

# **Chabot Dam Seismic Upgrade Pilot Project Labor Agreement Update**

Legislative/Human Resources Committee

October 13, 2015

# Background



- PLA Negotiating Principles approved in December 2014
- Draft PLA prepared in May 2015
- Three negotiation sessions between May and August 2015
- Stalemate noted at September 2015 Leg/HR Committee
- Committee directed continued negotiations and requested update in October 2015



# Recent Actions and Status



- Four negotiation meetings with ACBTC since September 2015 Leg/HR Committee
- ACBTC provided full list of areas of concern
- ACBTC preparing written counter proposal to draft PLA
- Four negotiation meetings planned in the next week.

# Areas of Concern



- Equitable Participation and Efficient and Effective Performance of the Work
  - Double benefit payments
  - Core workforce participation
  - Union initiation and monthly fees
  - Ability to hire non-union subcontractors
  - Owner/Operator and Sole Proprietor participation

# Areas of Concern (contd)



- Preserving Contract Equity and Local Hire Programs
  - “Carve out” exemptions for CEP
  - Incorporation or reference of local hire program
- Preserving construction contract and management processes
  - PLA Signatories
  - Covered work
  - Protecting warranties
  - Selection of arbitrators

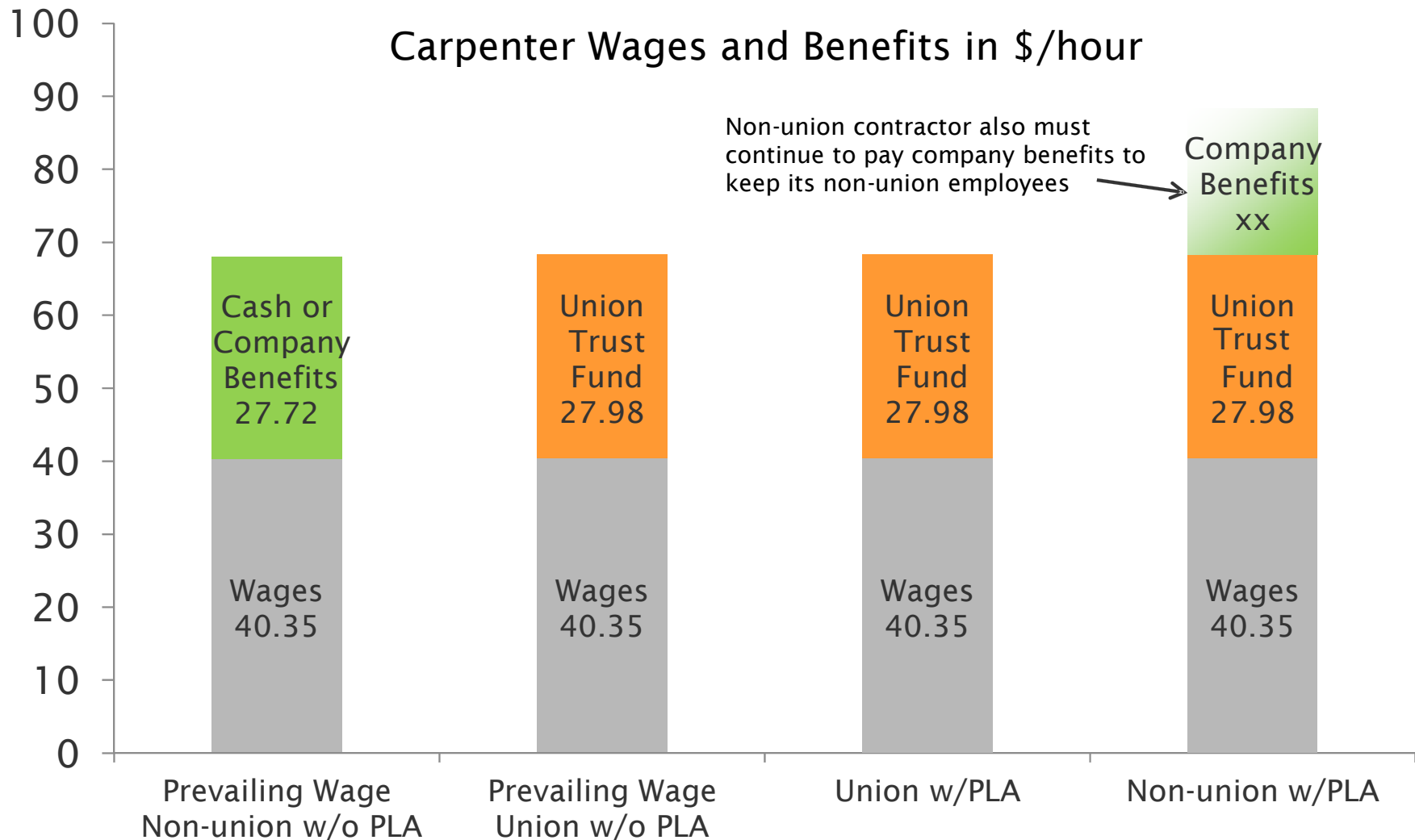
# Alternatives to Successful Negotiation for Chabot Project



