

# Performance Evaluation of the Project Labor Agreement for the Applied Arts & Sciences Modernization Project



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**West Valley - Mission**  
Community College District

# INTRODUCTION

- ▶ Board discussed Project Labor Agreements at May 8 & November 13, 2012, Board meetings.
- ▶ At December 11, 2012, Board meeting, the Vice Chancellor presented a Study of Project Labor Agreements (PLA).
- ▶ Per direction of the Board, the Vice Chancellor drafted a proposed PLA with Santa Clara & San Benito Counties Building & Construction Trades Council (SCBTC).
- ▶ Proposal was sent to Neil Struthers, CEO of SCBTC, on February 21, 2013.
- ▶ Several meetings between March and July 2013.
- ▶ Board approved PLA with SCBTC on August 20, 2013, for the construction of the Applied Arts & Sciences Building at West Valley College.

# PLA PILOT PROJECT STUDY

## EVALUATE EFFICACY OF PLA FOR WVMCCD:

- ▶ Identify Stakeholders
- ▶ Provide ample opportunities for discourse
- ▶ Develop metrics that are acceptable to all stakeholders
- ▶ Overcome challenges of a single-project pilot
- ▶ Account for variables that may skew results
- ▶ Use both quantitative & qualitative instruments



# METRICS

- ▶ Bidder Interest
- ▶ Bid Price
- ▶ Local Participation
- ▶ Final Schedule Variance
- ▶ Final Project Cost
- ▶ Stop Notices
- ▶ Unit Labor Cost
- ▶ Change Order Rate
- ▶ 90-Day Forecast Accuracy
- ▶ Work Stoppages
- ▶ Quality of Workmanship
- ▶ Job Site Harmony
- ▶ Safety Violations/Incidents
- ▶ Response Time
- ▶ Trade Substitution Requests
- ▶ Communication



