

MAY 22 2007



**AGENDA SUBMITTAL TO SOLANO COUNTY SUPERVISORS**

BY Michelle Chirila Deputy  
CLERK OF THE BOARD

<u>ITEM TITLE</u>		<u>BOARD MEETING DATE</u>	<u>AGENDA NUMBER</u>
Receive an informational report on Project Labor Agreements (PLA); approve the PLA for the Claybank Jail Expansion; approve the PLA for the new Government Building on Tuolumne in Vallejo; approve the PLA for the new Clinic/Lab Building on Courage Drive in Fairfield; and consider modifying the threshold for the use of PLAs to County Projects of \$10 million or more		May 22, 2007	30
<b>Dept:</b>	County Administrator's Office	<b>Supervisorial District Number</b>	
<b>Contact:</b>	Veronica Ferguson	All	
<b>Extension:</b>	Extension 6107		
<b>Published Notice Required?</b>		Yes _____	No <u>  x  </u>
<b>Public Hearing Required?</b>		Yes _____	No <u>  x  </u>

**DEPARTMENTAL RECOMMENDATION:**

It is recommended that the Board of Supervisors:

1. Receive an informational report on Project Labor Agreements (PLA);
2. Approve the PLA for the Claybank Jail Expansion (attached);
3. Approve the PLA for the new Government Building on Tuolumne in Vallejo; and
4. Approve the PLA for the new Clinic/Lab Building on Courage Drive in Fairfield; and
5. Consider modifying the threshold for use of PLAs to County Projects of \$10 million or more.

**SUMMARY:**

The County is in the design phase of several large construction projects – the Claybank Jail expansion (\$88 million) and the Twin Campus project which includes a Government building on Tuolumne in Vallejo (\$25.5 million) and a Clinic/Lab building on Courage Drive in Fairfield (\$16.5 million), as well as the remodeling of 355 Tuolumne (\$4.6 million), County retained space in the Hall of Justice in Vallejo (\$1 million) and remodel of 2101 Courage/Solano Park Hospital (\$924,000). Prequalification of contractors is scheduled to begin in June and construction is scheduled to begin in early Spring 2008 for the Claybank Jail Expansion. The Twin Campus prequalification of contractors is anticipated to be conducted in late August with construction beginning in Late Spring 2008.

Staff is recommending that the Board approve PLA agreements for three buildings – the Jail expansion, the Government building on Tuolumne and the Clinic/Lab building in Fairfield. The agreements are based on the Government Center Project PLA language amended to include language requested by the Associated Builders and Contractors (ABC) and the Building Trades.

**FINANCING:**

There is no direct cost impact to this item. Financing plans for the Claybank Jail Expansion and Twin Campus projects have already been approved.

**DISCUSSION:**

The value of a PLA is contingent on the size, scope, complexity and duration of a project. PLAs are used to assure fair wages, benefits, and training opportunities exist for members of a local community. PLAs also provide for administrative efficiencies and labor peace. PLAs are also viewed as being adverse to free, open and competitive bidding in the market place. Attached for the Board's information is a paper completed by the Worcester Municipal Research Bureau in May 2001 entitled Project Labor Agreements on Public Construction Projects: The Case For and Against which outlines both the pros and cons of PLAs.

On February 24, 2004, the Board of Supervisors approved a Resolution requiring the negotiation of Project Labor Agreements (PLA) for County construction projects with a total estimated construction cost over \$1 million after an analysis by staff of the pros and cons of the PLA. The Board also adopted the position that PLAs would be used for all projects over \$10 million that are to be constructed using the Design Build methodology. Ten million dollars was the County's legal limit for design build at the time. It has since been lowered to \$2.5 million in state legislation.

The County is currently in preconstruction phase for the Claybank Jail expansion (\$88 million) and the Twin Campus project which includes a Government building on Tuolumne in Vallejo (\$25.5 million) and a Clinic/Lab building on Courage Drive in Fairfield (\$16.5 million), as well as the remodeling of 355 Tuolumne (\$4.6 million), County retained space in the Hall of Justice in Vallejo (\$1 million) and remodel of 2101 Courage/Solano Park Hospital (\$924,000).

While reviewing the construction delivery methodology - it was recommended and accepted by the Board that design-build be used for the new South County Government building. All other projects, due to the definitive requirements called for their specific uses, would be delivered using a design-bid-build approach. As an example, the Jail is an extremely specialized facility; its systems are designed to be highly integrated, tamper proof and secure. The operational needs of the Jail are extremely unique as well. All of these factors contribute to the recommendation that the project proceed as a design bid build where the County retains more control of the project from start to finish.

Early negotiations on the Claybank Jail Expansion project called for the use of a PLA for the project because it was felt that the Jail was large enough and specific in its construction type that only larger Union Shop contractors would bid the project. The Government Center project PLA was used as a template with additional site security measures to address the proximity and interface with the existing Jail.

