

**San Diego Unified
School District
Project Stabilization
Agreement : A
Review of
Construction
Contractor and
Labor
Considerations**



Rea & Parker Research
November, 2011



Table of Contents

**(Survey and Construction-Labor Issues Sections possess their own internal
Tables of Content)**

	Page
Key Findings	ii
Executive Summary	iii
Proposition S and Project Stabilization Agreement	1
Other Experiences with Project Stabilization Agreements: Literature Review and Interview with Los Angeles Unified School District	5
Survey of Contractors and Sub-Contractors in San Diego County	28
Construction Costs and Labor Issues— A Comparison of PSA and Non-PSA Projects	170
Authors	191

KEY FINDINGS

- There has been no increase in the cost of the winning bids for school construction projects under the San Diego Unified School District (SDUSD) Project Stabilization Agreement (PSA) than were the winning bids for non-PSA projects under Proposition S that was approved in November, 2008.
- The number of general contractor bidders and participating subcontractors per project has declined for PSA projects; however, this decline is not reflected in any increase in cost to SDUSD.
- Profit margins for contractors have declined under the PSA, but these contractors appear to be absorbing these increased costs rather than increasing their bids—thereby imposing no additional cost upon SDUSD taxpayers.
- Project completion time is faster under the PSA than for Proposition S projects that predated the PSA. Faster completion allows for the District to experience less overhead per project and for the more efficient replacement school improvements to be in operation more quickly.
- Quality of construction, as indicated by contractor and construction manager interviews and by survey responses, is unchanged between projects constructed under the PSA and those that were contracted prior to the PSA.
- Workers from targeted zip codes (economically disadvantaged portions of the District) have increased during the past six months and are presently close to achieving the very ambitious target of 35 percent that was set in the PSA.
- The achievement of the high level of workers from targeted zip codes is due predominantly to union referrals that are focused upon obtaining workers from these zip codes. This increase in targeted area workers is not reflected among non-union core workers or existing workers for union signatory contractors.
- There has been an increase in reporting violations and deficiencies pertaining to labor compliance since the PSA was adopted; however, there is no discernible or perceived impact on construction quality or duration of construction caused by these deficiencies. Furthermore, it can be interpreted that this increase is due to increased attention to worker payroll and benefits under the PSA than before, which is beneficial to the payment of prevailing wages to the working population.
- The Los Angeles Unified School District PSA required approximately 5 years to achieve operational efficiency. SDUSD's PSA has been in effect for only 2 years and, by the measures included in this report, is significantly ahead of the LAUSD schedule.

EXECUTIVE SUMMARY

In April, 2011, the San Diego Unified School District (SDUSD) engaged the services of Rea & Parker Research to perform a study of construction and labor-related issues pertaining to construction projects of SDUSD under Proposition S. On July 1, 1998, the SDUSD Board of Education unanimously voted to place a \$1.51 billion bond measure - called Proposition MM - on the November 1998 ballot to fund modernization of 161 existing schools and construction of 12 new and three rebuilt schools. On November 3, 1998, 78 percent of San Diego voters approved Proposition MM.

Ten years later, in 2008, SDUSD again went to the voters with a \$2.1 billion general obligation bond issue (Proposition S) that was passed by nearly 70 percent of San Diego voters on November 4, 2008. This bond program provided resources for the district to repair, renovate and revitalize its neighborhood schools. It also made the San Diego Unified School District (SDUSD) eligible for State matching funds to construct classrooms and schools to accommodate enrollment growth in certain specified areas.

Administration of Proposition S includes a Project Stabilization Agreement (PSA) with the San Diego Building & Construction Trades Council and Southwest Regional Council of Carpenters that was entered into in July, 2009. The PSA establishes a standard for a contractor's relationship with his/her workers by setting basic standards for hiring, dispute resolution, payment of fringe benefits, and utilization of apprentices, among other features. These basic standards are those that are applied by labor unions in the County.

1. Perform an analysis of cost of PSA projects versus non-PSA projects.

The cost of PSA projects is the same as projects under Proposition S before the implementation of the PSA. The mean winning bid on the PSA projects is the same as the mean winning bid on the comparable non-PSA projects—both at approximately \$4.3 million. Bids continue to be under budget, although somewhat less under budget for PSA projects than for non-PSA projects.

The survey of contractors showed 58 percent indicating that their bid cost on projects for SDUSD (without distinguishing between PSAs and non-PSAs) was the same as for other public agencies; however, 38 percent indicated higher bids for SDUSD; however, this is for SDUSD projects in their entirety—not for PSA vs. non-PSA projects. Regarding profit margins, 56 percent of the surveyed contractors indicate that profit margins are the same for SDUSD projects and other public agencies; whereas 40 percent indicate lower profit margins on SDUSD projects. These reduced profit margins are a benefit to District taxpayers in the form of lower prices.

2. Perform an analysis concerning the duration of construction for PSAs and non-PSAs

PSA projects are performing better than non-PSA projects in duration of construction measured against initial estimates of time required to complete the project—project delays are considerably lower under the PSA. Five PSA projects that were complete or substantially complete by September 6, 2011 took an average of 77 days more than originally estimated, whereas the four non-PSA projects (all of which were complete or substantially so) averaged 128 days longer than estimated. PSA

projects experienced one particularly lengthy project (Cherokee Point Elementary Chiller was 247 days late) as did non-PSA projects (Morse High School Automotive and Culinary was 327 days late). Treating these very late projects as outliers, the remaining projects averaged 34 days late for PSA projects and 62 days late for non-PSA projects.

More prompt completion of projects serves to benefit contractors by reducing the costs they incur for overhead and financing and also benefits the District by reducing staff and overhead devoted to the projects. Furthermore, by completing and opening the improved school project sooner, the school can begin operating in its more modern and cost efficient structure and saving the District certain costs of operation.

- 3. Analyze contractor bidding participation in public works and District's Prop S program**
- 4. Identify the factors that contribute to a general contractor's decision to pursue SDUSD construction projects in general and, specifically, PSA covered projects.**
 - a. Willingness to subcontract with union or non-union contractors;**
 - b. Administrative requirements necessary to monitor prevailing wages, project labor/stabilization agreements, etc.**

The mean number of bidders per PSA project (6.2 bidders) is less than the number that bid non-PSAs (11.7). Furthermore, the number of plan holders for non-PSAs greatly exceeded that number for PSAs (80.7 versus 35.4) as did the number of contractors and others who participated in the required tour of the property (site walk)—40.0 versus 24.4. These data tend to indicate a lesser degree of interest in working on PSAs than on non-PSAs; however, this lesser degree of interest does not translate into higher construction bids.

The survey of contractors showed that administrative work and obtaining payments ranked 8th and 9th in satisfaction among 11 issues associated with working on SDUSD projects. Obtaining change orders and finding employees in targeted zip codes were the only factors rated lower in satisfaction, indicating that administration and obtaining payments do weigh heavily on the experience of working with SDUSD—as do finding targeted zip code workers and obtaining change orders.

According to the survey, small subcontractors need help in obtaining bonding and meeting their insurance requirements much more than they feel that they need technical or administrative aid. Quotas and/or a point system to encourage small contractor participation have widespread support among contractors surveyed.

- 5. Perform an analysis of the PSA covered projects to determine the effect of requiring PSA compliance by subcontractors of every tier**
- 6. Determine the level of satisfaction/dissatisfaction with construction opportunities with SDUSD among building contractors within the County.**

The survey showed that 61 percent of contractors found that finding sub-contractors during the bidding process was the same for SDUSD projects and for other public agencies and that 28 percent found it more difficult on SDUSD projects. Any negative impacts that may be felt by contractors in the form of higher internal costs are not reflected in their bid prices.

The survey found that the level of satisfaction working on SDUSD projects is good (2.43 on a scale of 1=very good experience and 5=very poor experience). Working with SDUSD is seen as being a more

favorable experience by larger, union contractors and minority-owned businesses than it is by smaller, non-union, women-owned businesses.

- 7. Perform an analysis to determine if PSA covered projects have increased compliance with California Labor laws including prevailing wage requirements**
- 8. Perform extensive review of PSA covered projects to determine whether workers are receiving fringe benefits, including pension, health care, etc., and compare against fringe benefits for workers on non-PSA projects**

PSA labor compliance reporting has been more deficient than has been labor compliance on non-PSA projects, with deficiencies representing 1.5 percent of total project cost for PSA projects and 0.7 percent (approximately one-half the rate of PSA deficiencies) for the comparable non-PSA projects.

Benefits reporting, as with deficiencies, favors the non-PSA projects (68 percent non-PSAs versus 55 percent PSAs). On the other hand, some of the PSA projects are quite new and show very poor reporting rates. Removing the three new and highly deficient reporting projects—Hoover High School Athletic Field (17 percent), Jefferson Child Development Center and Playground (28 percent), and Morse High School Child Development Center (35 percent), PSA reporting of benefits to be paid to each class of worker by subcontractors and the general contractor increases to an effectively non-PSA matching 66 percent. Benefits paid by PSA and non-PSA projects are also similar, as would be expected in Prevailing Wage types of projects such as these.

It is known that PSA projects grant access to union representatives and that deficiencies may be due to increased attention to labor issues, and it may be that this increased attention may have resulting in increased protection of the wages and benefits of workers than may have existed prior to the PSA.

- 9. Perform an analysis to determine extent of local worker utilization under the PSA covered Prop. S projects versus non-PSA projects.**
- 10. Perform an analysis and make recommendations of how the District can achieve PSA goals regarding the utilization of local workers.**

SDUSD has a very ambitious local worker utilization program that targets economically distressed communities in southeastern San Diego plus Linda Vista and parts of Clairemont to represent 35 percent of all workers on PSA projects. Within the District boundaries, the objective is 70 percent of workers, with 100 percent to come from San Diego County. Hiring workers in the targeted zip codes and within the larger region is viewed as a major benefit of the PSA since these local workers will help to stimulate the local economy.

For most of the time before April, 2011, approximately 18 percent of all workers resided within the SDUSD targeted zip codes, 30 percent within the District and 94 percent within the County. These percentages represent individual workers—not labor hours or total payroll. There has been substantial growth in these percentages since April, 2011, with 30 percent presently from the targeted zip codes (a 67 percent increase from April), 40 percent within the District (33 percent increase) and 96 percent from the County.

These increases over the past 6 months are due to union referrals. Non-union workers have not changed in residential distribution during the period, but union referrals have changed significantly. In April, 22 percent of union referrals resided within the targeted zip codes; that has grown to 41

percent in October. Similarly, non-union workers are unchanged with regard to SDUSD zip codes, but union referrals have grown from 38 percent to 53 percent.

The implication of this is that the District is close to achieving the objectives for targeted zip codes and is doing so almost entirely due to union referrals. It can be expected that target zip code participation will achieve the 35 percent goal in short order if this growth continues. The participation from workers residing within the District is still well short of the 70 percent goal, but is moving in the right directions.

An analysis based on payroll dollars instead of individual workers does not show the same level of local worker participation. This chart would not reflect the growth discussed above because of the weight of all expenditures from 2009 and 2010 versus the growth that has been very recent. The advantage of this data, however, is that they reflect actual hours on the job more closely than do individual worker counts. These numbers reflect somewhat less of a local workforce--16 percent of total payroll has gone to targeted zip code workers, 31 percent to workers residing in the District, and 84 percent to County residents—percentages quite similar to those of individual workers through April, 2011 and not reflective of recent growth.

As indicated above, the survey showed that contractors find that recruiting workers from the targeted zip codes is one of the more challenging tasks with which they are confronted in working on SDUSD projects.

11. Perform an analysis to determine quality of construction work on PSA covered projects

SDUSD construction manager interviews unanimously indicated that construction quality is the same for PSA projects and for non-PSA projects. Quality is set by architect specifications and by State inspections, and, PSA or not, these remain the same.

The survey inquired about construction standards of SDUSD in comparison to other public agencies, and tended to support the construction managers' opinions that quality was unchanged. The findings from the survey were that 71 percent indicated that construction standards were the same between SDUSD and other public agencies and 25 percent thought that SDUSD standards were higher, reflecting a strong sense of excellent construction being performed. When asked about the number of repairs contractors were required to make on SDUSD projects, 81 percent saw no difference between SDUSD and other public agencies and the remaining 19 percent were relatively equally split between more and less repairs.

12. Study the start-up period for acceptance of PSAs (e.g., length of time until newly implemented PSA projects achieve their most beneficial/productive level of performance).

The Los Angeles Unified School District (LAUSD) started its PSA in 1998, but found that it took approximately 5 years to get all of the pieces in place to make it operate efficiently and effectively. SDUSD's PSA has been in effect for approximately 2 years, and, as one of the interviewed construction managers stated, some of the problems that occurred on the job sites during the first year have been ironed out since. It is reasonable to consider that the same might be said sometime in the near future about some of the technical and administrative issues discussed in this report. That is to say, SDUSD's PSA would seem to be reaching operational efficiency faster than did LAUSD.

According to Parsons Constructors, Inc. (the PSA coordinator for LAUSD and SDUSD), and the four keys to the success of the LAUSD PSA are:

- **Education:** *Parsons is responsible for educating contractors and other relevant parties regarding the PSA agreement. Questions about the PSA from contractors are answered daily. This continuing educational process helps to maintain good relations between contractors and the School Districts.*
- **Dispute Resolution:** *Representatives of Parsons administer/mediate disputes that arise between contractors and the School District through specific procedures provided in the PSA.*
- **Labor Relations:** *Parsons maintains strong relationships with unions. Every effort is made by Parsons to gain the trust of the unions (locally and nationally) and this serves the best interest of the School District.*
- **Community Workforce Development:** *This is an effort to reach out to contractors. Parsons and School District staff try to educate contractors regarding projects that are in the pipeline so that they will be prepared to bid on these projects.*

San Diego Unified School District: Proposition S and the Project Stabilization Agreement

Proposition S was a \$2.1 billion general obligation bond measure passed by nearly 70 percent of San Diego voters on November 4, 2008. This bond program provided resources for the district to repair, renovate and revitalize its neighborhood schools. It also made the San Diego Unified School District (SDUSD) eligible for State matching funds to construct classrooms and schools to accommodate enrollment growth in certain specified areas.

SDUSD administers Proposition S under its Facilities Planning & Construction Division. Two



types of projects are included in this administration: (1) Capital facilities bond projects, which are typically large and complex, and funded by general obligation bond funds approved by the San Diego voters, and (2) Physical Plant Operations facility improvement projects, which are typically smaller and include repair/replacement work.

Administration of Proposition S includes a Project Stabilization Agreement (PSA) with the San Diego Building & Construction Trades Council and Southwest Regional Council of Carpenters that was entered into in July, 2009. The PSA establishes a standard for a contractor’s relationship with his/her workers by setting basic standards for hiring, dispute

resolution, payment of fringe benefits, and utilization of apprentices, among other features. These basic standards are those that are applied by labor unions in the County.

The PSA is designed to ensure a sufficient supply of skilled craft workers and eliminate work disruptions on Proposition S projects. The PSA contains sections describing the process for referral & hiring of journeyman workers and apprentices, for resolving disputes, and for promoting local hiring – hiring of skilled craftspeople and apprentices living within SDUSD boundaries.

Under the terms of the agreement, the PSA went into effect 90 days after the board approval. Therefore, the agreement went into effect on October 27, 2009. The agreement stipulates that the PSA applies to construction projects “advertised for bid” after the effective date which 1) are funded in whole or in part by Proposition S, and 2) have a value exceeding \$1 million based on the construction cost estimate submitted to the Division of State Architect.

Among the primary objectives of the PSA is to set specific local hiring rates for PSA-covered projects with the expectation that local hire rates will be higher than for non-PSA projects. To substantiate this objective, SDUSD desired to research pre-PSA data and also interview/survey contractors willing to discuss such information.

One of the typical objections to PSA/PLA agreements is the fear that union-driven work rules may increase project costs. Another objection to PSA/PLAs is that the additional work rules discourages general contractors from bidding and that the resulting fewer number of bidders impacts ultimate cost.

In this context, the services Rea & Parker Research were engaged to explore the pros and cons of the SDUSD PSA by reviewing applicable literature, surveying members of the building construction industry in San Diego County, conducting in-depth interviews with key stakeholders in the issues involved and conducting a detailed analysis of contract and labor data maintained by the District.

The fundamental issues to be addressed were:

1. Perform analysis of cost of PSA projects versus non-PSA project costs.
2. Perform an analysis concerning the duration of construction for PSAs and non-PSAs
3. Analyze contractor bidding participation in public works and District's Prop S program
4. Identify the factors that contribute to a general contractor's decision to pursue SDUSD construction projects in general and, specifically, PSA covered projects.
 - a. Size of project;
 - b. Willingness to subcontract with union or non-union contractors;
 - c. Administrative requirements necessary to monitor prevailing wages, project labor/stabilization agreements, etc.
5. Perform an analysis of the PSA covered projects to determine the effect of requiring PSA compliance by subcontractors of every tier
6. Make recommendations regarding implementation of a prequalification program for bidders on District projects.
7. Determine the level of satisfaction/dissatisfaction with construction opportunities with SDUSD among building contractors within the County.
8. Perform an analysis to determine if PSA covered projects have increased compliance with California Labor laws including prevailing wage requirements
9. Perform extensive review of PSA covered projects to determine whether workers are receiving fringe benefits, including pension, health care, etc., and compare against fringe benefits for workers on non-PSA projects

10. Perform an analysis to determine extent of local worker utilization under the PSA covered Prop. S projects versus non-PSA projects.
11. Perform an analysis and make recommendations of how the District can achieve PSA goals regarding the utilization of local workers.
12. Perform an analysis to determine quality of construction work on PSA covered projects
13. Study the start-up period for acceptance of PSAs; e.g., length of time until newly implemented PSA projects achieve their most beneficial/productive level of performance.

This report details the research and findings pertaining to these and other issues that arose during the research. The report is divided into three sections: Literature Review; Survey of Contractors and Subcontractors; and Construction and Labor Issues Specific to PSA and Non-PSA projects. The survey and PSA/non-PSA sections contain their own internal tables of contents.

Other Experiences with Project Stabilization Agreements

(Literature Review and Interview with Los Angeles Unified School District)

Summary of Literature Review and Interview

The purpose of this literature review is to summarize articles and reports which address advantages and disadvantages of Project Labor Agreements in public agencies. These publications range from 1991 to 2011 and cover PLA-related studies throughout the United States.

Proponents of Project Labor Agreements argue that such agreements have the following benefits or advantages:

- PLAs eliminate costly labor-caused delays in large construction projects; they minimize cost overruns caused by labor disputes; the “no-strike pledge provides labor stability.
- PLAs guarantee that a large percentage of local workers will be hired on the project – a significant benefit for the local economy.
- Apprenticeship programs are encouraged and, therefore, provide new construction workers for an aging employee base.
- Proponents find no evidence that PLAs reduce competition and increase labor costs.
- The emphasis on the use of union workers implies a higher quality of workmanship.
- PLAs assure that a community is working with only responsible companies that possess proven business expertise, show past compliance with labor and safety laws, have relevant insurance coverage, and demonstrate prevailing wage compliance as well as apprenticeship and training participation.

Opponents of Project Labor Agreements argue that PLAs have the following disadvantages:

- PLAs increase the bid prices and therefore increase the cost of the project.
- While the PLA purports to extend jobs to non-union workers, in reality, they place restrictions on employers and workers (e.g. mandatory union hall hiring and requiring non-union workers to pay union dues and to make contributions to others’ pension funds).
- There is no evidence that the absence of a PLA generates cost overruns or delays caused by labor disputes.
- PLAs are anti-competitive and, therefore, distort the natural advantages of the free market
- It is argued that PLAs are handouts to the floundering construction unions that cannot find work for their workers and whose pensions are in dangerous underfunded status.
- Union dues payable by non-union workers are a substantial windfall for union coffers.

Dan Sloan of Parsons Constructors, Inc. is the PSA Coordinator for the Los Angeles Unified School District and is also the coordinator for the PSA in the San Diego Unified School District. Rea & Parker Research interviewed Mr. Sloan regarding the PSAs in both school districts. Relevant portions of that interview are presented below.

Mr. Sloan indicated that the primary benefits of the PSA are as follows:

- Construction jobs are very valuable to the local economy. The PSA is oriented toward developing local workers.

- Most small contractors do not have a benefit plan. The PSA gives workers access to such benefit plans.
- Small contractors have access to high quality union workers. These workers would not be available to them in the absence of a PSA.
- One of the reasons that potential contractors are discouraged from bidding PSA projects for the San Diego Unified School District is that only contracts that are valued over one million dollars are eligible to be bid under the Project Stabilization Agreement. This is a “huge threshold” and small businesses may have philosophical and financial capacity objections to the PSA on this basis alone.
- Another reason why contractors are less inclined to bid PSA projects in San Diego is that there are significant delays in paying contractors in San Diego, and there were too many unresolved disputes that arose over change orders and inspections.
- One of the challenges for the SDUSD is that there is not a great deal of money available for contractor outreach. Recruitment and training of new construction workers is crucial in the face of retiring senior workers in all areas of construction.

Reports and Publications

1. *Construction Agreement at DOE’s Idaho Laboratory Needs Reassessing*--General Accounting Office, 1991.

This report examines the impact of PLAs on wages and finds that wages on these projects were 17 to 21 percent higher than Davis-Bacon prevailing wage rates.

2. *Project Labor Agreements: The Extent of Their Use and Related Information*—United States General Accounting Office, 1998.

This report highlights the lack of data on PLAs, reviews policy issues and concludes that it is difficult to compare performance between PLA and non-PLA projects due to the varying complexity of the construction projects.

3. *The Estimated Cost of Project Labor Agreements on Federal Construction* –Lyons—1998:

This article examines the impact on federal construction costs based upon an executive memorandum issued by President Clinton in 1997 to encourage the use of PLAs on federal construction projects. It was found that PLAs would raise costs between 2.3 and 7.2 percent.

4. *Project Labor Agreements, by Bill Rickman – State of California Building and Construction Trades Council of California, 2000.*

Public and private project owners throughout the state of California were interviewed in an effort to determine why they chose to use Project Labor Agreements for their projects. The owners of these California projects offer the following benefits of using a Project Labor Agreement:

- PLA's eliminate costly labor-caused delays in large construction projects.
- PLA's are created to minimize cost overruns caused by labor problems.
- The central part of every PLA is the "no strike" pledge given by the workers.
- Most PLA's use a mix of union and non-union workers. The lowest responsible bidder wins the contract.
- Public works projects require that all contractors, union and non-union, pay the prevailing wage – creating a level playing field for the contractors.
- PLA's do not discourage bidding; in fact, many contractors prefer to work on jobs covered by a PLA.

5. *Labor Agreements: A Cancer Spreading Across California, by the California Taxpayers' Association, March 2000.*

This article criticizes PLA's as a threat and danger to all Californians. It is argued that PLA's offer the unions who support them a playing field void of merit-shop or non-union competition. This makes it easier for unions to gain back some of the market share they have lost over the past 30 years. However, more than 80% of the construction industry in this country is non-union and, while the PLA proponents would like to return to the prosperity of days past, it is the California taxpayer who will be left paying the bill.

6. *Public Project Labor Agreements: Lessons Learned, New Directions--Lund and Oswald—2001.*

This research examines the impact on non-union employers of making payments into union benefit funds under PLAs and concludes that there is largely no additional burden on the non-union sector as most non-union workers lack pension and health benefits.

7. *Constructing California: A Review of Project Labor Agreements--Johnston-Dodds –2001.*

This report presented a content analysis of California private and public PLAs based upon a review of 82 agreements dated from 1984 to 2001. Some of the key findings included:

- Nearly three-quarters (72 percent) are private sector agreements.
- Most of the private (87 percent) and nine-tenths (91 percent) of the public PLAs require that subcontractors sign or "agree to be bound" by the PLA.

- All of the private and public PLAs provide that employers use union referral systems to obtain their workforce, but almost two-thirds (63 percent) of the private PLAs and most (87 percent) of the public PLAs state that employers under the PLA can look to other sources for construction workers if the unions have not provided referrals within 48 hours.
- Almost two-thirds of the private (63 percent) and over three-quarters of the public (78 percent) PLAs establish labor management committees.
- Over half (57 percent) of the public PLAs contain provisions allowing contractors' use of core or key employees.
- Public PLAs appear to contain stronger management rights clauses than the private PLAs.

Key questions remain, such as:

- What types of fringe and pension benefits are provided under PLAs?
- Do construction workers have better pension benefits under PLAs than other projects?
- Who pays the pension benefits and for how long (during PLA or beyond)?
- Are the pension benefits "portable," moving with the employee or do the funds stay in union trusts?
- Do employers "double pay" into the fringe and pension benefits provided under the PLA (labor-management trusts) and employer programs?

8. *Project Labor Agreements: An Exploratory Study*--Institute for Labor and Employment, UCLA, October 2001.

Through a series of interviews, this research finds that PLAs can be an effective tool for promoting positive labor relations and finds no evidence of reduced competition and increased labor costs.

9. *Project Labor Agreements and Competitive Bidding Statutes*—Siegel-2001.

This paper examines the issue of whether PLAs violate state competitive bidding laws and ordinances. It has been argued that PLAs limit the number of bidders as they place conditions on successful bidders, and thereby violate competitive bidding statutes. The paper reviews current law by state and finds that states that have upheld PLAs include Alaska, California, Massachusetts, Minnesota, Nevada, New York, Ohio, and Pennsylvania. States that have struck down PLAs include New Jersey and New York. In New York, the relevant case is *New York State Chapter, Inc. v. NYS Thruway Authority* involving a PLA required by the Dormitory Authority. The paper concludes that PLAs are not only valid under competitive bidding laws, but are often desirable because of the benefits they confer.

10. *A Comparison of Public School Construction Costs*, by Peter Phillips, February 2001.

This study is based upon data derived from new public school construction projects in three Midwestern states – Kentucky, Ohio, and Michigan. This paper focuses on the specific question of whether or not the application of prevailing wage regulations raises costs, and if so, by how much. Those favoring this view theorize that prevailing wage regulations raise wage rates on public construction to higher levels than they otherwise

would be. Increased wage rates should lead to increased construction costs that would be passed on to the government and eventually the taxpayer. Proponents of prevailing wage regulations counter that higher wage rates induce contractors to hire or train a more skilled and productive labor force thereby encouraging contractors to better manage their workers and provide them with better equipment. It is argued that these responses offset some or all of the costs of higher wage rates.

Controlling for seasonality, controlling for differences in rural and urban construction costs, controlling for the size of the project and controlling for the state in which the project was built, the model utilized by Professor Phillips estimates that using prevailing wage regulations raised school construction costs by seven-tenths of 1%. This is not a statistically significant result and, in effect, the model says that there is no effect on total costs associated with prevailing wages.

Professor Phillips concludes that prevailing wage regulations induce contractors to hire a more skilled labor force equipping them with better, more up-to-date tools and materials. It also induces management to compete over better management strategies and techniques.

11. *Constructing California: A Review of Project Labor Agreements*, by Kimberly Johnston-Dodds (prepared at the request of California State Senator John L. Burton, October 2001).

This report recounts the history of PLA's in California, surveys the features found in California PLA's for both public and private projects, and reviews the national political climate at the turn of the Century that affected the use of PLA's. As of the year 2000, PLA's were arguably the most important change in labor – management relations in the construction industry during the 1990's. They had become a fairly common part of the organization of major construction projects in California. Private construction projects in California were much more likely to use PLA's than were public projects. Of the 82 project labor agreements reviewed in this report, nearly three-fourths (72 percent) were private sector agreements.

The legality of PLA's has been extensively tested in both federal and state courts, and with respect to both private and public construction projects. Their validity was upheld in both federal and state cases (including the U.S. Supreme Court and California Supreme Court). The legal complexity was exacerbated after President George W. Bush issued two executive orders which prohibited PLA's on construction projects with federal funding.

12. *Project Labor Agreements—Dunlop-2002.*

This article reviews the history of PLAs going back to the 1940s. It describes the process for negotiating PLAs, and provides an analysis of PLAs approved between 1997 and 2000, including public and private sector breakdowns. The article notes that the controversy about PLAs have focused on public sector projects, while almost no legal or public relations

attention was directed to private sector projects, which constituted the largest proportion of all PLAs in the 1990s. The article discusses this and other public policy issues around PLAs, including the debate around the competitive bidding process and its impact on costs.

13. *Making Hay When It Rains: The Effect Prevailing Wage Regulations, Scale Economies, Seasonal, Cyclical and Local Business Patterns Have on School Construction Costs*, by Hamid Azari-Rad, Peter Phillips, and Mark Prus, Journal of Education Finance 27 (Spring 2002), 997-1012.

This article asks the question whether school districts would be wise to time their purchases of construction services to avoid overheated construction markets, and spread out their construction plans to avoid overheating the market themselves. In attempting to avoid tight construction markets, school districts may be well advised to pay attention to the seasons as well as the business cycle to avoid beginning construction at the same time as everyone else. To test the effects of economies of scale in construction, prevailing wage regulations and business cycle effects on school construction costs, the authors used F.W. Dodge data on accepted bid prices for new schools built in the United States. Specifically, bid prices for schools, both public and private, built between the second half of 1991 and the first half of 1999 were used in this analysis.

Building larger schools is a traditional way of saving on school construction costs. In this study, it is found that doubling the school size will cut costs by 4.7% over two separate schools half the size of the larger one. However, the technical benefits of economies of scale at some point encounter the market problems associated with excess demand caused by large scale construction. Very large schools may cost from 8 percent to 12 percent more due to the excess short-run demand that they generate among local contractors, suppliers and workers.

Prevailing wage regulations raise the hourly wage rate paid on public school construction. But the higher labor productivity that comes with these higher wage rates or other economies associated with better construction management appear to offset the higher mandated wage rates. In any case, there is no measurable difference, controlling for other factors, in public schools built with and without prevailing wage regulations. School districts' best option for construction cost savings lie in planning the pattern of new school construction. Specifically, school districts that can build counter-cyclically can enjoy a buyer's advantage during economic downturns that appears pronounced in the construction industry. A doubling of the unemployment rate can lead to a 21 percent decline in school construction costs. Spacing out projects so that many projects are not begun in the same period also promises to save money.

14. *Project Labor Agreements*, by John T. Dunlop, Harvard University Joint Center for Housing Studies, 2002.

Professor John Dunlop provides a historical overview of PLAs which have their roots in construction developments during World War II and in the post-war era at atomic energy, space, and missile sites. He discusses many features and benefits of PLAs, including the means to achieve efficient operations through standardized terms and conditions, clear channels of communication and direction, and steady and reliable supply of skilled labor. Professor Dunlop states that it is curious that no legal or public relations assault has been made on PLAs in the private and non-profit sectors, and suspects this is because PLAs have passed the private market test. It is noteworthy that PLAs have been used by various private organizations, including Toyota, Boeing, Inland Steel, Arco, among others – and that many of the private owners are repeat users. Such private experience, the author contends, should validate the public PLAs and override criticism.

15. *The Benefits of Implementing a PLA for Construction of the New Kent County Courthouse in Rhode Island, by the Rhode Island Century Labor Management Partnership, 2003.*

The Kent County Courthouse Study Committee requested information on the benefits of utilizing a project labor agreement (PLA) for construction of its new courthouse. The 21st Century LMP is an equal partnership among the seventeen unions of the building trades and the contractor organizations. This partnership was forged in order to increase labor/management cooperation and communication. The partnership submitted the results of its research in support of the Committee's request. The results show that PLAs are implemented on billions of dollars worth of construction projects in both the public and private sectors throughout the country. The partnership contends that PLA's are implemented because the record demonstrates that it is in the best interest of businesses to do so. PLAs provide the value their proponents claim and as a consequence are often sought by construction users who are undertaking major capital projects in order to ensure that their projects are completed as soon as possible, as safe as possible, and within budget.

The 21st Century LMP reviewed the proposed disadvantages of PLA's which include the following: may reduce number of bidders, increases cost of construction, and discourages many contractors from bidding work. The 21 Century LMP could not find evidence to support these allegations against the PLA.

According to the comments of the Committee's legal counsel, there is concrete, uncontroverted evidence that PLA's on local projects are cost effective mechanisms that owners endorse. Therefore, it is in the best interests of this project to include a PLA as part of any possible bid package to any prospective bidders for the construction of the Kent County Courthouse.

15a. *What is the Truth on PLAs, by the Rhode Island Century Labor Management*

Partnership, 2003.

This article provides further evidence that PLA's are effective tools in the construction industry and that a PLA should be used in the construction of the Kent County Courthouse. There is evidence that investment in training produces a workforce that works safer. According to a recent article in the BNA Construction Labor Report, the Occupational Safety and Health Administration recently issued citations and proposed fines totaling \$89,000 to a non-union contractor in Rhode Island as a result of an investigation into a recent workplace fatality of an employee of the contractor. According to the article, a contributing factor in the worker's death was the fact that the contractor "had not trained the worker to recognize" the safety hazards of the hazardous work he was involved in.

16. *Project Labor Agreements and the Cost of School Construction in Massachusetts (aka Beacon Hill Study)*—Bachman, Chisolm, Haughton and Tuerck—2003.

This article analyzed 54 school projects in the Greater Boston area since 1995—later increased to 126 projects. It was found that PLAs adds \$18.83/sf = 14% to bids (2001 prices)—with the actual cost of construction being 12% higher. Tests were conducted to determine differences between large vs. small schools, secondary vs. elementary schools, and new vs. renovated schools. The R-squared for this analysis is 31%.

17. *Project Labor Agreements in Iowa: An Important Tool for Managing Complex Public Construction Projects*, by Ralph Scharnau and Michael F. Sheehan, Iowa Policy Project, 2004.

This is a report by the non-profit, non-partisan Iowa Policy Project that discusses how PLAs fit into the fabric of federal labor law and state competitive bidding laws. The report makes the case that PLA use should be expanded and shows how PLAs are common-sense management tools that facilitate successful construction project delivery and provide public and private project owners with greater value for capital investments.

18. *Project Labor Agreement Report, Memorandum from Bart Gilbert, Director of General Services, Contra Costa County, to John Sweeten, County Administrator, Contra Costa County, July 7, 2004.*

In January 2002, Contra Costa County Board of Supervisors adopted a policy requiring any county-funded construction project with a budget of or over \$1 million to include a PLA. The Contra Costa County Director of General Services reports that union contractors submitted 44 of 62 bids for 8 projects between May 2002 and November 2003 and that bids for 5 of 8 projects subject to the PLA policy were lower than the architect/engineer's cost estimate.

19. *Project Labor Agreement Information Brief (College of Marin—2005).*

Unions are expensive but prohibit work stoppages. All contractors and subcontractors become signatories. Work rules become standardized. Drug testing is required, a labor - management committee is established, and social justice is enhanced. The private sector sees the value in PLAs—72% of all PLAs are private construction. Benefits include the reduced risk of delays and labor cooperation. Apprenticeship programs bring new workers into the construction industry and as a consequence, employee skill levels are enhanced. Drawbacks include the fact that strikes can still occur, competition becomes limited, non-union workers are forced to pay union dues, there is an increased cost to the taxpayer, union rules inhibit flexibility, and non-union workers lose some of their benefits at the end of the job. The Beacon Hill study was cited indicating that the PLA represents an 8%-15% cost increase.

20. *Effect of Project Labor Agreements on the Cost of School Construction in New England (Belman, Ormiston, Schriver and Kelso—2005).*

This article reviews the cost of school construction in New England with and without the use of PLAs. It argues that simple regression models show that PLAs increase costs but a new model is needed to deal with the increased complexity of projects that tend to use PLAs. This study addresses the work of **Haughton, Chisolm and Bachman (2003)** that showed school construction to be 14%-17% higher with PLAs (\$19-\$32/sf—r-squared = 20%). This study asserts that the model must include whether the school is secondary or elementary, site prep differences, differences in mechanical systems, quality of construction materials, number of stories, roof pitch, libraries, science labs, and athletic facilities. The analysis included 75 Massachusetts and 22 Rhode Island and Connecticut schools. It was found that PLA schools were larger, they had more stories, they tended to be vocational in nature, and they included the installation of chillers to a much greater extent than did non-PLAs. More variables were added to the analysis—especially the variable of where the school was located. The cost differential lost statistical significance when controlling for Boston location.

21. *Construction Management Fact Sheet: Project Stabilization Agreements (California School Boards Association—November 2007).*

This article defines PSAs and lists their pros and cons. It asks a series of questions about the likelihood of work disruption, importance of local hiring, among other issues that work in favor of PSAs. The article provides a history of PSAs/PLAs back to Shasta Dam PLA project in 1938.

22. *Project Labor Agreements (Belman, Bodah, Phillips--2007).*

This article reviewed 108 school projects in New England. The absence of a PLA was not found to increase the cost of construction. Costs were increased based on size, need for boiler, the inclusion of an auditorium, and the inclusion and location of a library. It is important to factor the nature of the site, materials used, outside finish, and project complexity. It was found that the use of a PLA added 8% to the cost BUT THIS IS NOT STATISTICALLY SIGNIFICANT (See Item # 23). Given that the cost is not a factor, other issues must be considered, such as the steady flow of labor, a buttress against strikes, coordination of worker hours and holidays, increased safety, and training and recruiting young workers in an aging industry. This article traced the history of 3 forms of PLAs— Old School (pre-1980), Stop Loss (1980-1990) and Market Share (since 1990). It cites studies in New York where PLA projects had 21% more bidders and costs were 3%-4% lower. For the Idaho National Engineering Lab project, 8 out of 11 non-union contractors chose not to bid but 86 of 286 contracts went to non-union contractors. In South Nevada Water, 16%-33% of contractors were non-union and they did 12%-27% of work (roughly equivalent).

23. *Project Labor Agreements*, by ELECTRI International – The Foundation for Electrical Construction, Inc. January 2007.

The most important finding in this study is that there is no substantial evidence that PLA's decrease the number of bidders or change the costs of construction projects. Bidding behavior was determined by examining two adjacent school districts in San Jose, California. Both districts began extensive school construction in 2002. In 2004, one district signed a PLA, while the other did not. Regarding cost effects, 108 school projects in New England were studied and it was found that such variables as the building's size, the need for a new boiler, the construction of an auditorium, the construction of a library, and where the school was located had positive effects on construction costs. There was no evidence that a PLA either raised or lowered the costs of the projects studied (See Item # 22).

It was concluded that PLA's are not suited to every project in every location. In considering whether to use a PLA, districts should consider the importance of scheduling, the size of the project, the need for skilled labor, whether there are a sufficient number of union contractors in the major trades needed for the project to support competitive bidding and whether the work is likely to be done by union contractors with or without the PLA. In general, larger and more complex projects, for which scheduling is important, are good candidates for the use of a PLA.

24. *Project Labor Agreement Fact Sheet* (Haynor-WM Construction Alliance—December 2008).

This article lists the advantages of PLAs (labor harmony, coordinate diverse collective bargaining agreements, cost savings due to reduction of delays, and community benefits of local hiring. No counter arguments are provided.

25. *Construction Careers for Our Communities (UCLA Community Scholars Program, 2008).*

This report was prepared by graduate and undergraduate students in the departments of urban planning and public policy at UCLA. The project was supervised by Dr. Peter Phillips and Shawn Delugach. This study posed several questions about the hiring goals of a PLA and used PLAs in three different public agencies to obtain the data necessary to answer these questions. These agencies are Los Angeles County, the City of Los Angeles, and the Los Angeles County College District. The most salient findings of this study are as follows:

1. Local hiring provisions in PLAs significantly increased the number of local hires.
2. Local hiring goals of 30% were met and exceeded in all three PLAs.
3. Small subcontractors tended to have a lower percentage of local apprentices and local journeyworkers than did large subcontractors and general contractors.
4. Contractors improved their local hiring attainments as they gained additional experience.
5. The success of local hiring goals depends on the size of the local area that hires are sought.

26. *Benefits of Unions for Low Wage Workers (Center for Economic and Policy Research--2009).*

Unions increase wages by 21% (16% in the 15 lowest paid occupations). Among the 15 lowest paid occupations, 25% are more likely to have their health care covered through union contracts and 25% are more likely to experience enhancements in their pension plan through union contracts.

27. *Symposium: Using Government Policy to Create Middle Class Green Construction Careers--Beach, 2009.*

This article discusses the green construction career model and outlines its principles, including environmental justice, community workforce agreements and other factors favoring economic and workforce development in low-income communities.

28. *Project Labor Agreements in New York State: In the Public Interest—Kotler—2009.*

This paper focuses on the cost savings derived from the implementation of PLAs and also provides examples from across the country concerning PLA provisions for employment and training of minorities in disadvantaged communities.

29. *Construction Procurement Policies That Address Health Insurance: A Cost Analysis—May, Waddoups and Concord Cymouth LLC—2009.*

This paper examines the benefits of responsible contractor policies (RCPs) in promoting high-wage and high-skill local economies. According to this study, the impact of RCPs on costs may be similar to the impact of PLAs and prevailing wages.

30. *Why Project Labor Agreements are Not in the Public Interest (Tuerck-2010).*

This article is non-supportive of PLAs. It begins with the following logic—Private owners must make profit and their decision to use PLAs supposedly evidences advantages for them. But there are other reasons for public to consider. In 2009, Tuerck, Glassman and Bachman found PLAs to add 12%-18% to cost of a project and President George W. Bush shut PLAs down for federal projects. Union construction was 87% in 1947 but only 16% in 2008 and wages fell commensurately. The negative effects of PLAs are as follows: higher cost to non-union contractors (double benefits)—non-union workers still make less but contractor pays more [NOTE: prevailing wages would address this]—union contractors become more competitive. Threat of strikes is empty—there are effectively no strikes taking place anymore. The article cites the Beacon Hill Study, an article by Max Lyon in 1998, and a VA study that found PLAs to increase cost. The article argues against the Belman study contending that adding many variables increase collinearity and generates a false absence of significance.

31. *Building Better: A Look at Best Practices for the Design of Project Labor Agreements, (Belman and Bodah--August 2010).*

This paper explains how PLAs increase project efficiency, timeliness and innovation; it provides two case studies of PLA provisions and outcomes of employment in disadvantaged communities; and it reviews safety and health provisions and best practices to demonstrate how PLAs can improve safety performance on construction sites. The paper also discusses how PLAs can improve dispute settlements, which may lead to potential cost savings.

32. *Project Labor Agreements' Effect on School Construction Costs in Massachusetts, Belman, Ormiston, Schriver and Kelso—2010.*

Using quantitative methods, this paper finds that simplified econometric models involving a limited number of variables can show that PLAs increase bid price by 14 to 17 percent in the Greater Boston area; meanwhile, more complete econometric models do not find a statistically significant relationship between PLAs and construction costs. The researchers found that when the complexity of school structures (swimming pools, other athletic facilities, etc.) is taken into account, and when the geographical area is expanded beyond the high-cost Boston metro area, there is no clear evidence that PLAs increase school construction costs.

33. *Construction Careers For Our Communities—Phillips—2010.*

This article examines community development and workforce benefits of PLAs in projects sponsored by the Los Angeles Community College District, the LA Unified School District, and the City of LA. The report finds that these PLAs significantly increased the number of local hires, exceeding local hiring goals.

34. *Project Labor Agreements: PLA Primer and PLA Briefing Book*, by Gerard M. Waites and Scott M. Seedorf with the law firm of O’Donoghue & O’Donoghue, Washington, D.C. November, 2010.

This article concludes that there are certain facts about the PLA that cannot be refuted, namely that PLA’s are fully open to bidding to all contractors, union and non-union alike. Also, most public PLA’s are undertaken in urban metropolitan areas, where prevailing wage surveys show that union workers comprise a majority of the affected, unemployed or underemployed workforce. Moreover, non-union workers are permitted to seek work on PLA projects by applying through local union job referral systems and are fully protected under federal labor law in doing so.

Because of the above facts, federal and state courts have widely upheld their use on public works projects. Further, it is significant that court rulings in this area have stressed that the key focus for this issue must essentially rest on what is best for the contracting agency – regardless of the impact on the union sector or the merit shop (non-union workers).

Thus, the courts have said what is crucial is not what is good for contactors or unions or even workers – but what is best for the government body procuring the construction. Ultimately, the focus must be on what is best for the taxpayers. From an economic standpoint, PLA’s make sense in that they create good paying local jobs that are sorely needed in this poor economy.

35. *California’s Class Warfare: PLA’s Pit Union and Non-Union Workers against Each Other*, by Liberty Chick, 2010.

The primary theme of this article is that union workers enjoy benefits under Project Labor Agreements while non-union workers suffer discrimination. Some key points of the article are as follows:

- PLA’s claim to save money and promote “labor peace”. Critics, however, have questioned such claims, citing many cases of PLA projects that experienced increased costs and labor disruptions, and admonishing their discriminatory nature. Critics further argue that California continues to spend billions on PLA projects while non-union workers suffer through record unemployment and taxpayers are hit with higher taxes, added fees, and service cuts at every turn.
- While PLA’s were once largely embraced in a marketplace when unions represented a greater majority of workers in the United States, today’s PLA’s must claim other benefits to be reasonably received by a general public that is no longer largely unionized. Today’s PLA’s purport to extend jobs to non-union workers, when in reality they place new impositions on both employers and

workers, such as mandatory union-hall hiring, forcing non-union workers to pay union dues and make contributions to others' pension funds.

- In California, where 18.3% of the overall workforce is covered by a union, much of the recovery opportunities, including PLA's, are focused disproportionately on creating union jobs. The other 81.7% of non-union workers are fighting California's 12.4% unemployment rate with an unfair advantage. Despite the popular belief that the construction industry is overwhelmingly unionized, only about 16% of America's construction workers belonged to a union in 2009. This represents a large number of workers left out of the competition when they need the work most. With such a small percentage of unionized workers vs. non-union, it's rather apparent these impositions are in place not for the workers' benefit, but the unions.
- An examination of the evidence produces no evidence of any systematic connection between the absence of a PLA, on the one hand, and cost overruns or delays caused by labor disputes, on the other.
- While Blacks and Hispanics represent 23% of the general population, only an average of 8% of construction union members represent these two minority groups. Labor leaders and progressive groups will often insist that PLA's ensure that minority workers have fair access to construction work, yet this is simply untrue. Open competition, however, will ensure fair access.

36. *The Truth about PLAs*, by Mark Erlich, Boston Globe, July 3, 2010.

