



● **Board of Directors**
Engineering and Operations Committee

October 12, 1999 Board Meeting

9-3

Subject

Project Labor Agreement (PLA) Administrative Services on the Inland Feeder Project

Description

A PLA is a collective bargaining agreement between contractors and local unions that prevents work stoppages throughout construction. Parsons Constructors Inc. (PCI) has negotiated and administered the PLA for the Inland Feeder Project since its inception. Services of PCI are required through construction completion in late 2003. PCI's prior performance and relationships with the unions and arbitrators in jurisdictional and other disputes is essential to the Project. Funds for the PLA administrative services are included in the Project budget and within the available appropriation. The Inland Feeder Project remains within the current budget of \$1.188 billion (see [Attachment 1](#) for detailed report).

Policy

Administrative Code Article 8115: Negotiated Contracts.

Board Options/Fiscal Impacts

Option #1

Amend Agreement No. 12788 in the amount of \$1,860,000, for a total agreement of \$2,840,000, with PCI for administrative services for the PLA of the Inland Feeder Project. This amendment will provide PLA services to the completion of the project in late 2003.

Fiscal Impact: \$1,860,000 expenditure of budgeted funds.

Option #2

Based on the status of Inland Feeder construction contracts, assess level of PCI services required on an annual basis and amend the agreement accordingly. This will enable Metropolitan's agreement administrator to provide the appropriate level services based on actual needs.

Fiscal Impact: This option may or may not result in cost less than \$1,860,000. Administrative costs would increase.

Staff Recommendation

Option #1

Roy L. Wolfe *Date*
Acting Manager, Corporate Resources

General Manager *Date*

Detailed Report

On the Eastside Reservoir Project (ESRP), Metropolitan was the first public agency in California to combine the elements of Alternative Dispute Resolution (ADR) with an Owner-Controlled Insurance Program, facilitated by implementation of a Project Labor Agreement (PLA). A PLA is a collective bargaining agreement between contractors and local unions that prevents work stoppages throughout the construction period. It provides a cost-effective Workers Compensation Program that binds participants to a system of mediation and arbitration, encourages minority- and women-owned business participation, and provides for hiring workers from local labor pools. Because this synergistic approach proved beneficial in cost savings and labor stability on the ESRP, a similar program was adopted on the Inland Feeder Project.

PCI's prior performance and relationships with the unions and arbitrators in jurisdictional and other disputes have proven to be essential to the Inland Feeder Project. Their continued participation will ensure uniform application and interpretation of the PLA by all contractors.

In August 1996, in accordance with Agreement No. 12788, PCI successfully negotiated a PLA for the Inland Feeder Project with the International Building and Construction Trades Council (AFL-CIO), the Building and Construction Trades Council of California, and local trade councils. In August 1997, the Board authorized the General Manager to amend the agreement with PCI for administrative services for the first two years of an estimated six years of Inland Feeder construction. The Board was informed at that time that a future amendment to extend the services would be submitted for their approval.

In June 1999, the Board authorized a second amendment to extend PCI's services through September 1999 while a detailed assessment was completed to determine the services required beyond this date. Based on projected construction activities which extend through late 2003, it has been determined that an additional \$1,860,0000 will be required to adequately administer the PLA through the completion of construction. The PLA is administered by a labor-relations manager, a senior labor relations specialist, a safety specialist, and periodic support from technical staff.

Funds for the PLA administrative services are included in the Project budget and within the available appropriation. The Inland Feeder Project estimate remains unchanged at \$1.188 billion.