



**Establishment of a Pilot Project Stabilization Agreement (PSA)
for the Northern Branch Jail AB 900 Phase II Project**



Why Are We Here Today?

- **On Tuesday, April 15, 2014 your Board considered an item on the Northern Branch Jail AB 900 Phase II Project**
- **The current Construction Estimate is \$69.4 Million**
- **The General Services Department was directed to return with a framework for a Project Stabilization Agreement (PSA)**



Presentation Overview

- **What is a PSA?**
- **Next Steps**
- **Agreement Points**
- **Public Comment**
- **Board Discussion**
- **Recommendations/Closing**



What is a PSA?

- **A PSA is a contractually binding negotiated agreement**
- **Between a project owner and the building and construction trade unions**
- **PSAs require that all contractors working on a project adhere to a collective bargaining agreement**
- **There are no guarantees that a PSA will increase or decrease construction costs, nor attract or detract local labor beyond “Good Faith” efforts**
- **On public projects all applicable state and federal bidding statutes and regulations must be followed**

What is a PSA? - Potential Benefits



- **PSAs may assure such things as a steady supply of skilled labor, commensurate benefits, and work rules across multiple crafts**
- **PSAs allow for the timely resolution of labor disputes**
- **Community benefits may include jobs and training opportunities for disadvantaged workers**
- **PSAs often contain language defining health and safety provisions, safety practices, and minimum security requirements**



What is a PSA? – Potential Disadvantages

- **PSAs place additional burdens on nonunion contractors, particularly smaller local contractors, when bidding on projects**
- **PSAs may reduce the number of bids on a project, limiting competition and raising overall project cost**
- **A PSA may be redundant as the project will be constructed in accordance with state statutes and a pre-qualification process has been developed for potential contractors**



Next Steps

- **Establishing a Project Stabilization Agreement will require negotiations with the Tri-County Building and Construction Trades Council(TCBT)**
- **Other potential stakeholders to this agreement include:**
 - **Tri-Counties District of the Associate General Contractors (AGC)**
 - **Santa Maria Valley Contractors Association (SMVCA)**
 - **Santa Barbara Contractors Association (SBCA)**
 - **Southwest Regional Council of Carpenters (SRCC)**

Next Steps



- **If your Board approves today's recommended actions, staff will:**
 - **Incorporate your comments in the County's draft negotiation documents**
 - **Commence negotiations with TCBT**
- **Your Board's approval of a draft PSA will need to occur by September 2014**
- **If not, the Project can move forward utilizing the Joint Labor Compliance Program your Board approved on July 10, 2012**



Agreement Points

- **Numerous PSAs have been negotiated across the state and nation**
- **PSAs are negotiated and tailored for the particular project to be constructed, however:**
 - **In California, certain provisions are legislatively mandated**
 - **There are standard provisions within each PSA**

Agreement Points



- **In 2012 the County of Ventura concluded a PSA negotiation process with TCBT**
- **Their negotiations boiled down to a handful of provisions where agreement could not be reached**
- **Similar provisions may arise for us**
- **Your Board's input will guide our negotiations**



Agreement Points

- **Challenging provisions in the PSA to negotiate will likely be:**
 - **Core Workforce – Utilize a contractor’s entire workforce before using members of a hiring hall**
 - **Exemption from the PSA requirements for offsite fabrication facilities – Facility not working exclusively for project exempt**
 - **Exemption from the PSA for all Professional Services - Exempt**
 - **Exclusive use of apprentices from an approved apprenticeship program – As required by state law**



Agreement Points

- **Other provisions that staff would benefit from Board's direction:**
 - **Union Dues - Policy**
 - **Union Benefits - Policy**
 - **Local Participation – “Good Faith” effort and potentially exempt certain labor types**
- **Other issues?**

Public Comment



Board Discussion





Recommendations

- **Re-affirm your Board's direction on April 15, 2014 to develop a framework for a Pilot Project Stabilization Agreement for the Northern Branch Jail AB 900 Phase II Project**
- **If Recommendation A is re-affirmed; Direct Staff to proceed with the necessary coordination , negotiation, and preparation of documents needed to establish such an agreement, if possible, and return to your Board in September for further direction**
- **Find that the proposed action does not constitute a “Project” with the meaning of the California Environmental Quality Act(CEQA), Pursuant to 14 CCR 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect physical changes in the environment**



Thank You