This article supports the PLA. In June 2010, the University of Massachusetts Building Authority voted to put the proposed \$750 million overhaul of University of Massachusetts Boston's campus under a project labor agreement. This vote drew a great deal of protest throughout the community claiming that the PLA excludes the majority of potential contractors and adds expense to the project. This article asserts that it is simply not true that non-union firms cannot participate in public PLA projects. Any company can bid and use its existing labor force, as long as it is prepared to comply with the terms of the PLA, a situation that non-union contractors resist because it raises expectations for their traditionally lower-paid workers. Based upon a review of the data, the authors of this study conclude that there is no solid evidence from any study to prove PLAs cost more or non-PLAs cost less. Further, it is stated that the courts have looked favorably on the agreements, particularly in cases when a project's size, complexity, and duration are an issue.

37. *Measuring the Cost of Project Labor Agreements on School Construction in California* (Vasquez, Glaser and Bruvold—National University—2011).

This article represents the most recent and highly publicized study that opposes the PLA. The arguments in favor of PLAs include the use of skilled workers and job site

cooperation. Arguments against the use of PLAs include an increase in costs and discouraging non-union contractors to bid on projects or to participate. The key finding of this study is that a PLA adds 13%-15% to the cost. Various other studies are referenced. For example, —the cost of the Pasadena power plant increased by 15% because of the PLA. In Oakland, without a PLA, there were 7 bidders for a project and a rebid that included a PLA 3, only 3 bidders responded and the cost of the project was 22% higher. In New Jersey schools, the cost of the PLA projects was 30.5% higher. An analysis of 65 PLA and 65 non-PLA projects showed that the PLA was a significant factor associated with cost increases along with the provision of a gym/pool. The need for Demolition, date of construction, and square footage yielded an r-squared of 28% and this was characterized by the authors as “large.” Forty-eight of the PLA projects were from Los Angeles and once Los Angeles itself was controlled for, the r-squared declined to 10% and existence of a PLA was found to be not significant—“inability to explain and identify unique contribution of PLAs.”

- a. Belman responded to this National University study in a letter dated July 2011. He indicates that the National University study only used 6 variables. As with his earlier Boston study, Belman points out that Los Angeles is the critical variable in the determination that PLA’s are not significant in project cost. The National University study admits this in saying that Los Angeles and PLAs are so closely correlated that the effect of PLAs cannot be statistically distinguished from Los Angeles. Los Angeles has costly seismic requirements, high prevailing wage rates, and more challenging projects. The conclusion of Belman is that the National University study is flawed.

38. Berkeley to Vote on Costly Project Labor Agreement, by Community Forum, May 10, 2011.

Despite the outcry from local construction contractors, on January 18th, 2011, the Berkeley City Council unanimously passed a Citywide Project Labor Agreement on all City construction projects exceeding one million dollars for three years. On May 11th, the Berkeley Unified School District voted to negotiate a Project Labor Agreement with the Alameda County Building and Construction Trades Council for the 210 million dollar Measure I Construction Bond. This article criticizes these votes because the PLA is found to be costly and unfair.

It is argues that PLA’s are handouts to the floundering construction trade unions who can’t find work for their workers and whose pensions are in dangerous underfunded status. One of the arguments used by City elected officials to pass the PLA policy was to ensure local workers would be employed. However, the opposite occurs. The Berkeley PLA policy has ended open, fair and competitive bidding on public works construction projects, and denied the vast majority of local contractors and small business owners the opportunity to bid on work in their city.

39. *Project Labor Agreements Work or the California Power Industry – and More, Industry Today, June 17, 2011.*

In the past 15 years, California has seen 53 power plants constructed using union labor, representing more than 30 million hours of labor and \$15 billion worth of work. This article argues that using PLA's can make it easier to obtain what private industry most desires: higher returns on investment. While the 53 California power plants built using union labor were completed on time and on budget, other non-PLA power projects have suffered multiple cost and time overruns, resulting in a cascading series of lawsuits and unpaid contractors and subcontractors.

40. *Project Labor Agreements: A Cost-Benefit Analysis for State and Local Governments, by the Building Construction Trades Department, American Federation of Labor (Congress of Industrial Organizations).*

This article asserts that the U.S. Construction industry is increasingly becoming characterized by companies willing to do work for bargain-basement prices, but they may not always deliver what they promise and often that results in more costs for communities as work needs to be corrected or repaired, and low-paid workers unduly place increasing burdens on our social services. This situation is likely to result in increased taxes and other costs being placed on individuals and small businesses.

It is argued that Project Labor Agreements assures that a community is working with only responsible companies who possess the proper business registrations, show past compliance with labor and safety laws, have relevant insurance coverage, and demonstrate prevailing wage compliance as well as apprenticeship and training participation. It is concluded the PLA's provide local communities with a cost-effective model to obtain quality work and jobsite efficiencies. PLA's also ensure a financial boost to the local tax base through the payment of reasonable wages and benefits. Further, they ensure a local pool of skilled and properly trained workers, along with structured pathways to career training for local residents.

41. *Bidding Under the Project Labor Agreement (Water System Improvement Program, San Francisco Public Utilities Commission), by Ardis Graham, Project Labor Agreement Administrator.*

The critical points associated with the Project Labor Agreement designed to serve the Water System Improvement Program in San Francisco are as follows:

- All construction workers will be paid prevailing wages as determined by the State of California. Benefits are the established labor-management vacation,

pension or other form of deferred compensation plan, apprenticeship, and health benefit funds for each hour worked.

- All general contractors and all sub-contractors must sign a letter of assent to the PLA.
- The City and County of San Francisco has a local workforce hiring goal of 50% of craft hours. The California Division of Apprenticeship Standards has a goal that one in five craft hours worked on the project are to be apprentices. Contractors on projects located in San Francisco should contact CityBuild to assist them in their good faith efforts to recruit and train disadvantaged San Franciscans and to further the indenture of such qualified residents into the Unions' recognized by apprenticeship programs.
- A non-signatory contractor may use up to seven of its "core" employees provided that the first worker hired comes from the union, second worker is "core", third worker comes from the union, fourth worker is "core", and so forth.
- Ten minute paid rest periods for every four hours of work.
- All contractors are required to comply with the uniform PLA substance abuse policy.
- Contractors are required to submit certified payrolls electronically using the Elation electronic certified payroll system.
- The successful general contractor and all subcontractors shall attend a pre-job conference with the SFPUC and the affected Building and Construction Trades Council prior to start of construction.

42. *Public Sector Labor Agreements: An Objective Overview, by the Building and Construction Trades Department, AFL-CIO and the National Constructors Association.*

This article refutes the allegations of the Associated General Contractors of America (AGC). The AGC contends that "public entities have no business in determining the labor policies of private contractors." The Building and Construction Trades Department argues that this statement misses the point. What public entities – like private project owners – are in fact determining are the policies they believe will best serve their own interests during the construction of their own projects.

A PLA is a special kind of collective bargaining agreement with two unique features: first, a pre-hire agreement, enabling employers to bid on jobs with full knowledge of what their employment costs will be, and assuring them a ready supply of skilled employees through the referral systems commonly found in these agreements and second, basic terms and conditions not only for a single employer but for all the contractors and subcontractors who will be operating at the project site. In 1959, both of these aspects of PLA's were endorsed by the Congress when it passed Sections 8(e) and 8(f) of the National Labor Relations Act (NLRA), reflecting the policies and practices long used on both privately and publicly-funded projects.

In 1993, the United States Supreme Court in *Building & Construction Trades Council, Etc., v. Associated Builders & Contractors of Mass/RI.*, 113 S. CT. 1190 – the "Boston

“Harbor” case, made clear that nothing in the NLRA precludes public entities, when acting as property owners, from utilizing these same policies on their own projects as do private owners. In fact, the Court found that allowing the states and their agencies to use PLA’s “promotes the legislative goals that animated the passage of sections 8(e) and 8(f) exceptions for the construction industry. Base upon broad policies applicable to the construction industry, the Court concluded that “to the extent that a private purchaser may choose a contractor based on that contractor’s willingness to enter into a pre-hire agreement, a public entity as purchaser should be permitted to do the same.”

In sum, project labor agreements for the construction of public works by federal, state, and local governments, have been used for at least six decades. In refutation of the AGC, these agreements are lawful, they exclude no one, and they offer a number of important benefits to public owners in the construction of their projects.

Interview with Dan Sloan, Coordinator of the PSA for San Diego Unified School District and Los Angeles Unified School District

The primary purpose of this section of the report is to summarize the key elements of the Project Stabilization Agreement that is in operation in the Los Angeles Unified School District. It is thought that since the PLA in the LAUSD has been in place for several years, the San Diego Unified School District could gain some valuable perspective from the Los Angeles experience. Another purpose of this section is to report the opinions of Mr. Dan Sloan of Parsons Constructors, Inc. related to the administration of Project Stabilization Agreements. Mr. Sloan coordinates PSAs for both the LAUSD and the SDUSD and can readily comment on the progress of the PSA contracts in both school districts.

The Los Angeles Unified School District is in the process of a \$19.2 billion school construction and renovation program designed to deliver new and modernized school facilities. The Los Angeles Unified School District’s construction program is currently one of the largest and most ambitious programs in the nation. Support is required from both the local contracting community and the local unions to accomplish the District’s goals of building new schools and improving existing facilities so as to provide sufficient facilities and technologies to educate the children within the District’s boundaries. As part of the District’s labor plan and strategy, the LAUSD Board of Education entered into a Project Stabilization Agreement (PSA) with local building and construction trade unions in 1999. The PSA was intended to ensure labor harmony on jobsites and provide a uniform labor relations framework for the various trades and unions during the project. Among the goals and objectives of the PSA are to prevent work stoppages or slowdowns, to encourage contracting with small businesses that reflect the diversity of Los Angeles, to hire local workers to the extent of a minimum of 50 percent local worker participation, to provide a sufficient supply of skilled craft persons and to establish a standardized grievance/dispute procedure when matters arise.

The start-up period for the PSA was relatively slow; so, in 2003, the LAUSD hired Parsons Constructors, Inc. to administer the PSA. Parsons put a team of administrators, workforce development, and outreach

professionals in place, and the PSA moved ahead quickly from that point. In its role as administrator of the PSA, Parsons assists and advises contractors and unions working under the PSA. Among the various programs offered by the LAUSD PSA are the following.

We Build Program – Los Angeles Unified School District

The “We Build” Program provides local District residents with an opportunity to enroll in a comprehensive, ten-week or 300 hour pre-apprenticeship training program offered at eight LAUSD Division of Adult & Career Education Occupational/Skills Centers. Upon completion, “We Build” graduates are competitively positioned for placement on an LAUSD construction project through project contractors and the trade unions. Mr. Sloan describes the “We Build” Program as workforce development for the construction industry and outlines the following stages for preparing local residents for these construction jobs.

1. Identify legitimate candidates who want a job in the construction trades
2. Create a system and infrastructure to match these candidates with a job. This is accomplished by nurturing a partnership between the LAUSD and preferred schools including adult education centers. The “We Build” pre-apprenticeship program is put into place when there are 10-30 students prepared to embark upon the 8-10 week, unpaid program. The Program may also be coordinated with such retailers as Home Depot. Students learn the basics of the construction industry including an introduction to the various trades and safety considerations.
3. Graduates of the pre-apprenticeship program are tracked by the District and assisted by the District in obtaining an apprenticeship and eventually becoming employed in the construction industry. The District makes every effort to get the candidate placed in a State approved apprenticeship program that is necessary for public works projects. The candidate chooses a specialty and is placed in a program that is union-based and sponsored. union participation, therefore, is very important so that the candidate will ultimately be accepted by the union as a tradesperson upon graduation.

Small Business Enterprise Participation Goal

In February 2003, the Board of Education established a 25% Small Business Enterprise (SBE) participation goal on all District contracts. The SBE goal is the guiding principle for the Small Business Program. The mission of the Small Business Program is to increase the pool of qualified firms competing for LAUSD bond-funded construction, architecture, engineering, and professional services contracts. This Program also provides small businesses with referral services to technical assistance, financial, bonding and insurance, and certification services that promote the long-term competitive capacity of SBE firms.

- **The Los Angeles Unified School District Small Business Boot Camp:** This is an eight week program that provides small contractors with the tools necessary to improve their competitive capacity through a comprehensive, hands-on curriculum. At the conclusion of the eight-week program, graduating small contractors will be ready to bid on LAUSD contracts, and will be well-prepared to pursue contracts with other public agencies. This Program serves to expand the District's pool of qualified contractors. The Small Business Boot Camp provides a curriculum on the following topics: bonding & certification, public contract law, principles of scheduling, bidding on LAUSD contracts, developing a safety plan, accessing capital, LAUSD contractor prequalification, labor compliance and the PSA, and Construction Safety and Health Outreach Program Training.
- **Contractor BondWorks Program:** This Program is intended to eliminate the barriers to bonding and working capital. Eligible contractors on LAUSD contracts are bonded for up to a maximum guarantee of 40% of bond or \$400,000, whichever is less, per contract, per contractor. Contractors also have access to contract financing guarantees of up to 50% of contract specific financing or \$200,000, whichever is less, to pay for materials, subcontractors, and labor costs associated with LAUSD contracts. Contractors may utilize a combination of bond and finance guarantees up to a maximum of \$400,000. The Contractors BondWorks Program serves Small Business Enterprise contractors who meet the following eligibility requirements: graduation from the Small Business Boot Camp, labor compliance training certificate, project stabilization agreement training certificate, and safety or contractor prequalification.
- **Contractor MoneyWorks:** This Program is designed to improve the financial literacy and capacity of small businesses to compete in the public sector. Topics include managing cash flow, improving credit worthiness, complying with state and federal tax requirements, optimizing business structure and preparing financial statements. It is critically important to train contractors in the area of financial responsibility so that they avoid bankruptcy or otherwise find themselves in serious financial difficulties. Contractors, who cannot complete their projects or who cannot pay their employees, are detrimental to the local economy.
- **Owner of Choice Program:** The Los Angeles Unified School District has adopted an "Owner of Choice Program" that involves a commitment from the District to deal with classic impediments to the contractor/owner relationship by holding the District's staff strictly accountable; also, the program supports prompt mediated resolution of disputes between general contractors and their subcontractors.

**Comments and Observations by Dan Sloan on the Project Stabilization Agreements
(Los Angeles Unified School District and San Diego Unified School District)**

As mentioned above, Dan Sloan of Parsons is the PSA Coordinator for the Los Angeles Unified School District and is also the coordinator for the PSA in the San Diego Unified School District. Rea & Parker

Research interviewed Mr. Sloan regarding the PSAs in both school districts. Relevant portions of that interview are presented below.

Mr. Sloan indicated that the primary benefits of the PSA are as follows:

- Construction jobs are very valuable to the local economy. The PSA is oriented toward developing local workers.
 - Most small contractors do not have a benefit plan. The PSA gives workers access to such benefit plans.
 - Small contractors have access to high quality union workers. These workers would not be available to them in the absence of a PSA.
1. There are several factors that deter potential contractors from bidding PSA projects in the San Diego Unified School District. Only contracts that are valued over one million dollars are eligible to be bid under the Project Stabilization Agreement. This is a “huge threshold” and small businesses may have philosophical and financial capacity objections to the PSA on this basis alone because there are few small business enterprises that would qualify for such large projects. By contrast, the LAUSD requires that all prime construction projects valued over \$175,000 be operated under the PSA and the PSA will cover all specialty sub-contractor projects that exceed \$20,000. This lower threshold seems to be a reasonable way to encourage small business participation in PSA projects. According to Mr. Sloan, the fundamental reason why contractors are less inclined to bid PSA projects in San Diego is that there are significant delays in paying contractors in San Diego (something that has been confirmed during interviews with SDUSD contractors by Rea & Parker Research), and there were too many unresolved disputes that arose over change orders and inspections.
 2. One of the challenges for the SDUSD is that there is not a great deal of money available for contractor outreach. There is some interest in bringing the “We Build” Program to San Diego but, in the current economy, that would be difficult. However, some type of Community Workforce Development Program for the construction industry is important in planning for the future. There is a need to find potential candidates, reach out to them, and train them for future jobs in an industry that is replete with workers who are growing older with few replacements.
 - Recruitment and training of new construction workers is crucial in the face of retiring senior workers in all areas of construction.
 - When the economy improves, it is important that construction jobs can be filled by local residents. This will serve to further improve the economy of local neighborhoods.
 3. In the current economic downturn, contractors in Los Angeles are much less selective regarding the projects they decide to bid on than they were in the past. In fact, there are many more

bidders on public construction projects than in previous years, and these bids are frequently below the engineer's estimated project cost. Also, staff is assigned exclusively to assist small contractors in bidding contracts and in helping to resolve disputes in the LAUSD. Maintaining this staff in this poor economic environment is problematic. The financial burden of maintaining such a staff in the SDUSD is even more challenging.

- It is noteworthy that in the past year, no Boot Camp in Los Angeles has been conducted. There were too few jobs for potential graduates.
4. According to Mr. Sloan, the most critical components of a "We Build" program are networking, education, and business outreach. These components are important both within and outside of the PSA.
 5. Regarding the PSA for the SDUSD, the requirement for local hires is unrealistically high. In the SDUSD PSA, the requirement is that 70% of project construction workers must reside within the SDUSD zip code list. The LAUSD requirement for local workers is 50%. Nationally, the typical requirement for local workers is 35%. According to Mr. Sloan, this SDUSD objective has "no teeth." It is not achievable and it feeds the enemies of the PSA. He wonders if a conscious decision was made not to have experienced negotiators involved in establishing the PSA.
 6. A more realistic objective would enhance the opportunity to recruit minorities and women to participate in various areas of the construction industry.
 7. Mr. Sloan indicated that the administration of the PSA in the SDUSD and in the LAUSD is conducted by a coordinated team comprised of employees of Parsons Constructors, Inc and School District staff. The administration of the PSA is comprised of the following components:
 - **Education:** Parsons is responsible for educating contractors and other relevant parties regarding the PSA agreement. Questions about the PSA from contractors are answered daily. This continuing educational process helps to maintain good relations between contractors and the School Districts.
 - **Dispute Resolution:** Representatives of Parsons administer/mediate disputes that arise between contractors and the School District through specific procedures provided in the PSA.
 - **Labor Relations:** Parsons maintains strong relationships with unions. Every effort is made by Parsons to gain the trust of the unions (locally and nationally) and this serves the best interest of the School Districts.
 - **Community Workforce Development:** This is an effort to reach out to contractors. Parsons and School District staff try to educate contractors regarding projects that are in the pipeline so that they will be prepared to bid on these projects.

**San Diego Unified School District:
Survey of Contractors and Sub-Contractors in San Diego
County**

Table of Contents for Survey Section of Report

	Page
Executive Summary	30
Introduction and Methodology	32
Sample Parameters	33
Survey Instrument and Organization of Report	37
Survey Findings	38
Respondent Characteristics and Overall Satisfaction with the San Diego Unified School District	38
Contractor Ratings that Compare Work and Bidding Experience Associated with the SDUSD with Similar Experience with Other Public Agencies	51
Informing Contractors about the Bidding Process	55
Providing Assistance to Small Business Enterprises to Encourage their Participation in the Bidding Process	61
Contractor Opinions Regarding Quotas for the Participation of Small Business Enterprises in Public Construction Projects	67
Conclusions	75
Endnote: Follow-Up Interviews	76
Appendix A: Survey Instrument	80
Appendix B: Frequency Distributions (including open-ended responses)	89

Executive Summary: Survey

In order to better understand how contractors view the project construction experience not only for projects sponsored by the San Diego Unified School District but also for projects sponsored by other public agencies, the San Diego Unified School District (SDUSD) has elected to conduct a statistically reliable telephone survey depicting contractor experience in working and/or bidding on projects for public agencies in San Diego County. The survey also seeks to find out how prime contractors as well as public agencies, including SDUSD, can assist Small Business Enterprises (SBEs) during the bidding process and once the project is underway. Rea & Parker Research was selected to conduct this study.

Sample

The survey was conducted by a random telephone sample of 400 San Diego County contractors. This sample size yields a margin of error of +/- 4.7 percent @ 95 percent confidence. The total contractor population from which the sample was drawn numbered 5,266.

Over one-half (225) of the sampled contractors have worked on public projects for the San Diego Unified School District as well as on projects for other public agencies and 44 contractors have worked on public projects for agencies other than SDUSD.

Survey Findings

Respondent Characteristics and Overall Satisfaction with the San Diego Unified School District

- Over three-quarters (78 percent) of the sample contractors are a non-union shop with 14 percent representing a union shop and 8 percent operating both union and non-union shops.
- One-half of the contractors are at least one category of DBE (Diverse Business Enterprise). Among these DBEs, minority contractors are largely Latino (69 percent) followed by African-American (15 percent).
- Contractors that have worked for the SDUSD are less likely to be DBEs than are those who have worked for agencies other than the SDUSD.
- Nearly three-fifths (57 percent) of the sampled contractors are familiar with PSAs. Over two-fifths (41 percent) of those, who are familiar with PSAs, have worked on a PSA for the San Diego Unified School District.
- Contractors rated their overall experience in working with the SDUSD at 2.43 on a scale of 1 = very good experience and 5 = very poor experience. This corresponds to an above-the-midpoint rating of "good." The highest ratings were given for ease of complying with insurance requirements (1.85) and obtaining required bonding (1.87). The lowest rating was given for obtaining change orders (2.84 among prime contractors only). Ratings for working with SDUSD

were particularly high among non-SBEs (1.81), union contractors (2.03) and minority-owned businesses (2.15).

Contractor Ratings that Compare Work and Bidding Experience Associated with the SDUSD with Similar Experience Associated with Other Public Agencies

- Two-thirds (67 percent) of contractors that have worked or bid both SDUSD and other public agency projects indicate that they spend about the same amount of time preparing a bid for the SDUSD as they do for other public agencies.. Three-fifths (60 percent) feel that SDUSD has about the same projected profit margin as do other agencies. Nearly three-fifths (58 percent) believe that SDUSD has about the same projected project cost as other agencies.
- Most of the remaining contractors (between one-fourth and two-fifths) indicated that SDUSD is associated with more bidding time, lower profit margins, and higher projected costs than are other agencies. It is also to be noted that 25 percent think that SDUSD has higher construction standards than other public agencies (71 percent find them to be the same), and among those contractors that have worked for both SDUSD and other public agencies, over four-fifths (81 percent) indicated that the repairs made on SDUSD projects is the same as for other agencies, and 11 percent think that SDUSD projects entail fewer repairs.
- A majority of contractors receive their notification of bidding opportunities by e-mail (38 percent) or fax (18 percent).
- The pattern is quite different for contractors who did not bid on SDUSD projects or on any other public projects. Nearly three-fifths (57 percent) say that they received no notification whatsoever about SDUSD bidding opportunities.
- Contractors indicate that the most important way that they could be informed by public agencies is through e-mails.

Providing Assistance to Small Business Enterprises to Encourage their Participation in the Bidding Process

- Based upon all sample contractors, the most important way to motivate small businesses to participate in the bidding process is through reduced price bonding (mean of 1.92 – based upon a scale of 1 to 5, where 1 = very important and 5 = not important at all).
- The least important way to motivate small business enterprises (SBEs) to participate is helping with technical components of the bid (mean of 2.48).
- Interestingly, in almost every situation presented in the survey, non-SBE contractors find the potential motivators of subcontractor participation to be more important than do SBE contractors. These differences are particularly apparent in the areas of helping with paperwork (non-SBE – mean of 2.18 versus SBE – mean of 2.48) and help with understanding prevailing wages (non-SBE – mean of 1.87 versus SBE – mean of 2.21).
- Over three-fifths (61 percent) report that SDUSD and other public agencies are about the same in terms of finding subcontractors and suppliers during the bidding process. However, it is noteworthy that over one-quarter (28 percent) feel that it is more difficult to find

subcontractors and suppliers when the SDUSD is the agency soliciting bids as opposed to other public agencies.

- About two-thirds (66 percent) of all sample contractors favor a minimum quota for SBE participation in public construction projects.
- Contractors that are certified SBEs are much more in favor of SBE quotas than are contractors that are not SBEs (Certified SBE – 76 percent versus Non-SBE – 47 percent).
- Contractors that are non-union shops are strongly in favor of SBE quotas (68 percent favor). On the other hand, less than one-half (49 percent) of union shop contractors favor SBE quotas.
- Among contractors who favor SBE quotas, nearly three-fifths (58 percent) support a quota in excess of 20 percent.
- Contractors that are non-union show a high level of support for this quota level (81 percent favor a quota of 15 percent or more). However, contractors that are solely union shops, report much less support for this quota level. Specifically, only 54 percent favor a quota level of 15 percent or more.
- Over three-fifths (61 percent) of all sample contractors support a point system whereby prime contractors would earn points that would enhance their relative position in the competitive bidding process by assisting SBEs. Certified SBE contractors are much more in favor of a point system that would assist SBEs than are non-SBE contractors (Certified SBE – 67 percent versus Non-SBE – 52 percent).
- Nearly three-fourths (73 percent) of contractors who are both a union shop and a non-union shop favor a point system for assisting SBEs. Non-union shop contractors (61 percent) are slightly more inclined toward supporting this point system than are union shop contractors (55 percent).

Conclusions

This survey of contractors and their opinions about public works projects, especially for the San Diego Unified School District, has revealed a number of findings that can help the District in the future. In particular,

- Contracting with SDUSD is rated as a “good” experience by contractors, but it is seen as being a more favorable experience by larger, union contractors and minority-owned businesses than it is by smaller, non-union, women-owned businesses. This provides a target population for SDUSD to address in its outreach programs.
- An important minority of contractors (between one-fourth and two-fifths) indicated that SDUSD is associated with more bidding time, lower profit margins, and higher projected costs than are other agencies. It is also to be noted that 25 percent think that SDUSD has higher construction standards than do these other public agencies. This is not to say that SDUSD should lower its standards in order to reduce the bidding time and cost. It is, however, to say that SDUSD can use the importance of these standards in the education environment to educate contractors.
- SBEs need help in obtaining bonding and meeting their insurance requirements much more than they feel that they need technical or administrative aid. SBE quotas and/or a point system to encourage SBE participation have widespread support among contractors.

Introduction and Methodology

The San Diego Unified School District serves nearly 132,000 students in pre-school through grade 12 and is the second largest school district in California. The student population is quite diverse, representing more than 15 ethnic groups and more than 60 languages and dialects. Since its founding in 1854, the District has grown from a small, rented school building with one teacher to its current state – more than 225 educational facilities with 15,924 full-time equivalent employees. More than 6,600 teachers are in the classrooms at the district’s various educational facilities, which include 107 traditional elementary schools, 11 Kindergarten-through-8th grade schools, 24 traditional middle schools, 28 high schools, 45 charter schools, and 13 alternative schools.

The San Diego Unified School District has declared its commitment to the design and construction of clean, safe, and environmentally friendly facilities that encourage successful teaching and learning. The District believes that a positive physical environment of a school is linked to better attendance, improved test scores, and reduced disciplinary problems. In order to implement this philosophy, the San Diego Unified School District, through its Division of Facilities Planning and Construction, manages the implementation of a \$2.1 billion bond program that has its roots in Proposition S—a 2008 ballot measure that was passed by almost 70 percent of the voting public.

Facilities Planning and Construction manages two types of projects: (1) Capital facilities bond projects, which are typically large and complex, and funded by general obligation bonds approved by the San Diego voters, and (2) Physical Planning Operations facility improvement projects, which are typically smaller and include repair/replacement work. The services within Facilities and Planning are strategic planning, project management (including the design phase), construction management, business outreach, contracts compliance (post award), labor compliance, program management and implementation of the District’s Project Stabilization Agreement for Proposition S. The Project Stabilization Agreement (PSA) is a legally binding contract between San Diego Unified School District (SDUSD), San Diego Building & Construction Trades Council and Southwest Regional Council of Carpenters that went into effect in October 2009. The PSA is designed to ensure a sufficient supply of skilled craft workers and eliminate work disruptions on Proposition S projects, which are those with contract prices in excess of \$1 million. The PSA contains sections describing the process for referral &

hiring of journeyman workers and apprentices, for resolving disputes, and for promoting local hiring – especially workers living within SDUSD boundaries. Union workers are given hiring preferences after the contractor designates his/her core workers, who need not be union members, but union rules, benefits, and dues apply to all workers on PSA projects. Small business contractors also are given preferences in working as contractors and/or sub-contractors on all SDUSD projects, PSA projects.

In order to better understand how contractors view the project construction experience not only for projects sponsored by the SDUSD but also for projects sponsored by other public agencies and not only for PSA projects but for all SDUSD construction work, the District has elected to conduct a statistically reliable telephone survey depicting contractor experience in working and/or bidding on projects for public agencies in San Diego County. The survey also seeks to find out how prime contractors as well as public agencies can assist Small Business Enterprises (SBEs) during the bidding process and once the project is underway.

Rea & Parker Research was selected to conduct this study. The specific purpose of this survey is as follows:

- To assess contractors' overall experience in working on construction projects for the SDUSD including such issues as understanding project plans and specifications, obtaining required bonding, complying with prevailing wage requirements, administrative requirements, obtaining progress payments, finding employees who live in targeted zip codes, and the amount of time required and/or difficulties encountered in preparing bids, among others.
- To assess and compare the experiences of contractors who have worked and bid on projects for the SDUSD as well as for other public agencies regarding such issues as projected project cost, profit margin, and construction standards, among others.
- To assess and compare the ways SDUSD and other public agencies make bidding opportunities known to contractors.
- To identify ways to encourage and increase SBE participation in SDUSD construction projects.

Sample Parameters

The survey was conducted by a random telephone sample of 400 San Diego County contractors. Interviewers asked to speak with a person who represents the company by following the script below.

We are conducting a research study on behalf of the San Diego Unified School District that is intended to help the District better serve the contracting community. The results of the study will be made available to the public after they are presented to the School

District. The questions are about decision-making and experiences with large scale construction projects. The interview takes between 5 and 10 minutes, your responses are completely confidential and all results will be reported in summarized form only.

Are you the best person to answer questions on behalf of your company?

This sample size of 400 secures a margin of error of +/- 4.7 percent @ 95 percent confidence. This figure represents the widest interval that occurs when the survey question represents an approximate 50 percent-50 percent proportion of the sample. When it is not 50 percent-50 percent, the interval is somewhat smaller. For example, in the survey findings that follow, 58 percent of respondents indicate that their company is certified as a Small Business Enterprise. This means that there is a 95 percent chance that the true proportion of the total population of contractors who are certified as SBEs is between 53.3 percent and 62.7 percent (58 percent +/- 4.7 percent). It is noteworthy that the survey's target population was directed toward small businesses, which, as indicated above, are a key population objective of this study. This was done by limiting non-Class C contractors to a maximum of 50 participants. By emphasizing Class C contractors, small business representation in the survey sample was enhanced. California license contractor classifications are as follows:

- (A) General Engineering Contractor
- (B) General Building Contractor
- (C) Specialty Contractor

Three lists of San Diego County contractors comprised the base from which the sample was drawn. One list was provided by the San Diego Unified School District and the second list was provided by Gafcon. Gafcon is one of Southern California's most respected construction consulting and construction management firms with over 100 employees and offices in San Diego, Los Angeles and Orange County. These two lists included a total of 4,180 contractors, 914 of which were found to be duplicative. Thus, the net number of contractors in these two lists is 3,266. A third list was purchased from Scientific Telephone Sampling and 2000 contractors who did not appear on either of the first two lists were added to the contractor population base. Therefore, the total contractor population from which the sample was drawn numbered 5,266.

Survey respondents were screened to exclude those contractors who have not conducted business in San Diego County for at least one year. If respondents asked about the purpose of the project, they were told that “This study is designed to help the School District understand the opinions of construction firm owners about issues related to bidding and working on public works projects.”

Charts 1 and 2 contain basic descriptive information about the sample respondents. **Chart 1** shows that the dominant type of contractor license held by the sample contractors is the Class C license (356 licenses) followed by Class B (110 licenses). Class A (71 licenses) is held by the fewest number of contractors. Inasmuch as contractors were permitted to identify all of their license classifications, the sum of these license classifications exceeds 400. The 356 Class C contractors, however, indicates that only 44 contractors did not hold Class C licenses.

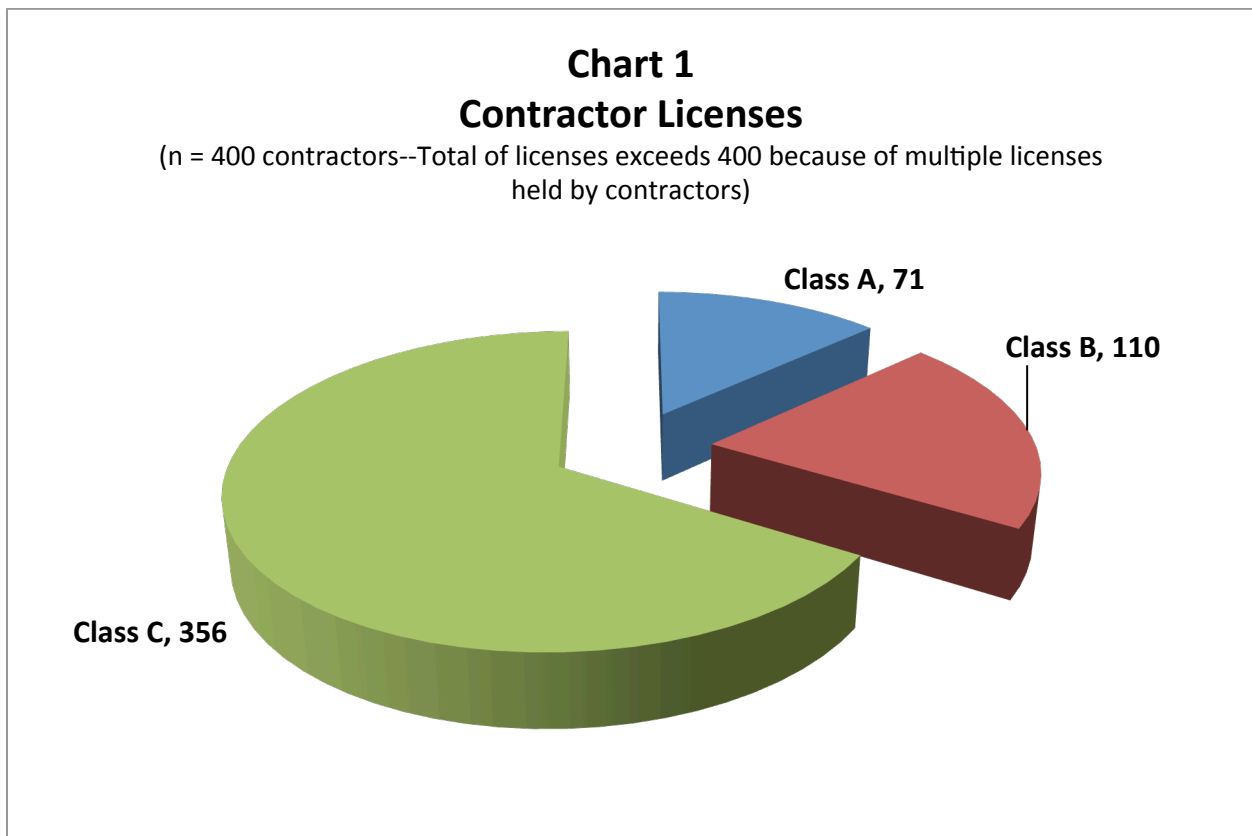
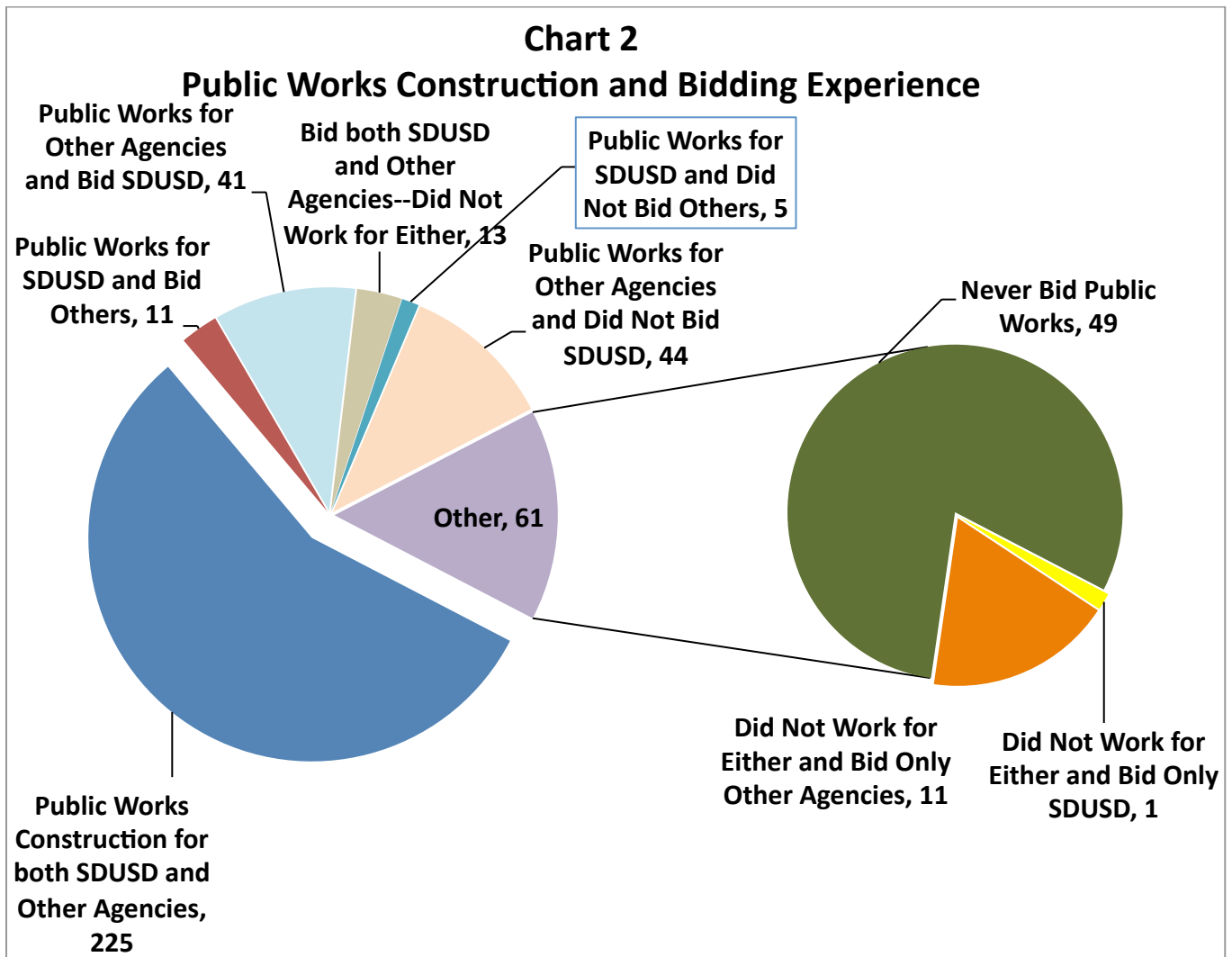


Chart 2 shows that over one-half (225 contractors = 56 percent) of the sample contractors have worked on public projects for the San Diego Unified School District as well as on projects for other public agencies. Another 44 contractors (11 percent) have worked on public projects for agencies other than SDUSD but have never bid on a project sponsored by the SDUSD. Lastly, 49 contractors in the sample (12 percent) have never bid on a public works contract at all.

The survey was conducted between August 23, 2011 and September 6, 2011. Among contractors actually contacted in-person, there was a 30 percent rate of participation. The other 70 percent simply refused, declared themselves to be too busy, or were not there and did not respond to follow up calls. In addition, messages were left on more than 800 answer machines and general company voice mails, and there were more than 400 wrong numbers or no answers at all.

Survey Instrument and Organization of Report

The survey instrument contained 66 individual survey items (variables). A copy of the survey questionnaire is contained in the Appendix.



The report is divided into five essential information components as follows:

- Respondent Characteristics and Overall Satisfaction with the San Diego Unified School District
- Contractor Ratings that Compare Work and Bidding Experience Associated with the SDUSD with Similar Experience with Other Public Agencies.
- Informing Contractors about the Bidding Process
- Providing Assistance to Small Business Enterprises to Encourage their Participation in the Bidding Process.
- Contractor Opinions Regarding Quotas for the Participation of Small Business Enterprises in Public Construction Projects.

Each section of the report will begin with a very brief abstract, or summary of highlights within the ensuing section, in order to orient the reader to what is to follow.

Charts have been prepared for each of these major components depicting the basic survey results. Subgroup analyses for the following contractor groups are provided where appropriate: contractors who bid both SDUSD projects **and** the projects of other public agencies, contractors who bid only SDUSD projects **or** the projects of other public agencies, and contractors who bid neither SDUSD projects nor the projects of other public agencies. Also, analyses by union affiliation and SBE certification are provided where such analyses are relevant. Lists of open-ended responses to survey questions are contained in the Appendix. These open-ended responses are summarized, however, in the body of the report.

Survey Findings

Respondent Characteristics and Overall Satisfaction with the San Diego Unified School District

SUMMARY: Sample contractors have been in business in San Diego County for a considerable period of time. The median period of time is 19 years with more than half (53 percent) in business for 20 years or more. Nearly three-fifths (58 percent) are certified as Small Business Enterprises. More than one-half (52 percent) of all sample contractors are subcontractors only, 13 percent are prime contractors, and over one-third (35 percent) are both prime and subcontractors. Over three-quarters (78 percent) of the sample contractors are non-union shops with only 14 percent representing a union shop and 8 percent being having union and non-union operations. The median gross annual revenue for all sampled contractors is \$1.5 million, with union contractors demonstrating substantially higher revenues than non-union contractors.

One-half of the contractors are at least one category of DBE (Diverse Business Enterprise). Minority contractors are largely Latino (69 percent) followed by African-American (15 percent). Contractors who have worked for the SDUSD are less likely to be a DBE than are those who have worked for agencies other than the SDUSD. Nearly three-fifths (57 percent) of the sample contractors are familiar

with the District's PSA. Over two-fifths (41 percent) of those who are so familiar have worked on a PSA project for the San Diego Unified School District.

Contractors rated their overall experience in working with the SDUSD on a scale of 1 to 5 (where 1 = very good experience and 5 = very poor experience) at 2.43, which is above the midpoint rating of 3 and can be considered to be a rating of "good". The highest ratings were given for ease of complying with insurance requirements (1.85) and obtaining required bonding (1.87). The lowest rating was given for obtaining change orders, which was asked only of prime contractors (2.84). Ratings for working with SDUSD were particularly high among non-SBEs (1.81), union contractors (2.03) and minority-owned businesses (2.15).

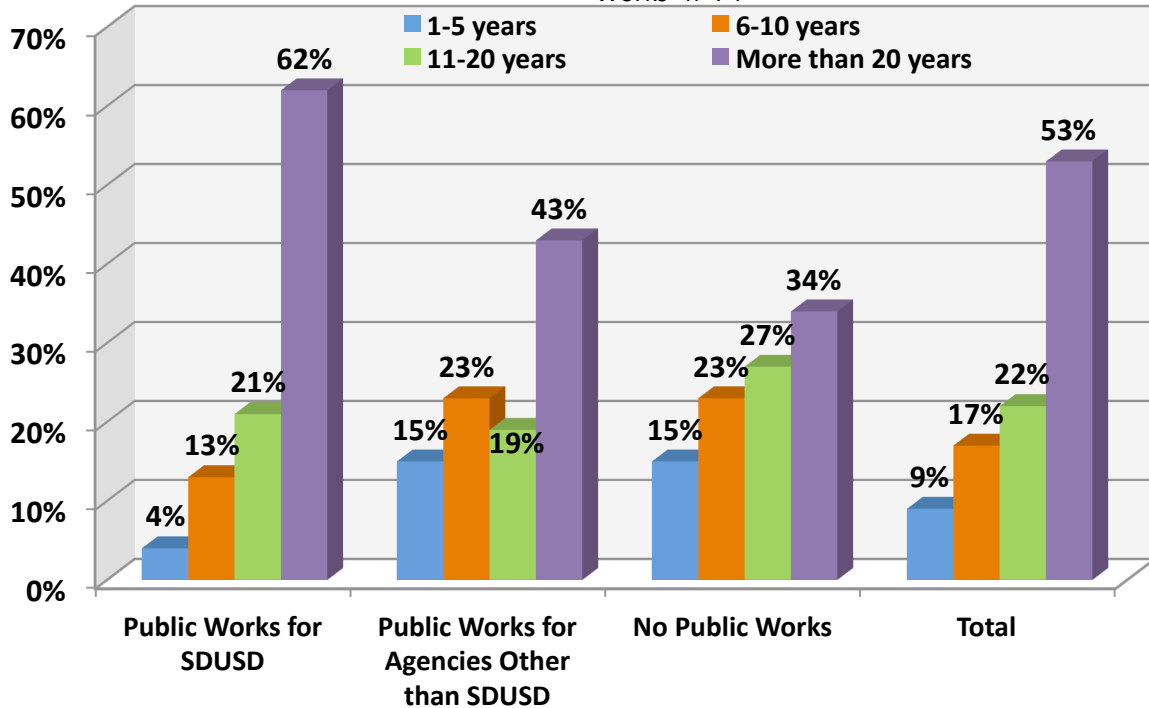
Charts 3-13 depict the characteristics of the sample contractors. Each characteristic is reported according to 4 categories of the sample population:

- Contractors who have worked on public works/construction projects for the SDUSD (n = 241).
- Contractors who have worked on public works/construction projects for agencies other than the SDUSD (n = 85).
- Contractors who have not worked on any public works/construction projects (n = 74).
- All sample contractors (n = 400)

Chart 3 shows the sample contractors have been in business in San Diego County for a considerable period of time. The median period of time is 19 years with more than half (53 percent) in business for 20 years or more. Contractors who have worked on projects for the SDUSD have somewhat more longevity in San Diego County than the contractors as a whole with over three-fifths (62 percent) indicating that they were in business in San Diego County for 20 years or more. Contractors who have worked for agencies other than the SDUSD and those who have no public works experience have been in business in San Diego County for a shorter period of time – medians of 16 and 14 years respectively.

