From: Jahr, Steven  
Sent: Wednesday, May 08, 2013 11:54 AM  
To: AOC JC Members Only  
Cc: Bocchicchio, Michael; Byrd, Donald; Capozzi, Anthony; Castellanos, Stephan; Chang, Steven; Cooper, Hon. Candace D.; Davis, Keith D.; Feng, Hon. Samuel; Foiles, Robert D.; Fowler-Bradley, Melissa; Highberger, William; Hill, Brad; Hirschfeld, Burt; Ignacio, Donna; Jacobs-May, Hon. Jamie A.; Johnson, Jeffrey W.; Lucas, Hon. Patricia M.; Magnusson, Chris; Masunaga, Laura; Miessner, Leslie; Nash, Stephen H.; Olivas, Noema; Orozco, Hon. Gary R.; Power, David; Quinn, Kelly; Robinson, Akilah; Romero-Soles, Linda; Ruano, Teresa; Spikes, Larry; Stinson, Kevin; Toppenberg, Val; Trentacosta, Robert J.; Warwick, Thomas; Willoughby, Lee  
Subject: San Diego Central Courthouse Project

Members of the Judicial Council:

I want to make you aware of a pending announcement by the State Building and Construction Trades Council of California regarding a Project Labor Agreement (PLA) with our selected contractor (Rudolph and Sletten, Inc.) for construction of the new Central Courthouse project for San Diego, the state’s largest courthouse construction project. The Trades Council has expressed continued interest to the AOC about entering into such an agreement on this project. Following negotiations regarding potential terms and conditions of a PLA between Rudolph and Sletten and the Trades Council, (with input from the AOC), we concluded that this approach was beneficial. I requested that the contractor enter into a PLA with the Trades Council to ensure certainty and timeliness as well as reduce variables in a construction project of this magnitude. This will be the first state courthouse project on which a PLA is signed. I should emphasize that we are considering this PLA to be a pilot effort that the Court Facilities Working Group and AOC will continuously evaluate for costs and benefits going forward, about which I will keep the Judicial Council apprised.

As you know, the new 71-courtroom facility is badly needed because of serious seismic and security issues and other significant functional problems. At $586 million for the total project (of which $544 million is construction), any delay can be costly. The Court Facilities Working Group and the AOC have worked with all parties, including the Legislature, the Department of Finance, County, and City to keep the project moving forward. To that end, the PLA is being put in place to ensure that this momentum continues by preventing potential expensive delays and related costs.

We realize there are some who criticize PLAs. We have examined those criticisms and believe for this project there is an overall benefit. We have been advised that a number of collective bargaining agreements for involved trades will come up for renewal within the construction window for this job. The terms of the PLA ensure that the construction process will be uninterrupted by those renewal anniversaries. The agreement precludes strikes and would prevent delays caused by shortages of qualified workers in the relevant trades. It will also streamline management of the project. We believe the PLA will be cost-effective. It will apply to most, but not all, of the bid packages—those smaller than $125,000 at all bid tiers will be exempt. Additionally, the PLA provides that the project has a built-in local participation goal of 30 percent for San Diego trades. (The Long Beach project, through Long Beach Judicial Partners, LLC, also is operating under a PLA. Examples of other projects with PLA in San Diego include Petco Field and the San Diego Convention Center.)

Packages for subcontractor prequalification are now being disseminated by the contractor. The AOC along with the contractor are taking steps to do outreach to local, small, emerging, and minority businesses, as well as the Disabled
Veterans Business Enterprise Program to encourage them to bid on portions of the project. The project is scheduled for a fall bond sale with a construction start date by the end of December 2013.

There will be a further briefing on the PLA approach at an educational session during the June council meeting.

Steve

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