

RECEIVED

Agenda Items: ID#19-1934 (1:45 P.M.)

2019 JUN 27 P 2: 26

Date: 6/27/2019

CITY OF FRESNO
CITY CLERK'S OFFICE

FRESNO CITY COUNCIL



Late Submission Information Packet

Agenda Related Item(s) – ID#19-1934 (1:45 P.M.)

Item(s)

Approve the Fresno Yosemite International Airport Expansion Project Labor Agreement

Contents: Letter from Associated Builders and Contractors, Inc. – Northern California Chapter

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.



We're training tomorrow's
skilled workforce today.
abcnorcal.org

June 24, 2019

Paul Caprioglio, Council President
2600 Fresno Street
Fresno, CA 93721

Re: Oppose Agenda Item ID19-1934

Approve the Fresno Yosemite International Airport Expansion Project Labor Agreement (PLA)

Dear President Caprioglio and Fresno City Council:

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

While we appreciate the work of the Ad Hoc Committee, before the city council rushes to make a decision to move forward with a contracting policy for the parking garage and terminal expansion that will significantly alter the way contracting has historically been done in the city, we kindly request you delay action until the city conducts a survey of the contractors in the local contracting community for their input and holds a proper PLA negotiation that includes all stakeholder input. Every contractor survey that has ever been conducted about Project Labor Agreements (PLAs) show they decrease competition, increase costs and are a disincentive to bid. Remember, Fresno was the first city in the nation to enact a PLA inclusion policy.

In addition, as currently written, the PLA has excluded all non-union or unilateral apprentices in Article 14. It is our number one priority that our state and federally approved apprentices have ample training opportunities to fulfill their required on the job training hours in order to graduate from our apprenticeship program and become journeymen. Not being able to work on the Fresno Airport projects will significantly impact their ability to obtain these critical hours.

For over forty years ABC NorCal has committed to training a skilled workforce in the construction trades. We train over 1,000 state and federally approved apprentices, journey workers, and craft trainees each year, a vital component to the sustainability of the industry. Our apprentices, journey workers and craft trainees come from all walks of life and emerge from our training programs with a good-paying career and the skills needed for employment security and their future success.

Please find below our concerns to the proposed PLA and recommended substitute language.

14.1 (a) Apprentices: Apprentices used on Projects covered under this Agreement shall be registered in "Joint" Labor Management Apprenticeship Programs approved by the State of California.

- **Concern:** When the word "Joint" is included, all apprentices must come from state approved *union* programs, making it impossible for apprentices in state-approved merit shop programs to participate, even during this time when California is facing a massive workforce shortage.
- **Recommendation:** The word "Joint" needs to be removed to allow for all state and federally approved apprentices to be used.

See below from the DIR website the definitions for Joint and Unilateral apprentices – all state and federally approved.

[Apprenticeship programs information guide - definitions](#)

J.A.T.C./J.A.C :Joint Apprenticeship & Training Committee/Joint Apprenticeship Committee.
The committee is made up of equal number of members from labor and management.

U.A.C. :Unilateral Apprenticeship Committee. The committee is made up of management or labor representatives.

UAC (Unilateral Apprenticeship Committee) means non-union vs. Joint or J.A.T.C. which is union.

1.9 "Project" means construction of the Fresno Yosemite International Airport Expansion Project pursuant to the Prime Contracts, consisting of two components: The Parking Garage Expansion, and the Terminal Expansion.

- **Concern:** It is our number one priority that our state and federally approved apprentices have ample training opportunities to fulfill their required on the job training hours in order to graduate from our apprenticeship program and become journeymen. Not being able to work on this project will significantly impact their ability to obtain these critical hours.
- **Recommended Threshold/Applicable Projects:** The PLA would not apply to subcontracts/subcontractors of that general contractor whose contract is below one million dollars (\$1,000,000). All LBE, MBE, WBE, DBE, SBE registered contractors should be exempt from the PLA.

3.10 (a) Core Workers: For the Garage Expansion Component: Contractors may employ first a Core Worker, then an employee through a referral from the appropriate Union hiring hall, and so on alternating until a maximum of five (5) Core Workers are employed.