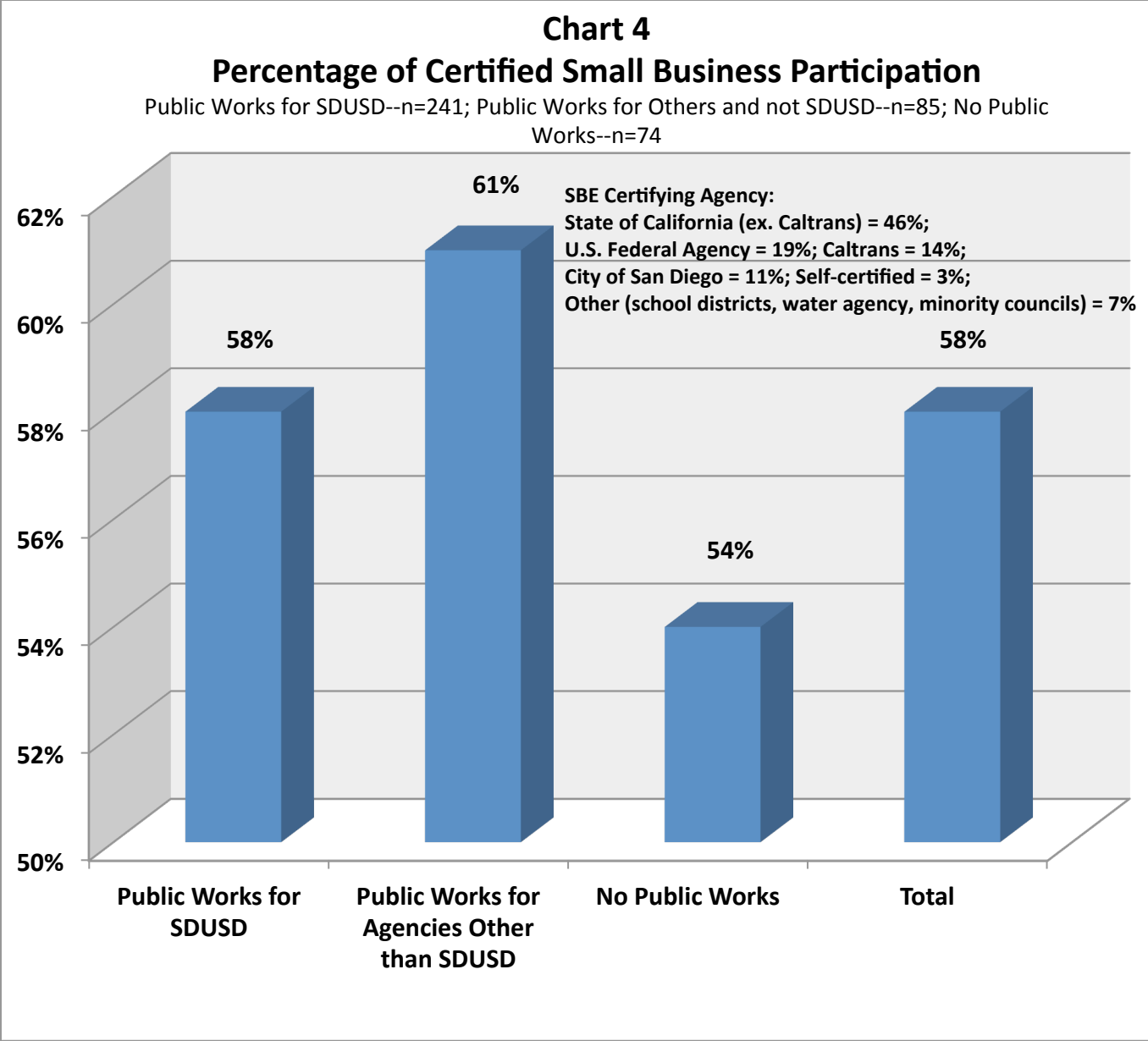
Chart 3 Length of Time Contractor Has Been in Business in San Diego County

Public Works for SDUSD--n=241; Public Works for Others and not SDUSD--n=85; No Public Works--n=74

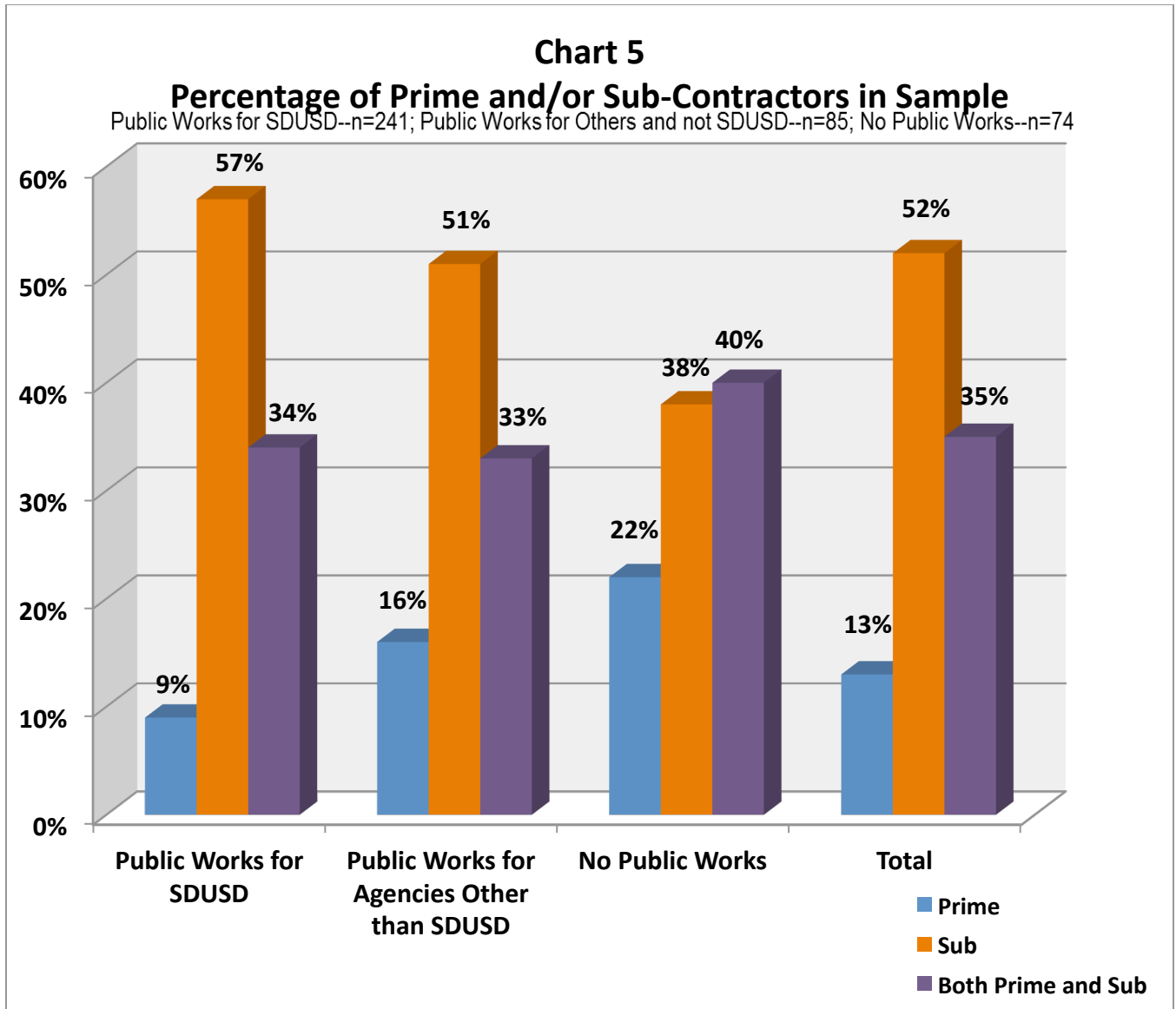


Median years in SD County = 19 years for total sample; more than 20 years for SDUSD construction contractors; 16 years for Other Agencies' contractors; and 14 years for contractors who have no public works experience

Chart 4 demonstrates that nearly three-fifths (58 percent) of the contractors who participated in the survey are certified as small business enterprises. This level of certification is similar across the three contractor groups with contractors who have worked on public projects for agencies other than the SDUSD slightly higher (61 percent) than the overall and contractors who have no experience working for public projects slightly lower (54 percent). Nearly one-half (46 percent) of the small business enterprises were certified by an agency of the State of California (e.g. CALTRANS) and another 19 percent were certified by a U.S. Federal agency.



According to **Chart 5**, more than half (52 percent) of all sample contractors are subcontractors only, 13 percent are prime contractors, and over one-third (35 percent) are both prime and subcontractors. Contractors, who worked on projects for the SDUSD as well as those who worked on public projects for agencies other than the SDUSD, mirror this overall pattern with minor variation. However, for contractors who never worked on a public project, 38 percent are subcontractors only (14 percent less than the overall percentage for subcontractors) and 22 percent are prime contractors only (9 percent more than the overall percentage of prime contractors).



Contractors are predominantly non-union shops – over three-fourths (78 percent). By contrast, only 14 percent of all contractors represent an exclusively union shop workplace, with 8 percent having both union and non-union operations. This pattern is fairly consistent for contractors who worked on projects for the SDUSD as well as for those who worked on public projects for agencies other than the SDUSD. Among contractors who have not worked on any public works projects, over 9 out of 10 contractors (92 percent) represent a non-union shop – 14 percent more than the overall percentage. Only 3 percent are a union shop – 11 percent less than the overall, with 5 percent both union and non-union (Chart 6).

Chart 6 Percentage Union/Non-Union Participation in Public Works

Public Works for SDUSD--n=241; Public Works for Others and not SDUSD--n=85; No Public Works--n=74

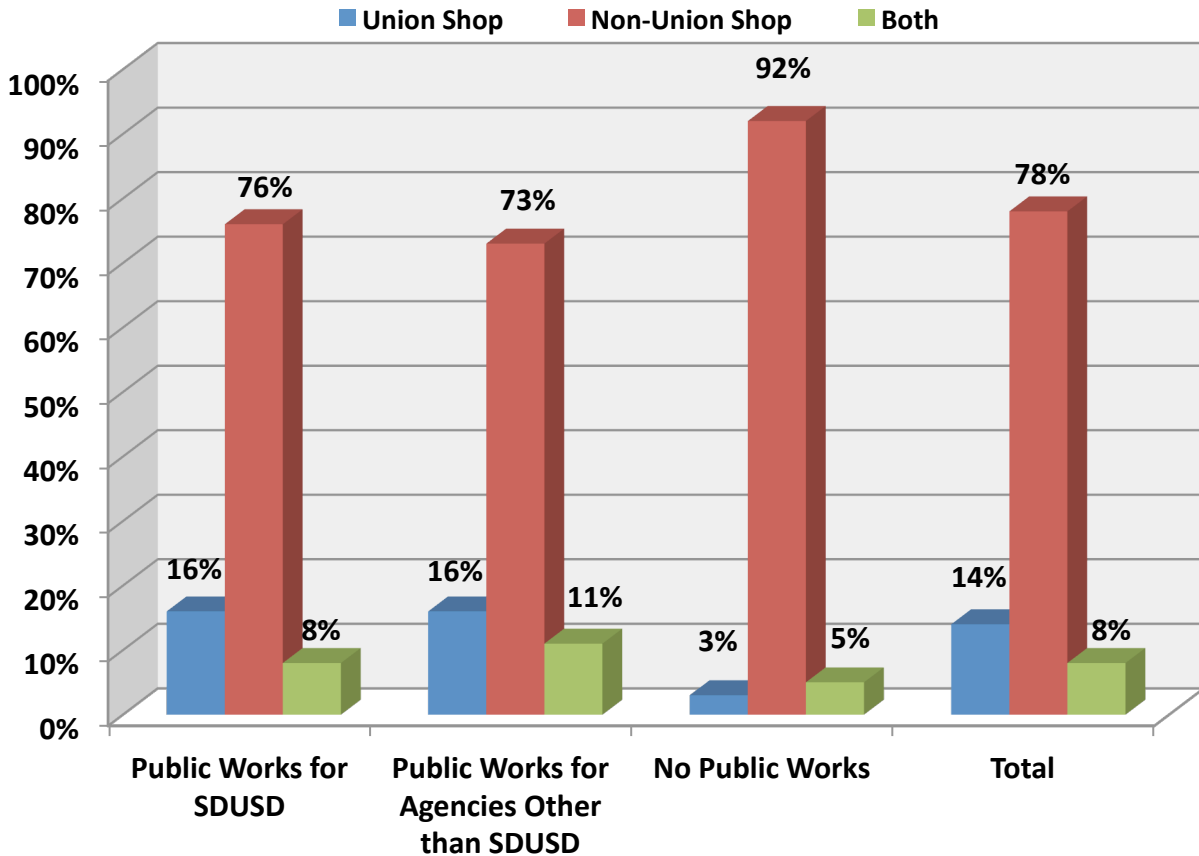
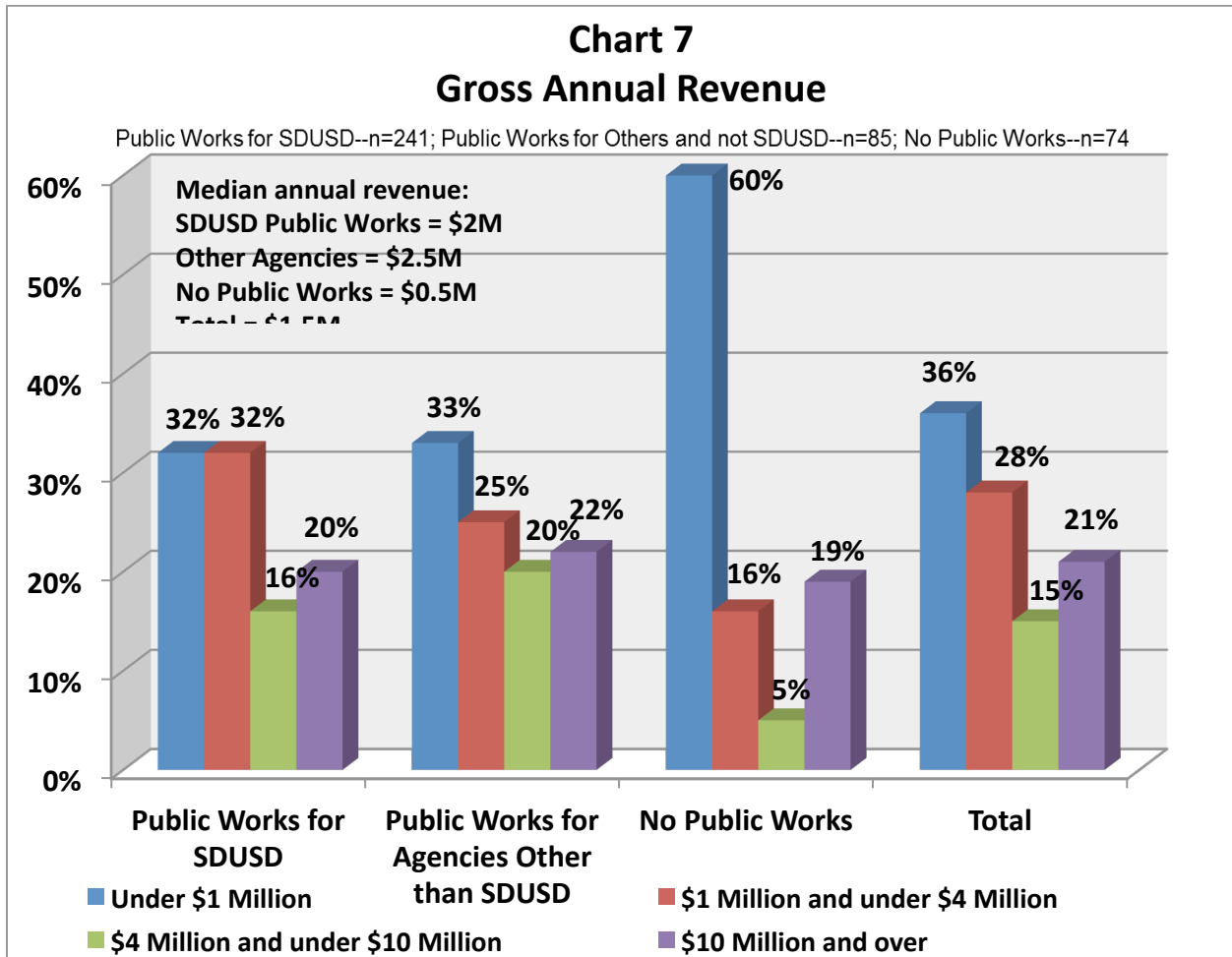


Chart 7 shows the gross annual revenues reported by the sample contactors. The median annual revenue for all contractors is \$1.5 million. The median gross revenue for contractors who worked for the SDUSD (\$2 million) and for those who worked on public projects for agencies other than the SDUSD (\$2.5 million) exceeds the overall median. Contractors, who have no experience working on public works projects, have median annual gross revenues of \$0.5 million (\$500,000) – a considerably lower figure than the overall median. The following points about annual gross revenue are noteworthy:

- Over one-fifth (21 percent) of all sample contractors report gross annual revenues of \$10 million or more. This is consistent with the three groups of contractors: public works for SDUSD (20

percent), public works for agencies other than SDUSD (22 percent), and no public works (19 percent).

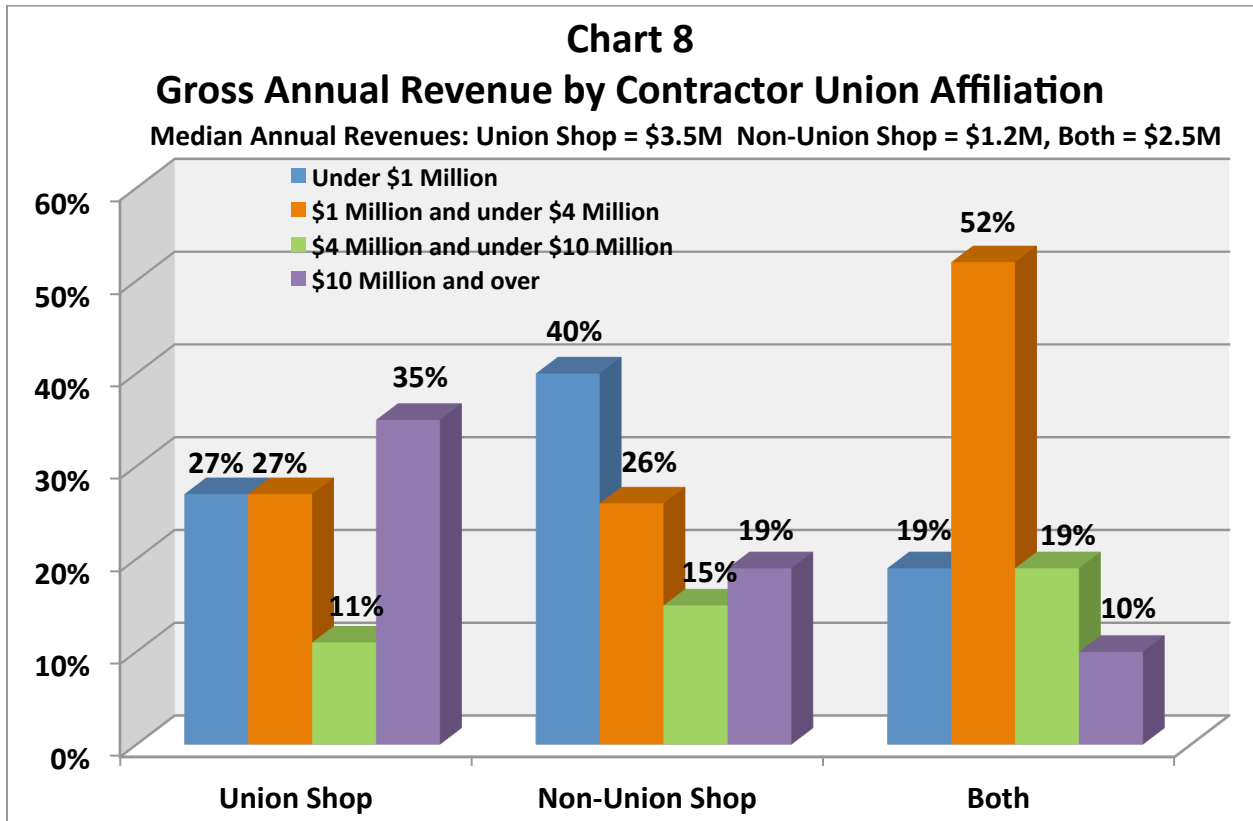
- The most notable difference in annual gross revenue occurs between contractors with no public construction experience and the two contractor groups who have such experience. For example, three-fifths (60 percent) of contractors with no public works experience report an annual gross revenue of under \$1 million, while approximately one-third of contractors within the other two groups report this relatively low level of annual gross revenue (32 percent for public works for SDSUD and 33 percent for public works for agencies other than SDUSD).



Contractors, who are exclusively a union-shop, report higher gross annual revenue than do contractors who are exclusively a non-union shop. Union shop: \$3.5 million; Non-union shop: \$1.2 million; both union and non-union: \$2.5 million. According to **Chart 8**, the following points are also notable:

- Two-fifths (40 percent) of non-union shop contractors report a gross annual revenue under \$1 million, while 27 percent of union shop contractors report revenues in this lower range.

- Over one-third (35 percent) of union-shop contractors report gross annual revenues over \$10 million while less than one-fifth (19 percent) of non-union shop contractors report revenues in this higher range.
- Only one-tenth (10 percent) of contractors, who are union and non-union shops, report gross annual revenues of over \$10 million. This percentage is considerably less than the percentage in this high range for exclusively union-shop contractors (35 percent) and for exclusively non-union-shop contractors (19 percent).



As shown in **Chart 9**, one-half (50 percent) of all sample contractors represent at least one category of a diverse business enterprise (DBE). Minority contractors are largely Latino (69 percent) followed by African-American (15 percent). The following points also derive from **Chart 9**:

- Contractors who have worked for the SDUSD are less likely to be a DBE (all diverse categories) than are those who have worked for agencies other than the SDUSD.
 - Over one-third (35 percent) of contractors who worked for agencies other than SDUSD (35 percent) are minority-owned while 20 percent of SDUSD contractors are minority owned.
 - One-fifth (20 percent) of contractors who worked for agencies other than the SDUSD are veteran-owned while 12 percent of SDUSD contractors are veteran-owned.

- Over one quarter (28 percent) of contractors who worked for agencies other than SDUSD is woman-owned while 20 percent of SDUSD contractors are woman-owned.

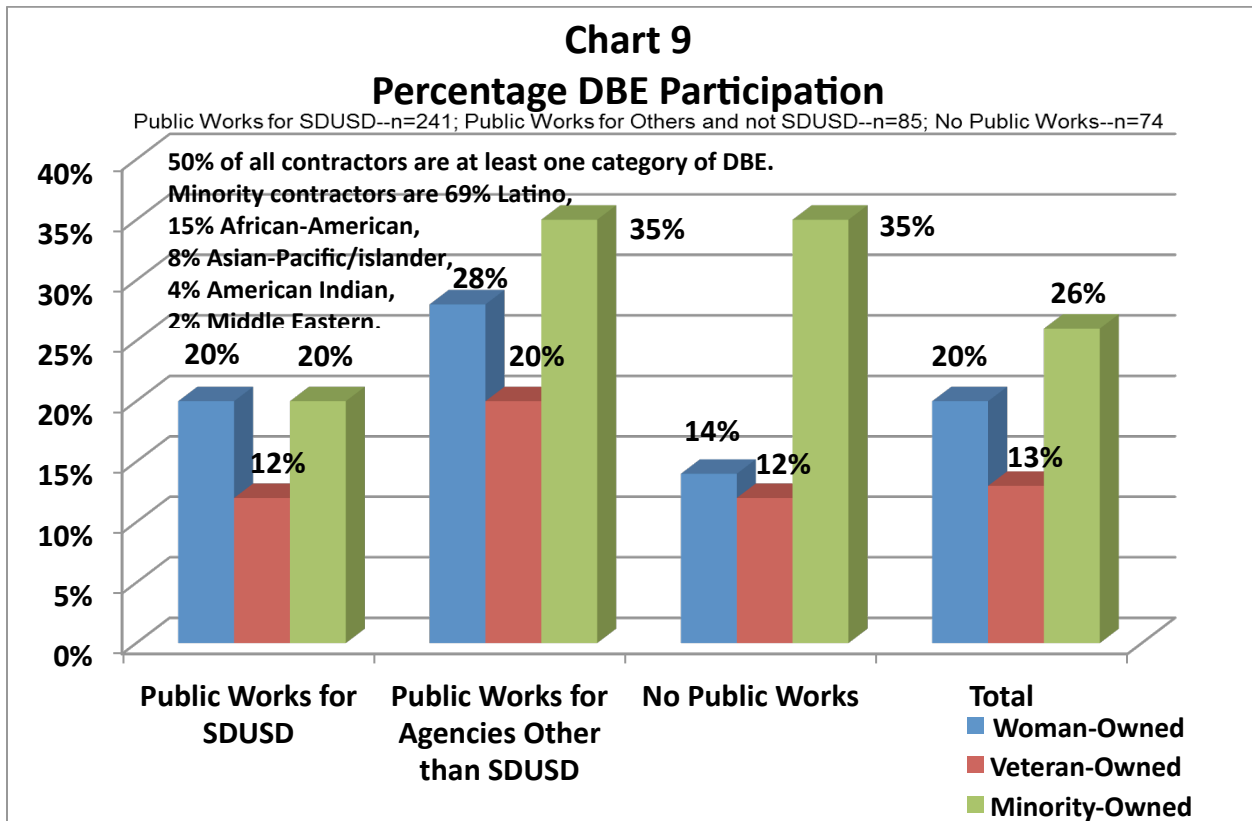


Chart 10 demonstrates that DBE contractors are dominantly non-union shops. Specifically, more than 8 out of 10 (81 percent) of minority contractors are non-union shops and the same is true of veteran-owned contractors. Regarding woman-owned businesses, 71 percent are non-union shops and the percentage of woman-owned businesses that are union-shops (14 percent) is slightly higher than veteran-owned businesses (11 percent) and minority owned businesses (10 percent) that are union shops.

Charts 11-13 address Project Stabilization Agreements. **Chart 11** shows that nearly three-fifths (57 percent) of the sample contractors are familiar with the PSA. This chart also shows that two-thirds (66 percent) of contractors who have worked for the SDUSD are familiar with the PLA. Over two-fifths (41 percent) of the contractors who are familiar with PSAs have worked on an SDUSD PLA project. By contrast, only one-quarter (24 percent) of contractors who have no public construction experience are familiar with the PSA.

Chart 10
DBE Contractors' Union Affiliation

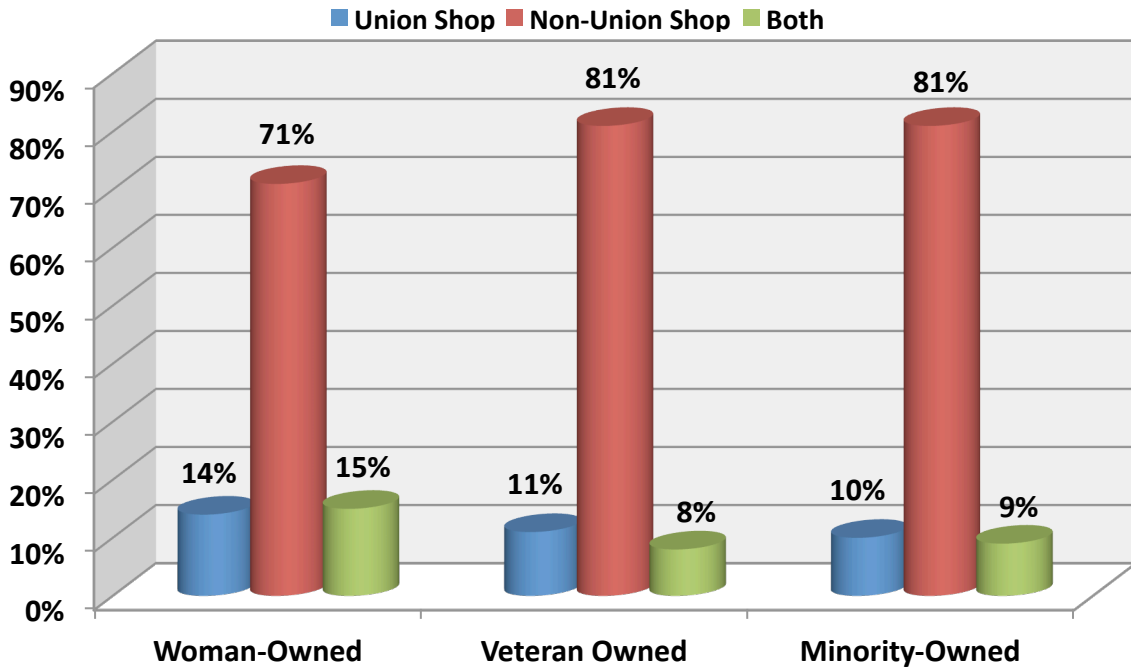
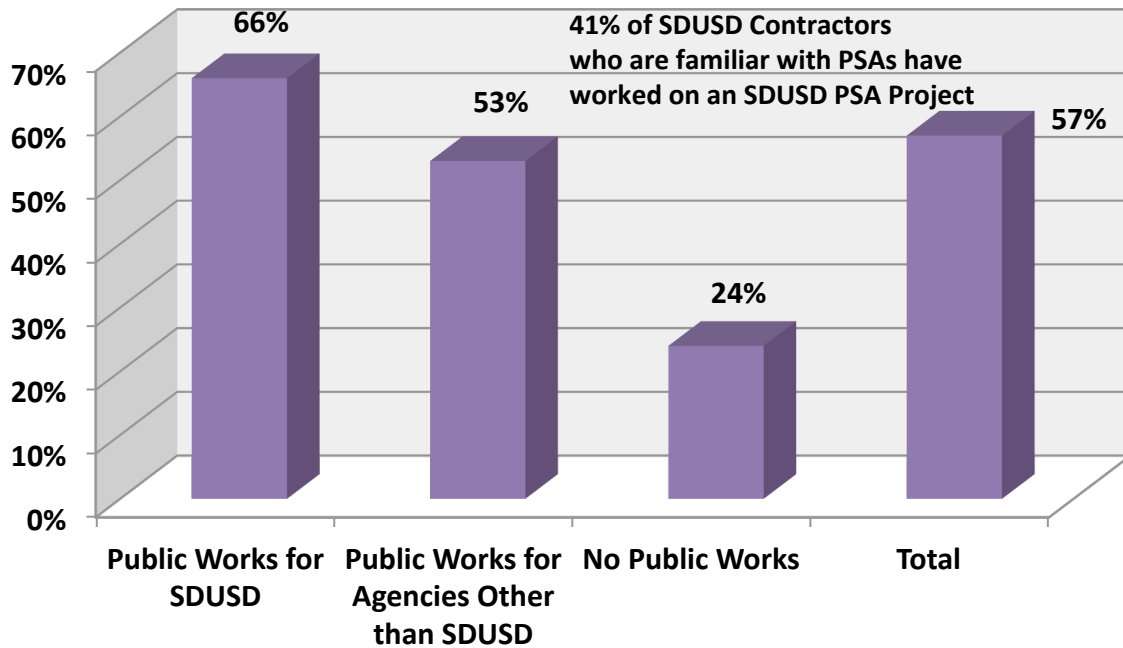
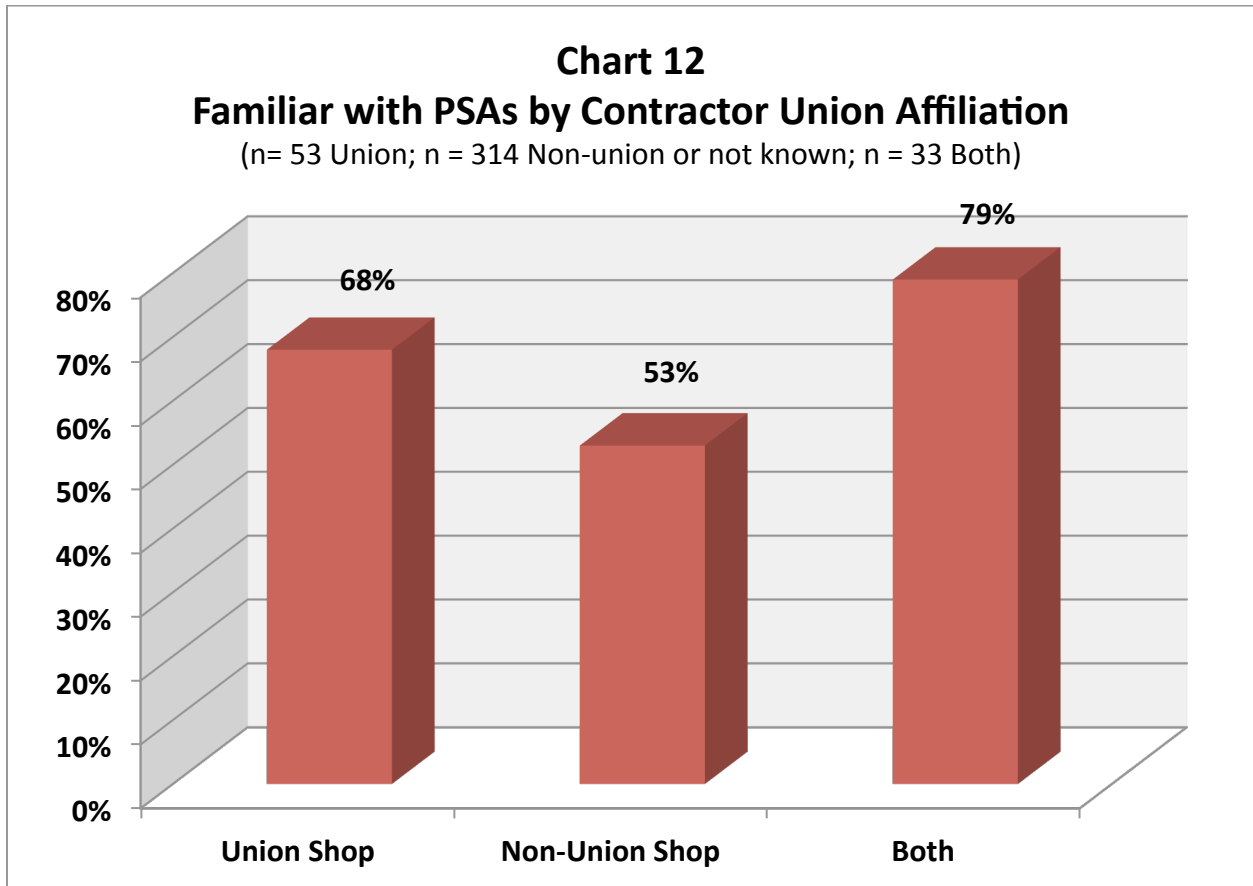


Chart 11
Familiar with PLAs/PSAs

Public Works for SDUSD--n=241; Public Works for Others and not SDUSD--n=85; No Public Works--n=74



Contractors who are familiar with the PSA are more likely to be union shops as opposed to a non-union shop (68 percent – union shop versus 53 percent – non-union shop). Contractor familiarity with the PSA increases substantially when the contractor represents both a union-shop as well as a non-union-shop. Specifically, nearly four-fifths (79 percent) of contractors who are familiar with the PSA are associated with both a union and non-union affiliation (**Chart 12**).



Contractors who worked on an SDUSD PSA project are more likely to be union-shops (more than one-half – 53 percent); approximately two fifths (42 percent) of contractors who represent both union and non-union operations have worked on PSAs for SDUSD; less than one-fourth (23 percent) of exclusively non-union shops have worked on SDUSD PSAs (**Chart 13**).

The ratings in **Chart 14** apply only to contractors who have worked on a public works project for the SDUSD. These ratings are based on a scale of 1 to 5, where 1 = very good experience and 5 = very poor experience. Contractors rated their overall experience in working with the SDUSD at 2.43, which corresponds to a “good” rating somewhat above the midpoint score of 3.

Chart 13
Worked on SDUSD PSA by Contractor Union Affiliation

(n= 53 Union; n = 314 Non-union or not known; n = 33 Both)

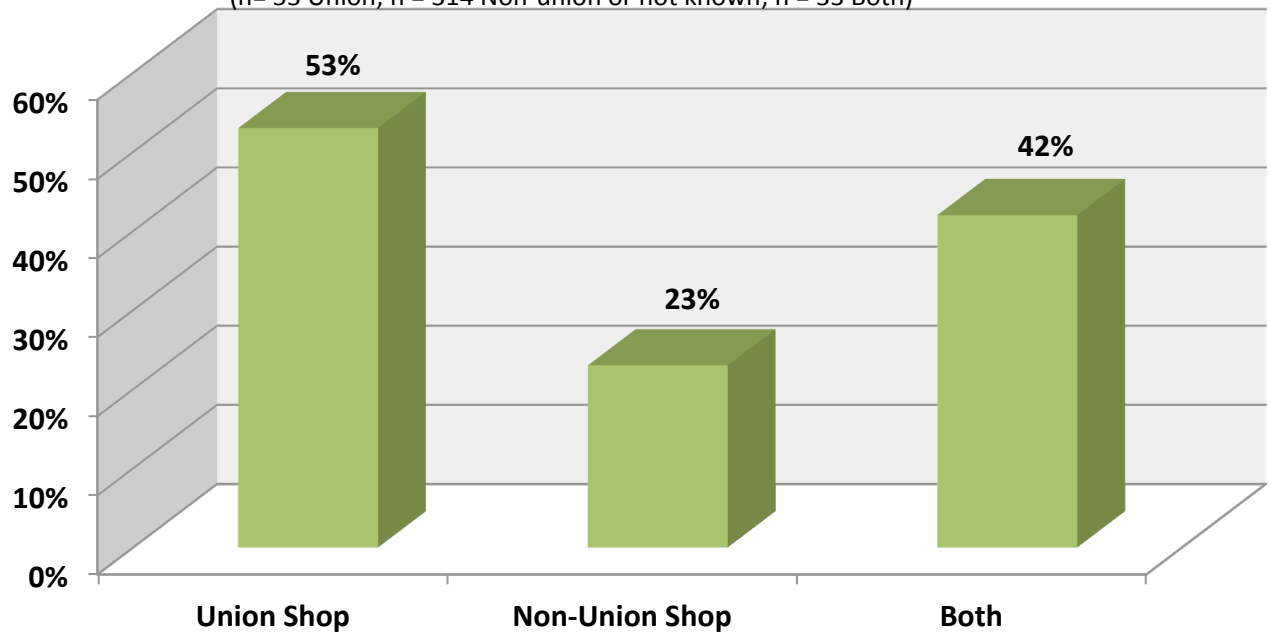


Chart 14
Contractor Rating of Work Experience with SDUSD

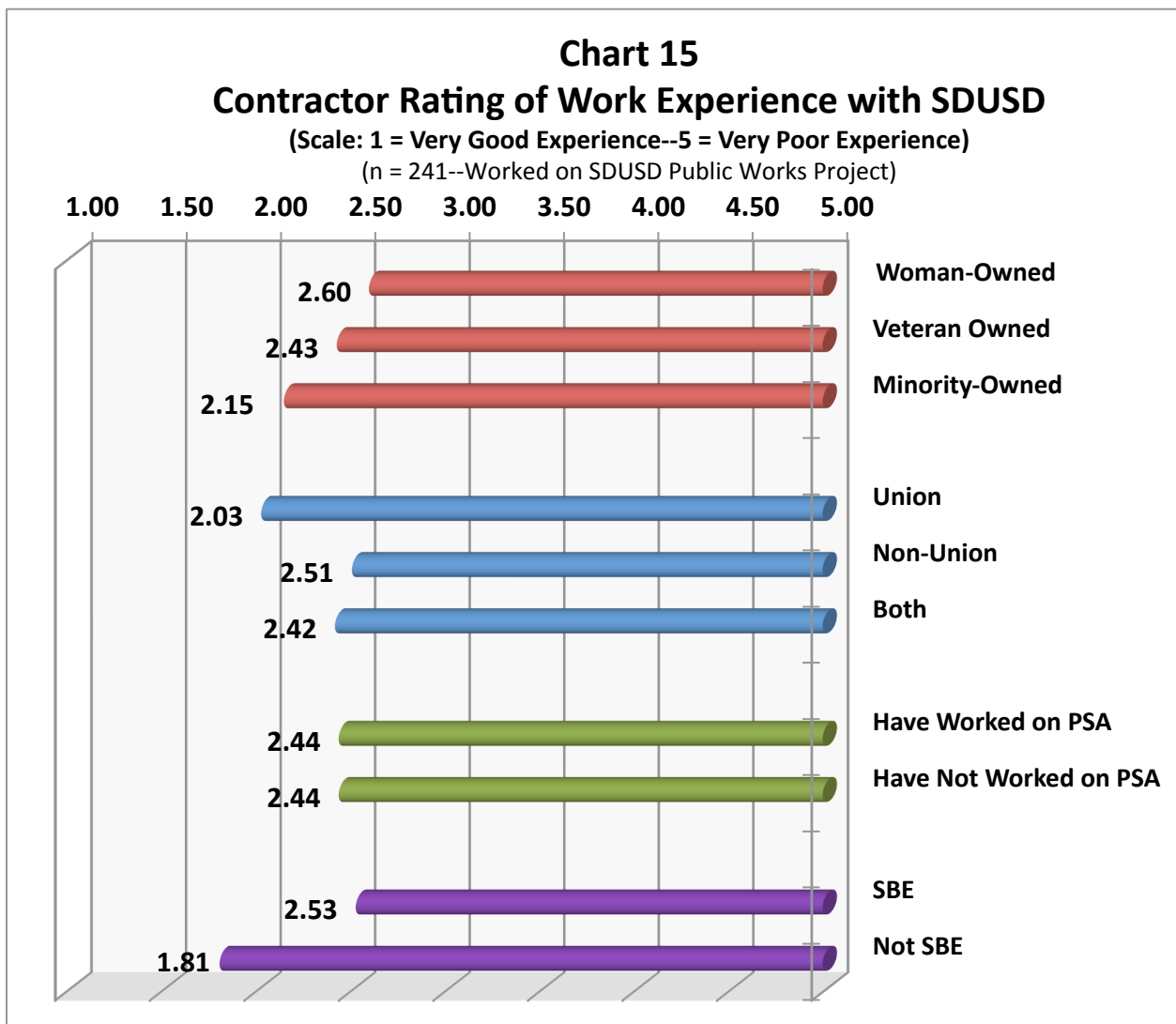
(Scale: 1 = Very Good Experience--5 = Very Poor Experience)

(n = 241--Worked on SDUSD Public Works Project)



Contractors gave their highest ratings to the San Diego Unified School District in terms of complying with insurance requirements (1.85) and obtaining required bonding (1.87). The lowest ratings were given to the following issues: obtaining change orders (asked only of prime contractors --2.84), finding employees in targeted zip codes (2.61), and obtaining progress payments (again asked of prime contractors only-- 2.59).

Chart 15 shows the ratings for overall work experience among various contractor subgroups: contractors that are not SBEs (1.81), union contractors (2.03), and minority-owned contractors (2.15) are particularly high in contrast to woman-owned businesses (2.60), SBEs (2.53) and non-union shops (2.51).



Contractor Ratings that Compare Work and Bidding Experience Associated with the SDUSD with Similar Experience with Other Public Agencies

SUMMARY: *Contractors that have worked on projects for both the SDUSD and other public agencies or have bid on both made various comparisons between their experience with working for or bidding to SDUSD and other public agencies. Over four-fifths (81 percent) of those who have worked for both feel that repairs made for SDUSD projects are about the same number as those repairs made for other public agencies. About one-tenth (11 percent) feel that fewer repairs are made on SDUSD projects than on projects for other public agencies.*

Two-thirds (67 percent) of these contractors indicate that they spend about the same amount of time preparing a bid for the SDUSD as they do for other public agencies. Three-fifths (60 percent) feel that SDUSD has about the same projected profit margin as do other agencies. Nearly three-fifths (58 percent) believe that SDUSD has about the same projected project cost as other agencies. Most of the remaining contractors (between one-fourth and two-fifths) indicated that SDUSD is associated with more bidding time, lower profit margins, or higher projected costs than are other agencies. One-fourth (25 percent) also believe that SDUSD has higher construction standards than do other public agencies.

Chart 16 assesses contractor opinion regarding the number of repairs associated with projects conducted for the SDUSD versus other public agencies. Only contractors who worked on both SDUSD projects and projects with other agencies are included in this question. Over four-fifths (81 percent) feel that repairs made for SDUSD projects are about the same number as those repairs made for other public agencies. About one-tenth (11 percent) feels that fewer repairs are made on SDUSD projects than on projects for other public agencies.

Charts 17-20 further assess contractor comparisons between the SDUSD and other public agencies in relation to bidding, projected costs and profits, and construction standards. Contractors are included in these questions if they qualify as follows: worked on projects for both the SDUSD and other public agencies or have bid on both. When contractors compare SDUSD with other agencies in terms of the amount of time spent in preparing a bid, two-thirds (67 percent) of the contractors indicate that SDUSD requires about the same time as other public agencies. Nearly one-third (30 percent) indicate that SDUSD requires more time in preparing a bid than do other agencies (**Chart 17**).

Chart 16
Number of Repairs: Comparing SDUSD to Other Agencies, SDUSD has...

(n = 225 worked for both SDUSD and Others)

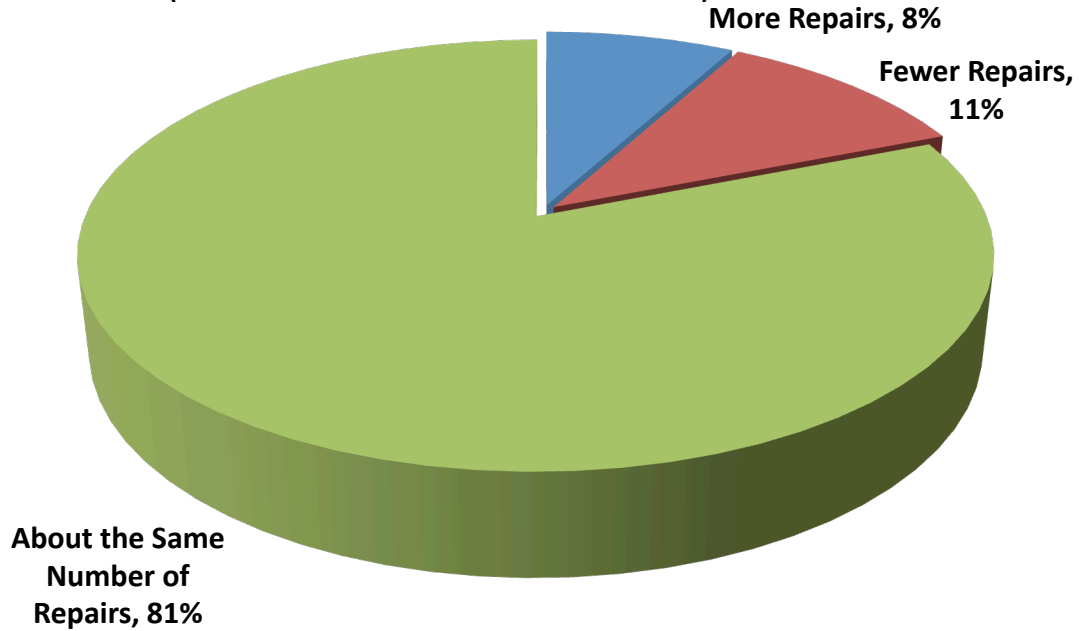


Chart 17
Amount of Time Spent Preparing Bid: Comparing SDUSD to Other Agencies, SDUSD Requires...