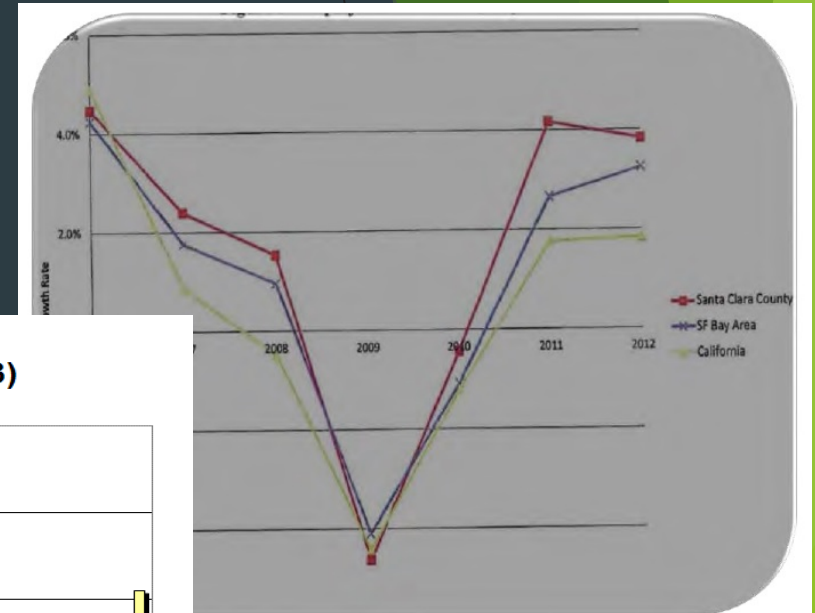
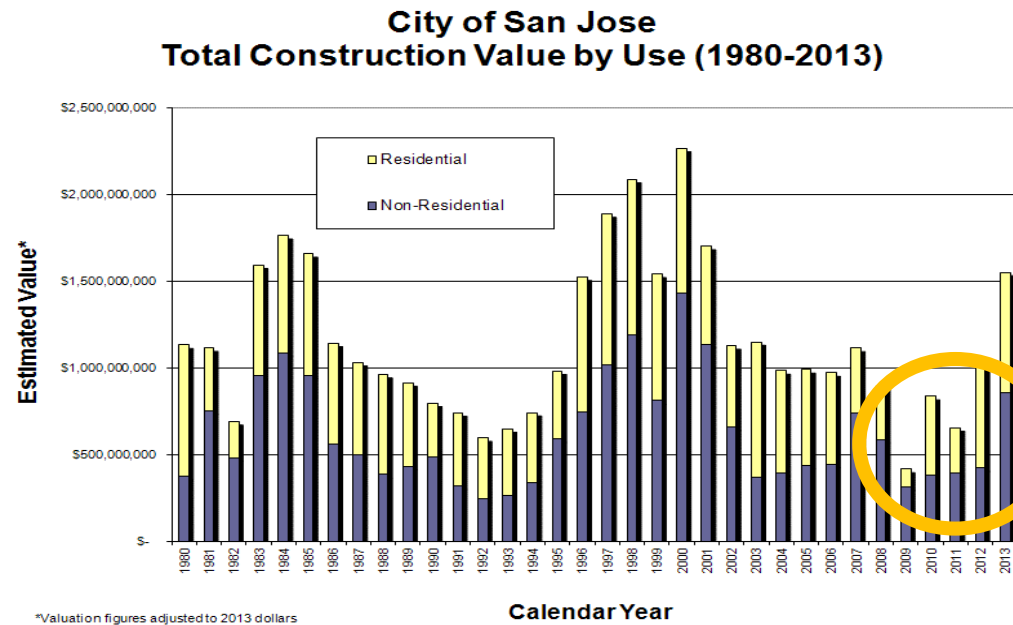
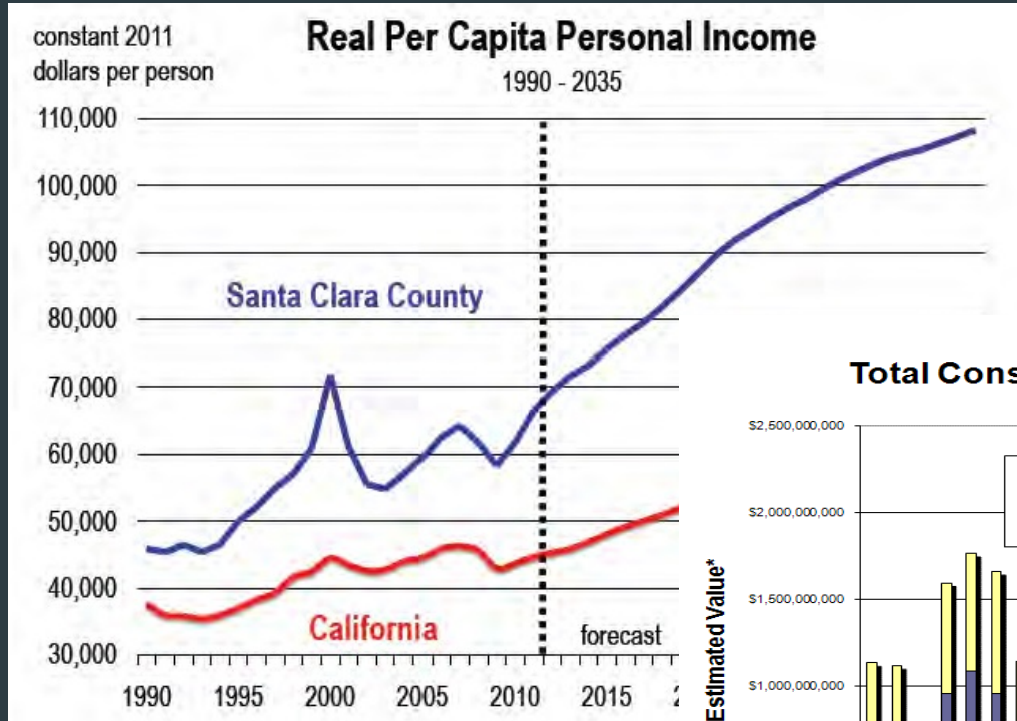
# VARIABLES

- ▶ Timing of solicitation; market conditions
- ▶ Quality of bid documents
- ▶ Design errors & omissions
- ▶ Owner requested changes
- ▶ Prevailing wage requirements & accurate job classifications
- ▶ Consistency of work flow management
- ▶ Weather conditions at critical junctures
- ▶ Discovery of unknown conditions
- ▶ Owner-directed stoppages
- ▶ Timely processing & payment





