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John,

Thank you for your letter, and apologies for the length of time to provide a reply. In my attempts to be complete with answers, particularly about the PLA, I have created additional delays (which is precisely what you asked us not to do in some of the comments below) and I take responsibility for that. I did appreciate the time with your members and helping me to understand where the pain points are. I have since gotten to interact with some of them on specific projects and have both been impressed with the professionalism and cordiality of many of your members and have a better feel for how to improve some of these issues moving forward.

Below I have copied your comments and questions from the March 25, 2024 meeting and provided my responses in *red italicized text* after them. Some will be incomplete and will likely engender more questions; I look forward to further engagement to help make the processes better.

A. One idea the ECA firms had was the City of SR try and transition to bidding projects in September, October, November, and December for the next year's construction calendar. Our guys like this idea a lot and even if the project is bid in October and not able to get NTP until May or June the next year, there is great value to our ECA firms. *After our discussion, we agree that it is likely best for all involved to share the bidding opportunities as early as possible. There has been a perception, real or not, that bidding projects at certain times of year leads to higher prices; however, we now see that we are too worried about getting bad information and can simply choose to re-bid the project as necessary, though obviously we want to encourage healthy competition and a cordial environment to incentivize both good bidders and good bids. You will see with upcoming bids at the end of this letter that we have some bidding opportunities this year that will not proceed to construction until next year.*

B. Shortening the timeline from project bid opening to NTP is a concern to ECA firms. We heard from the 3-25-24 meeting that GC's have led to the long timeline because they submitted bonds and insurance incorrectly. Perhaps those forms, with the proper language, can be (I am surprised if they are not already) included in the bidding docs? When I was contracting, it was our practice to send the pertinent docs for insurance to our insurance broker so during the prebid time, we knew what we and our subs/suppliers had to comply with, and we could accommodate that in our bidding cost to you. Other than including the docs, I am not sure what else could be considered to shorten the timeline from Bid to NTP, but we would like to see if the city could shorten that timeline if possible. *We agree! We have been reviewing our process to make updates and, in a bit of anecdotal data, the last two projects that we took to Council were or on schedule for 30 to 40 days between bid opening and contract award. We are still refining our process to make it better, but our Administrative Technicians are preparing more template documents and are also being made available for communication while*

forms are in processing to avoid some of these issues. I do think that there limits to how much quicker we can make that given our Council processes and requirements for information ahead of time by our City Clerk's office, but I hope that feedback from ECA members who have won a project in the last couple of months is that this process is moving much more quickly.

C. Another idea to item "B" above, could the City issue the requirements for those forms to their website for prospective bidders? Also, could a "timeline" be standardized on the city website so here is a checklist for most items needed from the Contractor and the timeline needed for review and acceptance by the city? We are thinking by just doing the timeline/checklist, some ideas may occur to the city how we might shorten that time from Bid to NTP. Further dialog between us may be necessary and we are available for that. This suggestion is not to "pin down the city" so we have a bid protest or a change order request. It is simply a tool to help our ECA firms figure out their bid costs more accurately. *Following up on the previous answer, we are creating template tools to help make the timeline tighter and the requirements easier to understand, and again, every person I talked to has encouraged to call or e-mail with questions during the process rather than after submittal to help alleviate issues. I remain confident that this will continue to get easier for all parties. It will be helpful for members to highlight specific issues for me to that I can ensure that those items are included in future checklists and templates are created to make these processes smoother. We are also engaging outside support for our City Attorney's Office to help ensure that process do not become stuck there.*

D. Will the City of SR entertain an "exit survey" meeting with the owner, GC, CM all present to discuss what went well and what did not go well with the completed project? I really liked this suggestion, and it seems like it is an inexpensive way to get good and nearly immediate feedback that would be useful. Our ECA folks do not think it would add anything to the cost of the project, but rather, would save dollars on future projects. *One hundred percent. We love the idea of receiving feedback about the quality of the plan set, issues with the inspectors and construction managers, and any discussion about communication with City staff during the construction process. The CPE team will work with contractors to schedule these discussions as projects conclude.*