(n = 290 (225 worked for both SDUSD and Others, 65 have bid both but worked for only one or neither))

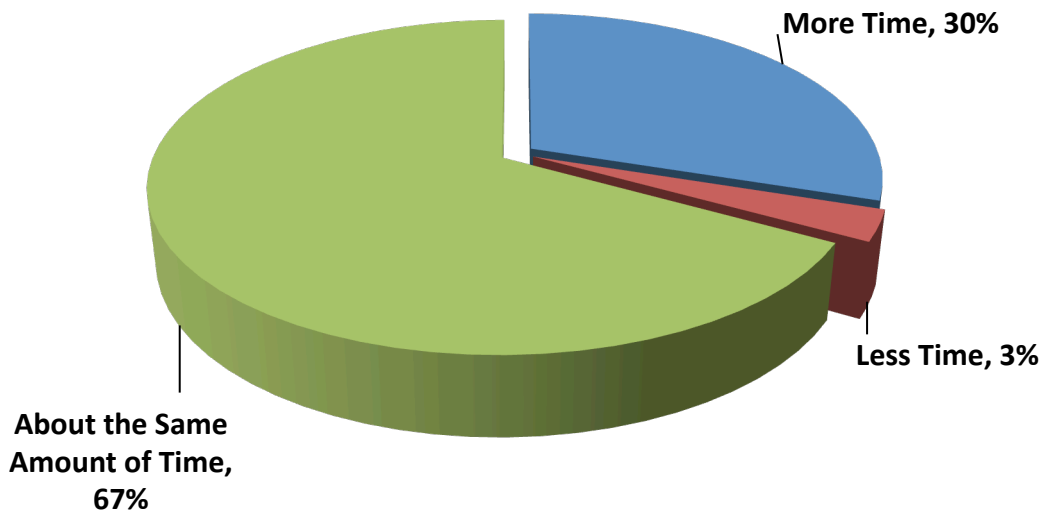


Chart 18 shows how contractors compare SDUSD and other public agencies regarding projected profit margins. Three-fifths (60 percent) feel that SDUSD has about the same projected profit margin as do other agencies. Two-fifths (40 percent) think that SDUSD has lower projected profit margins than do other agencies.

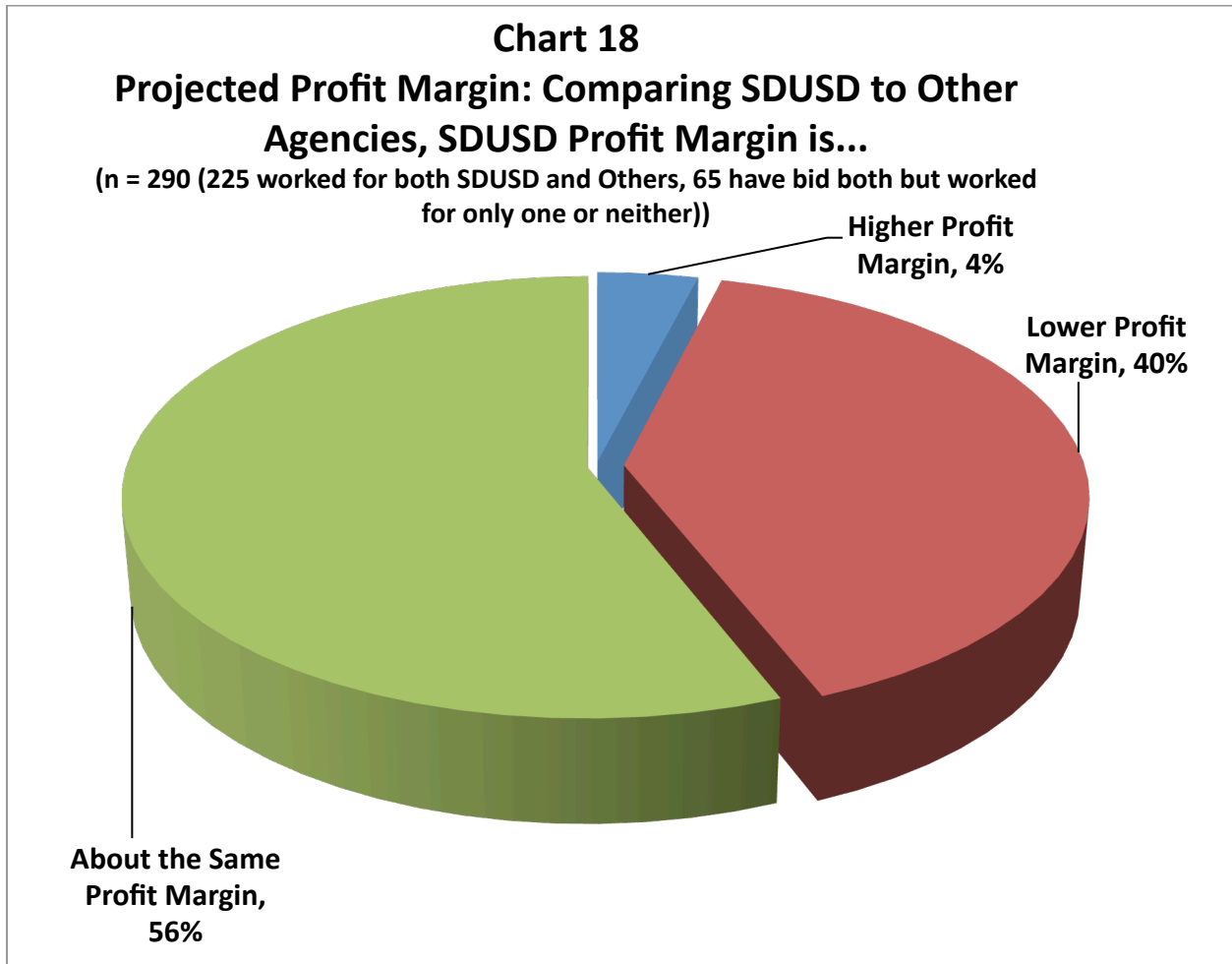


Chart 19 demonstrates how contractors compare SDUSD and other public agencies regarding projected project cost. Nearly three-fifths (58 percent) believe that SDUSD has about the same projected project cost as do other agencies, and almost two-fifths (38 percent) have found that SDUSD is associated with higher projected costs than other agencies. **Chart 20** shows the contractor comparison between SDUSD and other agencies in terms of construction standards. More than seven out of ten (71 percent) contractors feel that SDUSD has about the same construction standards as do other agencies. An additional one-fourth (25 percent), however, believe that SDUSD has higher construction standards than do other public agencies.

Chart 19
Projected Project Cost: Comparing SDUSD to Other Agencies,
SDUSD Cost is...

(n = 290 (225 worked for both SDUSD and Others, 65 have bid both but worked for only one or neither))

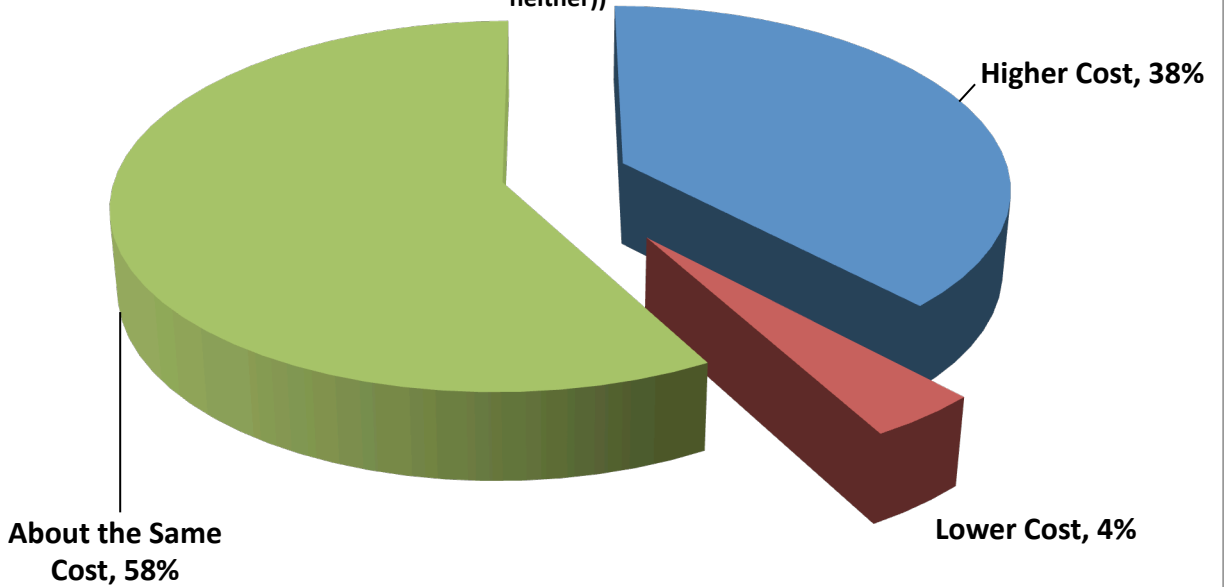
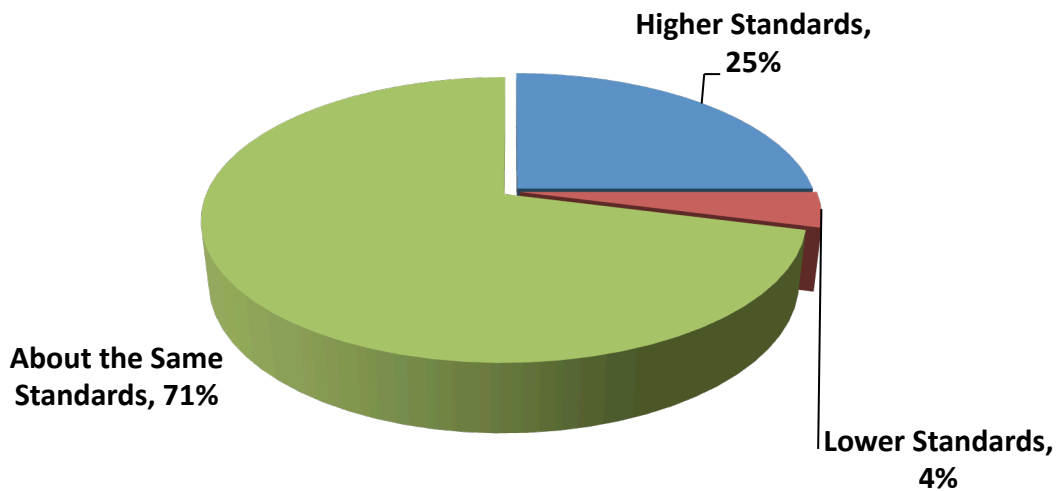


Chart 20
Construction Standards: Comparing SDUSD to Other
Agencies,
SDUSD's Standards are...

(n = 290 (225 worked for both SDUSD and Others, 65 have bid both but worked for only one or neither))



Informing Contractors about the Bidding Process

SUMMARY: Based upon all sample contractors, nearly two-fifths (38 percent) indicate that SDUSD informs them about bidding opportunities through direct e-mail and another 18 percent say they receive this information by fax. It is noteworthy that nearly one-third (30 percent) indicate that they did not receive any notification at all about SDUSD bidding opportunities. The pattern is quite different for contractors who did not bid on SDUSD projects or on any other public projects. Only one fourth (25 percent) of these contractors say they receive notification from SDUSD about bidding opportunities through direct e-mail, and no other source was indicated as a significant method by which they receive notification about SDUSD bidding opportunities. In fact, nearly three-fifths (57 percent) of these non-bidders say that they received no notification whatsoever about SDUSD bidding opportunities.

Contractors assessed the importance of various ways by which they could be informed by public agencies about bidding opportunities. The rating is based upon a scale of 1 to 5, where 1 = very important and 5 = not important at all. Contractors indicate that the most important way that they could be informed by public agencies is through e-mails (mean rating of 1.42 for all sample contractors). Mailing a letter through the postal service is considered by the contractors as the least important way for public agencies to inform them about bidding opportunities (mean of 3.21 for all contractors). Over three-fifths (65 percent) of all contractors feel that SDUSD and other public agencies are about the same in terms of making bidding opportunities known to contractors and subcontractors.

Charts 21-24 show how contractors say they are informed about SDUSD bidding opportunities. Each of these charts report findings for specific subgroups of contractors and are summarized as follows:

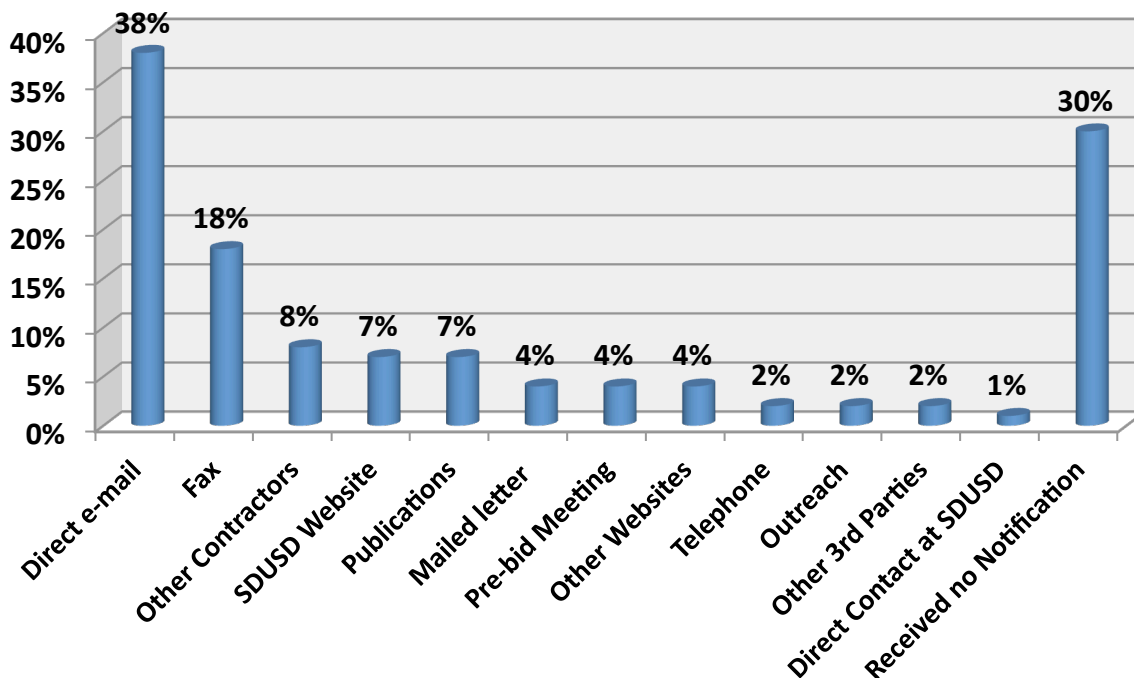
- **Chart 21** is based upon the total sample of contractors. Nearly two-fifths (38 percent) indicate that SDUSD informs them about bidding opportunities through direct e-mail and another 18 percent say they receive this information by FAX. It is noteworthy that nearly one-third (30 percent) indicate that they did not receive any notification about SDUSD bidding opportunities.
- **Chart 22** is based upon the subgroup of contractors who bid both SDUSD projects as well as projects of other agencies. The responses of this contractor subgroup follow a similar pattern to the responses summarized above for the total sample of contractors. Specifically, over two-fifths (41 percent) receive direct e-mail from SDUSD to learn about bidding opportunities and another 19 percent find out about such opportunities by FAX. Over one-fifth (21 percent) indicate that they do not receive any notification about bidding opportunities from the SDUSD.
- **Chart 23** is based upon the following subgroups: contractors who bid only on SDUSD projects (n =6) or bid on projects of other agencies (n =55), but not both. Again, the pattern of response does not differ from the patterns portrayed in **Charts 20 and 21**. Over one-third (34 percent) say that they receive notification of bidding opportunities from SDUSD through e-mail and

another 19 percent receive such notifications by FAX. Nearly two fifths (38 percent) indicate that they did not receive any notification from SDUSD about bidding opportunities.

- **Chart 24** is based upon contractors that did not bid on SDUSD projects or on any other public projects. The pattern of response is different from the pattern expressed in **Charts 20, 21, and 22**. One-fourth (25 percent) say they receive notification from SDUSD about bidding opportunities through direct e-mail. No other source was indicated as a significant source for SDUSD bidding opportunities. It is noteworthy that nearly three-fifths (57 percent) say that they received no notification about SDUSD bidding opportunities.

Chart 21
How Contractor was Informed about SDUSD Bid Opportunities

(n= Total Sample of 400 Contractors--
percentages add to more than 100% because more than one response was permitted)



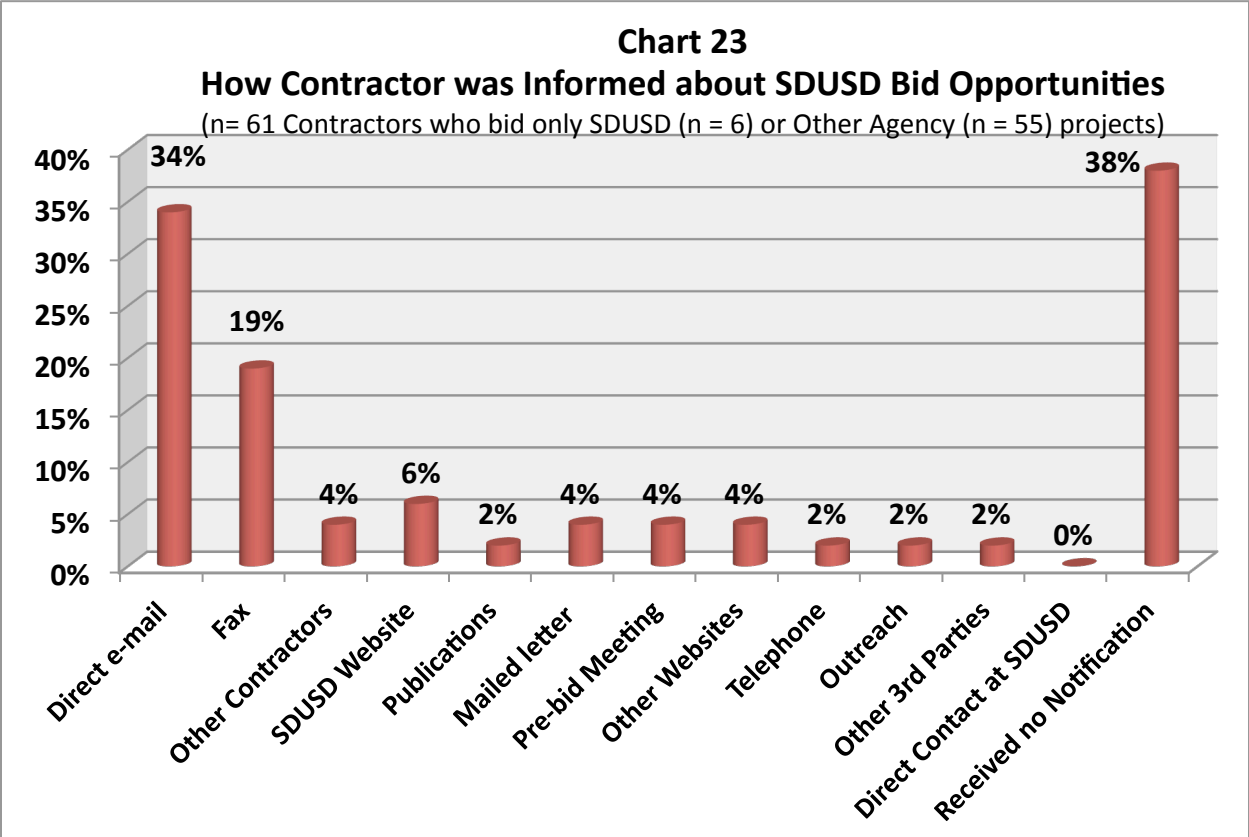
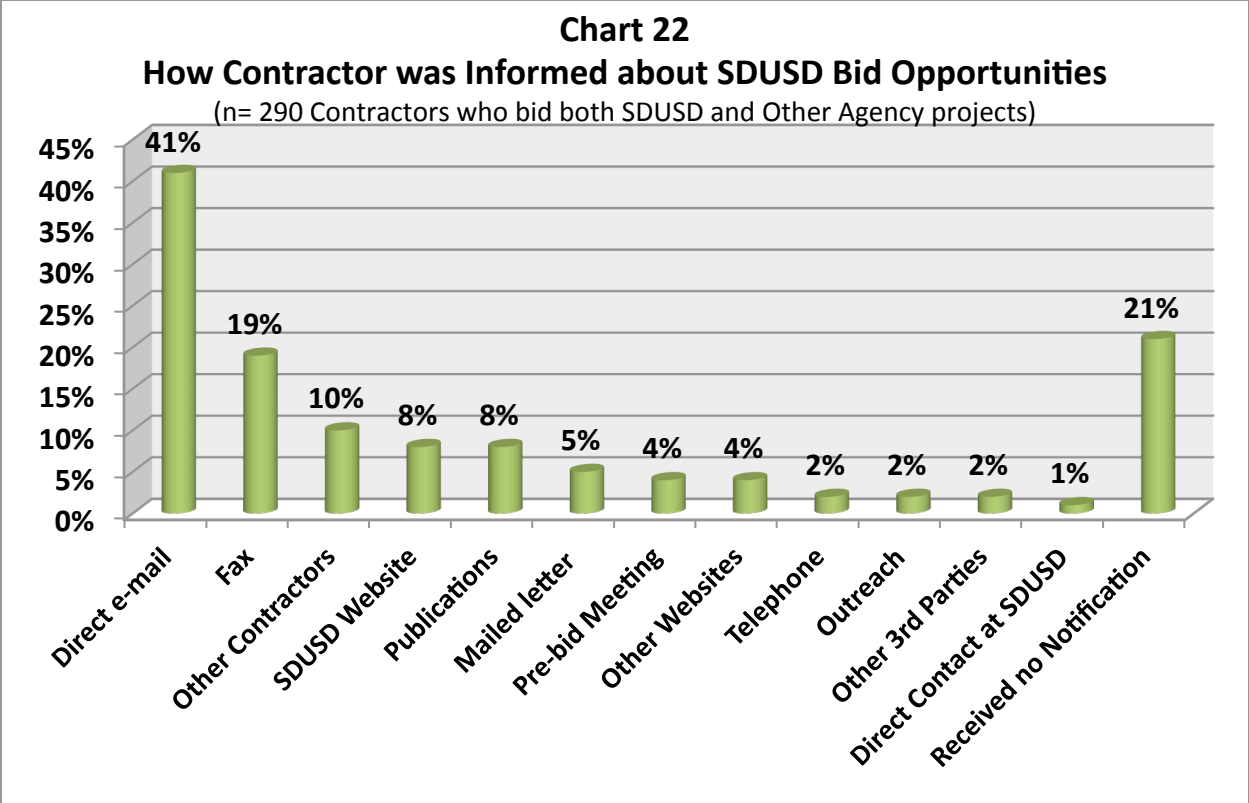
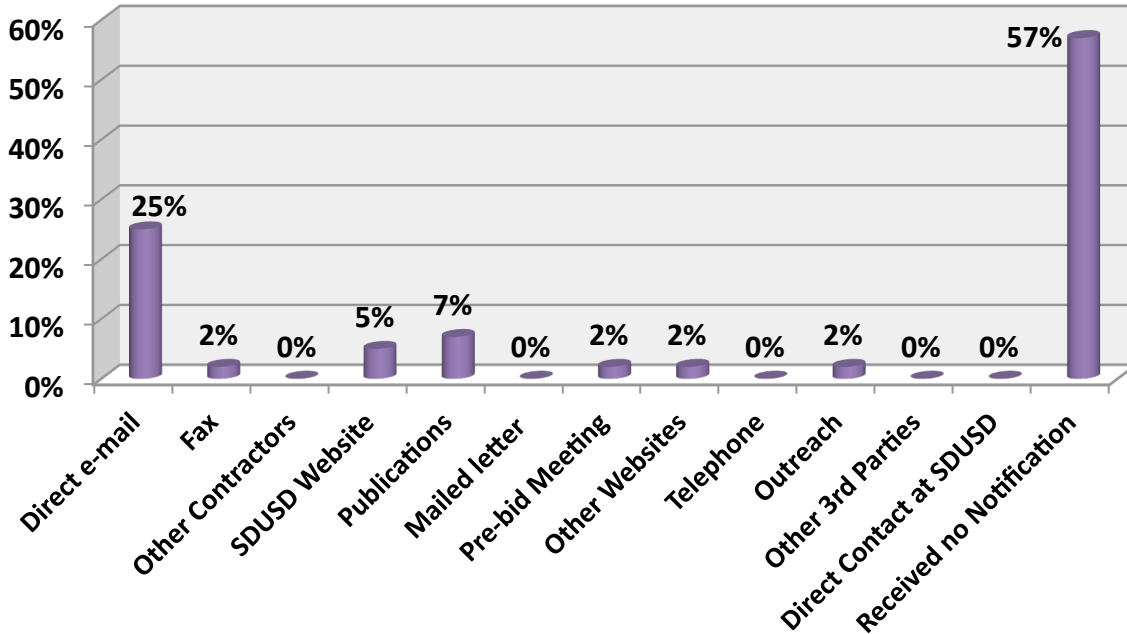


Chart 24
How Contractor was Informed about SDUSD Bid Opportunities
 (n= 49 Contractors who bid to neither SDUSD nor Other Agency)



Contractors assessed various ways by which they could be informed by public agencies about bid opportunities. The rating is based on a scale from 1 to 5, where 1 = very important and 5 = not important at all. The ratings are provided for 4 groups of contractors: all sample contractors, contractors who bid both SDUSD projects and projects of other agencies, contractors who bid only SDSUD projects or projects of other agencies (but not both), and contractors who bid neither SDUSD projects nor projects of other public agencies. **Chart 25** portrays the results of these ratings and the key findings are presented below:

- E-mails with a link to the RFP are rated as most important by all four contractor groups (mean of 1.42 for all contractors; other means range from 1.29 for the group that bid only a SDSUD project or the project of another agency to 1.50 for the group that bid neither SDSUD nor other public agencies).
- Next in importance were inviting prime contractors and sub-contractors to pre-bid meetings (2.00) and requiring prime contractors to contact SBEs to inform them of the bidding opportunity (2.04).
- Mailing a letter through the postal service is considered by the contractors as the least important way for public agencies to inform them about bidding opportunities (mean of 3.21 for

all contractors; other means range from 3.39 for contractors who bid both SDUSD and other agency projects to 2.53 for contractors who bid neither SDUSD projects nor projects of other agencies.

- Requiring prime contractors to contact small business enterprises (SBEs) in order to inform them about bidding opportunities is particularly important among contractors who bid only SDUSD projects or projects of other agencies (the vast majority of whom have bid to other agencies and not SDUSD (55 out of 61)--mean of 1.74) – mean for all contractors 2.04.
- Similarly, inviting prime contractors and small business enterprises to pre-bid meetings is particularly important among contractors who bid only SDUSD projects or other public agency projects (mean of 1.55) – mean for all contractors 2.00.
- Contractors were also asked what else they might suggest that would enhance bidding opportunities. Many responses were not entirely applicable to the issue of small contractor bidding enhancements and others merely restated one or more of the choices that were already presented in the question. Verbatim responses are included in the Appendix. Answers offered that were more to the point included: post the bid offering on the District website; sub-divide the bid in to smaller components that would be bid-able by smaller contractors; provide more time to complete the bid; publish in more places; telephone small contractors directly; and provide more detail in the bid package, among others.

Chart 26 shows that well over three-fifths (65 percent) of all contractors feel that SDUSD and other public agencies are about the same in terms of making bidding opportunities known to contractors and subcontractors. This perception about making bidding opportunities known remains consistent for the following contractor subgroups: contractors who bid both SDSUD projects and projects of other public agencies (68 percent) and contractors who bid only SDUSD projects or the projects of other public agencies (64 percent).

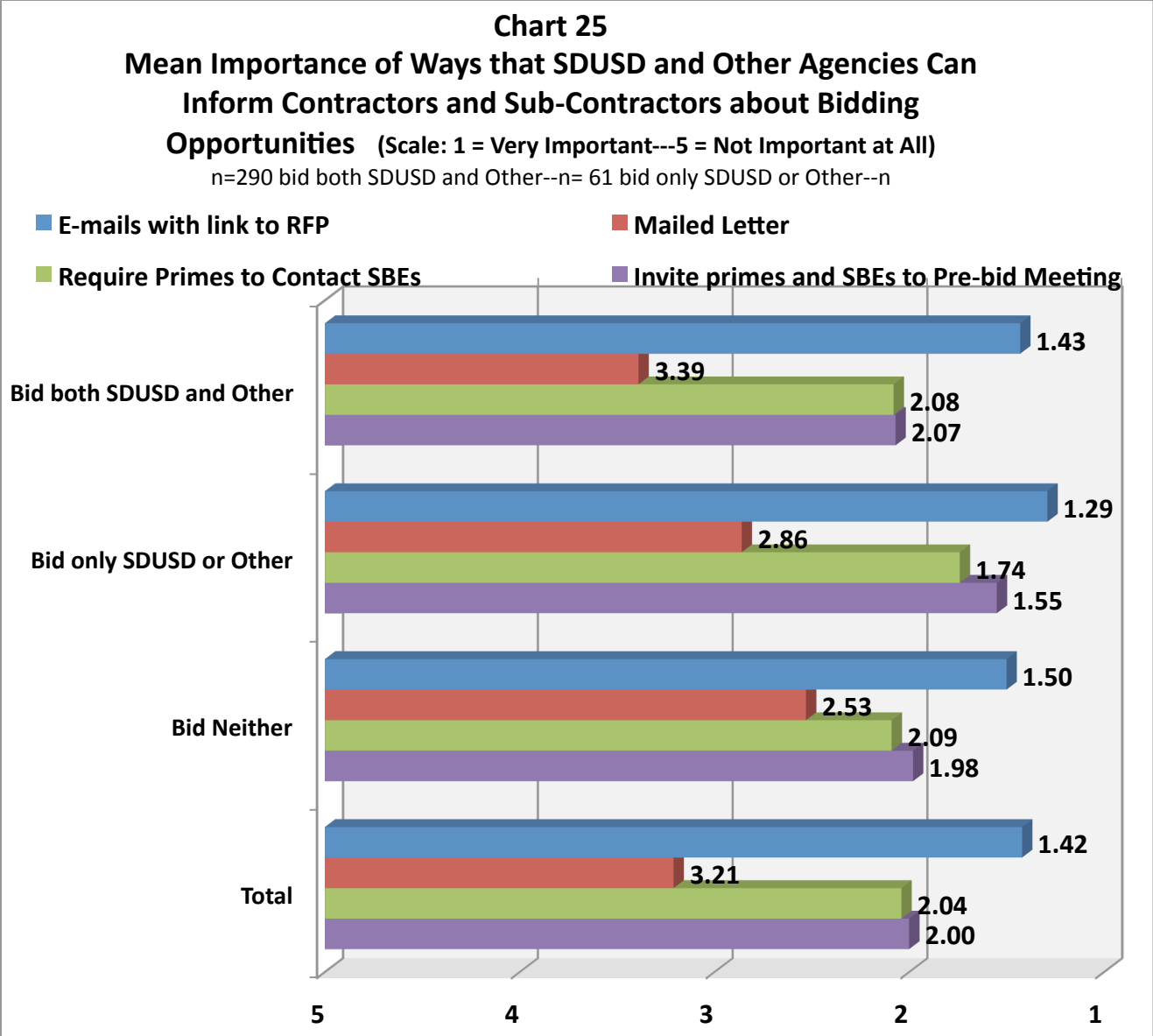
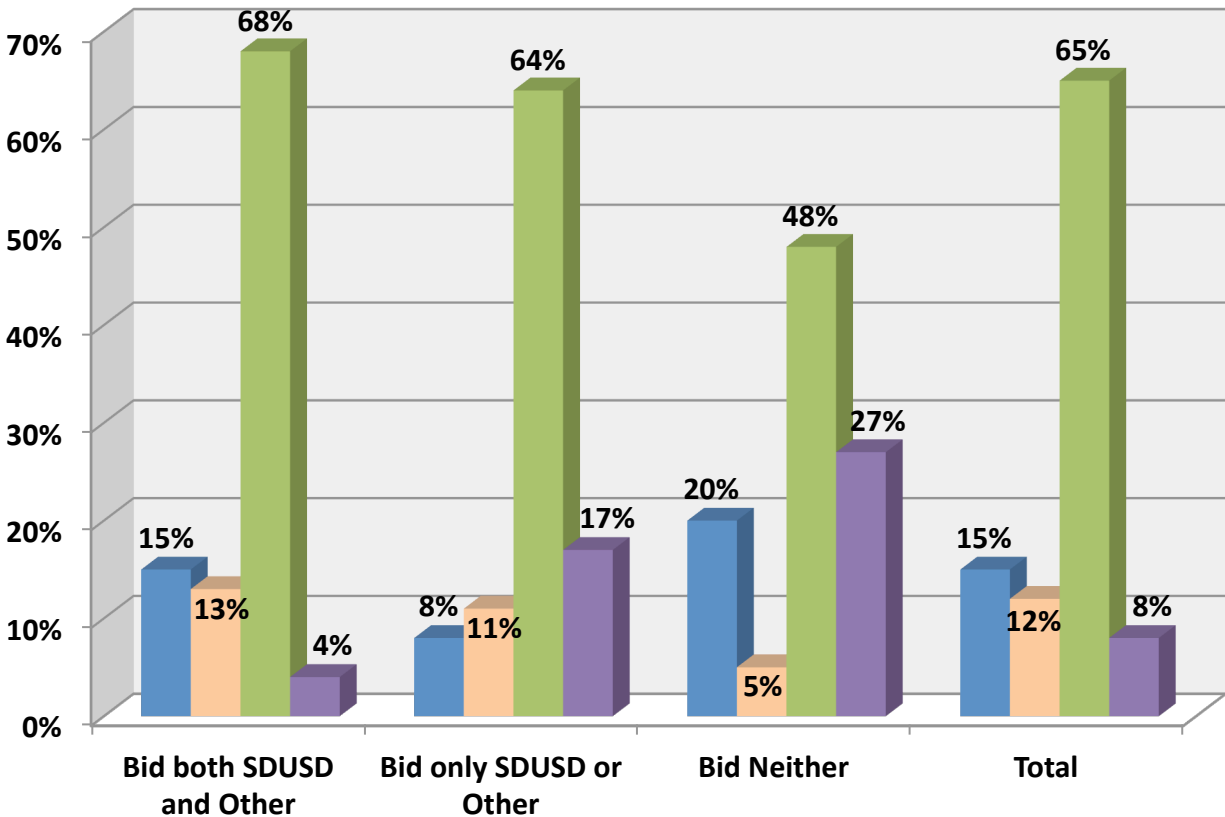


Chart 26 Compare SDUSD to Other Agencies in Making Bid Opportunities Known

n=290 bid both SDUSD and Other--n= 61 bid only SDUSD or Other--n = 49 bid neither

■ SDUSD Better than Other Agencies ■ SDUSD Worse than Other Agencies
■ Both are about the Same ■ Unsure

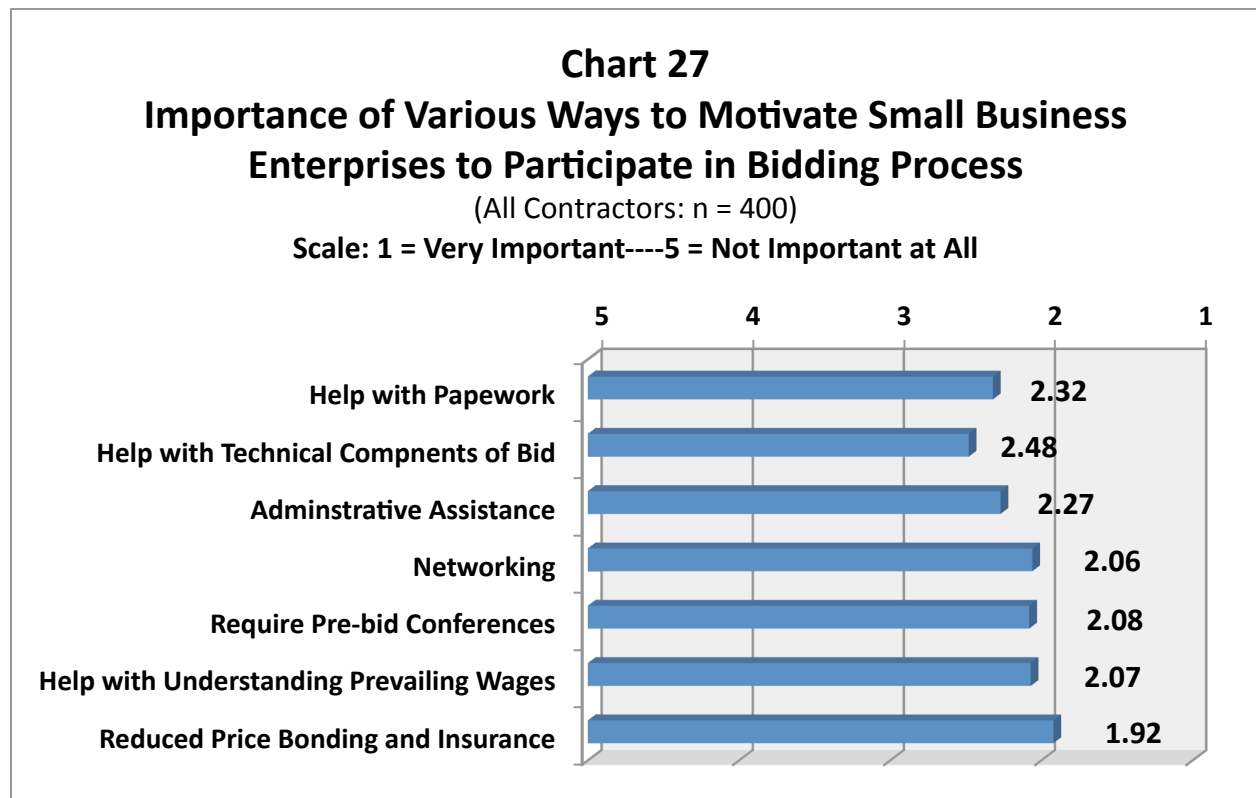


Providing Assistance to Small Business Enterprises to Encourage their Participation in the Bidding Process

SUMMARY: Based upon all sample contractors, the most important way to motivate small businesses to participate in the bidding process is reduced price bonding (mean of 1.92 – based upon a scale of 1 to 5, where 1 = very important and 5 = not important at all). The least important way to motivate small business enterprises to participate is helping them with technical components of their bid (mean of 2.48). Interestingly, non-SBE contractors find certain ways to motivate subcontractors to be more important than do SBE contractors. These differences are particularly apparent in the areas of helping with paperwork (non-SBE – mean of 2.18 versus SBE – mean of 2.48) and help with understanding prevailing wages (non-SBE – mean of 1.87 versus SBE – mean of 2.21).

Based upon the opinions of contractors who have worked or bid projects for both SDUSD as well as the projects of other agencies, over three-fifths (64 percent) feel that SDUSD and other agencies are about the same in terms of providing assistance to SBEs during the bidding process. Similarly, over three-fifths (61 percent) report that SDUSD and other public agencies are about the same in terms of the difficulty in finding subcontractors and suppliers during the bidding process. However, it is noteworthy that over one-quarter (28 percent) of these contractors feel that it is more difficult to find subcontractors and suppliers when the SDUSD is the agency soliciting bids than when the project is for other public agencies.

Charts 27-31 show, for selected contractor subgroups, the importance of various ways to motivate small businesses to participate in the bidding process. The level of importance indicated in these charts is measured on a scale of 1 to 5, where 1 = very important and 5 = not important at all. Based upon all sampled contractors, **Chart 27** demonstrates that the most important ways to motivate small businesses to bid are as follows: reduced price bonding and insurance – mean of 1.92; networking – mean of 2.06; help with understanding prevailing wages – mean of 2.07; and require pre-bid conferences –mean of 2.08. The least important ways to motivate small business enterprises to participate in the bidding process are helping with the technical components of the bid – mean of 2.48, help with paperwork – mean of 2.32 and administrative assistance – mean of 2.27.



The other key findings with regard to motivating small business enterprises to participate in the bidding process are presented below:

- **Chart 28** shows that contractors who bid both SDUSD projects as well as the projects of other agencies report somewhat less importance than do the contractors as a whole. The means range from 2.07 (reduced price bonding and insurance) to 2.68 (help with technical components of the bid). For all contractors, the means range from 1.92 (reduced price bonding and insurance) to 2.48 (help with paperwork). Inasmuch as these contractors tend to be larger, this is not surprising.
- On the other hand, **Chart 29** demonstrates that contractors who have bid only to either SDUSD or to other public agencies regard the various ways presented to motivate SBEs to participate in the bidding process to be particularly important. The means range from 1.58 (Networking) to 2.19 (help with technical component of bid).
- **Chart 30** shows that contractors who bid neither to SDUSD nor to other public agencies also feel that the various ways presented to possibly motivate SBEs to participate in the bidding process are quite important. Specifically, the mean for reduced price bonding and insurance is 1.34 and the mean for networking is 1.53. The mean of 2.05 for requiring a pre-bid conference represents the least important way that these contractors think will motivate SBEs. However, even this mean represents a relatively high level of importance.
- Interestingly, **Chart 31** shows that contractors who are **not** small business enterprises find certain ways to motivate small business enterprises to participate in the bidding process to be more important than do Certified SBEs. Specifically, the following ways are reported by non-SBEs to be more important than do Certified SBEs: help with paperwork: non-SBE (mean of 2.18) versus SBE (mean of 2.48); help with technical components of bid: non-SBE (mean of 2.39) versus SBE (mean of 2.59); administrative assistance: non-SBE (mean of 2.19) versus SBE (mean of 2.36); help with understanding prevailing wages: non-SBE (mean of 1.87) versus SBE (mean of 2.21); and reduced price bonding and insurance: non-SBE (mean of 1.88) versus SBE (mean of 2.00).

All contractors who have bid or worked on projects for both SDUSD and other public agencies were asked to compare SDUSD with other agencies in terms of the assistance that these agencies provide to SBEs during the bidding process. Over three-fifths (64 percent) feel that SDUSD and other agency contractors are about the same in this regard. The remaining 36 percent show mixed results with no dominant pattern – 13 percent feel that SDUSD is more helpful to SBEs and 14 percent feel that SDUSD is less helpful (**Chart 32**).