# IMPACT OF VARIABLES



of the Bay Area Economy, University of California, Santa Cruz, 5/6/13

# APPLIED ARTS & SCIENCES PROJECT: CONTROL GROUP/COMPARABLES

- ▶ 24 education projects identified
- ▶ Four community college campuses and one high school district in the South Bay area
- ▶ Bid between 2008 and 2014
- ▶ \$1.6 - \$18.6 Million construction cost
- ▶ 50% under a PLA
- ▶ 19 projects selected as comparables



# PROJECT COST

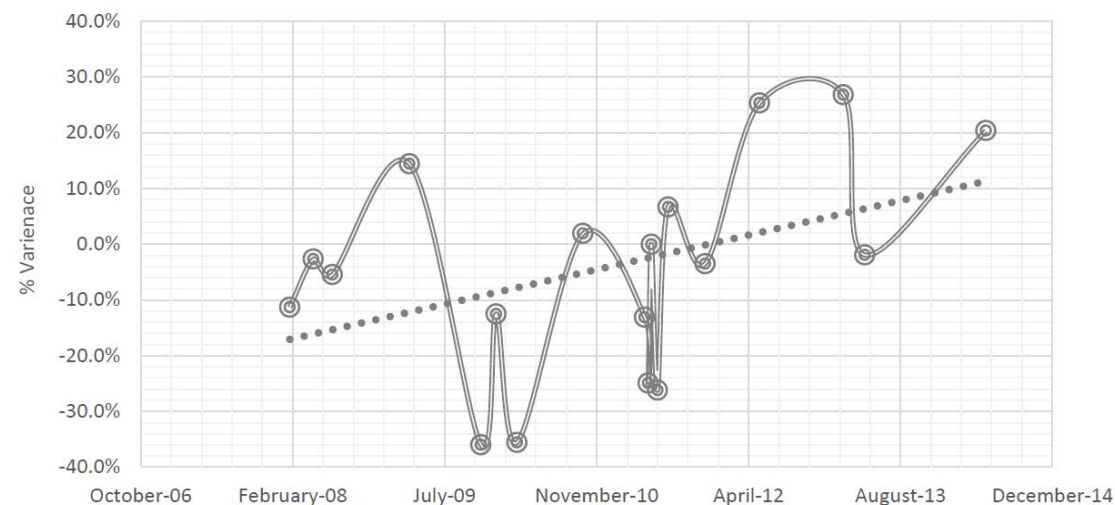
## Applied Arts & Sciences Project

- ▶ 10 contractors at mandatory pre-bid conference
- ▶ 5 submitted bids
- ▶ 1 deemed non-responsive
- ▶ Lowest Responsible Bidder: \$18,661,000
- ▶ Variance between Estimate of Probable Cost and low bid was 17%
- ▶ Variance between the highest and lowest was 3.9%

Contracted Price:	\$18,661,000.00
Final Cost:	\$20,527,100.00
Change Order Rate:	10.0%

## Comparables

Percentage Variance Between Estimate of Probable Cost & Recommended Bid\*



Average Change Order Rate:	7.72%
Range:	0.35% - 16.02%
CMAA Benchmark Change Order Rate (K-14):	7.50%



# Local Participation



\$8,005,786 Total Subcontract Value

- ▶ 16 Subcontractors
- ▶ 13 Located in Bay Area CBSA\*
- ▶ 11 within 50 mile radius of Project
- ▶ 4 in Santa Clara County
- ▶ 92.4% Value in Bay Area CBSA
- ▶ 7.6% Outside of CBSA
- ▶ 2.3% Outside of California

\* Core Based Statistical Area, as defined by the US Census Bureau, consists of an urban cluster with contiguous population related by social and economic ties as measured by commuting and employment.