For the Terminal Expansion Component: Contractors may employ first two Core Workers, then two employees through a referral from the appropriate Union hiring hall, followed by one additional Core Worker, and then one employee through a referral from an appropriate hiring hall and so on alternating until a maximum of five (5) Core Workers are employed.

- **Concern:** So, when a non-union company is granted the contract, it is not able to use its own skilled and trained journey-workers and apprentices (including minorities, veterans, and those employees formerly incarcerated). Instead, they must attempt to perform the work using workers sent by a union hall that the company has no previous experience with giving out-of-town union workers priority over nonunion workers living closer to home. In other words, construction firms owned by women, veterans, and minorities – being generally smaller and nonunion – need not apply. Discouraging merit shop companies from bidding on San Jose public works impacts opportunities for merit shop apprentices who are hired by these companies.

When non-union contractors bid work, they bid based on what they know their crews can perform. Their bids are based on their crew's talent, training, experience, commitment to quality, and track record of performing

work safely and ethically. It is wrong for the state to force contractors to have their own skilled, trained, and certified workers miss out on work that they have spent their careers performing. This forces the contractor to potentially use someone with a different (potentially lower) skill set or ability, with no history with the company.

- **Recommendation: Incentivize merit shop companies to bid on the Fresno Airport Project. Allow the first thirty-five (35) workers employed by non-signatory Contractor/Employer's to come from its own core workforce, prior to the imposition of any requirement to hiring workers from the union hall.**

5.2 (b) Wages and Benefits: (a) Contractors shall pay contributions to the established employee benefit funds in the amounts designated in the appropriate Schedule A Agreement and make all employee-authorized deductions in the amounts designated in the appropriate Schedule A Agreement. (b) The Contractor shall agree to be bound by the written terms of the applicable, legally established, trust agreement(s) specifying the detailed basis on which payments are to be made into, and benefits paid out of, such trust funds for its employees while performing Project Work.

- **Concern: All employees must contribute to union health, welfare and pension plans, regardless of whether or not the workers already have their own plans. Union plans also require long vesting periods making it unlikely that the non-union worker will see the benefit of their contributions.**
- **Recommendation: A non-signatory Contractor/Employer shall compensate any workers for benefits in excess of the basic hourly wage in accordance with the applicable prevailing wage determination established by the Department of Industrial Relations pursuant to California Labor Code and the City's Prevailing Wage Policy. Contractor/Employer shall either:**
 - **Contribute to Contractor/Employer's sponsored benefit plans on behalf of the worker, or**
 - **Contribute to the union's established employee benefit plan on behalf of the worker.**

Attachment E Subcontract Awards: Rebids without the PLA that exceed the pre-bid estimate by at least 10% are capped at 5% of the dollar value of construction work on the Terminal Expansion Component.

- **Recommendation: Remove the cap to provide maximum opportunities to include the entire construction community.**

Project Labor Agreements (PLAs) create barriers for local, minority and women-owned construction employers and their employees from participating in building their community because they contain provisions that do not allow for the complete utilization of their workforces excluding the men, women, and veterans who have graduated from state approved, unilateral apprenticeship training programs in pursuit of a construction career that provides stability for them, their family and their community.

It's disappointing to see the spirit of entrepreneurship blatantly dismissed at the Fresno City Council leaving opportunities only for the small number of workers who have found their way into union construction programs and further eroding opportunities for smaller minority construction companies and their workers to expand their local businesses and gain invaluable work experience on taxpayer-funded projects in their community.

It is unfortunate that this generation's construction professionals are being pushed away from well-paying career opportunities within their community. What the City of Fresno should be doing to promote a fulfilling career in the trades is highlighting the available opportunities, not disparaging non-union construction workers.

Thank you for your consideration of this request to delay the discussion until all stakeholders are in agreement with a Project Labor Agreement that will work for everyone. I look forward to working with you to find solutions that will remove barriers and maximize opportunities for all City of Fresno taxpayers and residents. Please include this correspondence in your June 27, 2019 meeting minutes. Please contact me at nicole@abcnocal.org or 209-482-1697 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicole Goehring". The signature is fluid and cursive, with a large loop at the end.

Nicole Goehring
Community and Govt. Relations Director

Cc: Councilmember Esmeralda Soria
Councilmember Luis Chavez
Councilmember Miguel Arias
Councilmember Garry Bredefeld
Councilmember Nelson Esparza