Chart 28
Importance of Various Ways to Motivate Small Business Enterprises to Participate in Bidding Process

(Contractors Who Bid Both SDUSD and Other Agencies: n = 290)

Scale: 1 = Very Important----5 = Not Important at All

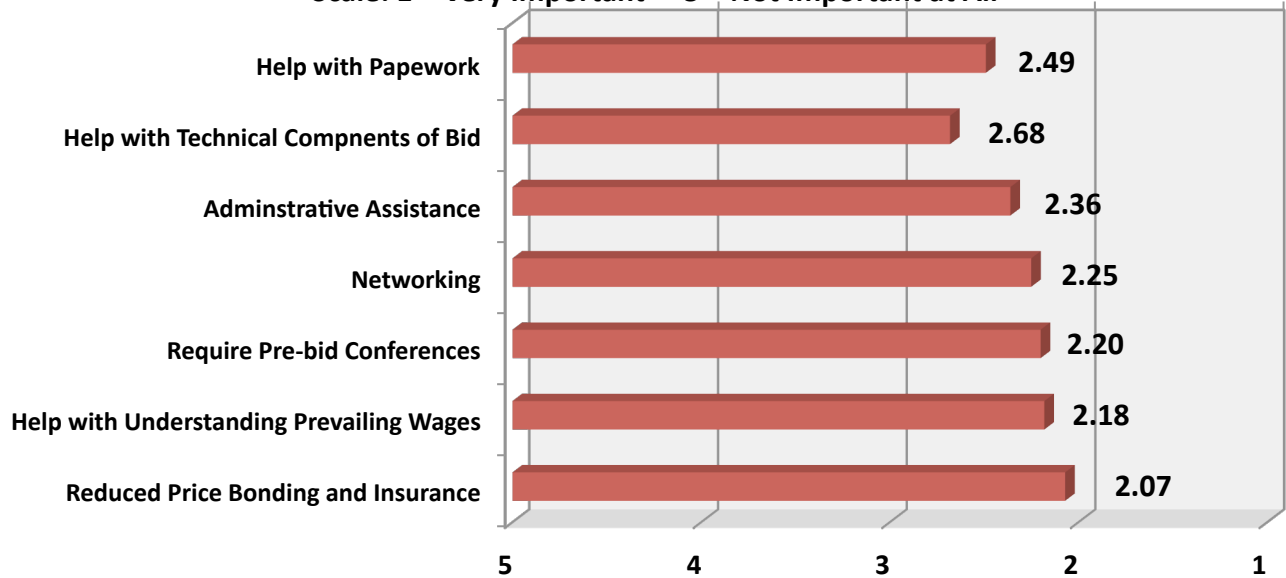


Chart 29
Importance of Various Ways to Motivate Small Business Enterprises to Participate in Bidding Process

(Contractors Who Bid only SDUSD (n = 6) or Other Agencies (n = 55))

Scale: 1 = Very Important----5 = Not Important at All

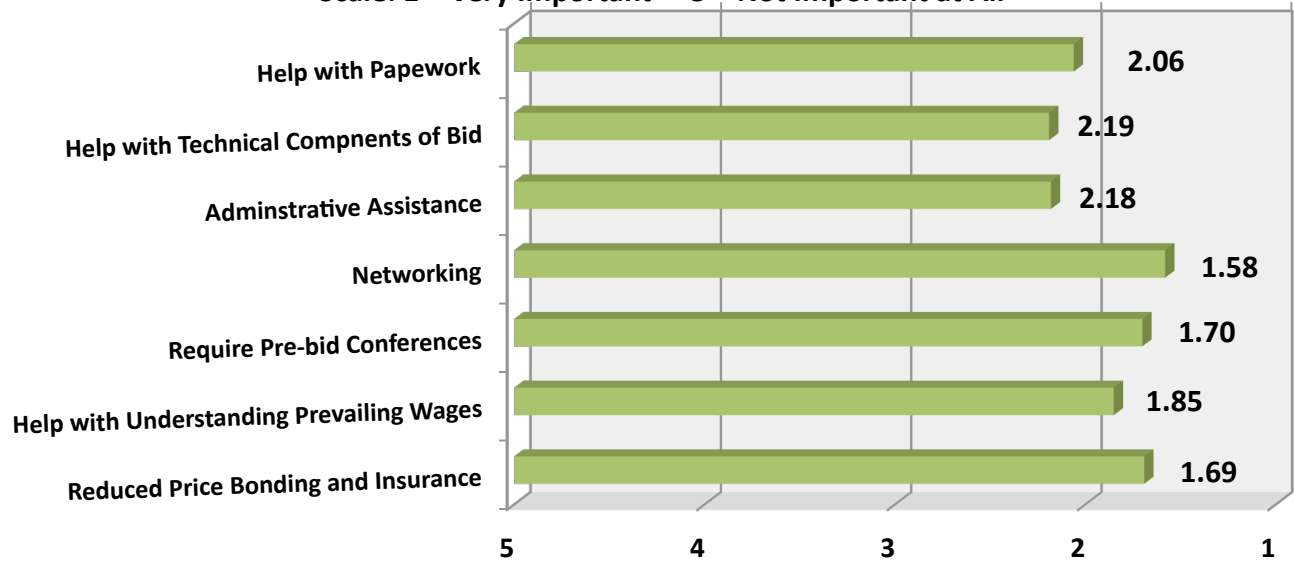


Chart 30

Importance of Various Ways to Motivate Small Business Enterprises to Participate in Bidding Process

(Contractors Who Bid to Neither SDUSD nor Other Agencies: n = 49)

Scale: 1 = Very Important----5 = Not Important at All

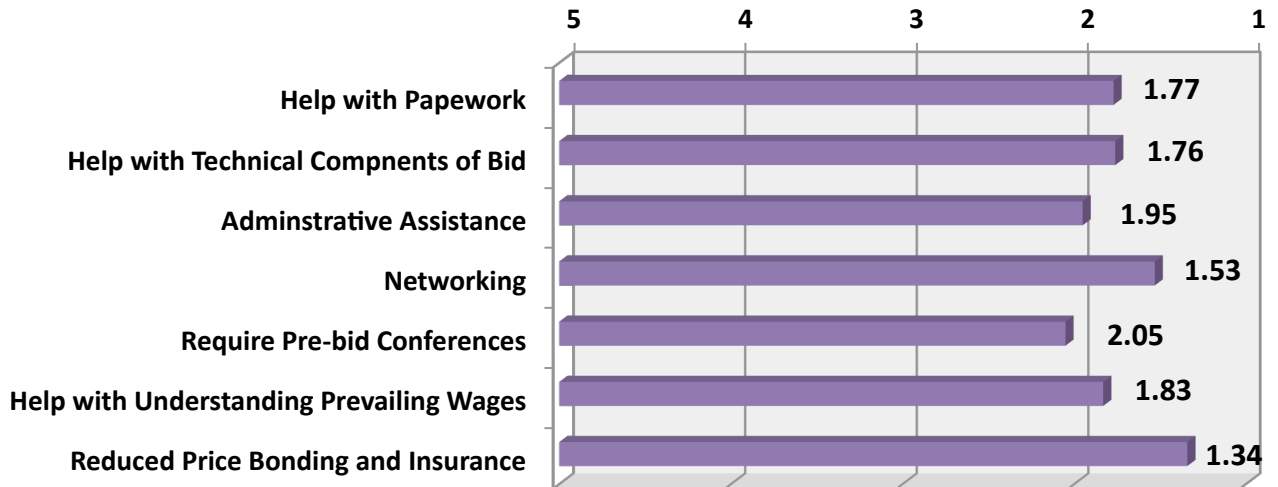


Chart 31

Importance of Various Ways to Motivate Small Business Enterprises to Participate in Bidding Process by Small Business Enterprise Status

Scale: 1 = Very Important----5 = Not Important at All

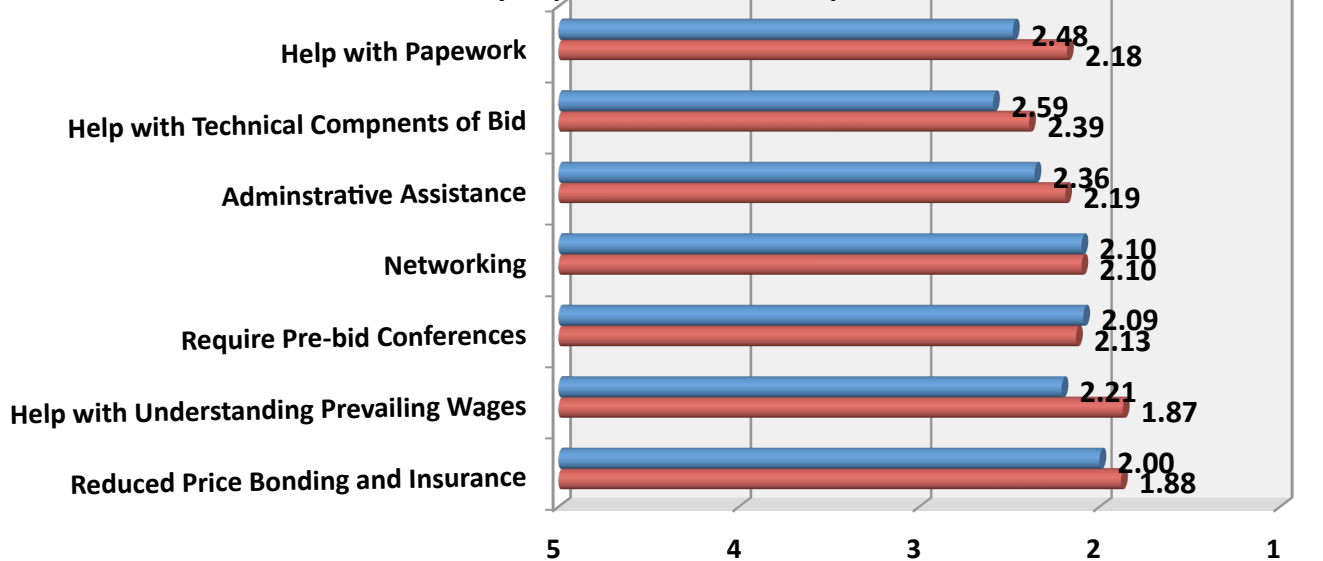


Chart 32
Compare SDUSD to Other Agencies:
Assistance to SBEs During Bidding Process
(n=290 Contractors Who Have Bid or Worked Both SDUSD and Other Agencies)

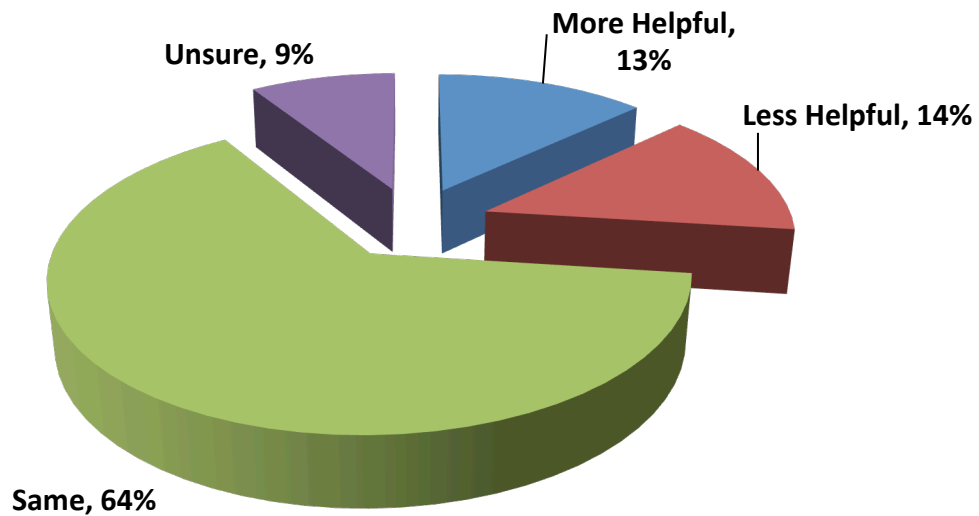
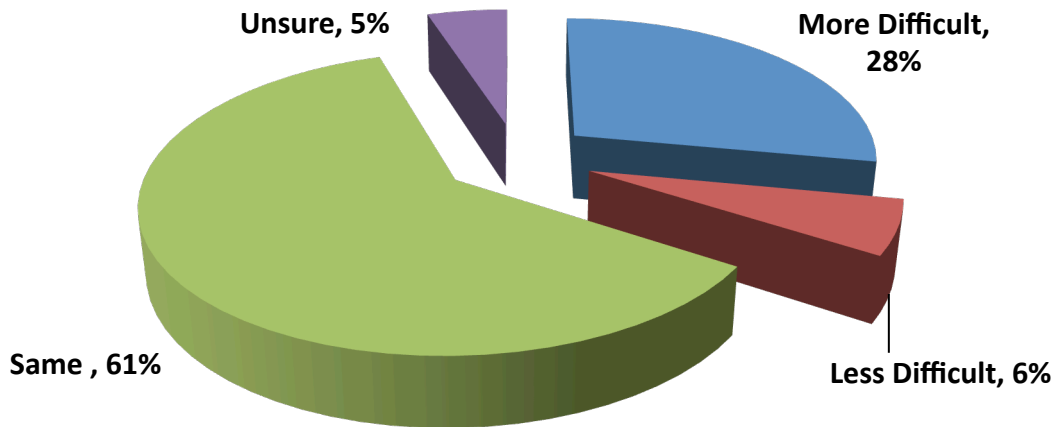


Chart 33 shows how contractors compare SDUSD with other public agencies in terms of the difficulty in finding subcontractors and suppliers during the bidding process. Over three-fifths (61 percent) report that SDUSD and other public agencies are about the same. However, it is noteworthy that over one-quarter (28 percent) feel that it is more difficult to find subcontractors and suppliers when the SDUSD is the agency soliciting bids as opposed to other public agencies.

Chart 33
Compare SDUSD to Other Agencies:
Difficulty Finding Subcontractors/Suppliers During
Bidding Process

(n=290 Contractors Who Have Bid or Worked Both SDUSD and Other Agencies)



Contractor Opinions Regarding Quotas for the Participation of Small Business Enterprises in Public Construction Projects

SUMMARY: Two-thirds (66 percent) of all sampled contractors favor a minimum quota for SBE participation in public construction projects. Contractors that are certified SBEs are much more in favor of SBE quotas than are contractors that are not SBEs (Certified SBE – 76 percent versus Non-SBE – 47 percent). Contractors that are non-union shops are highly favorable regarding SBE quotas (68 percent favor). On the other hand, less than one-half (49 percent) of union shop contractors favor SBE quotas.

Among contractors who favor SBE quotas, nearly three-fifths (58 percent) support a quota in excess of 20 percent. Among contractors that favor SBE quotas, certified SBE contractors favor a quota level of 20 percent or more than do non-SBEs (59 percent for certified SBEs versus 47 percent of non-SBEs). Contractors that are non-union show a similarly high level of support for this quota level (81 percent favor a quota of 15 percent or more). However, contractors who are solely a union shop, report much lesser support for this quota level. Specifically, only 54 percent favor a quota level of 15 percent or more.

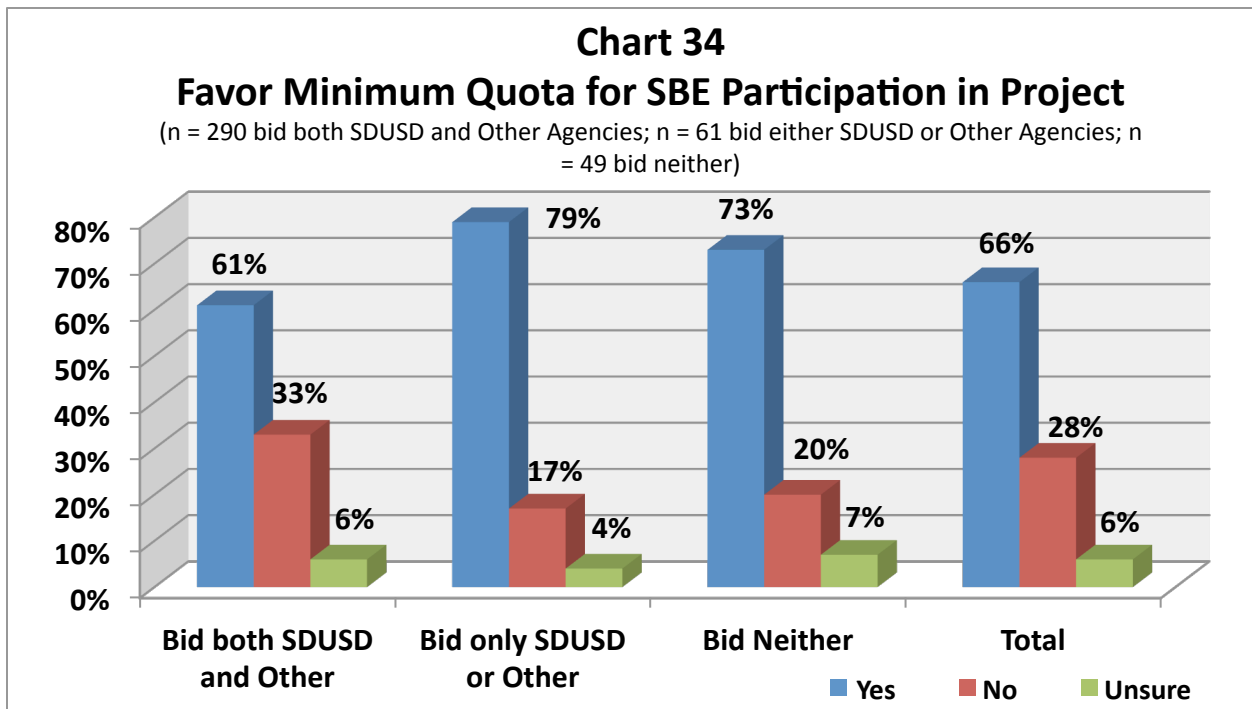
Over three-fifths (61 percent) of all sample contractors support a point system whereby prime contractors would earn points that would enhance their relative position in the competitive bidding

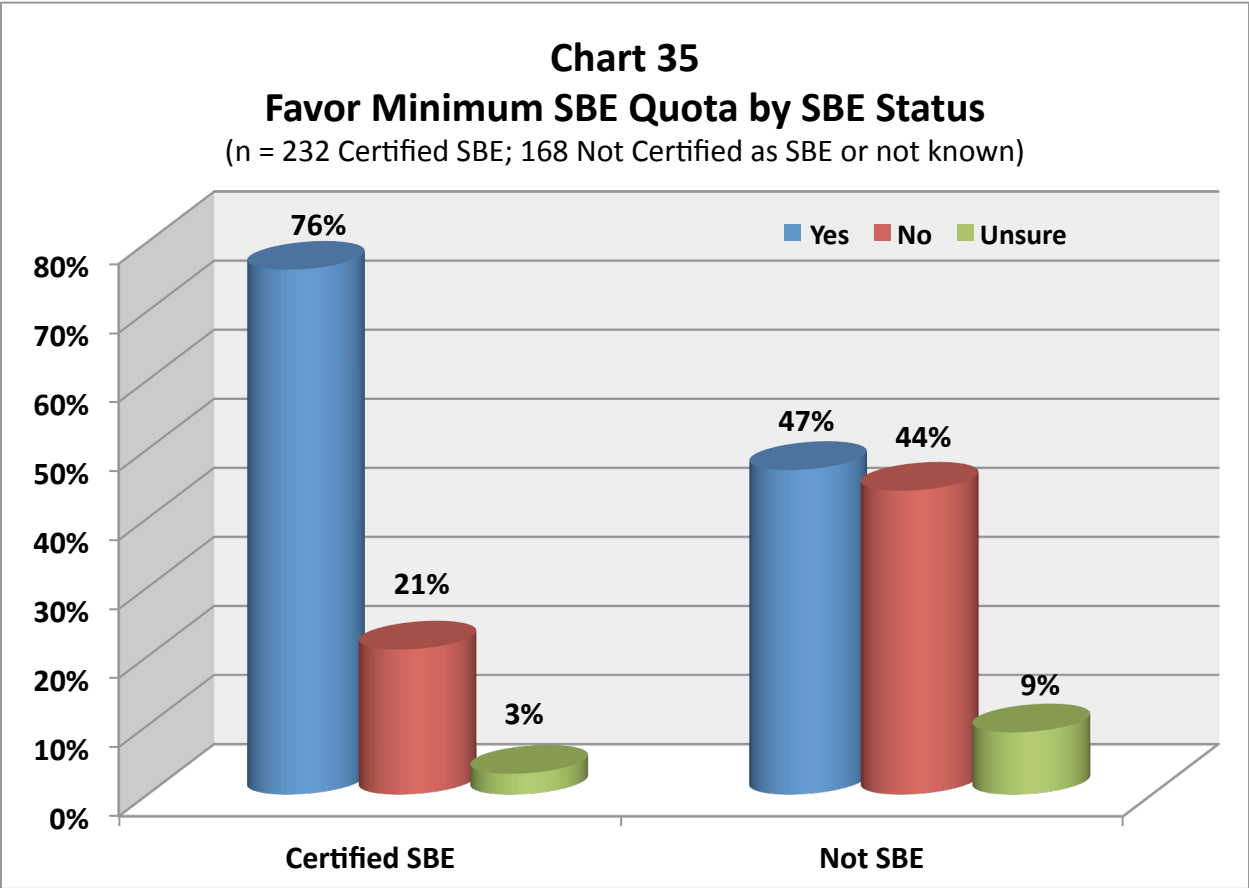
process by assisting SBEs. Certified SBE contractors are much more in favor of a point system that would assist SBE's than are non-SBE contractors (Certified SBE – 67 percent versus Non-SBE – 52 percent). Nearly three-fourths (73 percent) of contractors who are both a union shop and a non-union shop highly favor a point system for assisting SBEs. Non-union shop contractors (61 percent) are slightly more inclined toward supporting this point system than are union shop contractors (55 percent).

Contractors, who are non-SBE and who favor the point system for assisting SBE's, would be most committed to showing evidence that they informed qualified SBEs about bidding opportunities (93 percent) followed by a commitment to help SBEs with project management once the project is underway (90 percent). These contractors are least committed to showing proof that they published bidding opportunities in newspapers or other appropriate information outlets (73 percent).

Chart 34 shows that two-thirds (66 percent) of all sample contractors favor a minimum quota for SBE participation in public construction projects. Nearly four-fifths (79 percent) of contractors who bid only SDUSD projects or the projects of other public agencies and almost three-fourths (73 percent) of contractors who bid neither SDUSD projects nor the projects of other agencies are in favor of minimum SBE quotas. . . Approximately three-fifths (61 percent) of contractors who have bid to both SDUSD and other agencies expressed support for quotas regarding SBE participation in public construction projects.

- Contractors who are certified SBEs are much more in favor of SBE quotas than are contractors who are not SBEs (Certified SBE – 76 percent versus Non-SBE – 47 percent) (Chart 35).





- Chart 36** demonstrates that nearly three-fourths (73 percent) of contractors who operate both a union shop and a non-union shop are in favor of quotas involving the participation of SBEs in public construction projects. Contractors that are a non-union shop parallel this favorability toward SBE quotas – over two-thirds so favor. On the other hand, less than one-half (49 percent) of union shop contractors favor SBE quotas

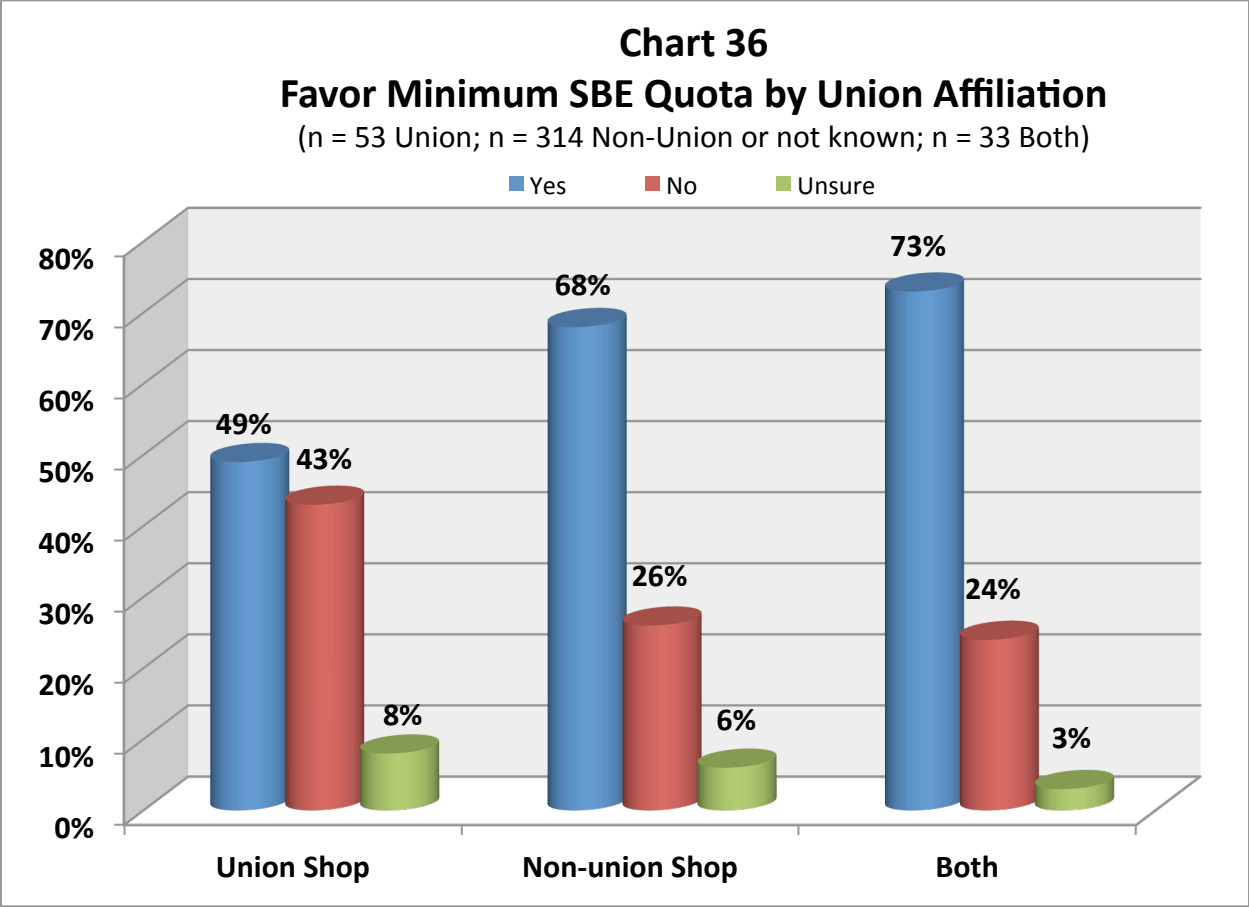


Chart 37 shows that, among contractors that favor SBE quotas, nearly three-fifths (58 percent) support a quota in excess of 20 percent. Among the contractor subgroups that support a quota higher than 20 percent, there is a range from 55 percent of those contractors that have bid both the projects of SDUSD as well as the projects of other public agencies to 65 percent for contractors that have bid only SDUSD projects or other agency projects. It is noteworthy that nearly 9 out of 10 (87 percent) of contractors who bid neither SDUSD projects nor the projects of other agencies favor a quota of 15 percent or more.

- Among contractors that favor SBE quotas, certified SBE contractors favor of a quota level in excess of 20 percent more so than do non-SBEs (59 percent for certified SBEs versus 47 percent of non-SBEs--**Chart 38**).

Chart 37
Percentage of SBE Quota Preferred

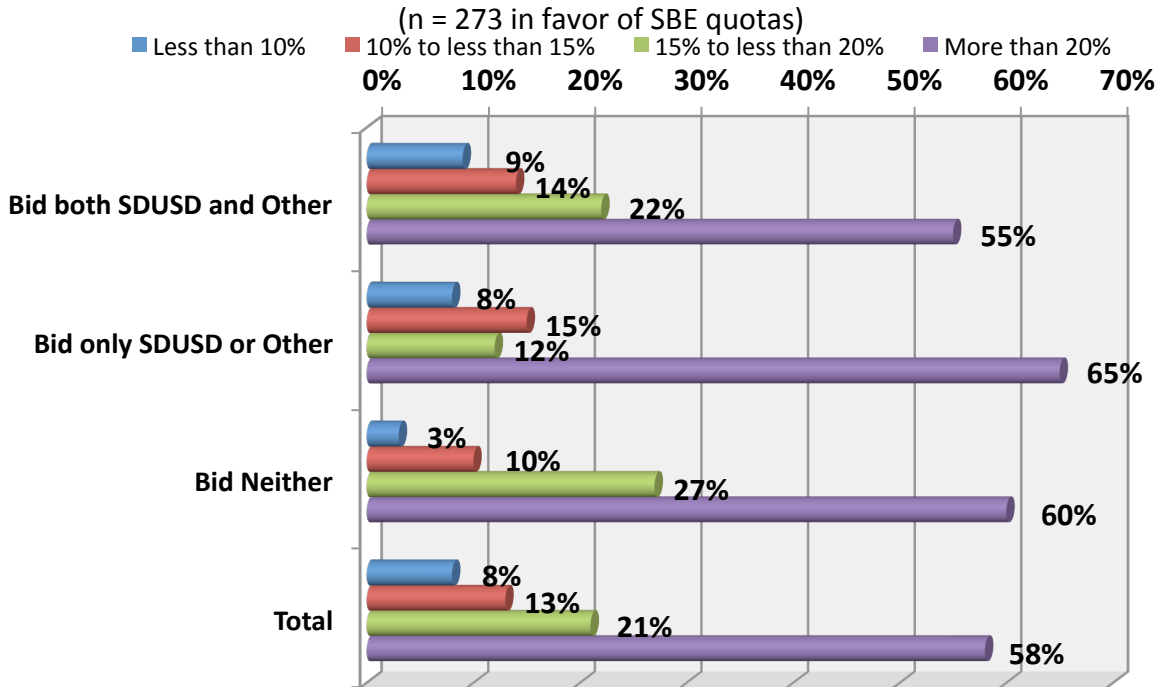
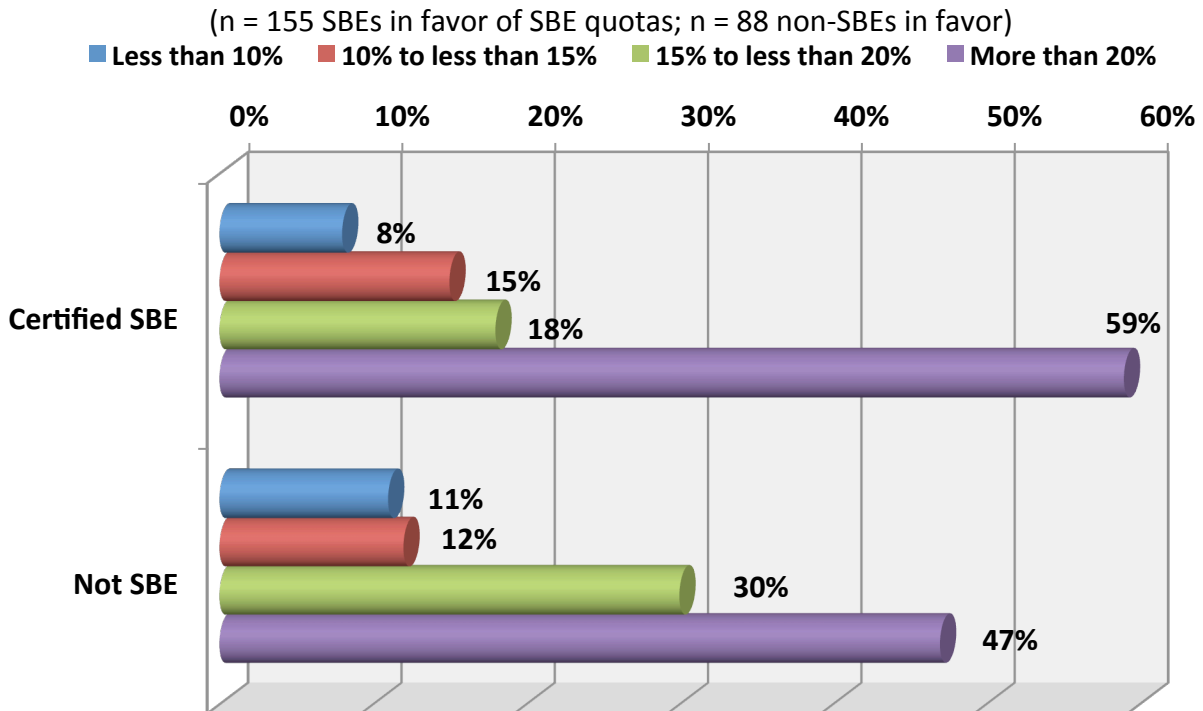


Chart 38
Percentage of SBE Quota Preferred by SBE Status



- **Chart 39** shows that among contractors who favor SBE quotas, over four-fifths (82 percent) of those that are both a union shop and a non-union shop, favor a quota level of 15 percent or more. Contractors who are non-union show similar support for this quota level (81 percent). However, union-shop contractors report much less support for this quota level. Specifically, only 54 percent of these union contractors favor a quota level of 15 percent or more.

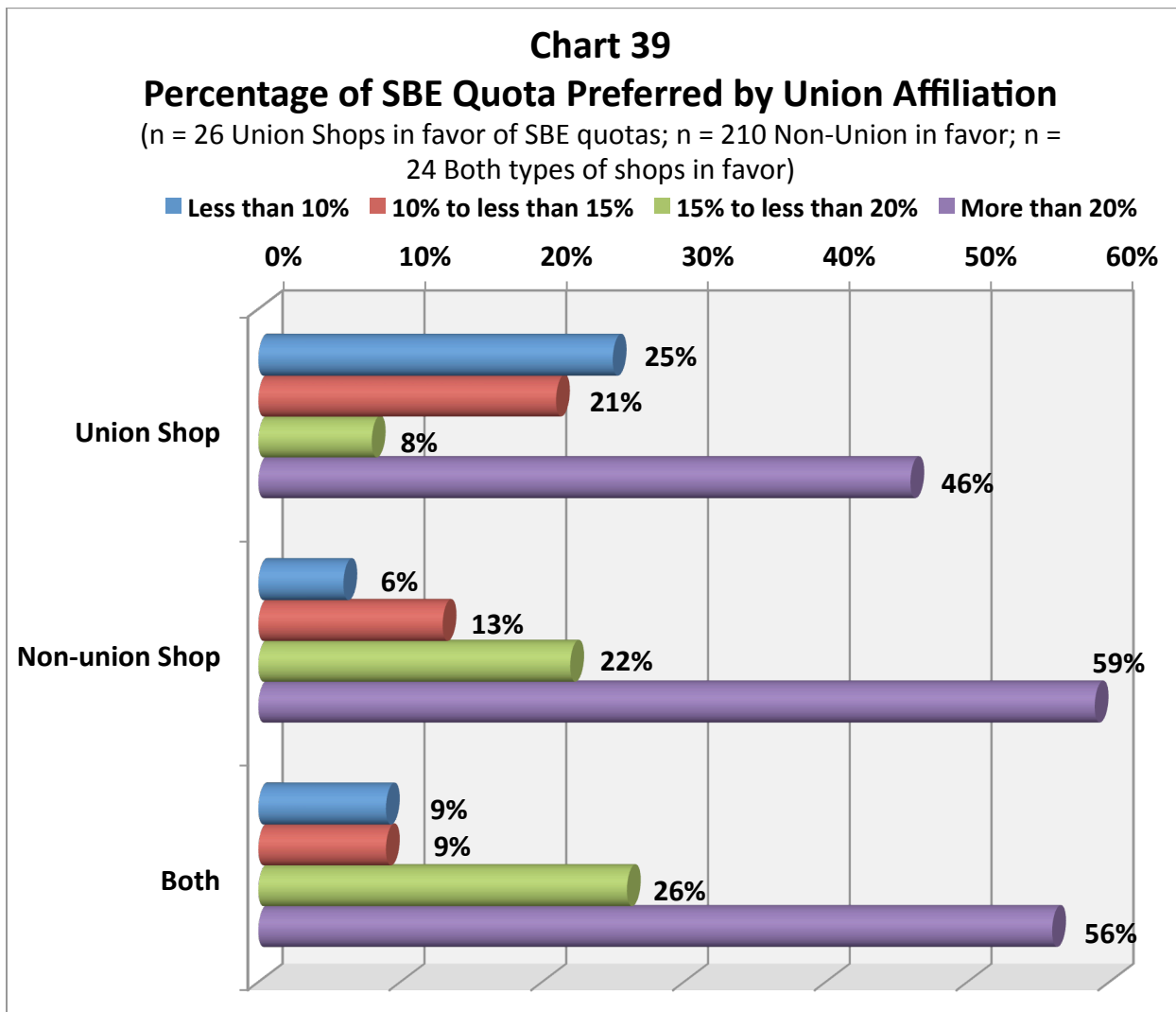
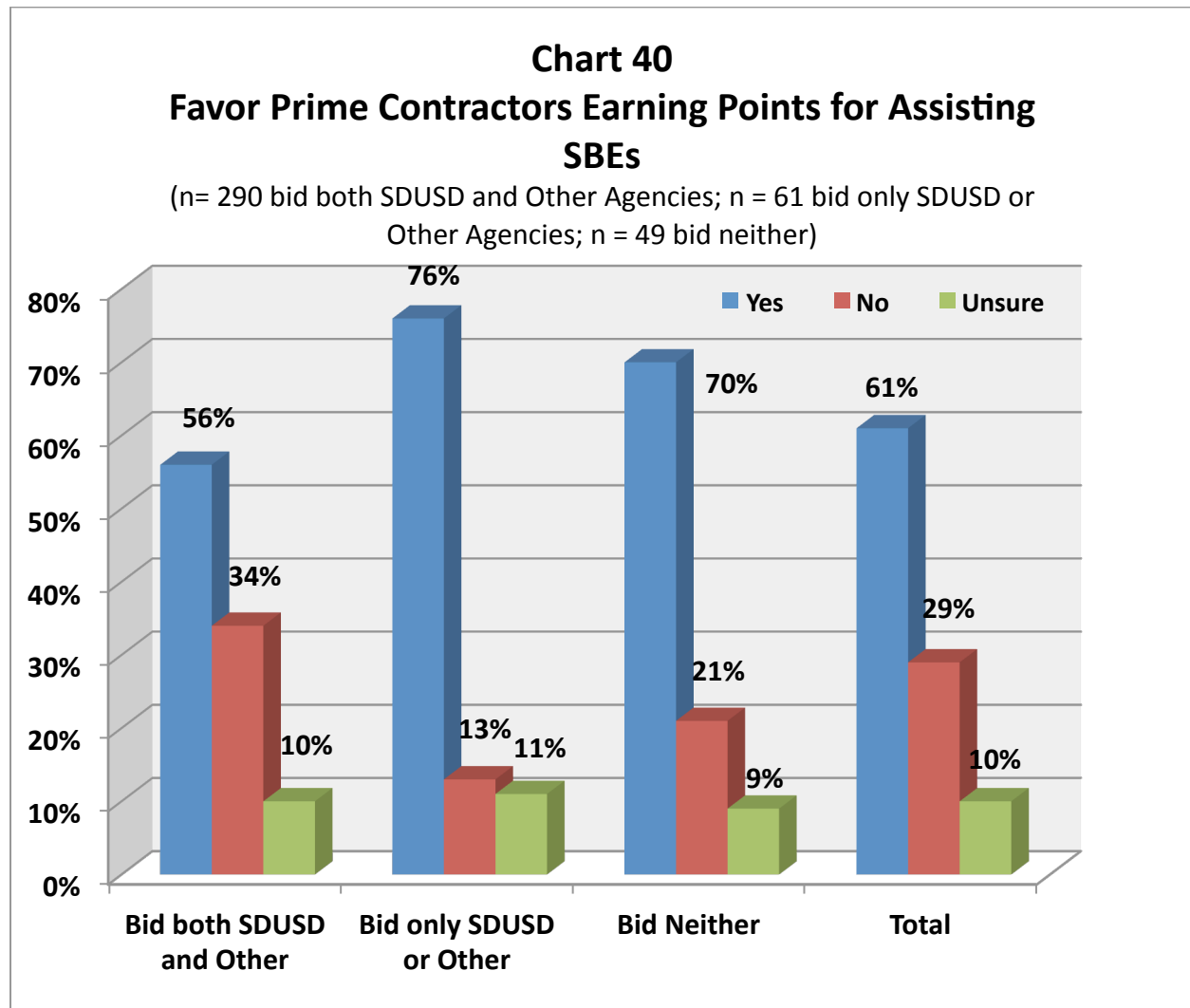


Chart 40 indicates that over three-fifths (61 percent) of all sampled contractors support a point system whereby prime contractors would earn points that would enhance their relative position in the competitive bidding process by assisting SBEs. This is approximately equal to the percentage of contractors that favor quotas of 20 percent or more. Contractors who have bid only SDUSD projects or the projects of other agencies—but not both—(76 percent) and contractors who bid neither SDUSD projects nor the projects of other agencies (70 percent) strongly favor this point system. On the other

hand, contractors who bid both SDUSD projects and other agency projects are less in favor of the point system – only 56 percent in favor.



- As might be expected, certified SBE contractors are much more in favor of a point system that would assist SBEs than are non-SBE contractors (Certified SBE – 67 percent versus Non-SBE – 52 percent) (Chart 41).
- Chart 42 shows that nearly three-fourths (73 percent) of contractors who are both a union shop and a non-union shop favor a point system for assisting SBEs. Non-union shop contractors (61 percent) are slightly more inclined toward supporting this point system than are union shop contractors (55 percent).

Chart 41
Favor Prime Contractors Earning Points for Assisting SBEs by SBE Status

(n = 232 SBEs; n = 168 Non-SBEs or not known)

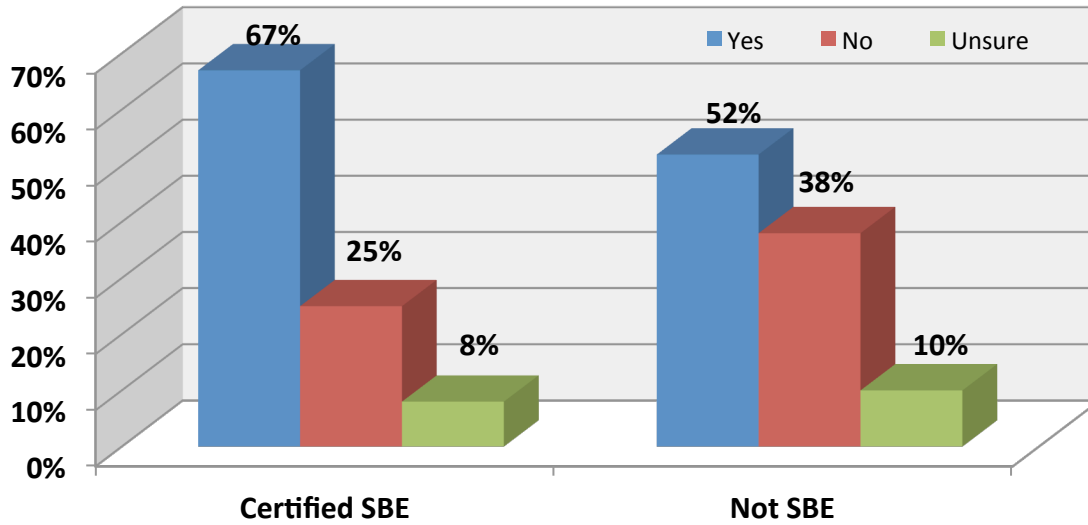


Chart 42
Favor Prime Contractors Earning Points for Assisting SBEs by Union Affiliation

(n = 53 Union; n = 314 Non-Union or not known; n = 33 Both)

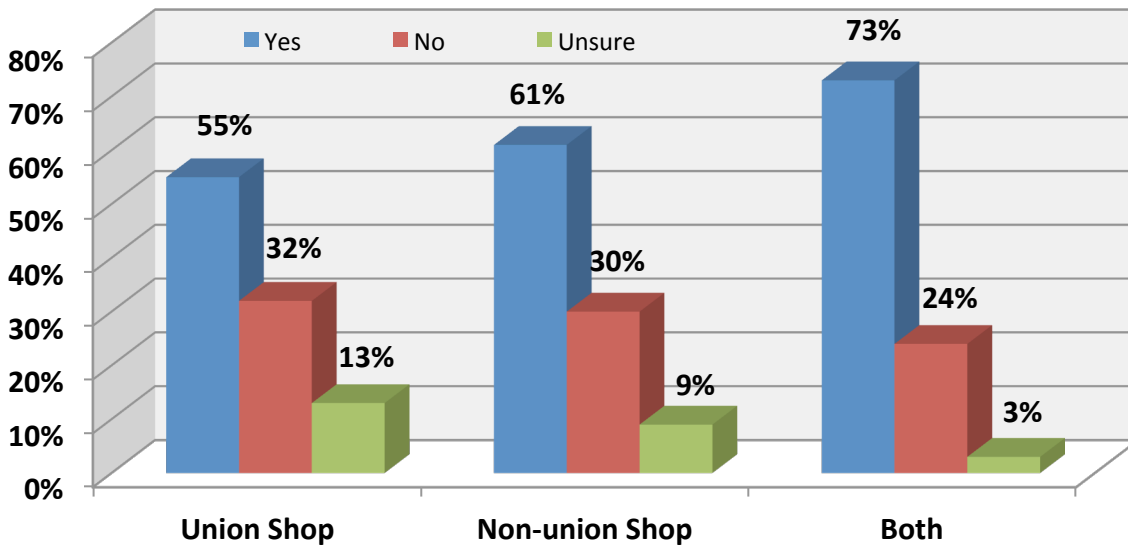
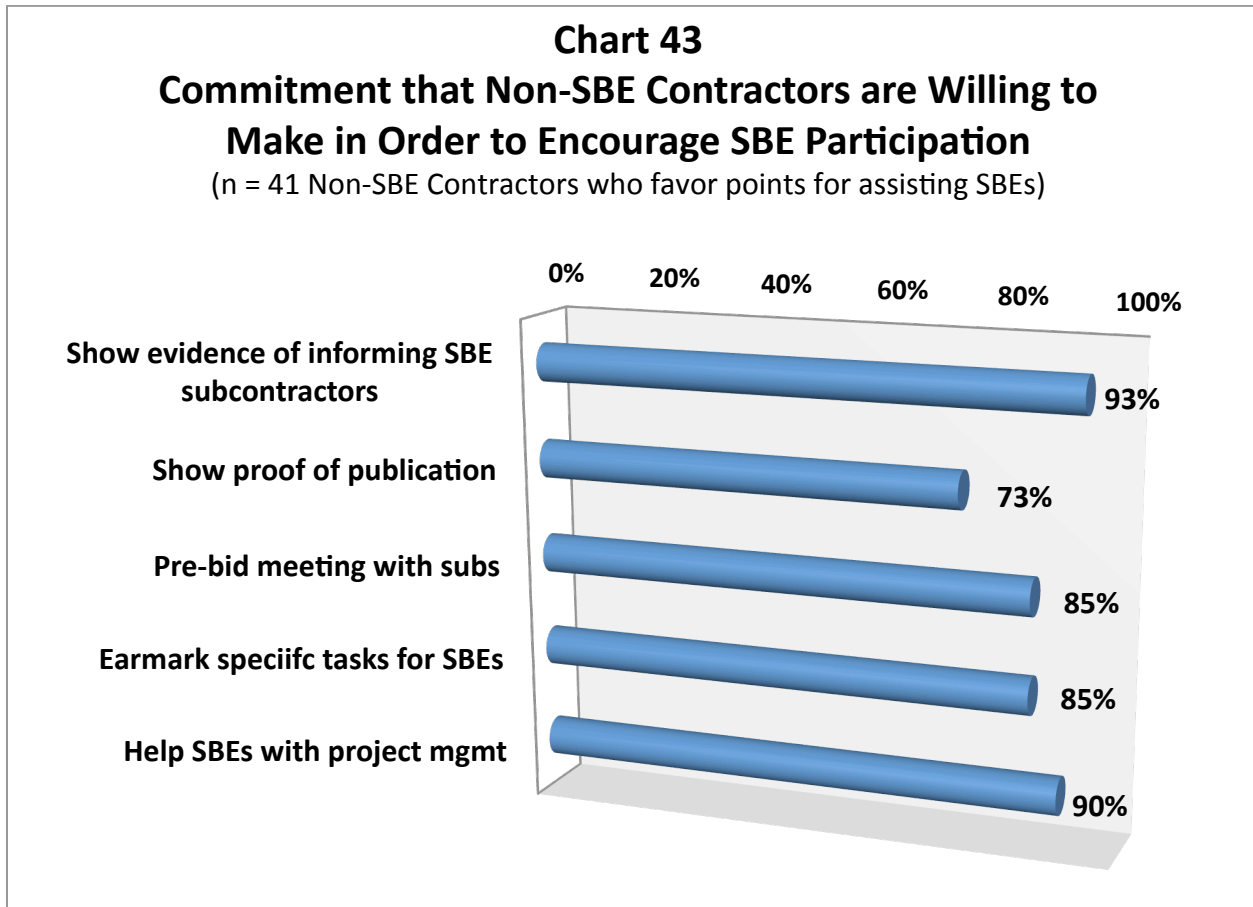


Chart 43 shows the types of commitment that contractors who are non-SBEs and who also favor the point system for assisting SBEs are willing to make. These contractors are most committed to showing evidence that they informed qualified SBEs about bidding opportunities (93 percent), followed closely by a commitment to help SBEs with project management once the project is underway (90 percent). These contractors are least committed to showing proof that they published bidding opportunities in newspapers or other appropriate information outlets (73 percent).



