

ADAMS BROADWELL JOSEPH & CARDOZO

A PROFESSIONAL CORPORATION

SACRAMENTO OFFICE

520 CAPITOL MALL, SUITE 350
SACRAMENTO, CA 95814-4721

TEL: (916) 444-6201
FAX: (916) 444-6209

TEL: (650) 589-1660
FAX: (650) 589-5062

June 8, 2022

**Not admitted in California
Licensed in Colorado*

VIA EMAIL ONLY

Honorable Board of Education
Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824

RE SCUSD June 9 Board Meeting: Support for Agenda Item 10.4 – Approval of
Renewal of SCUSD Project Labor Agreement

Dear Board Members:

I'm writing on behalf of the Sacramento-Sierra Building & Construction
Trades Council ("Council") in support of Agenda Item 10.4, renewal of the
programmatic Project Labor Agreements ("PLA") for Sacramento City Unified

School District ("District") projects. The Council represents construction workers

June 8, 2022
Page 2

[REDACTED]

Article 12 also requires the Council to support the District's CTE programs
by providing monies to District Academics at no cost to the District through the

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Agreement (PSA)) is a pre-hire collective bargaining agreement that establishes the

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

are intended to protect a local agency's investment in its projects and to ensure that this investment provides economic, employment and job development benefits to

local residents. The California Legislature has expressly authorized public entities to use or enter into such agreements on public projects.

¹ Public Contract Code, Section 2500.

² See California Labor Code §§ 1773, 1773.1.

³ See, e.g., Port of Oakland, *Maritime and Aviation Project Labor Agreement Progress Report* (Nov. 26, 2007) at no. 35 (listing benefits found after seven years of implementation); San Francisco Public

streamlining work rules and work schedules to improve cross-craft coordination and meet specific project timetables

[REDACTED]

Many of these provisions are expressly required to be included in a project labor agreement within the meaning of Public Contract Code section 2500. Section 2500 requires PLAs to include specific fair and equitable bidding process provisions, no-strike and no lock-out provisions, and procedures for resolving disputes between contractors and employees through a neutral arbitrator.

The required alternative dispute resolution procedures shall be at the state and local level.

[REDACTED]

the PLA will avoid the increased construction costs that result from change orders

[REDACTED]

and the need for repairs, as well as the long-term increases in operational costs.

[REDACTED]

⁶ Letter from Eric Roof, Assistant Chief of the California Department of Labor Standards (January 22, 2015)

[REDACTED]

1. Studies Show No Material Difference in Construction Costs Between PLA and Non-PLA Public Works Projects

A January 2017 UC Berkeley study provided a statistical analysis of the cost impacts of public sector PLAs by reviewing 263 community college projects, 88 performed with a PLA and 175 without a PLA. The study found that costs, when controlled for project size, cost of materials, and market timing, were slightly lower on projects with a PLA, but the difference was not statistically significant.⁹ The

[REDACTED]

without PLAs.¹⁰

A 2011 study by the City of Los Angeles on its ATSAC System public PLA found that the PLA policy had no discernible effect on costs.¹⁴ In addition, it found

that "after the PLA was implemented, the bids for the most part started to trend closer or lower than the engineer's estimate."¹⁵ In other words, the PLA provided greater up-front cost certainty.

A 2011 study found that the use of Project Labor Agreements covering \$5.3 billion of construction work for the City of New York found that the agreements would save New York City approximately \$300 million.¹⁶

anti-union think tanks and have been widely discredited as falsely attributing cost increases to PLAs that were actually due to other construction cost variables. Academic reviews of these studies have found that they failed to take into account the differences in the characteristics of the specific construction projects (e.g., building type and location, building specifications, materials used, etc.).¹⁷ When controls were applied to take into account project-specific variables,

PLA bids. For example, case studies of Contra Costa Water District projects and

San Diego Courthouse projects found that adopting a PLA had no appreciable impact on the number of bidders.¹⁹ A 2017 statistical comparison of over 260 PLA and non-PLA California community college projects found that PLA did not decrease the number of bidders.²⁰ A 2016 City of Seattle report also found no statistical difference in the number of bidders on a non-PLA project versus a PLA

Even in the few cases where bidders did decrease, studies found the impact of the decrease to be negligible. For example, a statistical review of the impacts of the San Diego Unified School District Project Stabilization Agreement found that although the total number of bidders had declined under the agreement, the bids received were more competitive and cost-efficient.²² Similarly, a review of the

Pasadena Unified School Districts; Inglewood Unified School District; Lynwood

[REDACTED]

Public agencies throughout the state and the Sacramento region have found community workforce agreements to serve both their proprietary interest in efficient construction operations as well as their interest in ensuring that the expenditure of public construction dollars returns maximum economic and

[REDACTED]

employment benefits to the local communities served by such projects. Accordingly, it is no surprise that the District has continued to renew its PLA with the Council since first entering into these agreements in 2005.

IV PLA'S MAXIMIZE ECONOMIC AND EMPLOYMENT BENEFITS TO THE LOCAL COMMUNITY AND PROVIDE CAREER OPPORTUNITIES FOR ITS MOST DISADVANTAGED RESIDENTS

The community benefit provisions contained in the PLA ensure that the District's expenditures on projects not only result in efficient, timely and quality construction outcomes, but also lead the way towards equitable job growth by investing in good jobs and using contractors committed to providing career building training opportunities to students and graduates, including minoritized community members. In addition to the direct support for the District's CTE programs set forth in Article 12, here are some of the additional community benefits created by

[REDACTED]

²⁸ See Gin et al, The Economic Impact of the Downtown "Convadium" Proposal (2016), Appendix A. 2969-014acp

Section 2500, these benefits are provided to both signatory and non signatory

contractors that agree to work under the DI A. The DI A ensures all contractors

access to a highly skilled and trained workforce to allow smaller business enterprises to scaleup, as well as jobsite coordination among different crafts, to make every project a successful inclusive team effort

²⁹ Thomason & Bernhardt, UC Berkeley Center for Labor Research and Education, *The Union Effect in California #2: Gains for Women, Workers of Color, and Immigrants* (June 2018) at p. 1.
2969-014acp

V. CONCLUSION

Over the past two decades, an increasing number of school districts have adopted PLAs as one of the most effective tools to ensure efficient project management of public works construction while at the same time ensuring these

[REDACTED]

projects maximize local economic and employment benefits. The Council and all of its affiliates respectfully urge the Board of Education to approve the PLA presented under Agenda Item 10.4. Thank you for considering this letter.

Sincerely