- Continue negotiations with goal of implementing pilot on future project
  - Areas of concern do not change
  - Two possible projects for pilot 6-24 months
- Establish \$25-30 million contract threshold above which PLA would be considered
  - Would reduce areas of concern
  - Two possible projects in 3-7 years



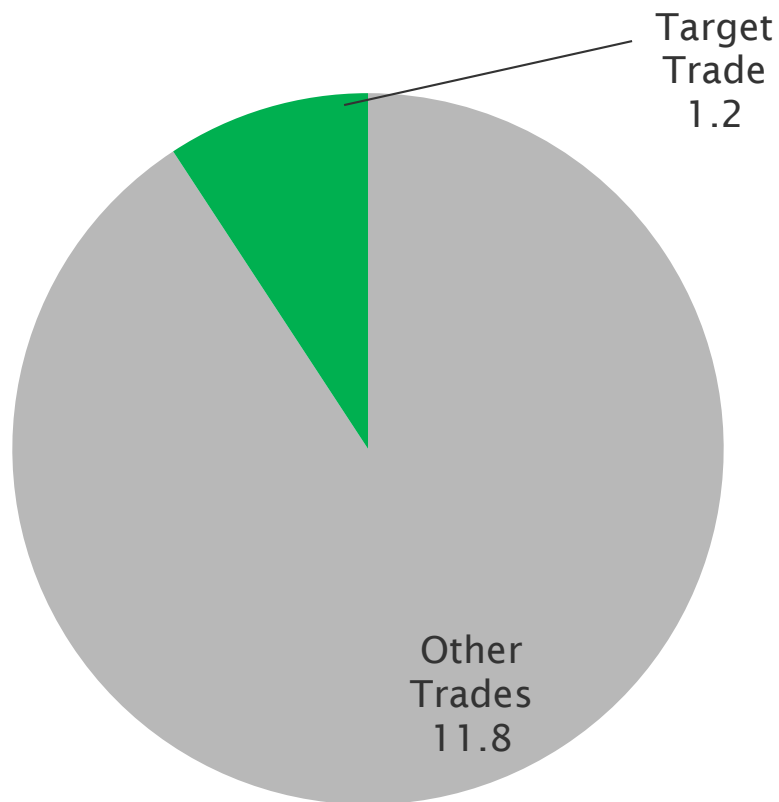
# Illustrating “Double Benefits” impact of PLA



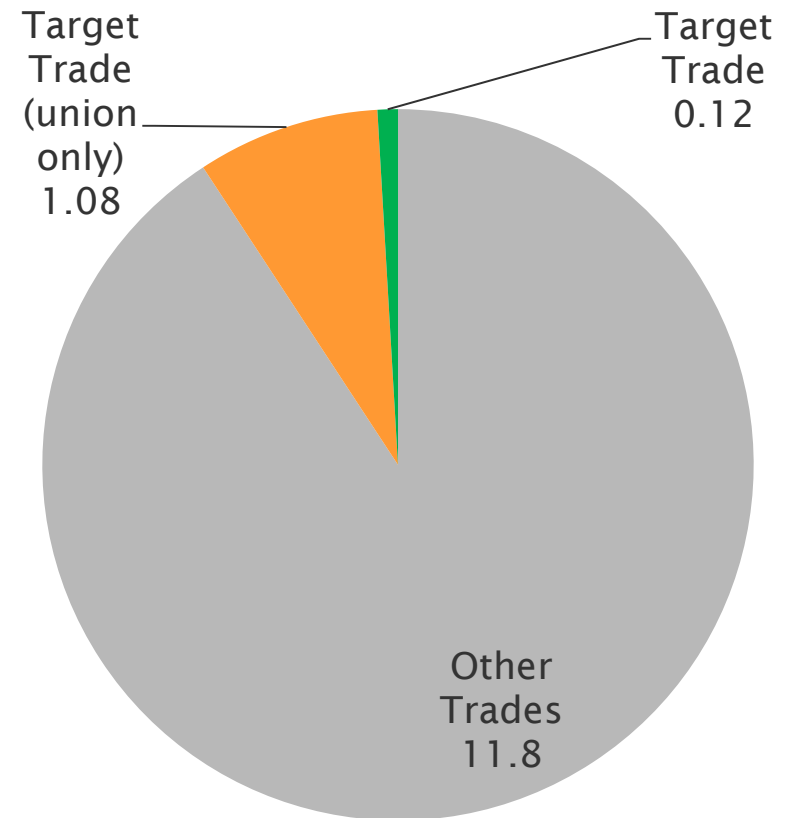
# Illustrating PLA Impact on Contract Equity Program