# Project Schedule

## Project Duration<sup>1</sup>:

- ▶ Original Duration: 485
- ▶ Days Added: 218
- ▶ New Duration: 703

1. Calendar days, per contract

## Attribution of Added Days<sup>2</sup>:

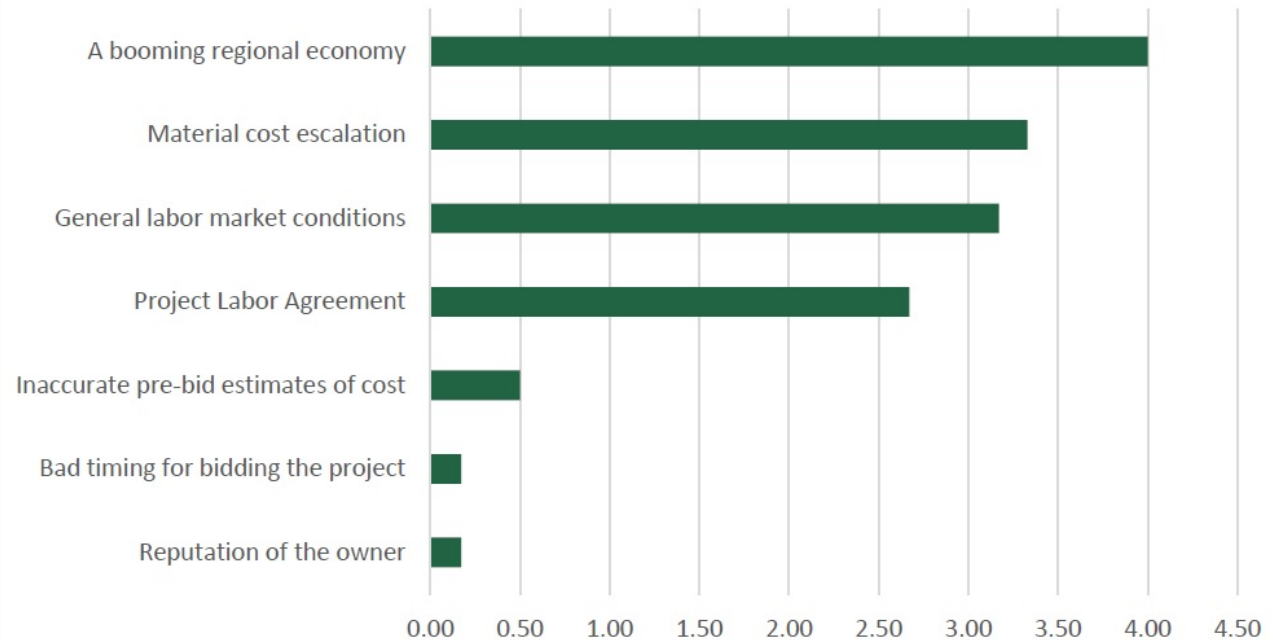
- ▶ Unforeseen Conditions
- ▶ Owner-Initiated Changes
- ▶ Design Clarifications
- ▶ Agency/Code Clarifications

2. Per Board Approved Change Orders

# STAKEHOLDER SURVEYS

- ▶ District Facilities Construction Department
- ▶ District General Services Department
- ▶ Architect of Record
- ▶ Construction Manager
- ▶ Inspector of Record
- ▶ General Contractor

**Factors Influencing Variance  
between Pre-Bid Estimates & Final Bid Cost (scale of 1-7)**



Applied Arts & Sciences, Project Labor Agreement - Post-Bid Survey

**Your Baseline**

We would like to understand what you know about Project Labor Agreements.