Conclusions

This survey of contractors and their opinions about public works projects, especially for the San Diego Unified School District, has revealed a number of findings that can help the District in the future. These findings are presented in great detail in the body this report, in lesser detail in the summaries that precede each section, and in even lesser detail in the Executive Summary at the beginning of this report.

With so many variations on the presentation of these findings, it is left for this conclusion to highlight those findings that might have the greatest impact on policy. In particular,

- Contracting with SDUSD is rated as a “good” experience by contractors, but it is seen as being a more favorable experience by larger, union contractors and minority-owned businesses than it is by smaller, non-union, women-owned businesses. This provides a target population for SDUSD to address in its outreach programs.
- An important minority of contractors (between one-fourth and two-fifths) indicated that SDUSD is associated with more bidding time, lower profit margins, and higher projected costs than are other agencies. It is also to be noted that 25 percent think that SDUSD has higher construction standards than do these other public agencies. This is not to say that SDUSD should lower its standards in order to reduce the bidding time and cost. It is, however, to say that SDUSD can use the importance of these standards in the education environment to educate contractors.
- SBEs need help in obtaining bonding and meeting their insurance requirements much more than they feel that they need technical or administrative aid. SBE quotas and/or a point system to encourage SBE participation have widespread support among contractors.

ENDNOTE: FOLLOW-UP INTERVIEWS

In order to respond to all of the questions posed by the San Diego Unified School District in its contract with Rea & Parker Research, it was necessary to interview San Diego County general contractors and SDUSD construction managers. The objectives of these interviews were to determine:

- the extent to which, if any, construction quality had changed from before the PSA was implemented in July, 2009 to the present,
- what effect the PSA has had on cost and profit margin,
- the ease or difficulty of finding and retaining subcontractors on PSA projects,
- if contractors would find a sub-contractor pre-qualification program to be beneficial,
- if there is a minimum size contract that is required in order for them to pursue a PSA bid.

It is worthy of note that, despite several attempts to contact contractors, the number who chose to participate in these interviews was quite small. Their input, therefore, is to be viewed as anecdotal and not to be considered as a scientific sample.

Interviews with General Contractors

Don Webb (Director, Construction Management Department San Diego Unified School District Physical Plant Operations Center Construction Management Office) and Jim Ryan (Executive Vice President--Associated General Contractors (AGC) of America--

San Diego Chapter, Inc.) provided contractor names and contacts to Rea & Parker Research. Suggestions were sought from both parties for two purposes: 1) to gain entrée to high ranking executives of major contractors that had bid and/or worked on projects for the District before and/or after the commencement of the PSA, and 2) inasmuch as the District and AGC are often at odds concerning the PSA, a balanced view would be assured.

Interestingly, there was a good amount of commonality between the names provided. Both the District and AGC provided contractors and contacts for the following:

- Soltek Pacific (Steve Thompson)
- Straightline Construction (Dave Williams)
- Suffolk-Roel (Kevin Elliott/Wayne Hickey)

The District also provided the names of:

- Triton Structural Concrete (no contact provide)
- Erickson-Hall (Dave Erickson)
- Cox Construction (Todd Gillam)

AGC added Tricon/Penick and Sons (Tim Penick/Pete Lupo).

Many telephone calls were placed, with Rea & Parker Research opting to eventually stop calling after 5-6 calls, recognizing that the effort was fruitless and that to make more calls would begin to border on harassment. Eventually, three interviews were conducted—Soltek, Straightline and Cox. In addition, one contractor communicated their opinion about PSA construction quality through Don Webb.

One of the contractors does not and never has bid on a SDUSD PSA project. His company is non-union and his workers have benefits that they would lose if he worked on a PSA job. They would have to pay more for the union benefits than they do now and would, therefore, be worse off. In the alternative, he could pay double benefits, thereby making his bid non-competitive. He also has a principle against what he characterizes as “closed competition.” To his knowledge, there is no quality difference between union and non-union laborers.

Responses to the interview questions and other issues raised by the other two contractors and the one obtained through Don Webb are summarized below without attributing any responses to particular individuals.

- Two of the three thought that construction quality has decreased since the advent of the PSA. The other said that quality was exactly the same. All three cited instances where union workers arrived on the job ill-prepared. Others discussed the teamwork necessary on a job site and the nature of the PSA to have workers who are not familiar with one another begin to develop that teamwork only to have the group broken up after a few days. One contractor discussed that the workers sent by the union hall are the ones that had been out of work the longest and were likely to be among the poorer workers and/or least qualified. NOTE: This is the only comment received from the contractor relayed by Don Webb. The remaining observations are from the two remaining contractors.
- Costs are definitely higher and profit margins are lower on PSA projects. According to one contractor, “Contractors are a simple breed. If they understand and are familiar with the conditions of the project, they will provide a competitive bid. If not, they’ll throw money at it and the price is increased.” They understand prevailing wages, it is the other “garbage” that frustrates them—especially labor compliance and the substantial withholding of sums due by the District when the forms are not quite completed as required. The unions tell the contractors to file their paperwork one way and the District requires that it be filed differently. This contradiction has led to large withholdings and delays in payment, and the “district needs to take control of it.”
- There is obviously some disagreement, misunderstanding, and/or lack of coordination among the various parties involved in labor compliance—the contractors, subcontractors, unions, the District and the laws of the State of

California—that seem to cause confusion and some ill-will within the building contractor community toward the District’s enforcement policies and procedures in applying the State law. As a parting remark, one contractor added that “It is all politics. If you can change the politics, you’ll be doing a big favor to the taxpayers of San Diego.”

- Subcontractors frequently quit the job once they understand what is required of them by the PSA, no matter how hard the contractor tries to inform the sub-contractor beforehand. Subcontractors may withdraw their bid after the contractor’s bid is accepted (approximately 25 percent of the time), and the contractor may experience PSA-related problems with up to one-half of the remaining subcontractors. The replacement subcontractors will have bid originally at a higher amount and general contractor profit margins then become reduced. As such, as they seek to protect themselves, their bids are increased.
- A bigger issue in lower profit margins, however, is the weak economy, according to one contractor. This has caused prices to be somewhat lower on PSA jobs than they would be or will be in a stronger economy. Were the economy the same as it was prior to the PSA, costs of PSA projects would show more of an increase over non-PSA projects than the evidence shows at present.
- Also, according to these contractors, it is commonly known that there are fewer bidders on PSAs than non-PSAs. Fewer bidders imply less competition, and the contractors factor the lesser competition in to their bidding by increasing bid costs somewhat. One contractor indicated that he likes the PSA because he is bidding against only the “big boys,” and that he should be able out price them routinely, but he also added that if other work were available, “I would not bid it [PSA]”.
- The difficulty of retaining subcontractors was discussed previously, but there is also a problem with obtaining bids from subcontractors in the first place. One contractor indicated that the number of subcontractors bidding to him on a PSA project is less than 40 percent of a “normal job.” The other contractor stated that he is looking at bids currently where he is not confident that he will be “fully covered” by subcontractors. This implies that his company would have to do the work itself. That is an unattractive option because he prefers not to work with the unions although unions have been less of a “hassle” than he had thought they would be.
- Both contractors indicate that a pre-qualification program for sub-contractors is of no value. They want to do the pre-qualifying themselves.
- Both contractors find the \$1 million dollar minimum acceptable for bidding. Smaller jobs are an excellent way to train their younger “up and coming” superintendents.

Interviews with SDUSD Construction Managers

Rea & Parker Research interviewed construction managers, as indicated above, the names of whom were provided by Don Webb. These interviews concerned the quality of construction that occurs on PSA projects versus non-PSA projects. The following construction managers were interviewed by telephone: Dave Machek, Rick Mortazavi, Carl Schneider, and Bob Snipes. A summary of these interviews follows.

- There is consensus that the quality of construction for PSA projects is the same as the quality of construction for non-PSA projects. Quality is defined by the contract specifications, and the formal inspection process ensures that a pre-defined standard of quality is maintained whether the project is under a PSA or otherwise.
- During the first year of the PSA, there was an issue with retaining quality subcontractors. However, this is not an issue any longer. There are good subcontractors and there are poor subcontractors. Contractors know this and will, of course, gravitate to those subcontractors that have a proven track record.
- In some instances, the PSA requires that some workers are to be selected from the union hall. This requirement frequently results in a construction team (some union and some non-union workers) that has not previously worked together, and the lack of team experience leads to a longer start up time and inefficiency on the job. Keeping as much of a construction team together as possible is beneficial for the contractor and the client; however, the structure of the PSA frequently does not allow that to occur.

- Regarding the quality of workers, one construction manager said that if a person sitting at the union hall is waiting to be called for work, the quality of that worker's skills has to be questioned. If a person is good at their craft, contractors know it and that person is working and busy. Contractors report that union workers sometimes are not familiar with the equipment of the contractor or sub-contractor and this leads to further inefficiency and delays.

Interview with Associated General Contractors

Rea & Parker Research also met with Jim Ryan (Executive Vice-President) and Brad Barnum (Vice-President—Government Affairs) for the Associated General Contractors (AGC) —San Diego Chapter. As discussed above, AGC is a long-time and very active opponent of PSAs and PLAs. Their comments are summarized below.

- As indicated by the contractor interviews, contractors are having difficulty retaining subcontractors. They then employ the next lowest bidder and “have to eat” the difference in cost.
- The pool of subcontractors that bid PSA projects is much smaller than those that bid non-PSAs. On a \$4-5 million project, there should be 14-15 bidders, but there are far fewer (NOTE: see Bidder-Cost section—there are approximately 6-7 bidders on average).
- Most general contractors sub-contract their entire job. They do not want to work with the unions, and sub-contractors are more costly. Union pension funds are underfunded by pension contributions, and if a contractor joins and then later leaves the union, they must make up their deficits. This discourages participation in the PSA.
- They question the accuracy of the target zip code worker data, indicating that most workers in San Diego reside in Tijuana. They cite that 100 out of 125 drywall workers were found to reside in Tijuana and were working without adequate papers and deported. (NOTE: This point was made in a footnote in the Targeted Zip Code section.)
- The threat of labor disruptions or stoppages in San Diego is minimal thereby rendering that justification for PSAs to be of no consequence. This same point was made by one of the contractors interviewed.
- The labor compliance component of SDUSD is causing much concern and displeasure in the contractor community. “They [SDUSD] are holding up lots of money.” The PLA and its mediator and administrator should be able to handle these disputes—not SDUSD.
- Regarding apprentices, another justification for PSAs, “Everybody has apprenticeship programs and the AGC has the largest in San Diego.”
- With regard to job quality. The SDUSD jobs for sub-contractors are relatively small jobs. Non-union contractors keep the same workers from job-to-job. If they are working on a PLA, when they finish their small portion of the job, they cannot use the union workers, so they must hire new workers and re-establish training and teamwork once again.
- This is a “money grab” by the unions. Imagine \$1.50 per hour in dues for 200 hours--3000 workers per job—for 20 years and you see the real reason for the PSA, according to these AGC officials.

APPENDIX A

San Diego Unified School District: Contractor Survey

INT. Hello, my name is _____. I'm calling from _____. We're conducting a research study on behalf of the San Diego Unified School District that is intended to help the District better serve the contracting community. The results of the study will be made available to the public after they are presented to the School District. The questions are about decision-making and experiences with large scale construction projects. The interview takes between 5 and 10 minutes, your responses are completely confidential and all results will be reported in summarized form only.

Are you the best person to answer questions on behalf of your company? **[IF NO, GET REFERRAL TO RIGHT PERSON]**

Could you take a few minutes right now to help us out with your opinions? **[IF NO, ARRANGE CB]**

IF ASKED "WHAT'S IT FOR?"

This study is designed to help the School District understand the opinions of construction firm owners about issues related to bidding and working on public works projects.

IF ASKED FOR A CONTACT NAME:

Please call Richard Parker, Rea & Parker Research 858-279-5070.

IF TOLD "NO TIME":

Could I schedule a more convenient time?

"LM":

This is... calling from _____. It's...(DATE and TIME). We're conducting a research study on behalf of the San Diego Unified School District. We'll try again another time. Thank you.

"LM":

This is...calling from _____. We've been trying to reach you for a few days regarding our study on behalf of the San Diego Unified School District. Could you please call us at _____ and leave a message with the best times to reach you?

Q1. How long has **[INSERT COMPANY NAME]** been in business in San Diego County?

- 1 - Less than one year ---->**NQR**
- 2 - 1 to 5 years
- 3 - 6 - 10 years

- 4 - 11 to 20 years, or
- 5 - more than 20 years
- 9 - DK/REF

Q2. Which contractors' license classifications does your firm hold?

	<u>YES</u>	<u>NO</u>	<u>DK/REF</u>
a. A?	1	2	9
b. B?	1	2	9
c. C?	1	2	9

QUOTA: ALLOW ONLY n = 50 RESPONDENTS WITH 2C = 2 or 9. AFTER THAT, END INTERVIEW IF 2C = 2 or 9---> NQR-QUOTA

Q3—Is your company a certified Small Business Enterprise

1. Yes
2. No—**GO TO Q4**
3. DK/REF—**GO TO Q4**

Q3a—**[IF Q3=1]** What authority or government agency certified you as a small business enterprise?

99= DK/REF

Q4. Would you categorize your firm as primarily a

- 1 - a prime contractor,
- 2 - a sub-contractor,
- 3 - both prime contractor and subcontractor
- 9 - DK/REF

Q5. Has your company ever **performed construction work** as a contractor or subcontractor on a public works project?

- 1 - Yes—**GO TO Q6**
- 2 - No—**GO TO Q5A**
- 3 - DK/REF—**GO TO Q5A**

Q5A. Has your company ever bid on construction work as a contractor or sub-contractor on a public works contract?

- 1 - Yes **GO TO Q7**
- 2 - No **GO TO Q11**
- 3 - DK/REF **GO TO Q11**

Q6. Please indicate which of the following applies to you in your capacity as either a prime or subcontractor for public works construction projects? (Check only one)

- 1 – We have worked on public works projects **only** for San Diego Unified School District construction projects **GO TO Q6A**
- 2 – We have worked on at least one San Diego Unified School District construction project and at least one other public agency project—**GO TO Q8**
- 3 – We have worked **only** on public construction projects for agencies other than the San Diego Unified School District. ----> **GO TO Q6B**

Q6A. Has your firm ever bid on a construction project for a public agency other than the San Diego Unified School District but you were not awarded the contract?

- 1 - Yes
- 2 - No
- 3 - DK/REF

GO TO Q8

Q6B. Has your firm ever bid on a San Diego Unified School District project but you were not awarded the contract?

- 1 - Yes -----> **GO TO Q10**
- 2 – No-----> **GO TO Q11**
- 3 - DK/REF -----> **GO TO Q11**

Q7. Please indicate which of the following applies to you in your capacity as either a prime or subcontractor bidder on public works construction projects? (Check only one)

- 1 – We have bid on public works projects **only** for San Diego Unified School District construction projects **GO TO Q11**
- 2 – We have bid on at least one San Diego Unified School District construction project and at least one other public agency project—**GO TO Q10**
- 3 – We have bid **only** on public construction projects for agencies other than the San Diego Unified School District. ----> **GO TO Q11**

Q8:

Based on your overall experience, please rate the following issues as far as they apply to **the work you did for the San Diego Unified School District on a scale of 1-5, with 1 = a very good experience and 5 = a very poor experience:**

		VERY GOOD		VERY POOR	UNSURE		
1.	Understanding project plans and specifications	1	2	3	4	5	9
2.	Complying with insurance requirements	1	2	3	4	5	9
3.	Obtaining required bonding	1	2	3	4	5	9

4.	Complying with prevailing wage requirements	1	2	3	4	5	9
5.	IF Q4= 1 or 3 Complying with the small business outreach program						
		1	2	3	4	5	9
6.	IF Q4= 1 or 3 Obtaining progress payments	1	2	3	4	5	9
7.	IF Q4 = 1 or 3 Obtaining change orders and amendments						
		1	2	3	4	5	9
8.	Working with construction inspectors	1	2	3	4	5	9
9.	Experience in handling administrative work	1	2	3	4	5	9
10.	Finding employees who live in targeted zip codes	1	2	3	4	5	9
11.	Amount of time required to prepare your bid	1	2	3	4	5	9
12.	Overall work experience	1	2	3	4	5	9
IF Q6 = 2, GO TO Q9							
IF Q6A = 1, GO TO Q10							
IF Q6A = 2 or 3, GO TO Q11							

Q9

Thinking now about the difference between working on a San Diego Unified School District project versus working on a project for any other public agency for which you have done work, how does working for the San Diego Unified School District affect **your company's bidding and construction work** compared to other public agencies...

1. Does a bid usually require...
 - 1 - more time,
 - 2 - less time,
 - 3 - or about the same amount of time to prepare?
 - 9 - DK/REF

2. Is your projected project cost usually...
 - 1 - higher,
 - 2 - lower,
 - 3 - or about the same?
 - 9 - DK/REF

3. Is your profit margin usually...
 - 1 - more,
 - 2 - less, or
 - 3 - about the same?
 - 9 - DK/REF

4. The number of repairs to your original work that you are called upon to make when you are working on a construction project for the San Diego Unified School District is
 1. more than for projects sponsored by other public agencies
 2. less than for projects sponsored by other public agencies
 3. about the same for both San Diego Unified School District projects and other public agency projects.

5. Construction standards for construction projects are
 1. higher on San Diego Unified School District projects than on projects for other public agencies.
 2. lower on San Diego Unified School District projects than on projects for other public agencies.
 3. about the same for both SDUSD projects and projects for other public agencies

GO TO Q11

Q10 (IF Q6B = 1 OR Q6A = 1 OR Q7 = 2).

Thinking now about the difference between bidding on a San Diego Unified School District project versus bidding on a project for any other public agency for which you have bid on work, how did the project, given that it was a San Diego Unified School District project affect **your company's bid** compared to bidding for other public agencies...

1. Does a bid for the SDUSD usually require...
 - 1 - more time
 - 2 - less time,
 - 3 - or about the same amount of time to prepare?
 - 9 - DK/REF

2. Is your projected project cost for SDUSD projects usually...
 - 1 - higher,
 - 2 - lower,
 - 3 - or about the same?
 - 9 - DK/REF

3. Is your projected profit margin for SDUSD bids usually...
 - 1 - more,
 - 2 - less, or
 - 3 - about the same?
 - 9 - DK/REF

4. Construction standards for construction projects are
 1. higher on San Diego Unified School District projects than on projects for other public agencies.
 2. lower on San Diego Unified School District projects than on projects for other public agencies.
 3. about the same for both SDUSD projects and projects for other public agencies

4. DK/REF

4. On a scale of 1 to 5, where 1 = very important and 5 = not important at all, please rate the importance of the following as possible ways that SDUSD can motivate small business enterprises (SBE's) to participate in the bidding process for its construction projects

a. help SBEs complete forms and other paperwork 1 2 3 4 5

b.. help SBEs prepare the technical components of their bid 1 2 3 4 5

c. . provide SBEs on-going administrative assistance as the project progresses 1 2 3 4 5

d. promote networking – help introduce qualified SBEs to prime contractors

1 2 3 4 5

e. advertise and require pre-bid conferences 1 2 3 4 5

f. help SBEs understand prevailing wage requirements 1 2 3 4 5

g. make reduced price bonding and insurance available 1 2 3 4 5

5. **[ASK ONLY IF Q6A = 1 or Q6B = 1 or Q6 = 2 or Q7 = 2]** How would you say the SDUSD compares to other public agencies in terms of assisting small business enterprises (SBE's) during the bidding process for public construction projects?

1. SDUSD is more helpful than other public agencies
2. SDUSD is less helpful than other public agencies
3. Both SDUSD and other public agencies are about the same
4. DK/REF

6. **[ASK ONLY IF Q6A = 1 or Q6B = 1 or Q6 = 2 or Q7 = 2]** In the process of preparing bids for public construction projects, compare the SDUSD with other public agencies in terms of the difficulty in finding subcontractors, suppliers, and other construction partners.

1. It is more difficult when the bid is for the SDUSD than for other public agencies
2. It is less difficult when the bid is for the SDUSD than for other public agencies
3. The level of difficulty is about the same for both
4. DK/REF

7. In your opinion, should bid requests by the San Diego Unified School District include a quota for work to be performed by small business enterprises (subcontractors). That is, should a percentage of the proposed construction budget be specifically earmarked for small business enterprises (SBEs).

1. Yes
2. No **(GO TO Q11-8)**

9. DK/REF (GO TO Q11-8)

7A. [IF Q11-7 = 1] Approximately what percentage of the typical construction budget do you think should be designated for SBEs.

1. Less than 10 percent
2. 10 percent but less than 15 percent
3. 15 percent but less than 20 percent
9. 20 percent or more

8. In your opinion, should the bidding process for San Diego Unified School District construction projects include a system whereby prime contractors earn points for committing to assist small business enterprise subcontractors? These points would serve to increase the primary contractor's relative position in the competitive bidding process.

1. Yes
2. No (**GO TO Q12**)
9. DK/REF (**GO TO Q12**)

8A. [IF Q11-8 = 1 AND Q4 = 1 or 3 AND Q3 = 2 or 3] Please indicate the type of commitment you would be willing to make to SBE's in the bidding process in order to earn these points. Would you be willing to:

Yes	No	DF/REF
(1)	(2)	(9)

- a. Show proof that you have informed (by e-mail and/or postal mail) qualified SBE subcontractors about the bidding opportunity
- b. Show proof that you have published the bidding opportunity in newspapers or other appropriate information outlets
- c. Conduct a pre-bid meeting for qualified subcontractors
- d. Identify specific tasks within the bid to be earmarked for SBE participation
- e. Commit to helping SBE subcontractors with project management once the project is underway

ASK ALL:

Q12. Are you familiar with Project Stabilization Agreements or PSAs, which are also known as Project labor Agreements or PLAs?

- 1 - Yes -----> (**GO TO Q13**)
- 2 - No (**GO TO Q14**)

3 - DK/REF/NOT SURE (**GO TO Q14**)

Q13. Has your firm ever worked on a San Diego Unified School District PSA Project?

1. Yes
2. No
3. DK/REF

In conclusion, the following questions are for comparison purposes only:

Q14. . In order to assist the School District in its outreach efforts, we'd like to know if your firm is any of the following. Is it... [**SELECT ALL THAT APPLY**]

	<u>YES</u>	<u>NO</u>	<u>DK/REF</u>
1. Woman-owned?	1	2	9
2. Veteran-owned?	1	2	9
3. Minority-owned?	1	2	9

Q14a. [**IF Q14 = 3**] Which category best describes the race/ethnicity of the owner?

- 1 - African-American/Black
- 2 - Hispanic/Latino
- 3 - Asian/Pacific Islander
- 4 - American Indian
- 5 - OTHER: _____
- 9 - DK/REF

Q15. During the past three years, what is the approximate gross annual dollar value of the construction contracts that your firm has been awarded?

\$ _____ **allow responses up to 11 digits—or use string for some such as “38 million”—then convert to make certain that callers are not having trouble with big #s**
-1 = DK/REF

Q16. Is your company..

- 1 - a union shop,
- 2 - a non-union shop,
- 3 - both,

APPENDIX B

Frequency Distributions and Open-Ended Responses

Q1. Years in Business in SD County

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 5 years	35	8.8	8.8	8.8
	6 to 10 years	67	16.8	16.9	25.7
	11 to 20 years	86	21.5	21.7	47.4
	More than 20 years	209	52.3	52.6	100.0
	Total	397	99.3	100.0	
Missing	DK/REF	3	.8		
Total		400	100.0		

Q2. Contractor License #1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Class A	60	15.0	15.0	15.0
	Class B	66	16.5	16.5	31.5
	Class C	274	68.5	68.5	100.0
	Total	400	100.0	100.0	

Q2. Contractor License #2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Class A	5	1.3	5.0	5.0
	Class B	43	10.8	42.6	47.5
	Class C	53	13.3	52.5	100.0
	Total	101	25.3	100.0	
Missing	System	299	74.8		
Total		400	100.0		

Q2. Contractor License #3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Class A	6	1.5	16.7	16.7
	Class B	1	.3	2.8	19.4
	Class C	29	7.2	80.6	100.0
	Total	36	9.0	100.0	
Missing	System	364	91.0		
Total		400	100.0		

Q3-Certified Small Business Enterprise?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	232	58.0	58.0	58.0
	No	135	33.8	33.8	91.8
	DK/REF	33	8.3	8.3	100.0
	Total	400	100.0	100.0	

Q3a_Certifying_Authority_coded #1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	State of California (other than Caltrans)	98	24.5	50.0	50.0
	Caltrans	27	6.8	13.8	63.8
	City of San Diego	17	4.3	8.7	72.4
	US Federal Agency	32	8.0	16.3	88.8
	Self-certified	7	1.8	3.6	92.3
	Other	15	3.8	7.7	100.0
	Total	196	49.0	100.0	
Missing	System	204	51.0		
Total		400	100.0		

Q3a_Certifying_Authority_coded #2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	State of California (other than Caltrans)	4	1.0	17.4	17.4
	Caltrans	4	1.0	17.4	34.8
	City of San Diego	6	1.5	26.1	60.9
	US Federal Agency	8	2.0	34.8	95.7
	Other	1	.3	4.3	100.0
	Total	23	5.8	100.0	
Missing	System	377	94.3		
Total		400	100.0		

Q3a_Certifying_Authority_coded #3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Caltrans	1	.3	20.0	20.0
	City of San Diego	1	.3	20.0	40.0
	US Federal Agency	2	.5	40.0	80.0
	Other	1	.3	20.0	100.0
	Total	5	1.3	100.0	
Missing	System	395	98.8		
Total		400	100.0		

Q3a_Certifying_Authority_other

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	383	95.8	95.8	95.8
DB and NBE	1	.3	.3	96.0
LA UNIFIED	1	.3	.3	96.3
LAUSD	1	.3	.3	96.5
Minority Business	1	.3	.3	96.8
Minority owned business	1	.3	.3	97.0
MWD	1	.3	.3	97.3
PTAC	1	.3	.3	97.5
San Diego County	2	.5	.5	98.0
San Diego Regional Minority Development Counsel	1	.3	.3	98.3
San Diego Water Authority	1	.3	.3	98.5
SBCA	1	.3	.3	98.8
School District	1	.3	.3	99.0
Supplier divers	1	.3	.3	99.3
WAC	1	.3	.3	99.5
Water Authority	1	.3	.3	99.8
Woman Owned	1	.3	.3	100.0
Total	400	100.0	100.0	

Q3a--Small Business Certifying Authority/Agency

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	176	44.0	44.0	44.0
All of them	1	.3	.3	44.3
California	3	.8	.8	45.0
California Department of Services	1	.3	.3	45.3
California of Secretary of State	1	.3	.3	45.5
CALTRANS	16	4.0	4.0	49.5
Caltrans and City of San Diego	1	.3	.3	49.8
CALTRANS and the State of California	1	.3	.3	50.0
CALTRANS and with the city of S.D., BBE	1	.3	.3	50.2
CALTRANS, Clearing House, SBA. and City of San Diego	1	.3	.3	50.5
CALTRANS, federal	1	.3	.3	50.7
CCR	1	.3	.3	51.0
City And County Of San Diego	1	.3	.3	51.2
City of San Diego	1	.3	.3	51.5

City Of San Diego	8	2.0	2.0	53.5
City Of San Diego and CA State	1	.3	.3	53.8
City Of San Diego and CALTRANS	1	.3	.3	54.0
City of San Diego and DOD	1	.3	.3	54.3
City Of San Diego/Federal Government	1	.3	.3	54.5
Contractor's license and Woodwork Institute	1	.3	.3	54.8
Contractor's State	1	.3	.3	55.0
Contractor's State license	1	.3	.3	55.3
CPR	1	.3	.3	55.5
D.O.D	1	.3	.3	55.8
DB and NBE	1	.3	.3	56.0
Department of General Services	1	.3	.3	56.3
Department of Transportation	1	.3	.3	56.5
Department Of Transportation „City Of SD , SBA	1	.3	.3	56.8
Department Of Transportation, and the federal government	1	.3	.3	57.0
Dept. of Defense	1	.3	.3	57.3

Dept. of General Services	3	.8	.8	58.0
DGS	3	.8	.8	58.8
DGS STATE CALTRANS	1	.3	.3	59.0
DK	10	2.5	2.5	61.5
DK thinks it's the water auth	1	.3	.3	61.8
DK wife took care of it	1	.3	.3	62.0
Don't Know	5	1.3	1.3	63.2
Don't Remember	1	.3	.3	63.5
DVBE	1	.3	.3	63.7
DVE	1	.3	.3	64.0
FDA	1	.3	.3	64.3
Federal	4	1.0	1.0	65.3
Federal and State	1	.3	.3	65.5
Federal government	1	.3	.3	65.8
General Services Department	1	.3	.3	66.0
GSA	1	.3	.3	66.3
I do not know	1	.3	.3	66.5
I don't know	3	.8	.8	67.3
LA UNIFIED	1	.3	.3	67.5
LAUSD	1	.3	.3	67.8
Minority Business	1	.3	.3	68.0

Minority Enterprise for CALTRANS	1	.3	.3	68.3
Minority owned business	1	.3	.3	68.5
MWD	1	.3	.3	68.8
Not Known	1	.3	.3	69.0
Not Sure	4	1.0	1.0	70.0
not sure its State for sure	1	.3	.3	70.3
OSHA	1	.3	.3	70.5
PTAC	1	.3	.3	70.8
San Diego	1	.3	.3	71.0
San Diego , CALTRANS	1	.3	.3	71.3
San Diego County	1	.3	.3	71.5
San Diego County, the City, And CALTRANS	1	.3	.3	71.8
San Diego Regional Minority Development Counsel	1	.3	.3	72.0
San Diego Water Authority	1	.3	.3	72.3
SBA	14	3.5	3.5	75.8
SBA SBE	1	.3	.3	76.0
SBCA	1	.3	.3	76.3
School District	1	.3	.3	76.5
Self-certification	1	.3	.3	76.8
Self-certified	4	1.0	1.0	77.8

Self-certified then CALTRANS	1	.3	.3	78.0
Self-Certify	1	.3	.3	78.3
Self Enterprises	1	.3	.3	78.5
Small Business Administration	1	.3	.3	78.8
Small Business Certificate	1	.3	.3	79.0
Small Business Certification	1	.3	.3	79.3
Small Enterprise Local Business	1	.3	.3	79.5
Small Local Business SLBE	1	.3	.3	79.8
State and federal	1	.3	.3	80.0
State CA	3	.8	.8	80.8
State CA dept. gen services	1	.3	.3	81.0
State fund	1	.3	.3	81.3
State of CA	5	1.3	1.3	82.5
State of Cal. and City of S.D	1	.3	.3	82.8
State of Calif, Vet,	1	.3	.3	83.0
State of California	44	11.0	11.0	94.0
State Of California	4	1.0	1.0	95.0
State of California and federal	1	.3	.3	95.3
State of California City of San Diego	1	.3	.3	95.5

State of California Dept. of General Services	1	.3	.3	95.8
State of California general services dept.	1	.3	.3	96.0
State of California- dept. of general services	1	.3	.3	96.3
State of California, DDS Procurement and DVBE	1	.3	.3	96.5
State, city, women owned	1	.3	.3	96.8
Supplier diversity .org	1	.3	.3	97.0
The State	1	.3	.3	97.3
The State and FDA	1	.3	.3	97.5
The State Ccr.Org	1	.3	.3	97.8
The State Of California	2	.5	.5	98.3
United States Navy , FDA	1	.3	.3	98.5
Unknown	2	.5	.5	99.0
US Government	2	.5	.5	99.5
USDA	1	.3	.3	99.8
WAC	1	.3	.3	100.0
Total	400	100.0	100.0	

Q4. Category of Contractor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Prime Contractor	52	13.0	13.1	13.1
	Sub-Contractor	207	51.7	52.0	65.1
	Both Prime Contractor and Sub Contractor	139	34.8	34.9	100.0
	Total	398	99.5	100.0	
Missing	DK/REF	2	.5		
Total		400	100.0		

Q5. Ever Performed Public Works Construction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	326	81.5	83.4	83.4
	No	65	16.3	16.6	100.0
	Total	391	97.8	100.0	
Missing	DK/REF	9	2.3		
Total		400	100.0		

Q5A. Public Works Bid--not Worked

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	25	6.3	36.2	36.2
	No	44	11.0	63.8	100.0
	Total	69	17.3	100.0	
Missing	DK/REF	5	1.3		
	System	326	81.5		
	Total	331	82.8		
Total		400	100.0		

Q6. Public Works Clients

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDUSD only	16	4.0	4.9	4.9
	SDUSD and Other Public Agencies	225	56.3	69.0	73.9
	Only Other Agencies	85	21.3	26.1	100.0
	Total	326	81.5	100.0	
Missing	System	74	18.5		
Total		400	100.0		

Q6A. Bid--not Awarded Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	11	2.8	73.3	73.3
	No	4	1.0	26.7	100.0
	Total	15	3.8	100.0	
Missing	DK/REF	1	.3		
	System	384	96.0		
	Total	385	96.3		
Total		400	100.0		

Q6B. Bid--not Awarded SDUSD

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	10.3	52.6	52.6
	No	37	9.3	47.4	100.0
	Total	78	19.5	100.0	
Missing	DK/REF	7	1.8		
	System	315	78.8		
	Total	322	80.5		
Total		400	100.0		

Q7. Bidder only to....

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDUSD only	1	.3	4.0	4.0
	SDUSD and Other Public Agencies	13	3.3	52.0	56.0
	Only Other Agencies	11	2.8	44.0	100.0
	Total	25	6.3	100.0	
Missing	System	375	93.8		
Total		400	100.0		

Q8-1 Rate SDUSD: Understanding project plans and specifications

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	76	19.0	33.5	33.5
	Good	79	19.8	34.8	68.3
	Neither Good nor Poor	38	9.5	16.7	85.0
	Poor	23	5.8	10.1	95.2
	Very Poor	11	2.8	4.8	100.0
	Total	227	56.8	100.0	
Missing	Unsure	14	3.5		
	System	159	39.8		
	Total	173	43.3		
Total		400	100.0		

Q8-2 Rate SDUSD: Complying with Insurance Requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	121	30.3	53.1	53.1
	Good	53	13.3	23.2	76.3
	Neither Good nor Poor	33	8.3	14.5	90.8
	Poor	9	2.3	3.9	94.7
	Very Poor	12	3.0	5.3	100.0
	Total	228	57.0	100.0	
Missing	Unsure	13	3.3		
	System	159	39.8		
	Total	172	43.0		
Total		400	100.0		

Q8-3 Rate SDUSD: Obtaining Required Bonding

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	105	26.3	55.3	55.3
	Good	38	9.5	20.0	75.3
	Neither Good nor Poor	26	6.5	13.7	88.9
	Poor	8	2.0	4.2	93.2
	Very Poor	13	3.3	6.8	100.0
	Total	190	47.5	100.0	
Missing	Unsure	51	12.8		
	System	159	39.8		
	Total	210	52.5		
Total		400	100.0		

Q8-4 Rate SDUSD: Complying with Prevailing Wage Requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	112	28.0	48.7	48.7
	Good	30	7.5	13.0	61.7
	Neither Good nor Poor	19	4.8	8.3	70.0
	Poor	16	4.0	7.0	77.0
	Very Poor	53	13.3	23.0	100.0
	Total	230	57.5	100.0	
Missing	Unsure	11	2.8		
	System	159	39.8		
	Total	170	42.5		
Total		400	100.0		

Q8-5 Rate SDUSD: Complying with Small Business Outreach (Primes only)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	27	6.8	37.0	37.0
	Good	16	4.0	21.9	58.9
	Neither Good nor Poor	14	3.5	19.2	78.1
	Poor	6	1.5	8.2	86.3
	Very Poor	10	2.5	13.7	100.0
	Total	73	18.3	100.0	
Missing	Unsure	31	7.8		
	System	296	74.0		
	Total	327	81.8		
Total		400	100.0		

Q8-6 Rate SDUSD: Obtaining Progress Payments (Primes only)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	30	7.5	31.6	31.6
	Good	20	5.0	21.1	52.6
	Neither Good nor Poor	18	4.5	18.9	71.6
	Poor	13	3.3	13.7	85.3
	Very Poor	14	3.5	14.7	100.0
	Total	95	23.8	100.0	
Missing	Unsure	9	2.3		
	System	296	74.0		
	Total	305	76.3		
Total		400	100.0		

Q8-7 Rate SDUSD: Obtaining Change Orders/Amendments (Primes only)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	17	4.3	18.1	18.1
	Good	24	6.0	25.5	43.6
	Neither Good nor Poor	24	6.0	25.5	69.1
	Poor	15	3.8	16.0	85.1
	Very Poor	14	3.5	14.9	100.0
	Total	94	23.5	100.0	
Missing	Unsure	10	2.5		
	System	296	74.0		
	Total	306	76.5		
Total		400	100.0		

Q8-8 Rate SDUSD: Working with Inspectors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	72	18.0	32.4	32.4
	Good	55	13.8	24.8	57.2
	Neither Good nor Poor	53	13.3	23.9	81.1
	Poor	17	4.3	7.7	88.7
	Very Poor	25	6.3	11.3	100.0
	Total	222	55.5	100.0	
Missing	Unsure	19	4.8		
	System	159	39.8		
	Total	178	44.5		
Total		400	100.0		

Q8-9 Rate SDUSD: Handling Admin Work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	67	16.8	29.9	29.9
	Good	60	15.0	26.8	56.7
	Neither Good nor Poor	46	11.5	20.5	77.2
	Poor	22	5.5	9.8	87.1
	Very Poor	29	7.2	12.9	100.0
	Total	224	56.0	100.0	
Missing	Unsure	17	4.3		
	System	159	39.8		
	Total	176	44.0		
Total		400	100.0		

Q8-10 Rate SDUSD: Finding Employees in Targeted Zip Codes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	59	14.8	31.1	31.1
	Good	41	10.3	21.6	52.6
	Neither Good nor Poor	39	9.8	20.5	73.2
	Poor	18	4.5	9.5	82.6
	Very Poor	33	8.3	17.4	100.0
	Total	190	47.5	100.0	
Missing	Unsure	51	12.8		
	System	159	39.8		
	Total	210	52.5		
Total		400	100.0		

Q8-11 Rate SDUSD: Time to Prepare Bid

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	70	17.5	30.6	30.6
	Good	84	21.0	36.7	67.2
	Neither Good nor Poor	47	11.8	20.5	87.8
	Poor	15	3.8	6.6	94.3
	Very Poor	13	3.3	5.7	100.0
	Total	229	57.3	100.0	
Missing	Unsure	12	3.0		
	System	159	39.8		
	Total	171	42.8		
Total		400	100.0		

Q8-12 Rate SDUSD: Overall Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Good	61	15.3	26.1	26.1
	Good	80	20.0	34.2	60.3
	Neither Good nor Poor	44	11.0	18.8	79.1
	Poor	30	7.5	12.8	91.9
	Very Poor	19	4.8	8.1	100.0
	Total	234	58.5	100.0	
Missing	Unsure	7	1.8		
	System	159	39.8		
	Total	166	41.5		
Total		400	100.0		

Q9-1. Did Work--Prepare Bid SDUSD vs. Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More time	54	13.5	24.9	24.9
	Less time	6	1.5	2.8	27.6
	About the same amount of time	157	39.3	72.4	100.0
	Total	217	54.3	100.0	
Missing	0	183	45.8		
Total		400	100.0		

Q9-2. Did Work--Project Cost SDUSD vs. Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Higher	86	21.5	39.4	39.4
	Lower	10	2.5	4.6	44.0
	About the same	122	30.5	56.0	100.0
	Total	218	54.5	100.0	
Missing	0	182	45.5		
Total		400	100.0		

Q9-3. Did Work--Profit Margin SDUSD vs. Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More	9	2.3	4.1	4.1
	Less	89	22.3	40.6	44.7
	About the same	121	30.3	55.3	100.0
	Total	219	54.8	100.0	
Missing	0	181	45.3		
Total		400	100.0		

Q9-4. Did Work--Number of Repairs SDUSD vs. Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More	17	4.3	8.3	8.3
	Less	23	5.8	11.2	19.4
	About the same	166	41.5	80.6	100.0
	Total	206	51.5	100.0	
Missing	0	194	48.5		
Total		400	100.0		

Q9-5. Did Work--Construction Standards SDUSD vs. Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Higher	57	14.2	26.1	26.1
	Lower	5	1.3	2.3	28.4
	About the same	156	39.0	71.6	100.0
	Total	218	54.5	100.0	
Missing	0	182	45.5		
Total		400	100.0		

Q10-1 Bidders--Prepare Bid for SDUSD vs. Other Agencies.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More time	30	7.5	48.4	48.4
	Less time	1	.3	1.6	50.0
	About the same amount of time	31	7.8	50.0	100.0
	Total	62	15.5	100.0	
Missing	0	338	84.5		
Total		400	100.0		

Q10-2. Bidders--Project Cost SDUSD vs. Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Higher	20	5.0	33.3	33.3
	Lower	2	.5	3.3	36.7
	About the same	38	9.5	63.3	100.0
	Total	60	15.0	100.0	
Missing	0	340	85.0		
Total		400	100.0		

Q10-3. Bidders--Profit margin SDUSD vs. Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More	3	.8	5.1	5.1
	Less	22	5.5	37.3	42.4
	About the same	34	8.5	57.6	100.0
	Total	59	14.8	100.0	
Missing	0	341	85.3		
Total		400	100.0		

Q10-4 Bidders-- Construction Standards SDUSD vs. Other Agencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Higher	13	3.3	21.7	21.7
	Lower	5	1.3	8.3	30.0
	About the same	42	10.5	70.0	100.0
	Total	60	15.0	100.0	
Missing	0	340	85.0		
Total		400	100.0		

Q11-1-1. How San Diego Unified School District Informed Contractor about Bidding Opportunities-1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	E-mail alerts	127	31.8	32.0	32.0
	Postings on the SDUSD website	17	4.3	4.3	36.3
	Pre-bid meetings	5	1.3	1.3	37.5
	Letters sent by postal mail	9	2.3	2.3	39.8
	Faxed notifications	50	12.5	12.6	52.4
	Other	83	20.8	20.9	73.3
	SDUSD has not informed me in any way about bidding opportunity.	106	26.5	26.7	100.0
	Total	397	99.3	100.0	
Missing	Don't Know	3	.8		
Total		400	100.0		

Q11-1-2. How San Diego Unified School District Informed Contractor about Bidding Opportunities-2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	E-mail alerts	22	5.5	28.9	28.9
	Postings on the SDUSD website	4	1.0	5.3	34.2
	Pre-bid meetings	6	1.5	7.9	42.1
	Letters sent by postal mail	5	1.3	6.6	48.7
	Faxed notifications	16	4.0	21.1	69.7
	Other	20	5.0	26.3	96.1
	SDUSD has not informed me in any way about bidding opportunity.	3	.8	3.9	100.0
	Total	76	19.0	100.0	
Missing	System	324	81.0		
Total		400	100.0		

Q11-1-3. How San Diego Unified School District Informed Contractor about Bidding Opportunities-3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	E-mail alerts	1	.3	5.9	5.9
	Postings on the SDUSD website	5	1.3	29.4	35.3
	Pre-bid meetings	4	1.0	23.5	58.8
	Letters sent by postal mail	2	.5	11.8	70.6
	Faxed notifications	1	.3	5.9	76.5
	Other	2	.5	11.8	88.2
	SDUSD has not informed me in any way about bidding opportunity.	2	.5	11.8	100.0
	Total	17	4.3	100.0	
Missing	System	383	95.8		
Total		400	100.0		

Q11-1-4. How San Diego Unified School District Informed Contractor about Bidding Opportunities-4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	E-mail alerts	2	.5	33.3	33.3
	Postings on the SDUSD website	2	.5	33.3	66.7
	Pre-bid meetings	1	.3	16.7	83.3
	Faxed notifications	1	.3	16.7	100.0
	Total	6	1.5	100.0	
Missing	System	394	98.5		
Total		400	100.0		

Q11-1-5. How San Diego Unified School District Informed Contractor about Bidding Opportunities-5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Faxed notifications	3	.8	100.0	100.0
Missing	System	397	99.3		
Total		400	100.0		

Q11-1-other--coded

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Websites	15	3.8	14.4	14.4
	Publications	26	6.5	25.0	39.4
	Other Contractors	31	7.8	29.8	69.2
	Telephone	7	1.8	6.7	76.0
	Outreach	9	2.3	8.7	84.6
	Other 3rd Parties	9	2.3	8.7	93.3
	Directly from SDUSD	4	1.0	3.8	97.1
	15	3	.8	2.9	100.0
	Total	104	26.0	100.0	
Missing	System	296	74.0		
Total		400	100.0		

Q11-1-other Other Ways SDUSD has Notified of Bid Opportunities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	296	74.0	74.0	74.0
3rd notifications, on-line	1	.3	.3	74.3
3rd party	5	1.3	1.3	75.5
3rd party notifications	1	.3	.3	75.8
3rd party websites	1	.3	.3	76.0
Advertisements	1	.3	.3	76.3
Advertising	1	.3	.3	76.5
Another agency that notifies us	1	.3	.3	76.8
Bid notifications sites	1	.3	.3	77.0
Bid packages	1	.3	.3	77.3
Bid websites	1	.3	.3	77.5
Blue Book, McGraw Hill, Dodge	1	.3	.3	77.8
By a general contractor	1	.3	.3	78.0
By the prime	1	.3	.3	78.3
Call	1	.3	.3	78.5
Called in	1	.3	.3	78.8

Calls	1	.3	.3	79.0
Construction bulletins	1	.3	.3	79.3
Contractors	1	.3	.3	79.5
Daily Transcript	2	.5	.5	80.0
Directly invited from some of the Prime	1	.3	.3	80.3
Dodge report daily transcripts	1	.3	.3	80.5
Electrical contractors	1	.3	.3	80.8
Find all the work on the internet	1	.3	.3	81.0
Find out online	1	.3	.3	81.3
Find the projects on the internet	1	.3	.3	81.5
From fabricator	1	.3	.3	81.8
From general contractors	1	.3	.3	82.0
From my supplier	1	.3	.3	82.3
From other contractors	1	.3	.3	82.5
General contractor and mail	1	.3	.3	82.8
General contractors	6	1.5	1.5	84.3
General Contractors	1	.3	.3	84.5
General invites	1	.3	.3	84.8
Go online and research myself	1	.3	.3	85.0