E. There was general discussion that the City hires 3rd party CM's that demonstrate their "worth" by being "nitpicky" regarding inspections, quantity of measured work in place, and acknowledgement of changed conditions warranting a change order be issued. Those are not my words, but what I heard. If this exists, we feel it sometimes could lead to longer periods of closeout of the contract, longer times to approve progress payments, and longer times to issue and approve change order work. Will the City of SR take steps to ensure 3rd party CM's are incentivized to get the project completed with the specified quality of work installed and closed out in the fastest manner possible? Could a "mini partnering" attitude/process possibly improve this perceived issue? *We are experiencing frustrations with certain CM&I firms that are not providing the quality of service that we would expect and that we believe we are paying for. As a result, our engineering and technical staff are having to do more field work than we anticipated. We are looking at a number of opportunities to affect how CM&I firms are incentivized and also how they are evaluated on a given project for their inclusion in future work. We are aligned in wanting CM&I firms to ensure that we get the product we are expecting but deliver that product to the community as quickly as we can. We have identified several CM&I firms that do an excellent job for us and have a strong reputation; we are asking them explicitly to outline any efforts that they make operationally to help us with setting expectations for all of this type of work.*

Project Labor Agreement/Community Workforce Agreement questions:

A. There is a 30% local workforce requirement. Is that across the board for all labor? Or is it a requirement for each classification of labor? Or is it just for the GC's workforce and each of his subcontractors individually? Also, if the work is bid in compliance with workers being signatory, but the sub or work item does not comply with the 30% local force, is the 30% requirement just as important as the signatory requirement? Will the bid be deemed non-responsive if the 30% (as clarified

above) is not met? *Section 14.2 (Local Workforce Requirement) of the PLA means that 30 percent of all work on the project will be subject to the local workforce requirement. There is a provision in the same section to note that the City Manager may waive this if it cannot be met, so we would encourage submittals if the requirement cannot be met; however, one submittal meeting the requirement will prove that it can be met and would make the other bids non-responsive. As for the second part of your question, we would rely on Section 14.3 (Reporting and Data Collection) to report as data is available and hold the responsible parties accountable. If helpful, bids should be clear about how the 30 percent requirement will be met such that it is clear to the prime bidder, all subcontractors, and City staff. That will help with any issues that arise after a contract is awarded. (I fear I may not have addressed all parts of your question here; please let me know if further clarification is needed).*

B. If there are no Union signatory subcontractors available to the General Contractor, yet the GC is responsible for compliance that all workers are bound by the provisions of Article 12, we feel we are being put into an impossible position to decide if we should bid the project in non-compliance to the PLA. *I understand the challenges that Article 12 might present in isolation, but I think there are paths forward with Article 8 and Article 14 and some of the information in the previous answer. I also acknowledge that some of those paths forward carry some risk; however, if no Union signatory contractors are truly available, there are options to move forward for the City, but we will not be able to confirm that before we receive bids. It may be possible over time that we are able to disclose, based on past bids, certain trades that do not have Union signatory subcontractors available to GCs.*

C. Do we bid it using non-compliant subs, or do we qualify our bid (never a good idea), or could City of SR issue a variance if the prebid question is explained and asked when no union signatory subs are available, or in existence? Our “ask” is that any variance be considered before we submit our bid to the City of SR, rather than at some pre-job meeting. *The only way this is possible with the PLA as currently written is if it is submitted at a pre-bid meeting and we have enough information to provide an answer. Again, this might need to be a bit of painful process at first for us to learn who meets the requirements in different trades.* If answering questions prebid is not possible, we ask that assurances be clear that our ECA Contractors will not attend a prejob meeting and get issued bid clarifications that increase our costs. We need to have a means to ask for a Change Order if the original bid did not contain strict adherence to the PLA because union signatory subs are not and will not be available in certain specialty areas of work. We understand this is a new process not particularly generated by City staff but rather it was a political policy put in place that we all must deal with for a few years at least. *I certainly understand this concern and I think your points are fair. If the work plan materially changes based on the labor requirements of the PLA, that would be a material change from the bid and we would discuss those changes and their implications for cost. It will be helpful to submit with bids the prime contractor’s understanding of their compliance/non-compliance with the PLA.* However, if we all agree that ECA firms bidding to you hate “uncertainty”, you can see how the uncertainty in question A could lead to a reduction of bidders, or a lot higher costs, or use of non-local firms that would not be in the community’s best interests. The ECA is not “anti-PLA”, nor “pro-PLA”. We just have to deal with the policy as best we can. If there is no possible accommodation to the “risk” mentioned in this paragraph, I would include a lot of “risk” dollars in my bid that may or may not be needed thereby causing project prices to increase unnecessarily. On the other hand, if the area of work is not represented by signatory subs to the GC, the GC could try and cover costs by “guessing” and if the low bidder guesses wrong and actual costs realized at the pre-con meeting have to be absorbed in excess of bid amounts for that work, that is not a fair process either. *I certainly understand your points and would understand the perception that might exist for certain contractors, or on certain types of projects, the PLA requirement may make the City a less ideal place to work. I hope that risk can be mitigated over time; as we mentioned during the March meeting, the PLA is Council policy decision that it is staff’s responsibility to enforce. I would also say that the City is not anti- or pro-PLA, but we do have a responsibility to respond to Council policy direction, but we will learn from our experiences and make our processes better as we learn by using it. We are encouraged by some of the projects that have been subject to the PLA to date.*