**1. Can you define what a Project Labor Agreement (or PLA) is?**

☐ Yes

☐ No

☐ Maybe

**2. Have you ever worked on/ with/ in relation to another Project Labor Agreement at any time?**

☐ Yes

☐ No

☐ Maybe

**the conduct of this**

I'm very familiar with the details of the PLA

☐ Yes

☐ No

☐ Maybe

**A whole lot**

☐ Yes

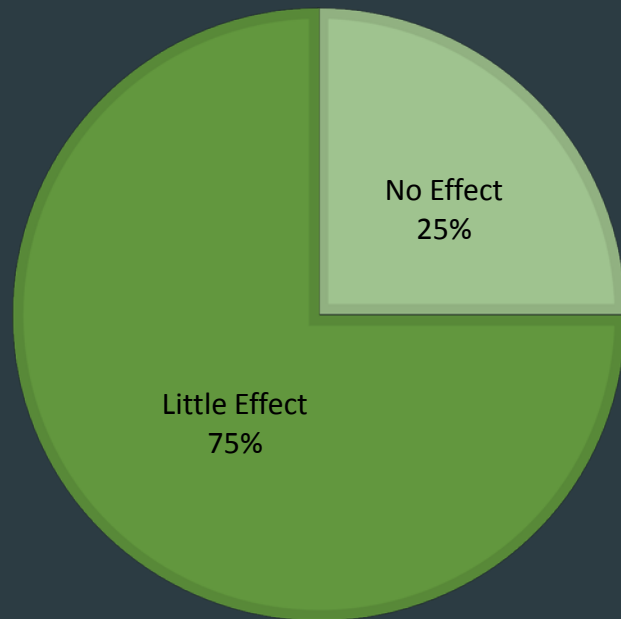
☐ No

☐ Maybe

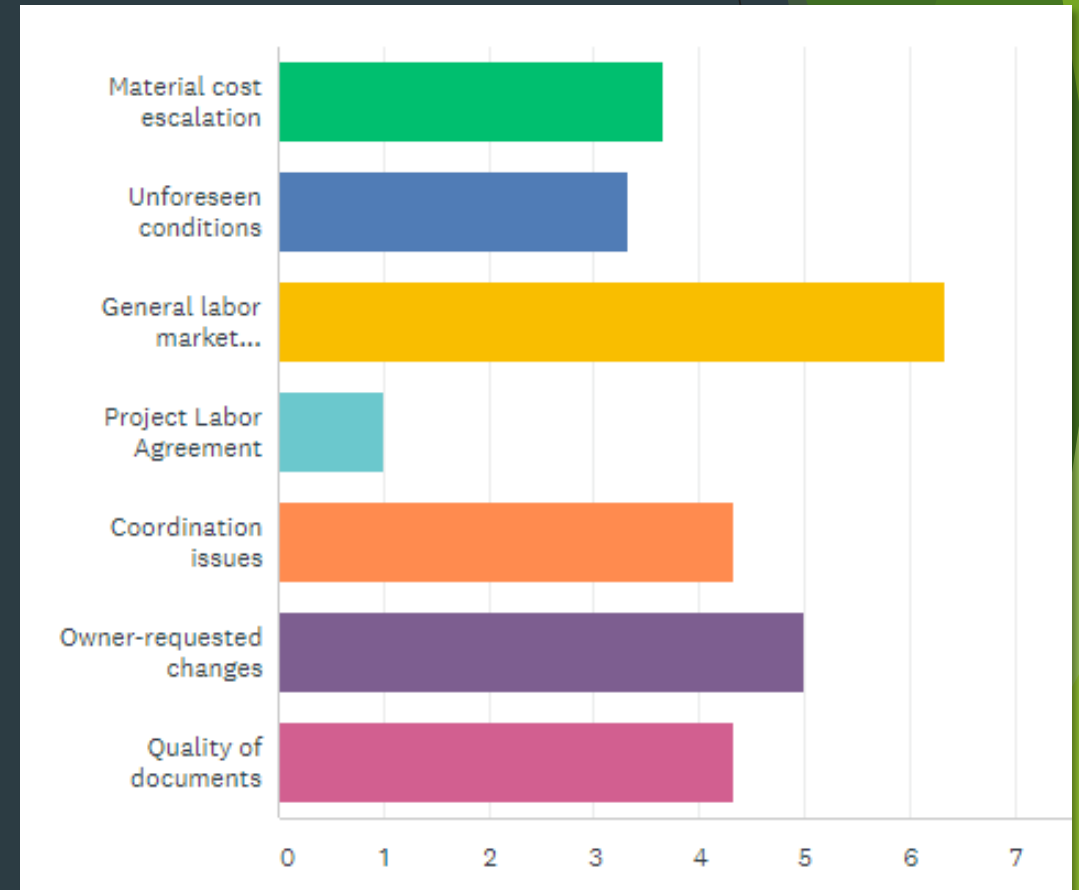
**on this project (AAS).**

# STAKEHOLDER SURVEYS

Has the administration and/or management for this project been effected by the requirements of the PLA?