Green sheet	1	.3	.3	85.3
I get it from my prime general contractor	1	.3	.3	85.5
In the newspaper	1	.3	.3	85.8
Internet services	1	.3	.3	86.0
Invitation from the general	1	.3	.3	86.3
Invitations from prime contractors	1	.3	.3	86.5
Janet White, contact person	1	.3	.3	86.8
Job expo	1	.3	.3	87.0
Local advertising	1	.3	.3	87.3
Magazine bid alerts	1	.3	.3	87.5
Mixers	1	.3	.3	87.8
News papers	1	.3	.3	88.0
Newspaper	3	.8	.8	88.8
Newspapers	1	.3	.3	89.0
Newspapers called the dodge	1	.3	.3	89.3
No way, I find them through other prime general contractor	1	.3	.3	89.5
Norma	1	.3	.3	89.8
Other contractors	1	.3	.3	90.0
Other contractors 3rd party	1	.3	.3	90.3

Other general contractors	1	.3	.3	90.5
Outreach	1	.3	.3	90.8
Outreach groups	1	.3	.3	91.0
Outreach programs	1	.3	.3	91.3
Phone	1	.3	.3	91.5
Phone call	1	.3	.3	91.8
Phone calls	1	.3	.3	92.0
Plan room	1	.3	.3	92.3
Prime Contractors	1	.3	.3	92.5
Private sources	1	.3	.3	92.8
Procurement center	1	.3	.3	93.0
Public notification	1	.3	.3	93.3
Public record	1	.3	.3	93.5
Referrals from GC	1	.3	.3	93.8
Research and on line,	1	.3	.3	94.0
San Diego Contract Opportunity Center	1	.3	.3	94.3
San Diego Daily Transcript	2	.5	.5	94.8
School District/Union Hall	1	.3	.3	95.0
Services that bring them leads	1	.3	.3	95.3
Several bid sites online	1	.3	.3	95.5
Small business community	1	.3	.3	95.8

Small Business or micro business	1	.3	.3	96.0
Telephone	1	.3	.3	96.3
The estimator	1	.3	.3	96.5
They haven't we go online ourselves	1	.3	.3	96.8
Through general contractor	2	.5	.5	97.3
Through general contractors	1	.3	.3	97.5
Through public notification, transcripts	1	.3	.3	97.8
Through someone else	1	.3	.3	98.0
Thru database	1	.3	.3	98.3
Thru General Contractor	1	.3	.3	98.5
Thru general contractors	1	.3	.3	98.8
Thru their construction management	1	.3	.3	99.0
Trade paper	1	.3	.3	99.3
Vet alliance meeting, Disabled Vet	1	.3	.3	99.5
We have seen them thru General Contractors	1	.3	.3	99.8
Website	1	.3	.3	100.0
Total	400	100.0	100.0	

Q11-2a: Importance: Send e-mails directly to contractors and subcontractors with link to RFP

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	305	76.3	77.4	77.4
	Somewhat Important	41	10.3	10.4	87.8
	Neither Important nor Unimportant	30	7.5	7.6	95.4
	Somewhat Unimportant	8	2.0	2.0	97.5
	Very unimportant	10	2.5	2.5	100.0
	Total	394	98.5	100.0	
Missing	Unsure	6	1.5		
Total		400	100.0		

Q11-2b: Importance: Send letter by postal mail indicating the availability of the RFP

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	80	20.0	20.6	20.6
	Somewhat Important	47	11.8	12.1	32.6
	Neither Important nor Unimportant	95	23.8	24.4	57.1
	Somewhat Unimportant	46	11.5	11.8	68.9

	Very unimportant	121	30.3	31.1	100.0
	Total	389	97.3	100.0	
Missing	Unsure	11	2.8		
Total		400	100.0		

Q11-2c: Importance: Require that larger, prime contractors contact and inform small business enterprise subcontractors that bidding opportunities are available

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	205	51.2	52.7	52.7
	Somewhat Important	66	16.5	17.0	69.7
	Neither Important nor Unimportant	58	14.5	14.9	84.6
	Somewhat Unimportant	19	4.8	4.9	89.5
	Very unimportant	41	10.3	10.5	100.0
	Total	389	97.3	100.0	
Missing	Unsure	11	2.8		
Total		400	100.0		

Q11-2d: Importance: Invite contractors and small business enterprise subcontractors to pre-bid conferences and meetings at the invitation of the public agency

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	188	47.0	48.3	48.3
	Somewhat Important	89	22.3	22.9	71.2

	Neither Important nor Unimportant	63	15.8	16.2	87.4
	Somewhat Unimportant	21	5.3	5.4	92.8
	Very unimportant	28	7.0	7.2	100.0
	Total	389	97.3	100.0	
Missing	Unsure	11	2.8		
Total		400	100.0		

Q11-2e Other bidding enhancements--coded

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Response does not address question	122	30.5	30.5	30.5
	Nothing else to do/cannot think of anything	197	49.3	49.3	79.8
	Repeated choices from 11-2a-to-11-2d	16	4.0	4.0	83.8
	Telephone	7	1.8	1.8	85.5
	Website	9	2.3	2.3	87.8
	Provide more detail in bid package	4	1.0	1.0	88.8
	Sub-divide bid for small contractors to bid directly	9	2.3	2.3	91.0
	make more small contractors eligible to bid	4	1.0	1.0	92.0
	Provide earlier notification/More time to bid	8	2.0	2.0	94.0
	Publish more	4	1.0	1.0	95.0
	Non-specific reference to more notifications	10	2.5	2.5	97.5
	Other	10	2.5	2.5	100.0
	Total	400	100.0	100.0	

Q11-2e Anything else SDUSD can do to enhance bidding opportunities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Act like they care	1	.3	.3	.3
Allow owner operators to work act as owner operators	1	.3	.3	.5
Award contracts based on experience and quality not on price in regards to sub-contractors	1	.3	.3	.8
Be more flexible for smaller companies. Make requirements less complicated	1	.3	.3	1.0
Big guys inform little guys	1	.3	.3	1.3
Break down the big jobs and pass them out	1	.3	.3	1.5
Break out more bid packages on projects and or phasing	1	.3	.3	1.8
Build more pools	1	.3	.3	2.0
Burn the PLA	1	.3	.3	2.3
By making small bus aware of bidding ops	1	.3	.3	2.5

Call smaller business so they can have a chance to bid	1	.3	.3	2.8
Can't think of anything	1	.3	.3	3.0
Cancel PLA and PSA	1	.3	.3	3.3
Change the union requirements	1	.3	.3	3.5
Community out reach	1	.3	.3	3.8
Competition from outside hurt local business	1	.3	.3	4.0
Contact small business	1	.3	.3	4.3
DK	1	.3	.3	4.5
Do away with PLA	1	.3	.3	4.8
Do away with PSA and PLA	1	.3	.3	5.0
Do away with union requirements	1	.3	.3	5.3
Do not require PLA PSA agreement I don't bid because of that.	1	.3	.3	5.5
Do not use any form of best value... Do not do low bid	1	.3	.3	5.8
Do the 4 points mentioned above	1	.3	.3	6.0
Don't know	38	9.5	9.5	15.5
Don't Know	1	.3	.3	15.8
Drop PLA	1	.3	.3	16.0

Drop the PSA's	1	.3	.3	16.3
Elaborate on selections of the scope to include the budget for bid item... Ex.. 1200 feet of flooring budget..	1	.3	.3	16.5
Eliminate prevailing wage	1	.3	.3	16.8
Eliminate project labor agreements, none	1	.3	.3	17.0
Eliminate the project labor agreement that is currently in place.	1	.3	.3	17.3
Eliminate the PSA	1	.3	.3	17.5
Eliminate the union requirements	1	.3	.3	17.8
Email a list of upcoming projects	1	.3	.3	18.0
Emails and notices from the prime contractor	1	.3	.3	18.3
Enforcement of prevailing wage	1	.3	.3	18.5
Everyone should work together and more work could be done	1	.3	.3	18.8
Fax me opportunities...619-448-7965	1	.3	.3	19.0
Find out what they are doing	1	.3	.3	19.3
Get hazmat reports out faster.	1	.3	.3	19.5

Get it more out there	1	.3	.3	19.8
Get out to contractors	1	.3	.3	20.0
Get people qualified!!!	1	.3	.3	20.3
Get rid DDBEs	1	.3	.3	20.5
Get rid graham champion	1	.3	.3	20.8
Get rid of anything to do with union requirement	1	.3	.3	21.0
Get rid of PSA	1	.3	.3	21.3
Get rid of PSA agreements; have set aside projects for small business.	1	.3	.3	21.5
Get rid of PSA or PLA	1	.3	.3	21.8
Get rid of PSA stop paying unions	1	.3	.3	22.0
Get rid of the PLA	1	.3	.3	22.3
Get rid of the PLA's .	1	.3	.3	22.5
Get rid of the PSA	3	.8	.8	23.3
Get rid of the PSA and also get rid of the union	1	.3	.3	23.5
Get rid of the PSA and PLA	1	.3	.3	23.8
Get rid of the public labor agreement	1	.3	.3	24.0
Get rid of the union part	1	.3	.3	24.3
Get rid of the union PLA. It's not fair that we have to be a union.	1	.3	.3	24.5

Get rid of their grand nash	1	.3	.3	24.8
Get rid of undocumented workers	1	.3	.3	25.0
Get rid of union labor agreements	1	.3	.3	25.3
Get rid of union only rule	1	.3	.3	25.5
Get rid of union requirements	1	.3	.3	25.8
Getting the unions out of the bidding process and writing of the specs	1	.3	.3	26.0
Give out jobs and let work on campus	1	.3	.3	26.3
Give us good feed back	1	.3	.3	26.5
Give us some work	1	.3	.3	26.8
Given the opportunity to bid on the jobs	1	.3	.3	27.0
Have more contact	1	.3	.3	27.3
Have more knowledge about the construction project	1	.3	.3	27.5
Have public outreach programs	1	.3	.3	27.8
Help out with bonding process	1	.3	.3	28.0
Help small business get Loans	1	.3	.3	28.2

Host small business outreach conferences	1	.3	.3	28.5
I can't think of anything	1	.3	.3	28.7
I don't believe so because we get a good chance on bidding on them	1	.3	.3	29.0
I don't think so	1	.3	.3	29.3
I guess if they put it on the website	1	.3	.3	29.5
I like working with San Diego State more and I have to go thru the manager, then the Facility Manager wants it their way and also they change the specs	1	.3	.3	29.8
I never bid on SDUSD because it's not worth it	1	.3	.3	30.0
I think email and regular mail	1	.3	.3	30.3
I think of anything	1	.3	.3	30.5
I think they do a pretty good job, the aftermath of the bid	1	.3	.3	30.8
I would encourage not having a monopoly of people that continue to get the contracts	1	.3	.3	31.0
I would say follow up on the bids that they have faxed to verify that they have been received	1	.3	.3	31.3

If notified by email	1	.3	.3	31.5
If they can get paper work with billing process different, along with change ordering	1	.3	.3	31.8
If they can get rid of the mandatory pre bid meeting	1	.3	.3	32.0
If they separate some of our work. Send only small things to small companies.	1	.3	.3	32.3
If we were able to do the bid directly instead having to go through the general contractor	1	.3	.3	32.5
Improve labor compliance program	1	.3	.3	32.8
Inform more contractors	1	.3	.3	33.0
Insure that they do not hire illegal aliens or allow working on projects, insuring they allow for small bus. And disabled vets requirements, get rid of prop s agreements, audit contractors for certifies contractors to ensure paying prevailing wage	1	.3	.3	33.3
It would be better through the direct e-mail	1	.3	.3	33.5
It would be nice if the jobs are published yearly so we could do a projection of the work	1	.3	.3	33.8

Just looking at more than just the number	1	.3	.3	34.0
Just send me emails; I'm working on getting bidding contracts	1	.3	.3	34.3
Keep calling	1	.3	.3	34.5
Keep company informed	1	.3	.3	34.8
Keeping open to non union would be beneficial... SBA rules are burdensome.	1	.3	.3	35.0
Labavn.org	1	.3	.3	35.3
Less paper work	1	.3	.3	35.5
Let us know directly for bids	1	.3	.3	35.8
Let us know when a job comes up!	1	.3	.3	36.0
List all jobs that are bidding on a website available for public	1	.3	.3	36.3
Lower PLA	1	.3	.3	36.5
Lower the gross earnings limit.	1	.3	.3	36.8
Make a level playing field,	1	.3	.3	37.0
Make it fair for everyone	1	.3	.3	37.3
Make opportunities for non-union businesses more available	1	.3	.3	37.5

Make plans available on website so you can preview project	1	.3	.3	37.8
Make pre bid meetings non mandatory	1	.3	.3	38.0
Make receiving payments easier	1	.3	.3	38.3
Make sure that the jobs are posted in local trade papers	1	.3	.3	38.5
Make the contracts smaller	1	.3	.3	38.8
Make the plans more readily available	1	.3	.3	39.0
Make the websites easier to use	1	.3	.3	39.3
Management at the San Diego Unified School District needs improvement. The project managers were also non-responsive. Lastly, the inspectors were provocative.	1	.3	.3	39.5
Maybe if they had someone keep calling via phone to inform of opening bidding and let us know if the business is minority owned or women	1	.3	.3	39.8
Meeting and invitations prior to building schools in the following year	1	.3	.3	40.0
Micro Business Program where they contact you directly.	1	.3	.3	40.3

More advertisements.	1	.3	.3	40.5
More Available Jobs	1	.3	.3	40.8
More contracts	1	.3	.3	41.0
More jobs and opportunities	1	.3	.3	41.3
More notification	1	.3	.3	41.5
More notification on bids	1	.3	.3	41.8
More notification through email and postal mail	1	.3	.3	42.0
More opportunities for SBE	1	.3	.3	42.3
More supervision on SBE subcontractors	1	.3	.3	42.5
More time to bid	1	.3	.3	42.8
More website posting to the website early enough time	1	.3	.3	43.0
No	103	25.8	25.8	68.8
No answer	1	.3	.3	69.0
No but I know they made some changes with the micro projects and that has been very beneficial	1	.3	.3	69.3
No I don't know	1	.3	.3	69.5
No Idea	1	.3	.3	69.8
No just better notification and easy of bid documents over the web	1	.3	.3	70.0
No none very satisfied	1	.3	.3	70.3

No not interested	1	.3	.3	70.5
No not really	1	.3	.3	70.8
No nothing being doing ok	1	.3	.3	71.0
No PLA's	1	.3	.3	71.3
No thank you	1	.3	.3	71.5
No that pretty much covers it	1	.3	.3	71.8
None	26	6.5	6.5	78.3
Nope	1	.3	.3	78.5
Not a lot of money being sent especially for school district notify me	1	.3	.3	78.8
Not at this point	1	.3	.3	79.0
Not just focusing on PLA's...	1	.3	.3	79.3
Not know of right now	1	.3	.3	79.5
Not really	2	.5	.5	80.0
Not that I can think of	1	.3	.3	80.3
Not that I know of	3	.8	.8	81.0
Not that I'm aware right now.	1	.3	.3	81.3
Nothing comes to mind	1	.3	.3	81.5
Notification	1	.3	.3	81.8
Notifications pretty much of what we need!!!	1	.3	.3	82.0
Notify subcontractors and smaller companies	1	.3	.3	82.3

Notify us of any upcoming projects in advance	1	.3	.3	82.5
Notify us of RFPs	1	.3	.3	82.8
Offer systems of bonding and finance.	1	.3	.3	83.0
One thing I think they can do is narrow the construction Management	1	.3	.3	83.3
Open for non-union	1	.3	.3	83.5
Open to bidders	1	.3	.3	83.8
Pay their bills, and eliminate PLA's agreements	1	.3	.3	84.0
Phone calls	1	.3	.3	84.3
Please send Email out and a better list of pre-qualified bidders	1	.3	.3	84.5
Post in the local paper	1	.3	.3	84.8
Post opportunity on line sddt.com	1	.3	.3	85.0
Prequalify process for subcontractors.	1	.3	.3	85.3
Prevailing wage, make a standardized wage... Does not have just an a track wage... For HVAC... Only a few contracts awarded to SBA...more notification with good lead time...	1	.3	.3	85.5

Probably not. I did apply for a job as electrician	1	.3	.3	85.8
Publish information	1	.3	.3	86.0
Put more bids out	1	.3	.3	86.3
Put more bids out for more work	1	.3	.3	86.5
Quit trying to kill small businesses, regulations are making it hard to even bid on the project... It all has to do with prevailing wage, and its bullshit!	1	.3	.3	86.8
Raise rate for not needing a bond and make smaller prime packages	1	.3	.3	87.0
Revise their labor agreement so nonunion companies can bid their work	1	.3	.3	87.3
Revisit the PSA agreement	1	.3	.3	87.5
Rewarding general contractors for getting SBE to participate	1	.3	.3	87.8
See more projects	1	.3	.3	88.0
Send a million dollars	1	.3	.3	88.3
Send e-mail	1	.3	.3	88.5
Send emails	1	.3	.3	88.8
Send emails about bidding opportunities	1	.3	.3	89.0

Send emails and a phone call	1	.3	.3	89.3
Send information more frequently	1	.3	.3	89.5
Send more emails to inform us of bidding opportunity	1	.3	.3	89.8
Send out the notices when they say they are also making their website friendly usable and contractor tab would be nice. Improve labor compliance with sub-contractors	1	.3	.3	90.0
Should have their own free site online and advertise to reference and bid on.	1	.3	.3	90.3
So if they can email more	1	.3	.3	90.5
Spend money, to start releasing and get projects moving	1	.3	.3	90.8
Stop bidders' restrictions	1	.3	.3	91.0
Stop giving work to national companies	1	.3	.3	91.3
Stop prevailing wage rate	1	.3	.3	91.5
Stop using Union Contractors	1	.3	.3	91.8
Straighten out their policies and open up to the public	1	.3	.3	92.0
Sub-contractor trade	1	.3	.3	92.3

Submit open bids via email or via internet	1	.3	.3	92.5
Take away PLA	2	.5	.5	93.0
Take time to educate themselves	1	.3	.3	93.3
That's it for right now	1	.3	.3	93.5
The district needs more funds!	1	.3	.3	93.8
The problem is that we get hired as general construction and what they do is break out all their jobs to subcontractors and that leaves me out	1	.3	.3	94.0
The same companies are doing the work... Mostly big companies	1	.3	.3	94.3
They can allow us to focus in on SB and local company's and less on AISC requirements when other certification are available, example is LA city certification	1	.3	.3	94.5
They can get rid of the Union. Get rid of the qualifications that require individuals to live in the city.	1	.3	.3	94.8
They can help small business with bonds	1	.3	.3	95.0

They could remove the Project labor requirement	1	.3	.3	95.3
They don't give enough time when you are bidding. I'm a small company. Inform people and send the plans and be a little more aggressive with whom they contract. From day one give the plans out. Make sure you are legally able to have a small business	1	.3	.3	95.5
They have done a good job on the Vet. And the Prime are not really Primes. And me back from fighting the wars and I come back to them not having General Contracting. We just want them to be Vet. Friendly and just to give us a shot	1	.3	.3	95.8
They should get rid of the union contracts	1	.3	.3	96.0
Too many regulations	1	.3	.3	96.3
Was told we would never get a job because they blow us off for someone they already know.	1	.3	.3	96.5
We are a disabled company and we can't be competitive for other mom and pop companies.	1	.3	.3	96.8

We don't need prime to let us know, SDUSD lets the small business know, then we will find the prime.	1	.3	.3	97.0
Well for the bidding they give them to their favorites, it is nothing like it used to be and is going far too much for union and not for everybody	1	.3	.3	97.3
When we are bidding, don't put in the bid for cleaning the trailers so that a small business like myself can bid on it. Divide up the cleanup bids. If there are onsite trailers, divide that into a separate bid	1	.3	.3	97.5
Withdraw the DVBE requirements	1	.3	.3	97.8
Write in the journal	1	.3	.3	98.0
Yes as a very small contractor and sub-contractor that has not none public work yet it's difficult to enter that market due to the inexperience. If there would be away for sole sourcing of a contract award to the individual subcontractor.	1	.3	.3	98.3
Yes I would like to know how the process is to bid on a job	1	.3	.3	98.5
Yes if they would encourage by an incentive	1	.3	.3	98.8

Yes only one thing they can do is help labor compliance department with paperwork that they keep asking and we have already provided	1	.3	.3	99.0
Yes remove the PLA and have your inspectors have reasonable interpretations of the specs and let us know what we are doing wrong at the time we are doing it wrong and remove gram champion	1	.3	.3	99.3
Yes unbundle their package, make contracts smaller	1	.3	.3	99.5
Yes when they go out with direct solicitations they need to clearly describe the project	1	.3	.3	99.8
Yes, as a flooring contractor we like to see more flexibility of product choice.	1	.3	.3	100.0
Total	400	100.0	100.0	

Q11-3. How SDUSD compares to Other Agencies in making bidding opportunities known

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDUSD is better than other public agencies	59	14.8	14.8	14.8
	SDUSD is worse than other public agencies	47	11.8	11.8	26.5
	Both SDUSD and other public agencies are about the same	260	65.0	65.0	91.5
	DK/REF	34	8.5	8.5	100.0
	Total	400	100.0	100.0	

Q11-4a: Importance--Help SBEs complete forms and other paperwork

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	169	42.3	44.4	44.4
	Somewhat Important	66	16.5	17.3	61.7
	Neither Important nor Unimportant	59	14.8	15.5	77.2

	Somewhat Unimportant	30	7.5	7.9	85.0
	Very unimportant	57	14.2	15.0	100.0
	Total	381	95.3	100.0	
Missing	Unsure	19	4.8		
Total		400	100.0		

Q11-4b: Importance--Help SBEs prepare the technical components of their bid

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	137	34.3	36.2	36.2
	Somewhat Important	76	19.0	20.1	56.3
	Neither Important nor Unimportant	73	18.3	19.3	75.7
	Somewhat Unimportant	32	8.0	8.5	84.1
	Very unimportant	60	15.0	15.9	100.0
	Total	378	94.5	100.0	
Missing	Unsure	22	5.5		
Total		400	100.0		

Q11-4c: Importance--Provide SBEs on-going administrative assistance as the project progresses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	159	39.8	42.0	42.0
	Somewhat Important	89	22.3	23.5	65.4

	Neither Important nor Unimportant	51	12.8	13.5	78.9
	Somewhat Unimportant	29	7.2	7.7	86.5
	Very unimportant	51	12.8	13.5	100.0
	Total	379	94.8	100.0	
Missing	Unsure	21	5.3		
Total		400	100.0		

Q11-4d: Importance--Promote networking - help introduce qualified SBEs to prime contractors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	191	47.8	50.0	50.0
	Somewhat Important	75	18.8	19.6	69.6
	Neither Important nor Unimportant	57	14.2	14.9	84.6
	Somewhat Unimportant	19	4.8	5.0	89.5
	Very unimportant	40	10.0	10.5	100.0
	Total	382	95.5	100.0	
Missing	Unsure	18	4.5		
Total		400	100.0		

Q11-4e: Importance--Advertise and require pre-bid conferences

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	179	44.8	46.5	46.5

	Somewhat Important	90	22.5	23.4	69.9
	Neither Important nor Unimportant	56	14.0	14.5	84.4
	Somewhat Unimportant	25	6.3	6.5	90.9
	Very unimportant	35	8.8	9.1	100.0
	Total	385	96.3	100.0	
Missing	Unsure	15	3.8		
Total		400	100.0		

Q-11-4f: Importance--Help SBEs understand prevailing wage requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	205	51.2	53.5	53.5
	Somewhat Important	59	14.8	15.4	68.9
	Neither Important nor Unimportant	52	13.0	13.6	82.5
	Somewhat Unimportant	21	5.3	5.5	88.0
	Very unimportant	46	11.5	12.0	100.0
	Total	383	95.8	100.0	
Missing	Unsure	17	4.3		
Total		400	100.0		

Q11-4g: Importance--Make reduced price bonding and insurance available

		Frequency	Percent	Valid Percent	Cumulative Percent
--	--	-----------	---------	---------------	--------------------

Valid	Very important	232	58.0	61.1	61.1
	Somewhat Important	51	12.8	13.4	74.5
	Neither Important nor Unimportant	38	9.5	10.0	84.5
	Somewhat Unimportant	12	3.0	3.2	87.6
	Very unimportant	47	11.8	12.4	100.0
	Total	380	95.0	100.0	
Missing	Unsure	20	5.0		
Total		400	100.0		

Q11-5. SDUSD compared to other public agencies in assisting SBEs during bidding

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SDUSD is more helpful than other public agencies	38	9.5	13.1	13.1
	SDUSD is less helpful than other public agencies	42	10.5	14.5	27.6
	Both SDUSD and other public agencies are about the same	185	46.3	63.8	91.4
	DK/REF	25	6.3	8.6	100.0
	Total	290	72.5	100.0	
Missing	System	110	27.5		
Total		400	100.0		

**Q11-6. SDUSD compared to other public agencies in difficulty in finding subcontractors,
suppliers**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	It is more difficult when the bid is for SDUSD	82	20.5	29.6	29.6
	It is less difficult when the bid is for SDUSD	18	4.5	6.5	36.1
	The level of difficulty is about the same for both	177	44.3	63.9	100.0
	Total	277	69.3	100.0	
Missing	DK/REF	13	3.3		
	System	110	27.5		
	Total	123	30.8		
Total		400	100.0		

**Q11-7. Should bid requests by the San Diego Unified School District include
a quota for work to be performed by small business enterprises
(subcontractors)?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	263	65.8	65.8	65.8
	No	114	28.5	28.5	94.3
	DK/REF	23	5.8	5.8	100.0
	Total	400	100.0	100.0	

Q11-7a Approximate percentage of the construction budget that should be designated for SBEs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 10 percent	20	5.0	8.3	8.3
	10 percent but less than 15 percent	32	8.0	13.2	21.5
	15 percent but less than 20 percent	51	12.8	21.1	42.6
	20 percent or more	139	34.8	57.4	100.0
	Total	242	60.5	100.0	
Missing	DK/REF	21	5.3		
	System	137	34.3		
	Total	158	39.5		
Total		400	100.0		

Q11-8. Construction bidding should have prime contractors earn points for committing to assist small business enterprise subcontractors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	243	60.8	60.8	60.8
	No	118	29.5	29.5	90.3
	DK/REF	39	9.8	9.8	100.0

Q11-8. Construction bidding should have prime contractors earn points for committing to assist small business enterprise subcontractors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	243	60.8	60.8	60.8
	No	118	29.5	29.5	90.3
	DK/REF	39	9.8	9.8	100.0
	Total	400	100.0	100.0	

Q11-8a-a Type of commitment: Show proof informed SBE subcontractors about the bidding opportunity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	38	9.5	92.7	92.7
	No	1	.3	2.4	95.1
	DK/REF	2	.5	4.9	100.0
	Total	41	10.3	100.0	
Missing	System	359	89.8		
	Total	400	100.0		

Q11-8a-b Type of commitment: Show proof published bidding opportunity in newspapers or other appropriate media

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	30	7.5	73.2	73.2
	No	7	1.8	17.1	90.2
	DK/REF	4	1.0	9.8	100.0
	Total	41	10.3	100.0	
Missing	System	359	89.8		
Total		400	100.0		

Q11-8a-c Type of commitment: Conduct a pre-bid meeting for qualified subcontractors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	35	8.8	85.4	85.4
	No	4	1.0	9.8	95.1
	DK/REF	2	.5	4.9	100.0
	Total	41	10.3	100.0	
Missing	System	359	89.8		
Total		400	100.0		

Q11-8a-d Type of commitment: Identify specific tasks to be earmarked for SBE participation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	35	8.8	85.4	85.4
	No	3	.8	7.3	92.7
	DK/REF	3	.8	7.3	100.0
	Total	41	10.3	100.0	
Missing	System	359	89.8		
Total		400	100.0		

Q11-8a-e Type of commitment: Helping SBE subcontractors with project management once the project is underway

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	37	9.3	90.2	90.2
	No	1	.3	2.4	92.7
	DK/REF	3	.8	7.3	100.0
	Total	41	10.3	100.0	
Missing	System	359	89.8		
Total		400	100.0		

Q12. Are you familiar with Project Stabilization Agreements or PSAs, which are also known as Project labor Agreements or PLAs?

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Yes	226	56.5	56.5	56.5
	No	174	43.5	43.5	100.0
	Total	400	100.0	100.0	

Q13. Has your firm ever worked on a San Diego Unified School District PSA Project?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	68	17.0	30.1	30.1
	No	146	36.5	64.6	94.7
	DK/REF	12	3.0	5.3	100.0
	Total	226	56.5	100.0	
Missing	System	174	43.5		
Total		400	100.0		

Q14.Is your firm....(1)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Woman-owned	69	17.3	34.5	34.5
	Veteran-owned	44	11.0	22.0	56.5
	Minority-owned	87	21.8	43.5	100.0
	Total	200	50.0	100.0	
Missing	System	200	50.0		
Total		400	100.0		

Q14.Is your firm....(2)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Woman-owned	12	3.0	37.5	37.5
	Veteran-owned	6	1.5	18.8	56.3
	Minority-owned	14	3.5	43.8	100.0
	Total	32	8.0	100.0	
Missing	System	368	92.0		
Total		400	100.0		

Q14.Is your firm....(3)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Veteran-owned	3	.8	50.0	50.0
	Minority-owned	3	.8	50.0	100.0
	Total	6	1.5	100.0	
Missing	System	394	98.5		
Total		400	100.0		

Q14a. Race/ethnicity of the owner?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African-American/Black	15	3.8	15.2	15.2
	Hispanic/Latino	68	17.0	68.7	83.8
	Asian/Pacific Islander	8	2.0	8.1	91.9
	American Indian	4	1.0	4.0	96.0
	Middle Eastern	2	.5	2.0	98.0
	Mixed Ethnicities	2	.5	2.0	100.0
	Total	99	24.8	100.0	
Missing	System	301	75.3		
Total		400	100.0		

Q14a--Other Ethnicity

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	393	98.3	98.3	98.3
African American And Indian	1	.3	.3	98.5
American Mexican	1	.3	.3	98.8
Chinese	1	.3	.3	99.0
Mexican	1	.3	.3	99.3
Mexican Pacific Asian	1	.3	.3	99.5
Middle Eastern	1	.3	.3	99.8
Persian	1	.3	.3	100.0
Total	400	100.0	100.0	

Q15. Approximate gross annual dollar value of firm's construction contracts

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 50000	2	.5	.7	.7
60000	2	.5	.7	1.4
70000	1	.3	.4	1.8
75000	1	.3	.4	2.1

100000	13	3.3	4.6	6.8
110000	1	.3	.4	7.1
125000	1	.3	.4	7.5
150000	9	2.3	3.2	10.7
170000	1	.3	.4	11.0
200000	8	2.0	2.8	13.9
200050	1	.3	.4	14.2
230000	1	.3	.4	14.6
250000	4	1.0	1.4	16.0
275000	1	.3	.4	16.4
300000	18	4.5	6.4	22.8
300075	1	.3	.4	23.1
350000	1	.3	.4	23.5
375000	1	.3	.4	23.8
400000	5	1.3	1.8	25.6
450000	1	.3	.4	26.0
500000	10	2.5	3.6	29.5
600000	5	1.3	1.8	31.3
700000	1	.3	.4	31.7
750000	5	1.3	1.8	33.5
800000	4	1.0	1.4	34.9
860000	1	.3	.4	35.2

900000	4	1.0	1.4	36.7
1000000	26	6.5	9.3	45.9
1100000	1	.3	.4	46.3
1200000	4	1.0	1.4	47.7
1300000	1	.3	.4	48.0
1500000	6	1.5	2.1	50.2
1600000	1	.3	.4	50.5
1800000	2	.5	.7	51.2
2000000	18	4.5	6.4	57.7
2200000	1	.3	.4	58.0
2300000	1	.3	.4	58.4
2500000	1	.3	.4	58.7
2700000	1	.3	.4	59.1
3000000	9	2.3	3.2	62.3
3500000	5	1.3	1.8	64.1
3900000	1	.3	.4	64.4
4000000	10	2.5	3.6	68.0
4500000	1	.3	.4	68.3
5000000	12	3.0	4.3	72.6
5600000	1	.3	.4	73.0
6000000	5	1.3	1.8	74.7
7000000	4	1.0	1.4	76.2

8000000	5	1.3	1.8	77.9
9000000	4	1.0	1.4	79.4
10000000	8	2.0	2.8	82.2
11000000	1	.3	.4	82.6
12000000	6	1.5	2.1	84.7
13000000	1	.3	.4	85.1
15000000	3	.8	1.1	86.1
17000000	1	.3	.4	86.5
18500000	1	.3	.4	86.8
20000000	3	.8	1.1	87.9
24000000	1	.3	.4	88.3
25000000	2	.5	.7	89.0
26000000	1	.3	.4	89.3
30000000	8	2.0	2.8	92.2
40000000	1	.3	.4	92.5
60000000	2	.5	.7	93.2
80000000	2	.5	.7	94.0
100000000	3	.8	1.1	95.0
150000000	1	.3	.4	95.4
250000000	1	.3	.4	95.7
252524000	1	.3	.4	96.1
300000000	3	.8	1.1	97.2

400000000	2	.5	.7	97.9
425000000	1	.3	.4	98.2
450000000	1	.3	.4	98.6
500000000	1	.3	.4	98.9
3000000000	1	.3	.4	99.3
7000000000	1	.3	.4	99.6
15000000000	1	.3	.4	100.0
Total	281	70.3	100.0	
Missing System	119	29.8		
Total	400	100.0		

Q15. Approximate gross annual dollar value of firm's construction contracts (Binned)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid under \$200,000	31	7.8	11.0	11.0
\$200,000-under \$500,000	42	10.5	14.9	26.0
\$500,000 - under \$1 million	30	7.5	10.7	36.7
\$1 million - under \$2 million	41	10.3	14.6	51.2
\$2 million and under \$4 million	37	9.3	13.2	64.4

	\$4 million and under \$10 million	42	10.5	14.9	79.4
	\$10 million and under \$30 million	28	7.0	10.0	89.3
	\$30 million and under \$100 million	13	3.3	4.6	94.0
	\$100 million and over	17	4.3	6.0	100.0
	Total	281	70.3	100.0	
Missing	System	119	29.8		
Total		400	100.0		

Q16. Union or Non-Union

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Union shop	53	13.3	13.4	13.4
	Non-union shop	310	77.5	78.3	91.7
	Both	33	8.3	8.3	100.0
	Total	396	99.0	100.0	
Missing	DK/REF	4	1.0		
Total		400	100.0		

**San Diego Unified School District:
Construction Costs and Labor Issues—A Comparison of PSA
and Non-PSA Projects**

Table of Contents for Cost and Labor Issues Section of Report

	Page
Bidding and Project Cost	172
Labor Payroll Compliance	180
Workforce: Targeted Zip Codes	185

Bidding and Project Cost

Among the contentions most frequently put forth by PSA opponents is that the project cost is increased due to the presence of a PSA. Costs are allegedly driven upwards by additional costs associated with administering a PSA project, by increased costs associated with the payment of union dues, and by a lesser number of bidders, thereby reducing competition and correspondingly increasing cost of the winning bid.

This issue was examined at length in the literature review section. Some reports show evidence to support an increased project cost due to the existence of a PSA. Others, however, indicate that PLAs and PSAs are typically more complex and more urban-area located than are non-PSAs and non-PLAs. In these counter-arguments, the complexity and location, when controlled for in the analysis, are the variables that most affect costs—not the PSA/PLA.

For purposes of this analysis and the succeeding section pertaining to labor compliance, the 14 SDUSD PSA projects (including all 4 i21 projects counted as one project) were compared to four non-PSA projects that were contracted under Proposition S after 2008 but before the start of the PSA in October, 2009. The projects so identified by SDUSD as being most comparable to the PSA projects are as follows:

The PSA projects analyzed are:

- Hoover High School Woodshop
- Madison High School Stadium
- Clairemont High School Auto Shop
- Cherokee Chiller
- Clairemont High School Stadium
- Morse High School Stadium
- Jefferson Child Development Center and Playground
- Morse High School Child Development Center
- Madison High School Multi-Media
- Pt. Loma High School Music/Motion Picture
- Hoover High School Sports Field
- Scripps Ranch H.S. Technology Building
- Sessions Elementary School Pick-up/Drop-off
- i21--Region 1
- i21--Region 2
- i21--Region 3
- i21--Region 4

The four non-PSAs were as follows:

- Madison High School Auto Shop
- San Diego High School Multi-Media Center
- Rowan Child Development Center
- Morse High School Auto and Culinary

Data were obtained through a detailed review by Rea & Parker Research of contract files maintained at the offices of the San Diego Unified School District. Data were summarized on the Excel spreadsheet attached to the end of this section of the report.

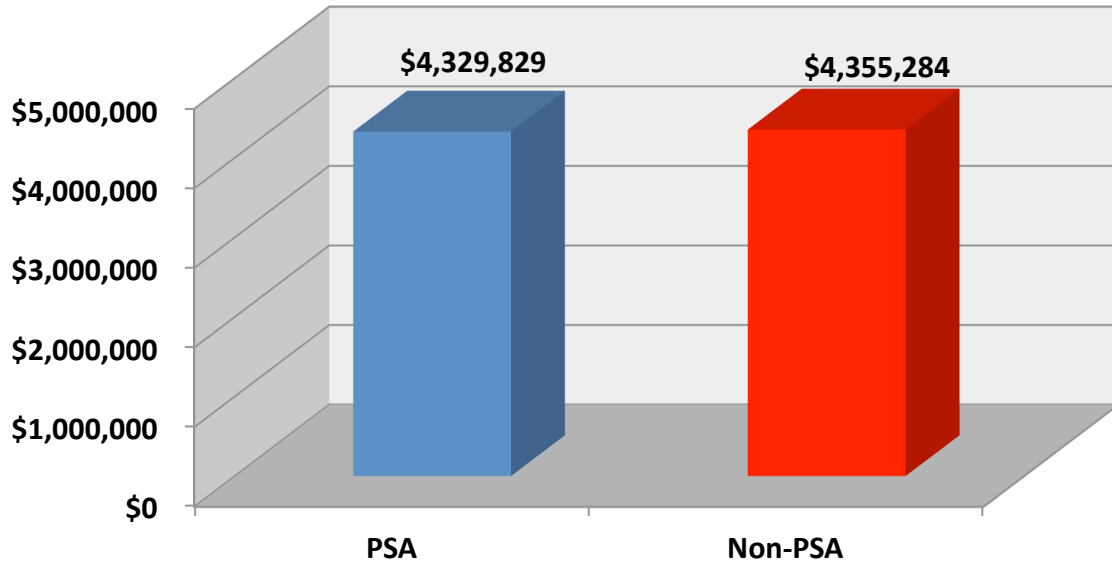
There is a strong similarity among PSA and non-PSA projects as evidenced in Chart 44, which shows that the mean winning bid on the PSA projects is effectively the same as the mean winning bid on the comparable non-PSA projects—both at approximately \$4.3 million¹. There are also dissimilarities. Chart 45 provides information about bidding interest in the PSA and non-PSA projects. The mean number of bidders per PSA project (6.2 bidders) is, in fact, less than the number that bid non-PSAs (11.7). Further, the number of plan holders for non-PSAs greatly exceeded that number for PSAs (80.7 versus 35.4) as did the number of contractors and others who participated in the required tour of the property (site walk)—40.0 versus 24.4. Despite this apparent decline in interest among contractors, bid prices are the same before and after the advent of the PSA. This confirms a study done by Saylor Publications that found that only when the number of bids drops below 4 is the bid price significantly in excess of engineer estimates and that once the number of bids exceeds 8, there is minimal impact.² CALTRANS also has analyzed the relationship between number of bidders and bid price vs. estimate (http://www.dot.ca.gov/hq/transprog/ctcliaison/2011/1011/PP_Tab20_Bidding_Trends_Presentation.pdf) and also found that the bid price increases steeply when the number of bidders is under 4 and that this relationship between bid price and number of bidders begins to level off at 6 bidders.

These data that tend to indicate a lesser degree of interest in working on PSAs than on non-PSAs are consistent with feedback obtained from contractors (see the Construction Manager and Contractor Interviews section of this report). The mean number of sub-contractor functions in the final bid also shows a decline in contractor participation in PSA projects (18.6 in PSAs versus 25.0 for the non-PSAs).

¹ Some feedback from interviews with general contractors indicates that their bid prices have declined since the beginning of the recession in 2008, and that, therefore, the similarity in bids between the PSA and non-PSA projects is, in actuality, indicative of a higher effective bid on PSA projects than on non-PSA projects; however, the facts are that the contract prices are the same and that the non-PSA projects were also bid and constructed post-2008.

² One bidder generally produces bids that exceed engineer estimates by 15%-40%. Two or three bidders exceed estimates by 8%-12%. Four or five bidders are between 4 percent above cost estimate to 4 percent below the estimate. Six or seven bidders are generally 5%-7% below cost estimate and 8 or more bidders are 8%-12% below estimate. Consistent with this finding is an article by Glenn C. Butts (“Accurate Estimates in Less Than a Minute”—pp. 24.4-24.5--2006)

**Chart 44
Mean Winning Bid**



**Chart 45
Mean Number of Bidders, Planholders, Site Walks**

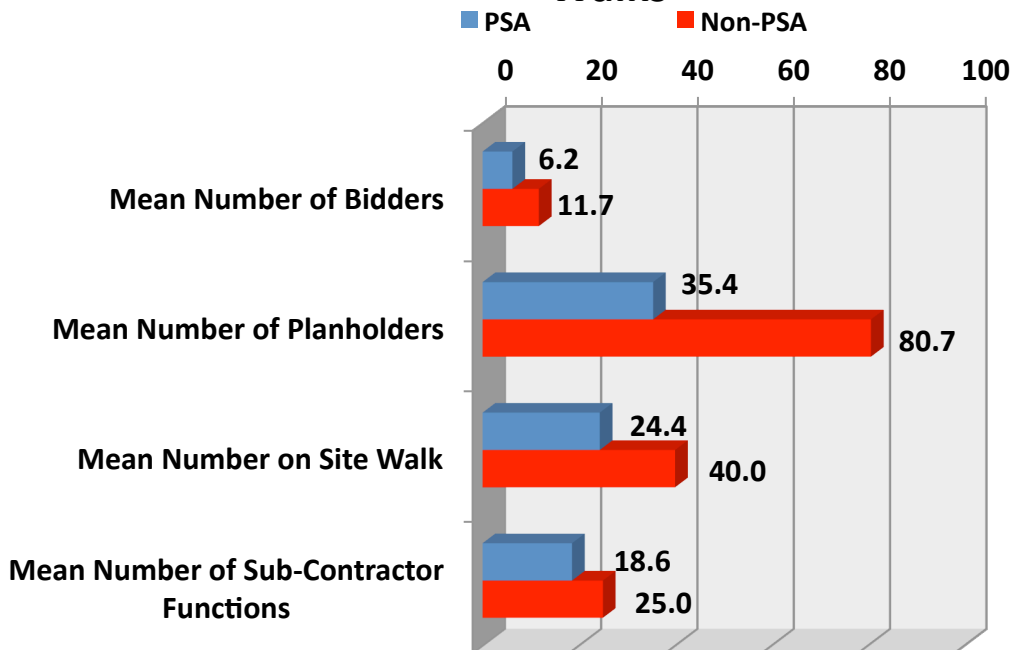
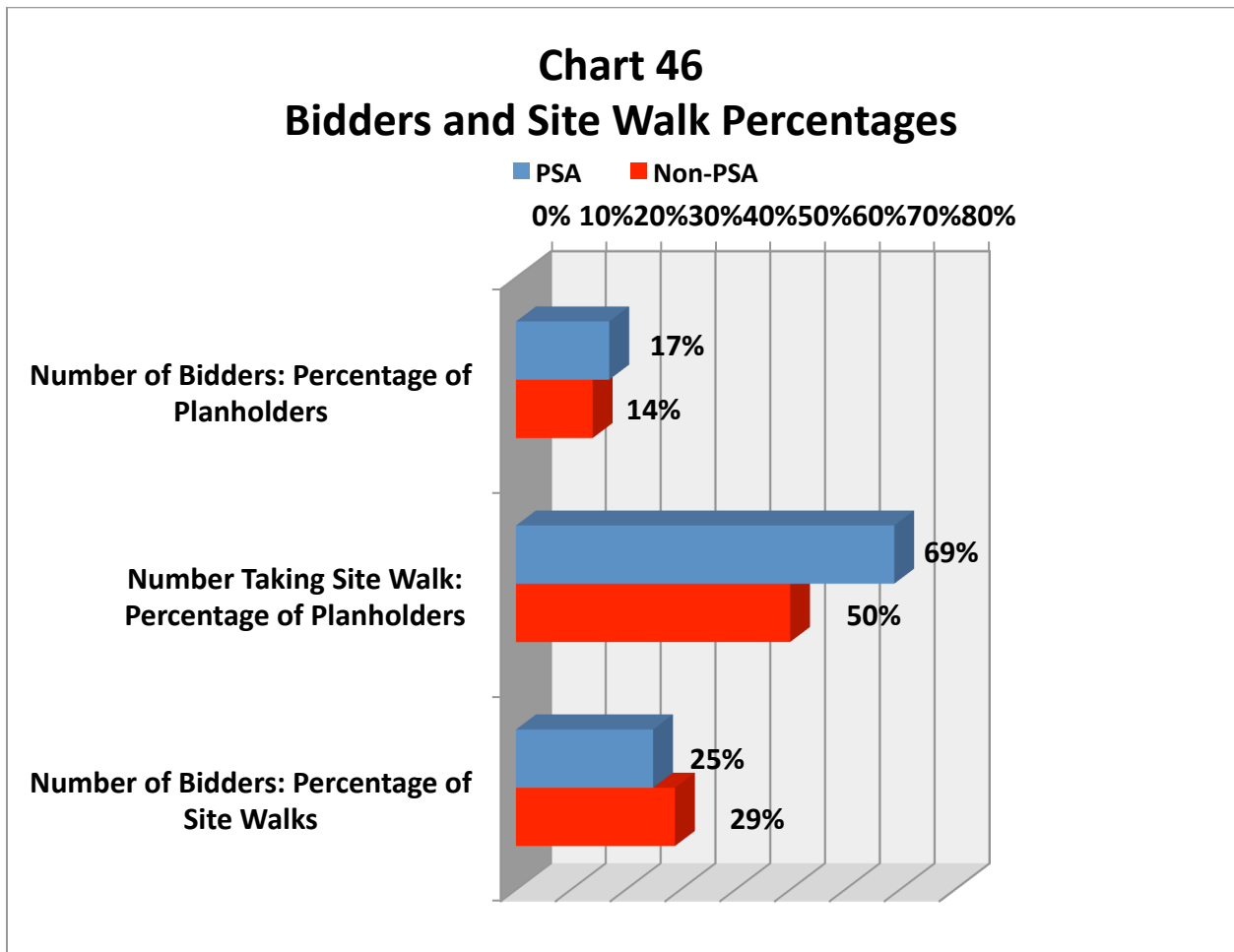
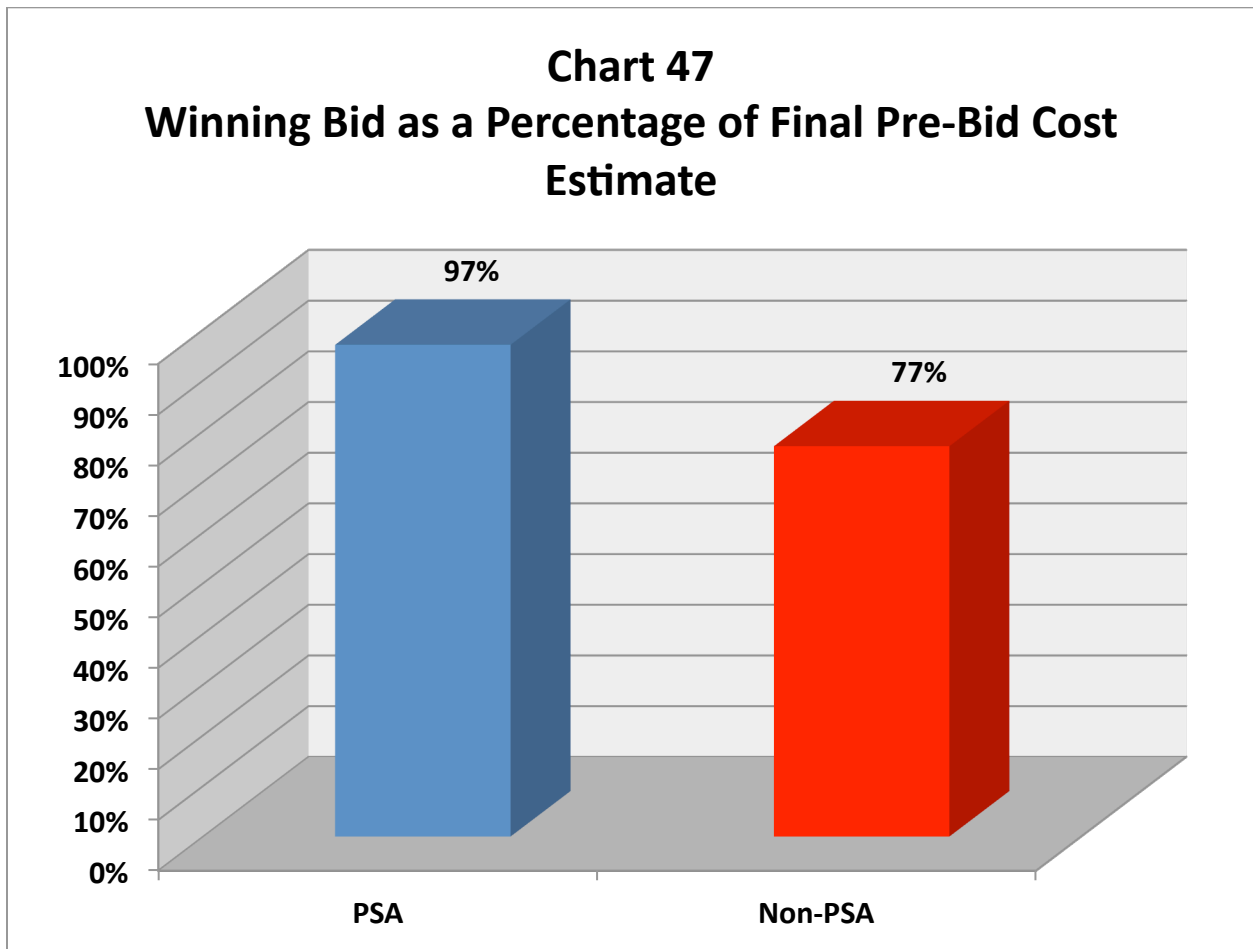


Chart 46 looks at the bidding participation in a different way. It examines bidding and site walks as a percentage of plan holders and finds that there is little difference between PSAs and non-PSAs. In fact, the PSAs fare a little better than non-PSAs regarding plan holders that actually bid (17 percent of PSA plan holders and 14 percent of non-PSA plan holders). Site walks as a percentage of plan holders is considerably greater for PSA projects than they are for non-PA projects (69 percent PSA versus 50 percent non-PSA). Another indicator of interest is measured by the number of bidders as a percentage of site walks. This statistic is virtually the same for both PSA and non-PSA projects (25 percent – PSA versus 29 percent – non-PSA). The level of interest is an important factor, clearly, in the contentions made by PSA detractors, and, it would seem that there is no clear indication that the interest level has dropped off when measured against those contractors and other parties that take out plans.