D. There are several areas of specialty subcontractor work scope, which are widely known to not have signatory subcontractors available to comply with Articles 12 and 13, here are a few:

1. sewer line videotaping
2. sewer pipelining subcontractors
3. Chip seal subs
4. furnish and install tack oil and fabric under asphalt
5. trucking deliveries of fuel, pipe, valves, fittings, bottled gas and/or precast vaults, cast products such as manhole frames and covers, purchased by GC direct from manufacturer or distributor.
6. trucking of local aggregates, asphalt mix, and concrete ready mix from the source to the jobsite.
7. We are certain there are other niche specialty areas that might come up, but the list is long enough as it is now.

The question is: Since the City of Santa Rosa now is aware the above areas of work are not represented by any union signatory subs, nor are there any non-signatory subs in these areas that are willing to sign a project agreement (that our GC's are aware of), will the City of Santa Rosa issue a variance from being under the PLA for these areas of work? If not, what is the GC supposed to do to bid on the project? *If the ECA is confident that these scopes of work are not covered by any signatory providers, then bidders can be confident that we will receive no bids that include those subcontractors and should bid the project as they would knowing that Article 14, Section 2 provides the City Manager the ability to waive the requirement. Again, in the future we can confirm that we had waived that requirement in past bids because no providers were available to provide more information to perspective bidders.*

D. Will delivery drivers be subject to certified payroll when they deliver pipe directly to the project site? *All members of the project team are subject to the requirements.*

E. If the GC lists a subcontractor that has the required signatory workforce, yet does not meet the requirements of article 14.2 (Local Workforce 30%), what option exists for the GC to bid the project with compliance? *Section 14.2 is fairly clear in its requirements; either the workforce will be deemed as local or it will not. If requirements cannot be met, the City Manager can modify or waive the requirements as necessary to move projects forward.*

F. Will there be a mandatory Pre-bid conference with the proposed unions relative to trades being shown for the project, where it can be discussed on how to cover these areas where there is no Union coverage? *We are not sure that we can compel unions to attend pre-bid meetings, though we anticipated that they would be willing to participate. We would be supportive of engaging the unions to help determine if providers are available who meet the requirements or others that they might recommend who are best in line with compliance to support a potential modification or waiver.*

G. Who is responsible for ensuring compliance with the PLA? Third Party or City? *Ultimately, the City is responsible for enforcing the agreement. We may contract for support in evaluating the data that is provided, but City staff will always be part of the process, if not responsible for the entirety of it.*

H. If a contractor is out of compliance, what are the purposed fees and penalties? *We will note that the terms and conditions in the contract have not been followed and evaluate our options as for any contract that is out of compliance. I know that that does not eliminate the uncertainty mentioned earlier, but there will be scenarios where out of compliance can be corrected or is very minor and there will be scenarios where the lack of compliance will be egregious and/or intentional; those situations will be evaluated differently.*

I. If a project is awarded to a GC that is known to not have all workers on the project in compliance with the "Community Workforce Agreement", should the other bidders protest the award? *Any information that can be provided to suggest that a project is out of compliance should be provided. As*

the City, we will evaluate information as its available to us. Note that this is not to encourage unsubstantiated claims. Information that can be proven and verified will be important to us as there are levels of trust involved to enforce the PLA, especially in the initial implementation. This can be done anonymously and/or in a manner that is comfortable to the bidder protesting. However, unsubstantiated claims will not be tolerated and will perhaps obviously reflect poorly on the protester.

In our meeting, we also promised to provide an updated list of bid opportunities. We are including the project ID, project name, estimated construction cost, estimated date of release for the IFB, and the anticipated construction start date. If there is additional information that can be provided, please let me know and we will work to add it if available. We had also promised to provide this information quarterly; I would like to propose to moving that update to monthly to keep us more connected and for you to be able to hold the City (and me) accountable for providing information that should be available to your members. It is in our best interest that contractors in the area have a good understanding of the number, size, and timing of our anticipated projects.

I hope this letter answers a number of the questions you had and look forward to continuing conversations.

Thanks,
Dan