**\$12 million project  
without PLA**



**\$12 million project  
with PLA**

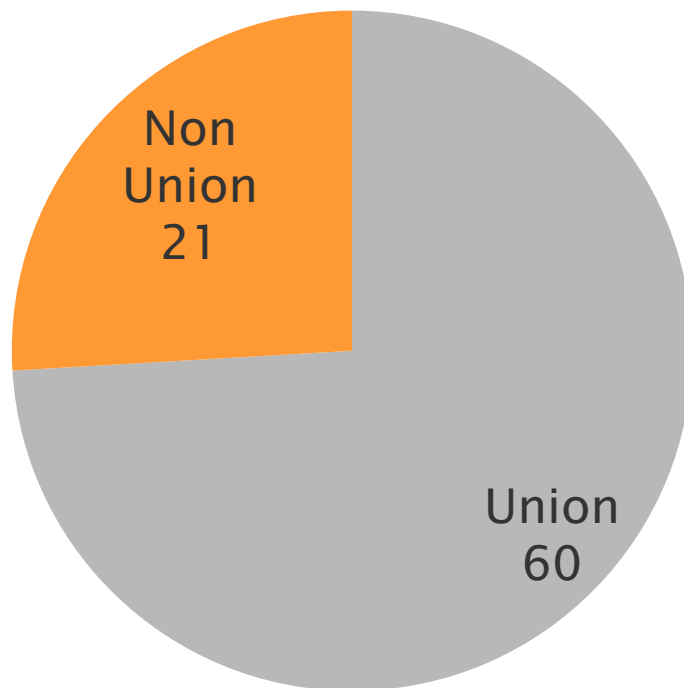




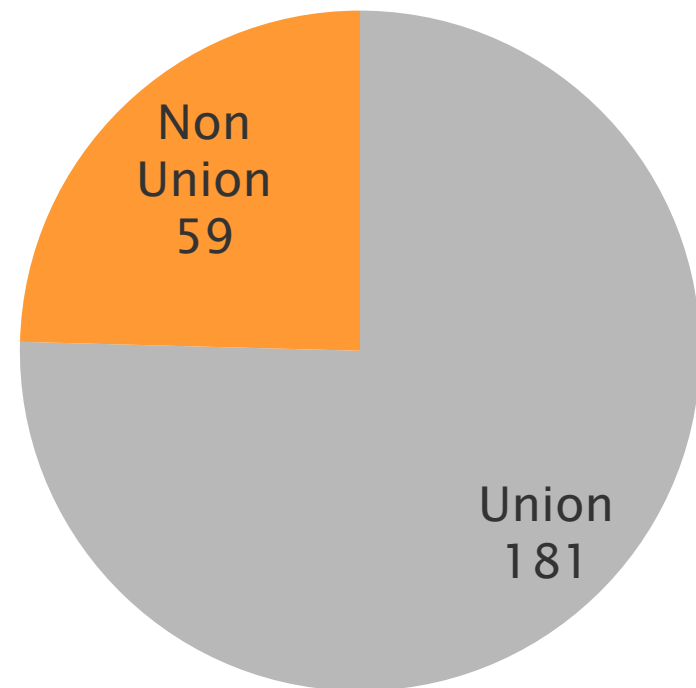
# District Contract Statistics



**Project Awards on all  
District Contracts Jan  
2009 - Jan 2014**



**\$\$ million Awards on  
all District Contracts  
Jan 2009 - Jan 2014**

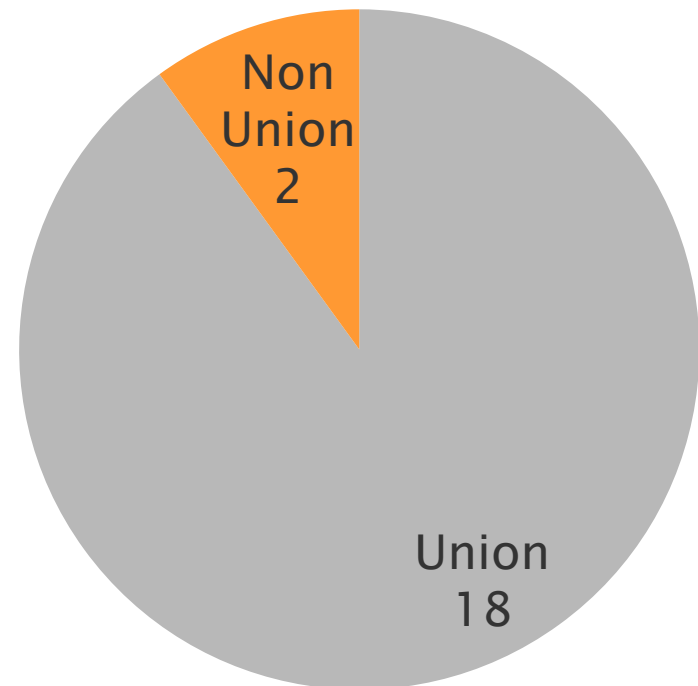


# Threshold may reduce areas of concern with PLA



- Four FSCC contracts and Digester Upgrade
- Fewer non-union bidders on larger dollar contracts

## Bidders on five District projects over \$25 million



# Next Steps and Required Schedule



Action	Date
Continue Negotiation of PLA	October 2015
Board Consideration of PLA for Approval or discuss alternatives	November 10, 2015
Chabot Dam Construction Contract Advertise for Bids	December 8, 2015
Chabot Dam Construction Contract Award	February 9, 2016