

## **Small and Disadvantaged Business Enterprise Frequently Asked Questions Regarding the Transbay Transit Center's Project Labor Agreement**

1. What is a Project Labor Agreement (PLA)?

PLAs are pre-hire agreements that establish the general terms and conditions of employment for a specific construction project, prior to the engagement of labor. Negotiated by the owner or project sponsor and construction craft unions, a PLA establishes a framework for common conditions and project-wide labor relations not otherwise attained through existing collective bargaining agreements. The PLA applies to all contractors and subcontractors who are awarded work by the project sponsor after the PLA is adopted and becomes effective.

2. What is the purpose of the PLA on the TJPA project?

With its prohibition against work stoppages, strikes, sympathy strikes or lockouts, the PLA minimizes the risk of delays—and the consequent increased costs—on the project. It also promotes labor harmony and access to a skilled labor pool. The job site and workforce stability provided by the PLA enhances the ability of TJPA to complete the project on time and on budget.

3. Who was involved in preparing and signing the PLA?

In spring of 2011, TJPA staff initiated negotiations with the San Francisco Building and Construction Trades Council and its affiliated construction craft unions, the Northern California Carpenter's Union, the Operating Engineers Local 3, and the Laborers Local 261. The TJPA Board approved the PLA in November 2011. TJPA and 28 Unions signed the PLA, and CM/GC Webcor/Obayashi, Joint Venture, and Construction Manager Turner Construction have both signed Letters of Assent to the PLA.

4. How will the PLA impact my company's ability to competitively bid on upcoming procurements?

The PLA does not create a competitive advantage for any type of firm. It does equalize the minimum salaries and working conditions for all crafts working on the project. The PLA encourages any contractor to bid regardless of its union status, provided that the contractor agrees to abide by the terms of the PLA.

5. Does my firm have to be "unionized" to work on the TJPA project?

No. Any contractor may bid on TJPA project contracts, so long as they agree to be bound by the terms and conditions of the PLA which sets salaries and working conditions for all crafts working on the project.

6. Does the PLA restrict my company's ability to hire and terminate employees; will I be able to use my own employees if awarded a contract?

Contractors shall use the union referral systems but have the sole right to determine the competency of referrals and to reject any applicant referred by the union. Non-union

contractors with their own core workforce may request referral of their own core employees; those core employees must register with the union. A Core employee is defined as an employee with at least 500 hours active payroll in the immediately preceding calendar year, with possession of any required license as applicable. Core employees shall be referred on an alternating basis with journeypersons from the union's out-of-work list, up to seven core employees; thereafter, all referrals come from the out-of-work list. Disadvantaged and Small Business Enterprises (DBE/SBEs) may employ two core employees before contacting the union for alternating referrals of out-of-work journeypersons and core employees, up to the seven allowable core employees. If a contractor needs to reduce its workforce, the alternating process is applied in reverse.

7. What types of companies and labor categories does the PLA apply to?

The PLA applies to all construction contracts on the TJPA project awarded after the effective date of the PLA (November 10, 2011) except those specifically excluded in the PLA.

8. What types of companies are exempt or not included in the PLA?

A complete list of exclusions can be found in Section 4.9 of the PLA. Excluded work includes the following:

- Non-manual employees such as superintendents, quality assurance personnel, office workers and other professional/management employees
- TJPA professional services consultants
- Work by private utilities or other public agencies
- Off-site manufacture, fabrication, delivery and handling of raw materials, manufactured products, equipment or machinery, except at laydown/storage areas in the project's proximity
- Off-site maintenance of leased equipment and on-site supervision of such maintenance
- Off-site lab and off-site specialty testing

Off-haul to an outside disposal location is also currently excluded.

9. Does the PLA apply to companies who are manufacturers and suppliers of materials, goods and services provided to the TJPA project?

Work by employees of a manufacturer or vendor necessary to install, commission, and/or maintain specialty products (e.g., security systems, life safety systems, fire protection systems, IT systems, etc.), including work necessary to protect a manufacturer's warranty, is excluded (see Section 4.9) provided that the manufacturer or vendor can demonstrate that the work cannot be performed by employees covered by the PLA.

10. Does the PLA require SBE participation and if so at what percentage of participation?

The PLA itself does not require SBE participation; however, it recognizes TJPA's commitment to SBE and DBE participation and notes that the CM/GC Webcor/Obayashi has a 17 percent SBE goal for the entire program. As such, the specific goals for each trade contract will vary based on projected availability of SBE bidders.

11. Does the PLA require my company to pay local Union fees or dues if awarded a contract with the TJPA?

All employees (both union and non-union) who are employed by contractors working on the Transbay Program will be required to pay union dues when they are performing Project work. In paying union dues, registered employees will receive equal standing with other union members dispatched from the hiring hall. All contractors' employees performing project work must become members of the appropriate union on or before the 8<sup>th</sup> day of consecutive or cumulative employment on the project, or, alternatively, this obligation may be satisfied by the payment of periodic dues and fees.

12. Is there a labor wage rate and classification schedule associated with the PLA? If so, where can this information be obtained?

All employees covered by the PLA shall be classified in accordance with the work performed and paid according to the hourly wage rates for those classifications pursuant to the applicable "Schedule A" agreement (also known as Master Agreements and/or Collective Bargaining Agreements). Various Schedule A agreements can be found on the TJPA website at [www.transbaycenter.org](http://www.transbaycenter.org) > Doing Business with the TJPA > Project Labor Agreement.

13. Does the PLA restrict my company from bargaining or negotiating with the TJPA?

TJPA awards construction contracts through a competitive sealed bid process. Construction contracts are not negotiated and TJPA does not bargain with contractors or employees.

14. How do I identify and secure "hires" (Core Hires vs. New Hires) once I get awarded a contract?

Contractors shall use the union hiring hall requisition process for their workforce requirements, providing the union with 48 hours notice (excluding weekends and holidays). In the event the union is unable to provide the required employee(s), the contractor shall be free to use skilled personnel from other sources. In this case, or when using core employees as described above in Question 13, the contractor must provide the union with the name, address, and social security number of the hired employee.

15. What is the "Helmets to Hardhats" Program?

Helmets to Hardhats is a program of the Center for Military Recruitment, Assessment, and Veterans Employment that serves as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs/hiring halls, counseling/mentoring, and employment opportunities for veterans interested in careers in the building and construction industry. One of the focuses of the PLA is to facilitate meaningful careers for economically disadvantaged, youth, and our returning servicemen and women. Contractors are advised to work with the unions to project upcoming workforce needs so that the Helmets to Hardhats program may forward notice of opportunities to veterans. Contractors will also strive to identify opportunities suitable for disabled veterans in the Wounded Warrior program. More information about Helmets to Hardhats and Wounded Warrior can be found online at <http://helmetstohardhats.org/>. TJPA has a designated staff representative available to work with contractors post-award in this regard.