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

Date: 6/27/2019

2019 JUN 27 A 10:58

CITY OF FRESNO
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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 General Contractors of California

Supplemental Information:

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2019 JUN 27 A 8:53

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AGC
CALIFORNIA

The Voice of the
Construction Industry

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June 26, 2019

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City of Fresno

City Council

2600 Fresno Street

Fresno, CA 93721

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TREASURER

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SUBJECT: Fresno Yosemite International Airport Expansion Project Labor Agreement

IMMEDIATE PAST PRESIDENT

Walt Johnson

Members of Fresno City Council,

CEO

Peter Tateishi

On behalf of the Associated General Contractors of California and its over 1,000 associate, contractor and specialty members, we ask the members of the Fresno City Council address several issues in the Fresno Yosemite International Airport Expansion Project Labor Agreement.

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We believe that construction is vital to success of the greater Fresno region. Together, our members actively create opportunities to build and strengthen the region and our state. The Fresno Airport is a major connector for the region and must adapt to accommodate the projected growth in service. Construction of the proposed terminal expansion and parking structure projects will not only create high-quality good paying jobs but they will also create opportunities for socio-economically challenged communities to grow.

NORTHERN CALIFORNIA

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We applaud the City Council's decision to establish a PLA task force to study the issue and gather stakeholder input. Furthermore, we appreciate the taskforce giving contractors an opportunity to provide feedback on issues that can arise with the adoption of a government mandated project labor agreement.

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This project labor agreement under consideration makes several steps to help balance the playing field for contractors such as keeping the scope of work focused on the terminal expansion and parking garage structure, increasing the flexibility on core employees, and codifying provisions to help keep the project from compromising design and safety should bidding become an issue. There are, however, several issues that should be addressed to create a fair and equitable environment for contractors and ensure the most judicious use of limited resources.

Below you will find several issues that the council should address before adopting the Fresno Yosemite International Airport Expansion Project Labor Agreement:

1. Good faith efforts should be more clearly defined and specifically address what the contractor would need to provide in order to be in compliance with the agreement. Ambiguity in the agreement could lead a contractor to unintentionally breach the agreement, forcing them to pay liquidated damages and deterring the contractor community from bidding on future contracts with the owner.
2. Lower the new apprentice hiring goal of 40%. While we understand how important the provisions for the proposed targeted hire policy are for the area to create local jobs, the adoption of excessively high new apprentice hiring goals will force contractors to factor into their bids expanded timelines and increased costs to make up for the lack of experienced workers resulting in increased bid prices.
3. Increase the amount of allowable Core Workers on the projects. Field expertise and familiarity with contractor work standards and processes increases the productivity and efficiencies of workers. By increasing the Core Worker requirement, contractors will not be forced to increase bid price to account for workers that may not meet the expertise of a seasoned core employee.
4. Exempt local certified DBE and DVBE subcontractors from the agreement. As stated in the original resolution passed by the Council on March 7, the intent of this agreement is to support local economically disadvantaged, pre-apprentice and entry-level hires as well as veteran and women-owned businesses. By exempting local DBE and DBVE subcontractors from this agreement, the Council can fulfill a portion of the intended goals of the resolution.
5. Exempt employees not formally in a union from paying union dues. Dues that are paid with no-expected benefit to that worker creates an uneven playing field against open-shop contractors and their employees in the region.

Again, we would like to thank the members of the PLA taskforce, city and airport staff, and members of the Council for their time and effort during this process. We look forward to working with you to build a stronger region together.

Sincerely,
Chris Smith
Associated General Contractors of California
Regional Government Affairs Manager, Northern and Central California