Recently comments have been received from the ABC that suggest Open Shop Contractors may wish to bid the projects. The ABC requested additional modifications to the PLA to allow for open competition between Open Shop and Union Contractors.

Staff has met with the Napa Solano Building Trades Council (Building Trades) and the ABC in an attempt to negotiate a PLA for each of the projects. There is some disparity in the positions of the parties. The Building Trades supported the use of the Government Center PLA language with the addition of enhanced security clearances for the Claybank project language and Helmets to Hardhats language. They objected to the language the ABC asked for that allows contractors to use up to 10 key non union employees, apprenticeship approval authority as well as language that exempted apprentices from certain hiring practices.

The ABC asked for language in the PLA that providing more flexibility for non union and union contractors and subcontractors to participate on County projects. The more competitive the bidding environment – the best opportunity for cost containment. They suggested language regarding liquidated damages in the event of a work stoppage or slowdown, language regarding the deduction of initiation fees, union dues or representation fees, language clarifying the multi employer ERISA benefit plans, and are comfortable with the security and Helmets to Hardhats language.

The ABC has requested that the Board consider a new threshold of \$10 million for the use of PLAs. Design, bid, build construction projects below this threshold would be done without a PLA. All construction projects above \$10 million would be done with a PLA. The ABC was silent in their position on Design Build projects ranging from \$2.5 million to \$10 million. The Building Trades are in agreement with the ABC proposal, so long as Design build projects from \$2.5 to \$10 million are reviewed by the Board on a case by case basis. Staff is recommending that your Board consider this policy change.

Due to the fact that the schedules for the projects are accelerating and that the PLAs should be executed by late May to stay on schedule, staff is recommending that the Board agree to the PLA as drafted by staff. It is our best professional attempt to deal with the concerns of both the ABC and Trade Unions while looking out for the interest of the County.

#### **ALTERNATIVES:**

The Board could take any of the following alternative actions:

1. Direct staff to request the Napa-Solano Trades Council to sign the PLA in a substantially similar form as the Government Center PLA to include the additional security and helmets to hardhats language..
2. Direct staff to request the Napa-Solano Trades Council to sign the modified PLAs with the language recommended by Staff.
3. Designate a Board Committee to review the proposed PLA language and return with recommended actions for the Board; or
4. Cease negotiations and proceed without a Project Labor Agreement on any of these Projects.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has assisted in the negotiations and has provided a draft Project Labor Agreement for negotiations. General Services Division of Architectural Services is the lead agency for delivery of the projects and will be responsible for administering the PLAs, if executed.

**DEPARTMENT HEAD SIGNATURE:**



Michael D. Johnson  
County Administrator

Attachment A: Project Labor Agreement for the Claybank Jail Expansion in Fairfield  
Attachment B: Report: Project Labor Agreements on Public Construction Projects: The Case For and Against

## Board of Supervisors Meeting

May 22, 2007

### MINUTES

#### CALL TO ORDER

The Solano County Board of Supervisors met on the 22nd day of May, 2007 in regular session in the Chambers of the Board of Supervisors on the County Solano in the Solano County Administrative Center, 675 Texas Street, Fairfield, California at 8:30 a.m. Present were Supervisors Silva, Spring, and Chair Reagan. Supervisors Kondylis and Vasquez arrived at 8:40 a.m. Also present were Michael D. Johnson, County Administrator and Dennis Bunting, County Counsel.

#### ROLL CALL

PRESENT: Barbara R. Kondylis, John Vasquez, John Silva, James Spring, and Mike Reagan.

#### CLOSED SESSION

The Solano County Board of Supervisors recessed this meeting at 8:32 a.m. and convened in Closed Session on the following matters:

1. Rural North Vacaville Water District: Potential Litigation: one case
2. Board of Supervisors: Real Property Negotiations: Property Location: 2543 Cordelia Road, Fairfield, California (APN 0027-270-080); County Negotiators: Pam Ogle, Acting General Services Director; Mark Bryant, Real Estate Manager; Owner, Hans J. and Genevieve Fremy. Under Negotiation: Price and terms
3. Existing Litigation: Protect the Marsh v County of Solano; Anheuser-Busch, Incorporated v County of Solano et al

#### RECONVENE

This meeting of the Solano County Board of Supervisors reconvened at 9:40 a.m. All members were present. Chair Reagan presided.

AYES: Barbara R. Kondylis, John Vasquez, John Silva, James Spring, and Mike Reagan.

**Agenda Item No. 23**  
**Rockville Trails Estates General**  
**Plan Amendment Application**

Moved to approve a request to extend the date for Board of Supervisors review of the Rockville Trails Estates General Plan Amendment application from July 9, 2007 to August 28, 2007.

MOTION: Barbara R. Kondylis.      SECOND: John Silva.

AYES: Barbara R. Kondylis, John Vasquez, John Silva, James Spring, and Mike Reagan.

