Project Stabilization Agreement
New Academic Center
College of Marin Board of Trustees

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What Is a Project Stabilization Agreement?

• An agreement between the District and all construction contractors/subcontractors on specified projects, to incorporate union requirements for employers and employees on the projects.

• Also called Project Labor Agreement.

• Note: all California public works projects are covered under state prevailing wage laws.
COM’s PSA History

• Adopted a Project Stabilization Agreement in 2008, applicable to two projects:
  – Kentfield: Science/Math/Central Plant
  – Indian Valley College: Main Building
• At the time, those were the largest projects on each campus.
• Board previously had considered fact-finding study by Swinerton Mgt. and Consulting, and authorized negotiations with Trades Council.
Key Terms of COM’s PSA

- Applies to listed projects only.
- Allows non-union contractors and workers to participate; must pay benefits and dues.
- No-strike clause, and skilled labor force provision.
- Includes dispute resolution process and mediator/arbitrator.
  - Also periodic meetings and pre-job conferences.
- Advocacy for utilizing COM students on projects via apprenticeship programs.
- “Core employees” provisions.
- Local hire focus, “Helmets to Hardhats” initiative.
• PSA projects:
  – Science/Math/Central Plant at Kentfield.
  – Main Building at IVC.

• Non-PSA projects:
  – Mixed results re cost overruns and schedule.
  – Fine Arts and Performing Arts: cost overruns and delayed completion; District is evaluating design and other issues on both projects.

• General: no clear connection between PSA and costs – main cost driver appears to have been the construction economy. PSA dispute resolution process was an advantage on S/M/CP.
Current Thinking About PSA’s

• Key dispute is whether they increase cost/reduce competition.

• Some of the studies of cost impacts:
  – National University System Institute for Policy Research (NUSIPR), July 2011: 13% to 15% cost increase in California school projects attributed to PLAs.
  – UCLA Labor Center: critical of NUSIPR methodology and conclusions.
  – Building and Trades Council (Santa Clara/San Benito) report October 2012: no cost impact.

• Recent anecdotal information in the Bay Area is that PSA’s/PLA’s have not materially affected cost.
General Comments

- Evidence of cost impact/no cost impact of PSA’s is either under question or anecdotal.
- Effect of PSA on COM projects is not known, but the two PSA projects had fewer problems than some non-PSA projects.
- Another factor to be considered is effect of construction market showing first signs of inflation in several years:
  - Assume there will not be a material reduction in the bidding pool when the Academic Center project bids.
  - Assurance of quality workers under PSA could come into play as the construction market (and skilled labor supply) tightens over the years.
Action Item A.9.E.11

• To add New Academic Center project to the existing Project Stabilization Agreement.
Questions