Rank order impact of factors influencing cost and schedule variance for this project:



# EVALUATION & CONCLUSIONS:

- ▶ Many factors influenced project outcomes: regulatory factors, local governance, project-specific factors, and economic conditions
- ▶ Regional construction market conditions have had disproportionate impact on cost of this project
- ▶ Unknown conditions and owner-directed changes played a dominant role in schedule variance
- ▶ Local participation on this project was well within norms
- ▶ Stop Notices were minimal and workplace disruptions were non-existent -no impact on project schedule, cost, or job site harmony - unrelated lawsuit pending
- ▶ Minimal administrative overhead was evidenced for the District as result of PLA
- ▶ Stakeholder opinions regarding the PLA, its impact, and efficacy appear to be pre-established with little or no empirical basis
- ▶ No conclusive evidence that PLA had adverse or favorable impact on observable metrics for this Project





# Measure H Major Projects

Project	Contractor	Contracted	Union	Local	Location
Information Systems Building @ WVC	McCrary Construction Com.	\$ 6,048,046.00		No	Belmont, CA
District Fire Alarm Replacement	Tri-Signal Integration	\$ 2,454,983.00	No	No	San Leandro, CA
Information Systems Building @ MC	Gilbane BC - Multi-Prime	\$ 4,910,906.00	No	Yes	San Jose, CA
Police Building Renovation @ WVC	Gilbane BC - Multi-Prime	\$ 479,790.00	No	Yes	San Jose, CA
Aquatic Center	Zovich & Sons	\$ 4,781,367.00	Yes	No	Hayward, CA
Fox Center	Zovich & Sons	\$ 12,900,000.00	Yes	No	Hayward, CA
Science and Math Addition	Swenson & Associates	\$ 4,790,000.00	Yes	Yes	Campbell, CA
Science and Math Renovation	Gonsalves & Stronck	\$ 11,983,900.00	Yes	No	San Carlos, CA
Campus Center Renovation	Gonsalves & Stronck	\$ 9,515,441.00	Yes	No	San Carlos, CA
Language Arts & Social Science Renovation	Gonsalves & Stronck	\$ 13,393,426.00	Yes	No	San Carlos, CA
Solar Power System	Sunpower Corp.	\$ 13,290,832.00	Yes	Yes	San Jose, CA
Applied Arts & Science Renovation	Gonsalves & Stronck	\$ 15,333,215.00	Yes	No	San Carlos, CA
Main Building 3rd Floor Renovation	Swinerton - Multi-Prime	\$ 684,347.00	Yes	Yes	Santa Clara, CA
Hospitality Management Renovation	Cal Pacific Construction	\$ 5,032,900.00	Yes	No	Pacifica, CA
Main Building Replacement - Phase 1	Roebbelen Construction	\$ 44,781,514.00	Yes	No	San Ramon, CA
Child Development Center Replacement	Aztec Consultants	\$ 2,360,000.00	No	Yes	San Jose, CA
MB Fire Alarm Upgrades	Tri-Signal Integration	\$ 644,713.00	No	No	San Leandro, CA
		<b>\$ 153,385,380.00</b>			

# WVC Student Services Center Project

Contractor	Trade	Contracted	Union	Local	Location
Best Contracting Services, Inc	Glass & Glazing	\$ 2,205,000.00	Yes	No	Hayward, CA
D.L. Falk Construction, Inc.	General Trades & Elevator	\$ 2,288,000.00	No	No	Hayward, CA
De Anza Tile Co. Inc.	Ceramic Tile	\$ 305,000.00	Yes	No	Fremont, CA
Flooring Solutions Inc	Carpet & Resilient Flooring	\$ 286,840.00	No	No	Livermore, CA
Fremont Millwork Co.	Mill Work & Interior Wall Panels	\$ 248,800.00	No	No	Oregon
Galeb Paving	Earthwork & Underground Utilities (terminated)	\$ 5,953.58	Yes	Yes	Saratoga, CA
Kwan Wo Ironworks Inc.	Misc. Metals	\$ 2,442,000.00	Yes	No	Hayward, CA
Kwan Wo Ironworks Inc.	Steel Superstructure	\$ 1,294,000.00	Yes	No	Hayward, CA
Marina Landscape Inc.	Landscaping & Irrigation	\$ 300,000.00	Yes	No	Orange, CA
O.C. McDonald Co., Inc.	Plumbing	\$ 744,380.00	Yes	Yes	San Jose, CA
O.C. McDonald Co., Inc.	HVAC	\$ 1,932,310.00	Yes	Yes	San Jose, CA
Pacific Erectors Inc	Metal Panels	\$ 1,397,280.00	Yes	No	Rocklin, CA
RCM Fire Protection	Fire Protection	\$ 253,000.00	Yes	No	Tracy, CA
Robert A Bothman	Concrete	\$ 2,332,700.00	Yes	Yes	Santa Clara, CA
Smith & Sons Electric, Inc.	Electrical & Special Systems	\$ 3,496,500.00	Yes	No	Fremont, CA
Stronger Building Services	Roofing	\$ 485,580.00	Yes	No	San Leandro, CA
Tarlton and Son	Drywall & Plaster	\$ 3,996,321.00	Yes	No	Fresno, CA
Teichert Construction	Earthwork & Underground Utilities	\$ 1,229,500.00	Yes	No	Pleasanton, CA
Western Building Materials Co.	Accoustical Ceiling	\$ 606,400.00	Yes	No	Fresno, CA
CVE Demolition	Demolition	\$ 236,000.00	Yes	No	Fresno, CA
Bayview Environmental Services, Inc.	Hazmat Abatement	\$ 251,016.00	Yes	No	Oakland, CA
		<b>\$ 26,336,580.58</b>			