**Agenda Item No. 29**  
**County's Strategic Planning Efforts**  
**and Mapping the Solano County Strategic Plan**

Moved to receive an update on the County's Strategic Planning efforts, approved the Mapping the Solano County Strategic Plan to include a clear definition for "no spanking under 3 years of age" (child discipline/positive parenting), and directed staff to conduct the next Strategic Planning Session in September, 2007.

MOTION: Barbara R. Kondylis.      SECOND: John Vasquez.

AYES: Barbara R. Kondylis, John Vasquez, John Silva, James Spring, and Mike Reagan.

**Recess**

This meeting of the Solano County Board of Supervisors recessed at 10:50 a.m. and reconvened at 11:05 a.m. All members were present. Chair Reagan presided.

**Agenda Item No. 30**  
**Project Labor Agreements (PLA)**

The Board received an informational report on Project Labor Agreements (PLA) noting that the County was in the design phase of several large construction projects including; 1) the Claybank Jail Expansion Project (\$88 million); the Twin Campus project which includes a Government building on Tuolumne Street,

Vallejo (\$25.5 million); a Clinic/Lab building on Courage Drive in Fairfield (\$16.5 million), as well as the remodeling of 355 Tuolumne (\$4.6 million); County retained space in the Hall of Justice in Vallejo (\$1 million) and remodel of 2101 Courage/Solano Park Hospital (\$924,000). County staff clarified the requests for additional language in the PLA after meeting with the Napa Solano Building Trades Council and the Associated Builders and Contractors. Staff noted that the Board had adopted a position that PLAs would be used for all projects over \$10 million that are to be constructed using the Design Build methodology which was the County's legal limit for design build at the time and has since been lowered to \$2.5 million in state legislation.

Chair Reagan opened the hearing for public comments.

Comments were provided in support of the PLAs as it was felt that the PLAs would provide for highly skilled local workers, a stable workforce, no labor strikes, and did not deter the competitive bidding process.

Comments were provided in opposition to the PLA as it was felt that the PLAs would limit competition, discriminate against non-union workers, and not create a level playing field. It was also noted that PLAs were not allowed for projects tied to federal funding.

At the conclusion of discussion, the Board took the following action:

Moved to bifurcate the recommended action and receive an information report on Project Labor Agreements (PLAs); approve the PLA for the Claybank Jail Expansion, the new Government Building on Tuolumne in Vallejo and the new Clinic/Lab Building on Courage Drive in Fairfield; and under separate motion to modify the threshold for the use of PLAs on future County projects of \$2.5 million or more.

MOTION: Barbara R. Kondylis. SECOND: John Vasquez.

AYES: Barbara R. Kondylis, and John Vasquez.

NOES: John Silva, James Sperring, and Mike Reagan.

Moved to receive an Informational Report on Project Labor Agreements (PLA); approve the PLAs for the Claybank Jail Expansion, the new Government Building on Tuolumne in Vallejo and the new Clinic/Lab Building on Courage Drive in Fairfield; and modify the threshold for the use of PLAs on future County projects of \$10 million or more.

MOTION: James Sperring. SECOND: Barbara R. Kondylis.

AYES: Barbara R. Kondylis, John Vasquez, John Silva, and James Sperring.

NOES: Mike Reagan.

(Chair Reagan noted that he did not feel that Project Labor Agreements could be utilized for projects involving federal funding.)

### **Recess**

This meeting of the Solano County Board of Supervisors recessed at 12:20 p.m. to discuss the following Closed Session item:

Conference with Labor Negotiators: Solano County: Craig Jory, Donald Turko and Georgia Cochran; SEIU Local 1021: Unit #5-Health & Welfare Employees, Unit #2-Nurses, Unit #7-Regulatory, Technical & General Services Employees, Unit #8-General Services Supervisors, Unit #9-Clerical Employees, Unit #12-Probation Employees, Unit #15-Supervising Probation EES, Unit #82-Extra Help, Unit #87-Extra Help, Unit #89-Extra Help, Unit #90-Extra Help; PEU Local One: Unit #6-Health & Welfare Supervisors; Stationary Engineers Local #39: Unit #10-Skilled Craft & Service Maintenance Employees

The Board of Supervisors reconvened at 2:00 p.m. All members were present. Chair Reagan presided.

### **REPORT OF ACTION IN CLOSED SESSION**

County Counsel Dennis Bunting reported that there were no reports of action taken in Closed Session.

### **Agenda Item No. 31** **Public Facilities Fees**

The Board of Supervisors was presented with a report noting that California Government Code requires that the studies that support the establishment of Public Facilities Fees (PFF) be evaluated at least every 5 years. It was noted that adoption of the fees would assure that the County is able to build facilities in future years that becomes necessary due to growth within the County. Staff reported that the County's Public Facilities Fees currently included six components: Public Protection, Health and Social Services, Library, Sheriff's Patrol and Investigation, Courts and PFF Compliance (Administration). Staff noted that the two options before the Board were: 1) establishment of PFF rates without Court Component; and 2) establishment of PFF rates with Court Component.