



SANTA MARIA VALLEY CONTRACTORS ASSOCIATION, INC.

2003 Preisker Ln., Ste. A, Santa Maria, CA 93454 • 805-925-1191 • Fax 805-922-2983

April 14, 2014

Supervisor Steve Lavagnino

511 E. Lakeside Parkway, Suite 141
Santa Maria CA 93455-1341

Regarding April 5 Agenda: Item 1 Northern Branch Jail Project 8600- Local Vendor and Labor Outreach Plan

Action Item e: Local Vendor and Labor Outreach Report- **Opposed to Local Hire Plan**

Action Item f: Direct General Services Staff to return with **Construction Workforce Agreements- Opposed**

Dear Chairman Lavagnino,

The Santa Maria Valley Contractors Association looks forward to the opportunity to work with Kitchell Construction Management in assisting with the employment of local contractors on the much needed Northern Branch Jail Project and appreciates the Board's consideration of this concern.

We do have observations regarding the case studies which are presented as examples of local participation on several recent Kitchell projects.

The Marion Medical Center is an ironic choice in that we met with representatives of Kitchell and the Marion Foundation Board to advocate for this exact subject. In that situation, Kitchell held firm that local contractors were not capable of performing much of the work due to OSHPD regulations for hospital construction. And they would not be persuaded by the fact that the majority of contractors on the recently built Lompoc Hospital were actually locals who did meet those standards.

Prior to Kitchell's tenure, the Measure I Allan Hancock College projects which were completed by O'Connor Construction Management had 66% tri-county contractor participation. On the Student Services Center, Kitchell from Arizona replaced a local construction management team who had questioned some of the union favoring language in the bid documents. A Local Hire proposal, brought in by Kitchell via a Hancock Trustee who is also a trade union representative, was soundly defeated in a four to one vote by that Board when the counter-productive nature of policy was made clear. The Student Services Center project finally broke ground in 2010, but to this day is not 100% complete.

Allan Hancock College had made the daring decision to put out to bid four sizeable Measure I funded projects almost concurrently, and the Santa Maria Valley Contractors Association was honored to host a well-attended workshop at Hancock to introduce the local construction community to the principle players and define the scope of work on each job. However, when construction estimators made requests to address problems within the multiple sets of plans, their queries went unanswered by the architects, so quite a few locals decided against placing a bid.

The fabulous Public Safety Complex in Lompoc fared much better, but has many specialty features and sole source specified products which simply could not be handled locally, so Kitchell's awareness regarding similar situations including the jail cells should in itself result in significantly more local participation on this project.

It has been our experience that visibility is not the problem when reaching out to the local construction community, but rather that some Prequalification processes eliminate otherwise fully capable contractors. Since the three case studies provided were the exception and not the rule, the reasoning for developing a Local Hire Policy based upon them should be suspect. The samples included from other areas are demonstrably non-applicable in our county's case, and often counter-productive in their own, which we will explore in greater depth should you determine that it serves your best interest to insist on wasting your actual local constructions community's resources by moving forward in this unnecessary direction. It has also been our experience that the Board member's often cherry pick through evidence for assertions which will justify their positions, so we ask that you please allow the construction community majority in this case to have the stronger voice.

Most disconcerting is Action Item f, the possibility of a Construction Workforce Agreement being attached to this project. Apparently it is the resurrection of the Construction Stabilization Agreement proposed in 2010 and vehemently opposed by the construction associations listed as outreach partners in the Kitchell Plan. Trade union representatives maintain that they have long been promised a Project Labor Agreement on the Jail, which would limit the bidders to mostly union contractors who make up only 15% of our local construction businesses. That this item is being discussed now prior to a contested election in a supervisorial district is probably just a coincidence of timing.

There is not a strong trade union presence locally, and Project Labor agreements in any form were originally designed 70 years ago to keep the unions in big municipalities from fighting amongst themselves about who did what scope of work. It is worth noting that, during the last Santa Barbara County incarnation of a proposed Agreement, it was made obvious that the cost of the project would increase, that the vast majority of local merit shop contractors would be disenfranchised, and that a move in this direction was simply an unfortunate political gesture.

A Local Hire Plan and a Construction Workforce Agreement will not be supported by regional construction organizations outside of the minority in union halls, and we strongly request that the Board NOT encourage staff to continue pursuing either document. We insist that ALL of the stakeholders represented by the local Contractors Associations be made privy to those developments rather than seeking only trade union input and then just springing them into public view at the last possible moment, which has been the case in their previous attempts.

Thank you very much for your time and consideration, and we remain vigilantly available to discuss the true ramifications of such a serious decision upon your entire local contraction community.

Sincerely,

Robin Hayhurst

Robin Hayhurst
Executive Director
Santa Maria Valley Contractors Association

