pay scales for the project and have their workers join the appropriate union. In exchange, the unions will guaranteed no strikes or work stoppages on the project.

The City Council meets at 7 p.m. at City Hall, 330 W. 20th Ave.

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