# MC – Main Building Replacement Phase 2

Contractor	Trade	Contracted	Union	Local	Location
Galeb Paving	Earthwork - Lime Treatment	\$ 816,613.65	Yes	Yes	Saratoga, CA
A Good Sign & Graphics Company	Front Entry Signs	\$ 422,000.00	No	No	Santa Ana, CA
Alcal Specialty Contracting, Inc	Roofing	\$ 1,237,500.00	Yes	No	Fremont, CA
B.T.Mancini Company	Carpet & Resilient Flooring	\$ 834,911.00	Yes	Yes	Milpitas, CA
Best Contracting Services, Inc	Glass & Glazing	\$ 1,566,860.00	Yes	No	Union City, CA
Best Contracting Services, Inc	Metal Panels	\$ 2,981,470.00	Yes	No	Union City, CA
Control Air North, Inc	HVAC	\$ 5,596,000.00	Yes	No	Hayward, CA
Green Growth Industries, Inc	Landscaping & Irrigation	\$ 1,743,793.00	Yes	No	Pleasanton, CA
Helix Electric, Inc.	Electrical & Special Systems	\$ 9,357,000.00	No	No	Oakland, CA
ISEC Inc	Millwork & Interior Wall Panels	\$ 829,689.00	Yes	No	Pleasanton, CA
KONE, Inc	Elevators	\$ 695,880.00	Yes	No	San Leandro, CA
KZ Tile Company, Inc.	Ceramic Tile	\$ 1,070,000.00	Yes	No	South San Francisco, CA
Olson & Company Steel	Misc. Metals	\$ 985,576.00	Yes	No	San Leandro, CA
Olson & Company Steel	Steel Superstructure	\$ 6,756,500.00	Yes	No	San Leandro, CA
Robert A Bothman	Concrete	\$ 2,518,013.00	Yes	Yes	Santa Clara, CA
Robert A Bothman	Site Concrete	\$ 1,511,000.00	Yes	Yes	Santa Clara, CA
Rodan Builders	Man Hoist	\$ 3,890,000.00	Yes	No	Burlingame, CA
Rodan Builders	General Trades	\$ 614,000.00	Yes	No	Burlingame, CA
Standard Drywall, Inc.	Drywall & Plaster	\$ 6,028,378.00	Yes	No	Fremont, CA
Stephen Ciari Plumbing and Heating, Inc.	Plumbing	\$ 1,732,000.00	Yes	Yes	San Jose, CA
T3, Inc.	Accoustical Ceiling	\$ 887,778.00	Yes	No	Fremont, CA
Teichert Construction	AC Paving & Striping	\$ 1,498,885.00	Yes	No	Pleasanton, CA
Teichert Construction	Earthwork & Underground Utilities	\$ 403,885.00	Yes	No	Pleasanton, CA
Wolverine Fire Protection Co	Fire Protection	\$ 635,000.00	Yes	No	Concord, CA
		\$ 54,612,731.65			

# QUESTIONS?