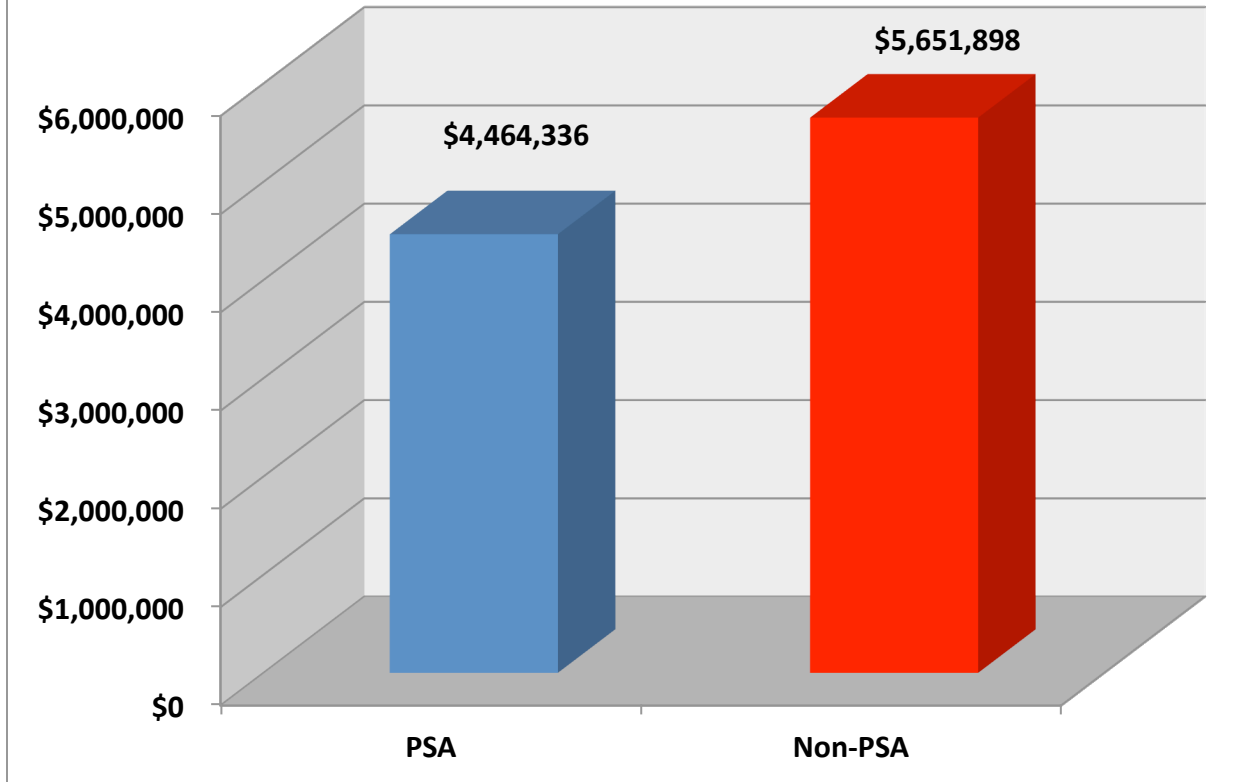


Another potential important consideration is the degree to which the bid comes in under budget for PSAs and non-PSAs. Chart 47 provides some insight into this issue. Although PSA bids are under budget (97 percent of cost estimate), non-PSA bids were even more under budget (77 percent of cost estimate). This does not necessarily imply higher costs, however, in that the cost estimating procedure may be different in PSA bidding than it was during non-PSA bidding. In that regard, PSA projects have cost estimates that are 21 percent lower than non-PSAs, averaging \$4.5 million in contrast to \$5.7 million for non-PSAs (Chart 48). This could imply that the percentage difference from the estimated cost may not necessarily be an increase in cost but rather a difference in project cost estimation³. On the other hand, both the survey results and contractor interviews point more to a cost increase associated with the existence of the PSA than they do to a project cost estimate difference; however, these costs are apparently being absorbed by the contractors in that they are not reflected in their bids.



³ The case can be made that the earlier non-PSA project cost estimates were using construction costs that were applicable during pre-2008 construction periods and that, as prices declined during the construction recession, these cost estimates adjusted accordingly.

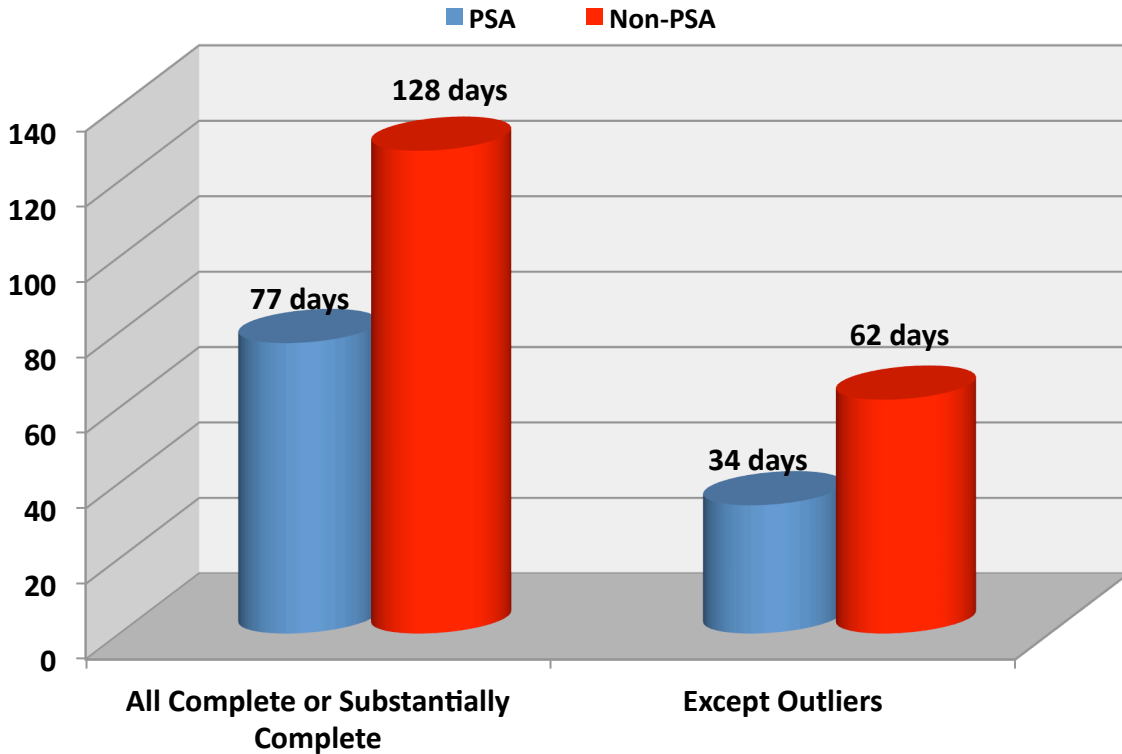
Chart 48
Mean Cost Estimate Prior to Bidding



One final consideration that Rea & Parker Research was asked to explore was duration that the PSA projects required until completion in comparison to the non-PSA projects, and it is here where the PSA projects demonstrate a clear advantage. Chart 49 shows that the five PSA projects⁴ that were complete or substantially complete by September 6, 2011 took an average of 77 days more than originally estimated, whereas the four non-PSA projects (all of which were complete or substantially so) averaged 128 days longer than estimated. PSA projects experienced one particularly lengthy project (Cherokee Point Elementary Chiller was 247 days late) as did non-PSA projects (Morse High School Automotive and Culinary was 327 days late). Treating these very late projects as outliers, the other projects averaged 34 days late for PSA projects and 62 days late for non-PSA projects.

⁴ These five projects are Madison HS stadium upgrade, Hoover HS woodshop, Cherokee Point Elementary chiller, Clairemont HS stadium and Madison HS media center.

Chart 49
Final Completion:
Mean Number of Days Beyond Original
Estimated Completion Date



Delays in project completion, therefore, are less under the PSA than they were prior to the PSA, and the reduction in these delays can serve to benefit the District by saving staff and overhead costs during construction, by opening the improved school project sooner and taking advantage of more modern and efficient structures. Contractors also benefit as their construction overhead and financing costs are reduced.

Project	PSA?	Description	General Contractor	Bid Amount	Cost Estimate	Job Duration*--days early (-) days late (+)	# of Bidders	# Site Walk	# Planholders	# Sub functions	
Clairemont HS Auto Shop	Yes	Remodel auto shop classroom and new vocational building	Straight Line General Contractors	\$2,605,500	\$3,518,496		9	26	60	20	
Madison HS Stadium Upgrade	Yes	Site prep for synthetic turf football field and all weather running track; accessible st	Soltek Pacific Construction	\$5,998,000	\$6,443,789	0	8	31	52	17	
Hoover HS Woodshop	Yes	Demolition of existing structures and a new 5293 square foot energy efficient wood	Soltek Pacific Construction	\$3,854,000	\$3,728,648		50	4	23	44	
Jefferson Child Development Center and Playe	Yes	New building addition and site work	Soltek Pacific Construction	\$2,736,734	\$3,086,097		7	26	36	29	
Point Loma Motion Picture/Music Center	Yes	1--Alterations to upper level of shop building 900; remove two interior partition wa	Straight Line General Contractors	\$4,696,000	\$4,161,615		5	44	45	29	
Sessions Elementary School	Yes	City off-site improvements; sidewalks, street and signal modifications; new studen	Summit Builders	\$1,825,000	\$1,554,622		6	18	26	12	
Hoover HS Athletic Facilities	Yes	Athletic facilities and ADA upgrade	Soltek Pacific Construction	\$9,513,200	\$10,772,937		5	20	33	25	
Audio-Video (i21)--Region 3*	Yes	Furnishing and installation of system components and infrastructure improvements	Logical Choice Technologies	\$2,617,175			5	33	20	3	
Audio-Video (i21)--Region 1*	Yes	Furnishing and installation of system components and infrastructure improvements	Precision Electric	\$2,881,909			8	8	27	1	
Audio-Video (i21)--Region 4*	Yes	Furnishing and installation of system components and infrastructure improvements	Logical Choice Technologies	\$2,602,131	\$2,388,000		4	31	17	3	
Scripps Ranch H.S. Technology Bldg.	Yes	Project consists of 8,000 square feet of sustainable technologies -- building with ou	Triton Structural Concrete	\$6,354,815	\$5,885,519		6	21	30	30	
Audio-Video (i21) -- Region 2*	Yes	Furnishing and installing system components and infrastructure improvements in si	Saturn Electric Company	\$2,766,587			7	31	20	3	
Morse H.S. Child Development Center	Yes	construction of new, single story child development center with associated site imp	Roel Construction Co.	\$2,900,000	\$2,705,718		6	34	46	25	
Morse H.S. Modernization of Athletic Field	Yes	construction of new, single story toilet facilities, concession stand and ticket booth	Soltek Pacific Construction Co.	\$7,790,000	\$7,379,034		7	20	35	23	
Cherokee Point Elementary	Yes	construct complete central chilled waater ad piping distribution from the central pl	American Industrial Services	\$1,041,255	\$1,256,332	247	6	17	27	5	
Clairemont Stadium H.S. Improvement	Yes	demolition, grading and drainage; landscaping; site utilities, paving; accessible cor	Triton Structural Concrete	\$6,075,150	\$6,582,303		0	7	16	46	32
Madison H.S. Media Center	Yes	construct new mult-media center at Madison H.S.	Roel Construction Co.	\$2,625,820	\$3,037,592		87	5	15	40	15
TOTAL				\$68,883,276	\$62,500,702		105	414	602	316	
Elim those w/o cost estimates				\$60,617,605	\$4,464,336		0.174418605	0.25362319	0.687707641	0.524916944	
% Bidders (deduct subs from planholders)							0.367132867	1.07142857			
Bid-to-cost ratio				0.969870786							
MEANS				\$4,051,957			77	6.176470588	24.3529412	35.41176471	18.58823529
Mean --elim outliers				\$4,329,829							
Morse HS Automotive Facilities and Culinary A	No	New vocational building for purpose of teaching automotive service and body repai	Cox Construction	\$6,454,000	\$7,943,990		327	10	45	108	29
Madison HS Auto Shop	No	New vocational building for teaching automotive services	Soltek Pacific Construction	\$3,314,000	\$5,583,778		42	14	35	43	20
Rowan Child Devel Ctr	No		MA Stevens	\$688,135	\$753,535		28				
SDHS new two story building	No	construct two story steel structure classroom building; provide 11 relocatable class	Soltek Pacific Construction Co.	\$6,965,000	\$8,326,289		116	11	40	91	26
TOTAL				\$17,421,135	\$22,607,592		128	35	120	242	75
						*90-100% complete only	0.144628099	0.29166667	0.495867769	0.309917355	
% Bidders (deduct subs from planholders)							0.209580838	0.77777778			
Bid-to-cost ratio				0.770587818							
MEANS				\$4,355,284	\$5,651,898		128	11.66666667	40	80.66666667	25

* Region 1 extended for additional years for \$1,399,744 (estimate = \$1,593,000--contractor: Southland Electric) and \$597,379

*Region 2 extended for 1 additional year for \$1,134,710

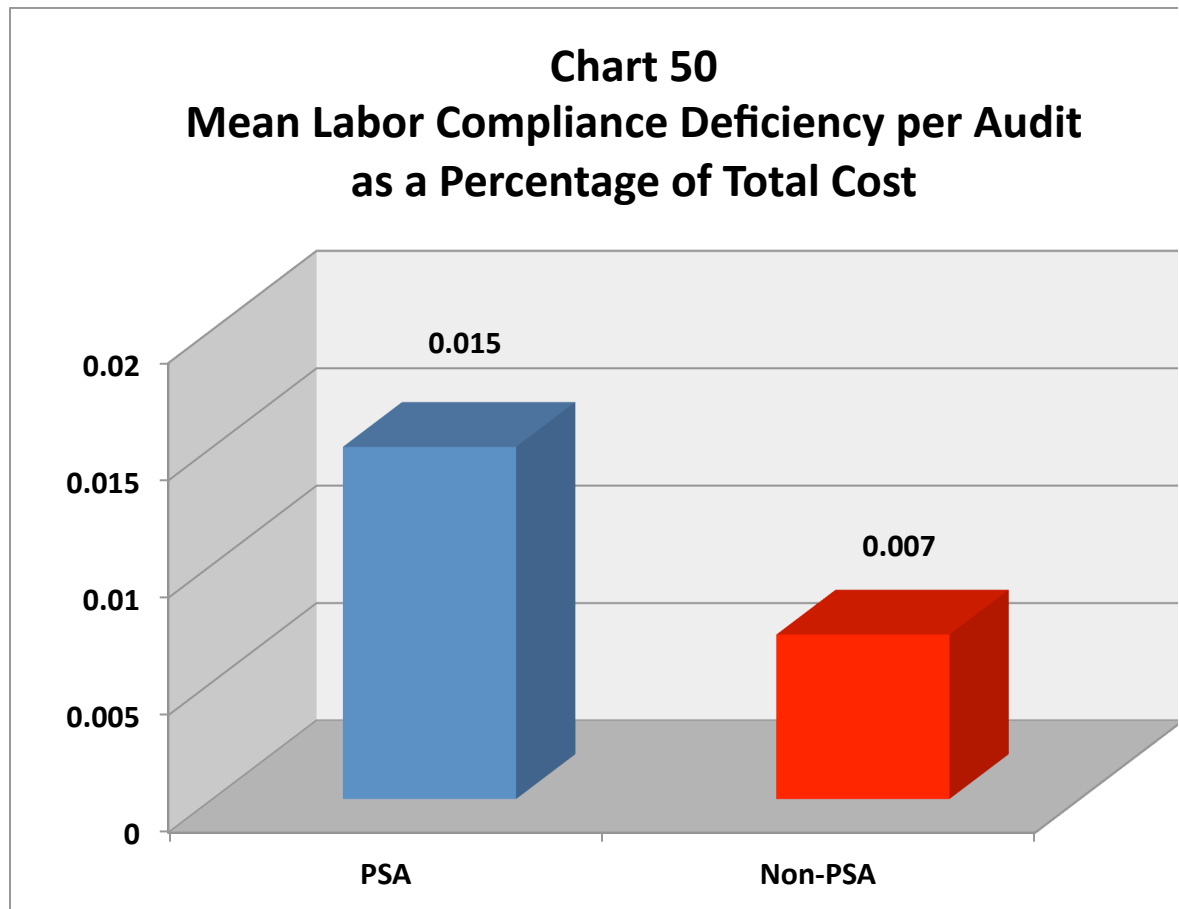
*Region 3 extended for additional years for \$1,183,822 and \$510,000

*Region 4 extended for additional years for \$1,264,883 and \$520,000

Labor Payroll Compliance

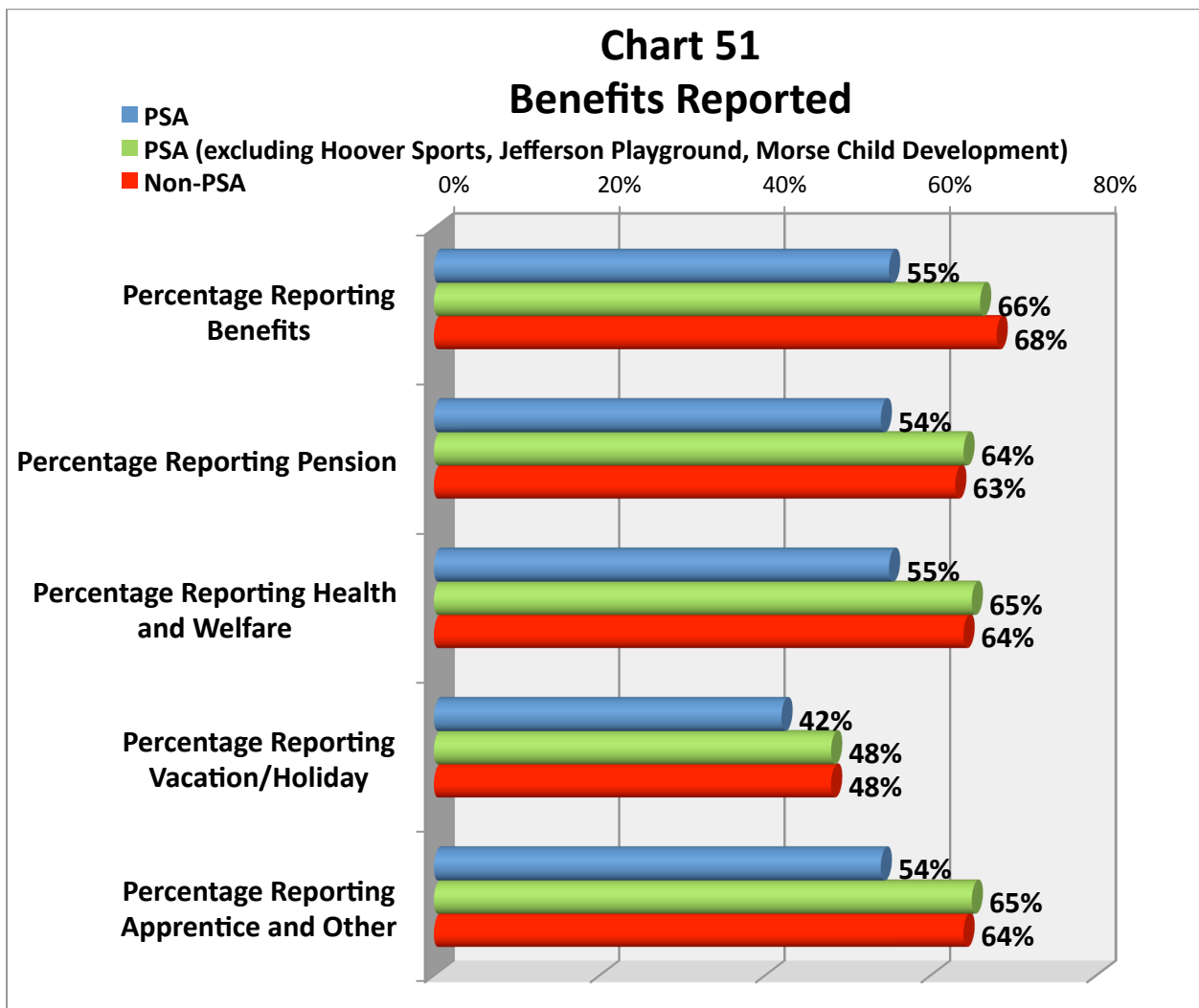
An important component of the PSA for the San Diego Unified School District is payroll compliance regarding payment of full benefits and dues and also regarding filing the necessary reports. Charts 49 through 52 reflect the findings of the researchers pertaining to labor payroll compliance. These findings are derived from data obtained by means of a detailed review by Rea & Parker Research of contractor and subcontractor files for all PSA projects and the comparable non-PSA projects that are maintained in the offices of the San Diego Unified School District. The data were then summarized on the spreadsheet attached to the back of this section of the report.

SDUSD conducts periodic audits of the payroll submittals by the contractors working on PSA projects. Chart 50 shows that PSA reporting has been somewhat more deficient than were the non-PSA projects that have been identified as comparable, with deficiencies representing 1.5 percent of total project cost for PSA projects and 0.7 percent (approximately one-half the rate of PSA deficiencies) for comparable non-PSA projects. These percentages were determined by taking the identified deficiencies in each project's audit, determining a mean deficiency per audit and then dividing that mean deficiency by the project's cost to date (total cost multiplied by work-in-place as of September 6, 2011).



The best performing projects among PSAs were two relatively new projects: Scripps Ranch High School Technology (one audit—0.3 percent deficiencies) and Hoover High School Athletic Field (two audits—0.4 percent deficiencies plus one older project—Audio Visual (i21) Region One, with no deficiencies. On the poorer end of the deficiency spectrum are three of the older projects: Madison High School Stadium (6 audits—3.6 percent deficiencies), Hoover High School Woodshop (4 audits—2.2 percent deficiencies), and Point Loma High School Film and Music (4 audits—2.0 percent deficiencies), plus another of the Audio Visual projects (i21—Region 2—6 audits—3.9 percent deficiencies). The best project of all was the non-PSA San Diego High School Multi-Media Center (16 audits—0.05 percent deficiencies).

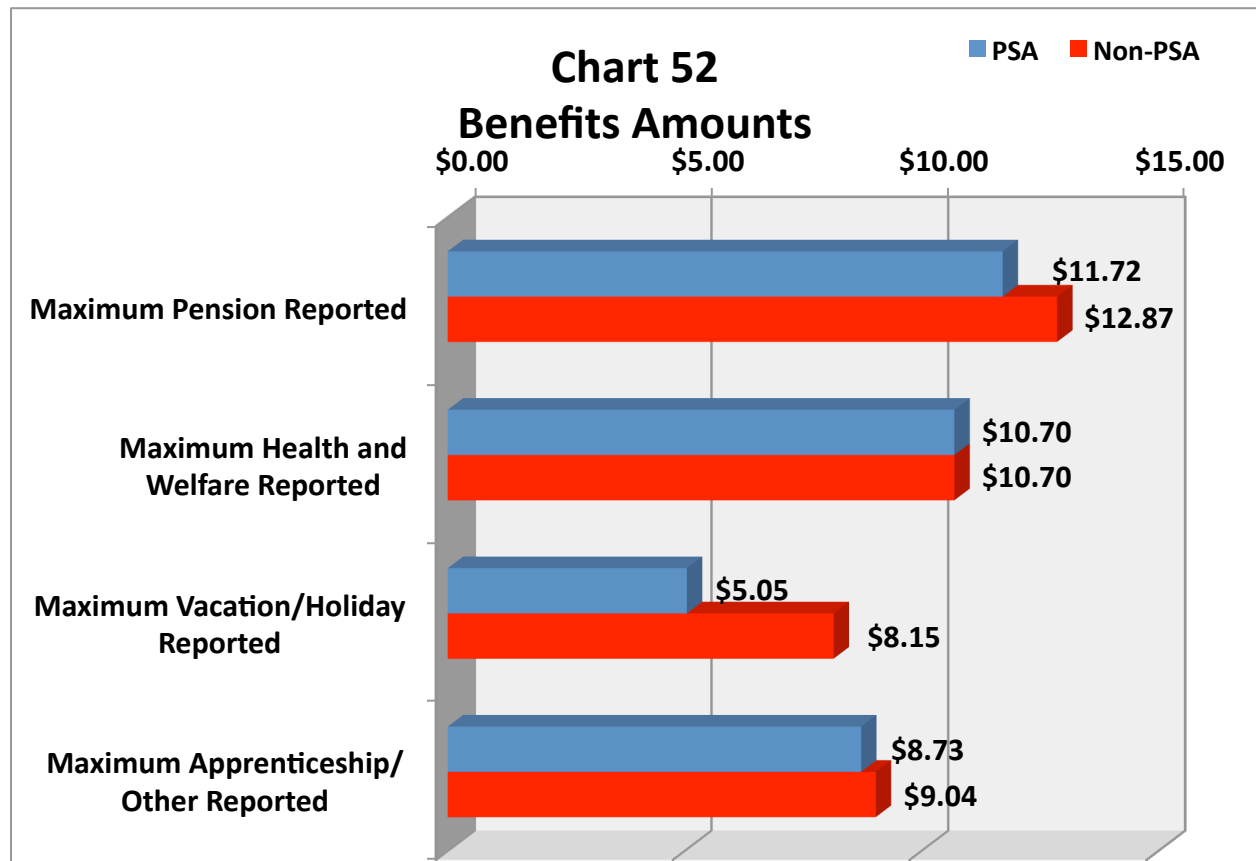
Chart 51 shows the percentages of contractors and subcontractors that submitted the required reports. In some cases, where the subcontractor performed the work without any employees, no report was required; however, Chart 51 reflects the preliminary finding that reporting, like deficiencies, favors the non-PSA projects. This is a preliminary conclusion that is modified below to indicate similarity between PSAs and non-PSAs when some of the more recent PSA projects are considered in a different light.



In each instance in Chart 51, the non-PSA projects' percentage of contractors and sub-contractors that filed the required report of benefit amounts that were being paid to employees is greater than the percentage for the PSA projects. For example, whereas 68 percent of non-PSA project contractors and subcontractors submitted a report indicating the benefits and benefit rates that they were paying, only 55 percent of PSA project contractors and sub-contractors did the same.

It is noteworthy that three PSA projects were particularly low in the percentage of these reports filed—Hoover High School Athletic Field (17 percent), Jefferson Child Development Center and Playground (28 percent), and Morse High School Child Development Center (35 percent). Furthermore, all of these projects are relatively new with work-in-place percentages of 23 percent, 46 percent and 41 percent, respectively. Chart 51, therefore, provides another bar that reflects the report percentages of all PSAs except these three outliers. The result of those exceptions yields the more likely and more accurate conclusion that PSAs and non-PSAs have demonstrated essentially the same pattern of providing benefit statements to SDUSD.

Chart 52 provides the actual dollar benefits (maximum) for each category of benefit (pension, health and welfare, vacation/holiday and apprentice training/other). The benefits paid by PSA projects and non-PSA projects are almost the same, with a small advantage to non-PSAs.



It is worthwhile to consider labor compliance in another light. That is, the worker receives increased protection of his or her benefits and prevailing wages the more scrutiny that is afforded to compliance issues. As such, identifying more of these deficiencies may actually be aiding the working population of the County.

Project	PSA?	Prime Contractor	# of Subs	# Reporting Benefits (including Prime)	# Reporting Pension	\$ Range Pension	# Reporting H&W	\$ Range H&W	# Reporting Vacation/Holiday	\$ Range Vac/Hol	# Reporting Apprentice & Other	\$ Range App/Other	
Hoover HS Woodshop	Yes	Soltek Pacific Construction	48	21	20	0-8.60	20	10-10.70	14	0-3.92		20	0-5.95
Madison HS Stadium	Yes	Soltek Pacific Construction	56	37	37	0-8.60	37	2.00-8.28	28	0-3.92		37	0-4.95
Clairemont HS Auto Shop	Yes	Straight Line	39	31	31	0-9.92	31	2.00-10.70	21	0-3.99		31	.03-4.23
Cherokee Chiller	Yes	Amisi Corporation	9	8	7	.05-9.09	7	3.60-10.70	3	1.20-3.92		7	.43-4.23
Clairemont HS Stadium	Yes	Triton Structural Concrete	39	32	32	0-10.52	32	0-10.7	24	0-4.17		32	.03-4.23
Morse HS Stadium	Yes	Soltek Pacific Construction	52	29	29	0-10.52	29	1.79-8.20	19	0-3.92		29	.25-8.73
Jefferson Playground	Yes	Soltek Pacific Construction	43	12	12	0-9.92	12	0-10.70	12	0-3.99		12	.45-4.95
Morse HS Child Devel Ctr	Yes	Roel Construction	52	18	18	0-11.72	18	0-10.70	17	0-5.05		17	0-4.50
Madison Multi-Media	Yes	Roel Construction	43	35	34	0-10.52	35	2.05-9.70	31	0-4.18		35	0-4.95
Pt. Loma Music/Motion Picture	Yes	Straight Line	39	25	24	0-7.60	24	1.28-8.20	20	0-3.99		24	.30-2.23
Hoover HS Sports Field	Yes	Soltek Pacific Construction	30	5	5	0-4.58	5	2.00-8.20	3	0-3.75		4	.95-4.50
i21--Region 1	Yes	Precision Electric	1	1	1	.05-3.40		1	5.52-6.48	0		1	2.01-2.05
i21--Region 2	Yes	Logical Choice Technologies	0	1	1	0-1.45		1	1.29-4.84	1	.70-2.05	1	.55-1.20
i21 -- Region 3	Yes	Logical Choice Technologies	0	1	1	.58-3.86		1	1.52-6.08	0		1	.09-.80
i21 -- Region 4	Yes	Logical Choice Technologies	0	1	1	0-1.45		1	2.00-10.70	1	.70-4.02	1	.05-.67
TOTAL			451	257	253	(0-11.72)	254	(0-10.70)	194	(0-5.05)		252	(0-8.73)
%				0.551502146	0.542918455		0.545064378		0.416309013			0.540772532	
% w/o Hoover Sports Field + Jefferson +Morse CDC				0.656804734	0.644970414		0.647928994		0.479289941			0.647928994	
Madison HS Auto Shop	No	Soltek Pacific Construction	68	45	42	0-11.08	44	2.05-8.20	35	0-9.26		42	.25-4.95
San Diego HS Building	No	Soltek Pacific Construction	35	27	25	0-12.87	27	0-8.20	17	0-3.99		26	0-9.04
Morse HS Auto-Culinary	No	Cox Construction	82	53	52	0-10.52	51	1.21-10.70	38	0-8.15		51	0-4.23
Rowan Child Development Ctr	No	MA Stevens	12	11	7	0-10.63	7	0-8.20	6	.70-4.04		9	.64-1.27
TOTAL			197	136	126	(0-12.87)	129	(0-10.70)	96	(0-8.15)		128	(0-9.04)
%				0.676616915	0.626865672		0.641791045		0.47761194			0.63681592	

Workforce: Targeted Zip Codes

The San Diego Unified School District Project Stabilization Agreement contains very ambitious objectives regarding employment of locally based workers. Among workers employed by all contractors and sub-contractors, the goal is that 35 percent of such workers be residents of economically disadvantaged zip codes within the SDUSD boundaries. These zip codes are shown in Exhibit 1 and can generally be characterized as the southeastern portion of the City of San Diego plus the Linda Vista and Clairemont communities.

In addition to these targeted zip codes, 70 percent of all employees should reside within the boundaries of the District and all employees should be residents of San Diego County. In contrast, the Los Angeles Unified School District has objectives of 50 percent of workers residing within the District and no targeted zip codes within the District. LAUSD has indicated in interviews with Rea & Parker Research that most PSAs and PLAs are closer to 35 percent local employment, thereby rendering San Diego Unified PSA as being very ambitious.

EXHIBIT 1 PROJECT STABILIZATION AGREEMENT ZIP CODE LIST

Targeted Zip Codes (35% Goal)

92102	92104	92105	92101	92111
92113	92114	92115	92116	92117
92139				

District Zip Codes (70% Goal)

91941	91942	91945	91977	92037
92101	92102	92103	92104	92105
92106	92107	92108	92109	92110
92111	92113	92114	92115	92116
92117	92119	92120	92121	92122
92113	92114	92115	92116	92117
92119	92120	92121	92122	92123
92124	92126	92129	92131	92133
92134	92136	92139	92140	92145

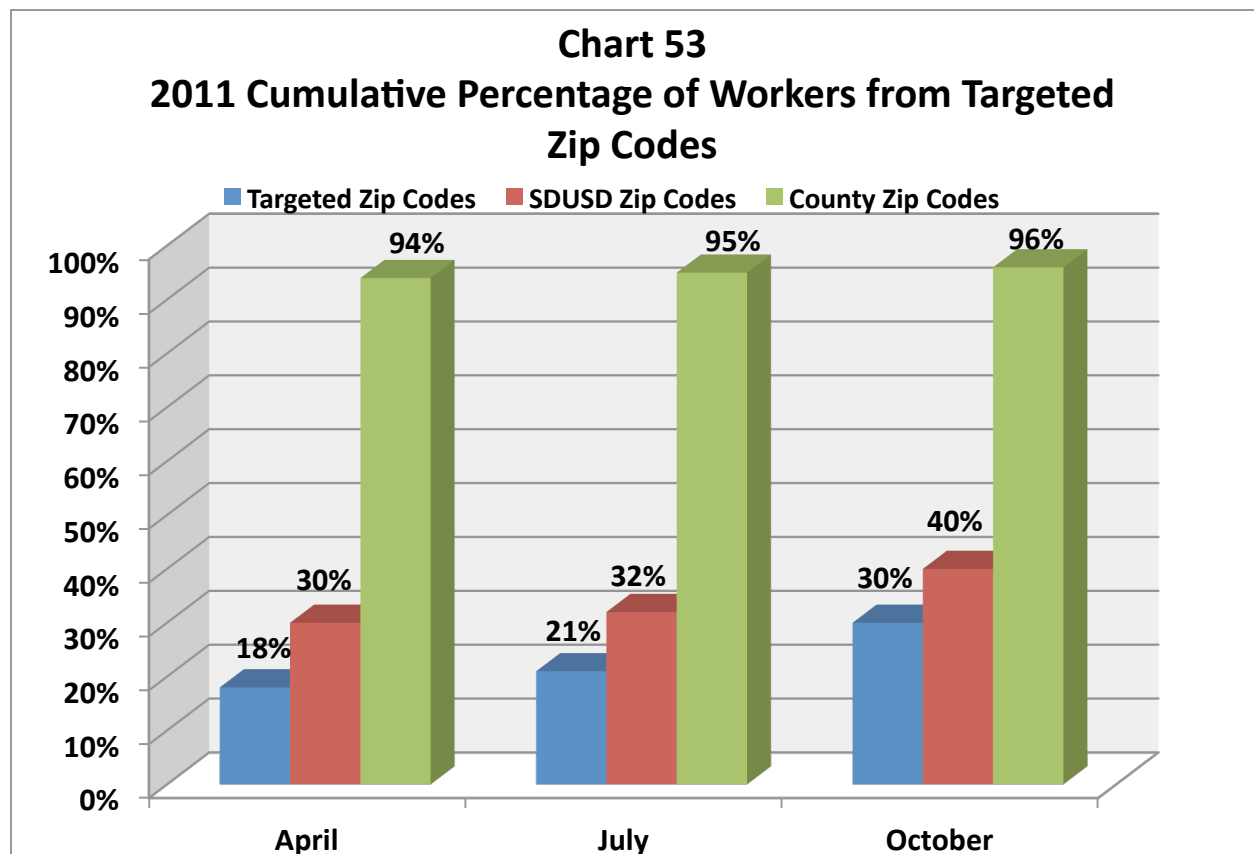
San Diego County Zip Codes (100% Goal)

City/Town	Zip Code(s)
Alpine	91901, 91903
Bonita	91902
Bonsall	92003

San Diego County Zip Codes (100% Goal)--continued	
Borrego Springs	92004
Campo	91906
Camp Pendleton	92055
Cardiff-by-the-Sea	92007
Carlsbad	92008-92009, 92013, 92018
Chula Vista	91909-91915, 91921
Coronado	92118, 92178
Del Mar	92014
Dulzura	91917
El Cajon	92019-92022, 92090
Encinitas	92023-92024
Escondido	92025-92027, 92029-92030, 92033, 92046
Fallbrook	92028, 92088
Imperial Beach	91932-91933
Jacumba	91934
Jamul	91935
Julian	92030
La Jolla	92037-92039, 92092-92093
La Mesa	91941-91944
Lakeside	92040
Lemon Grove	91945-91946
MCAS Miramar	92145
Mt. Palomar	92060
National City	91950-91951
Ocean Beach	92107
Oceanside	92049, 92051-92052, 92054-92058
Pacific Beach	92109
Pala	92059
Pine Valley	91962
Potrero	91963, 91990
Ramona	92065
Rancho Bernardo	92128
Rancho Santa Fe	92067, 92091
San Diego (communities)	92101-92124, 92126-92140, 92142, 92143, 92145, 92147, 92149, 92150, 92152-92155, 92158-92179, 92182, 92184, 92186, 92187, 92190-92199
San Marcos	92069, 92078-92079, 92096
Santa Ysabel	92070
Santee	92071-92072
San Ysidro	92143, 92173
Solana Beach	92075
Spring Valley	91976-91979
Valley Center	92082
Vista	92083-92085
Warner Springs	92066, 92086

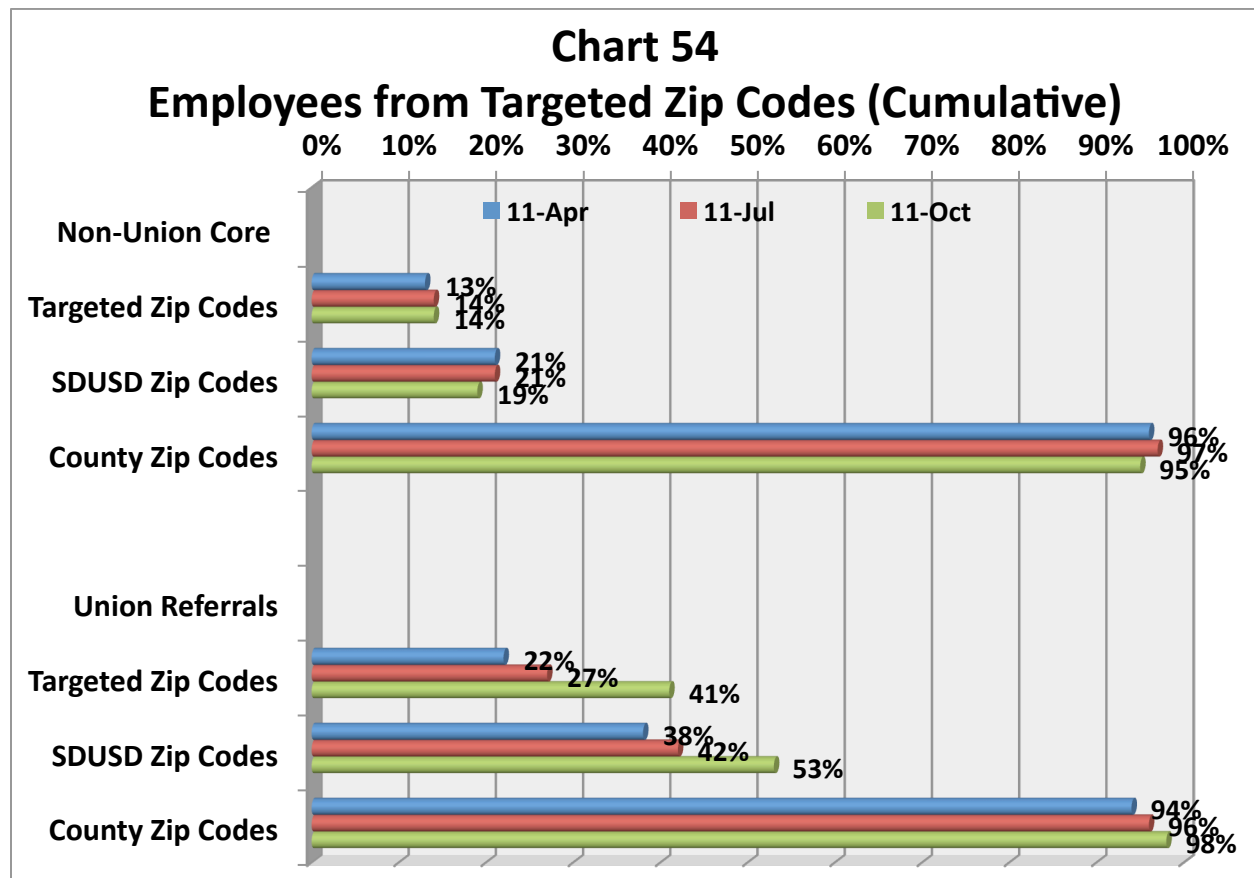
The advantages of local employment of workers are clear. Construction workers on public projects earn good wages, and retaining these wages locally can greatly benefit the local economy through increased spending and consequent indirect and induced additional job creation. If these workers come from economically disadvantaged communities, then, besides the economic benefits, fiscal and social benefits will accrue as well. Furthermore, the construction worker population is growing older, and replenishing this labor pool will serve the local community when the economy strengthens once again.

Data for this section were obtained from the San Diego Unified School District offices and from the SDUSD website. Chart 53 depicts the current (October, 2011) status of these objectives along with data from 3 months and 6 months ago. For most of the earlier periods prior to April, 2011, the percentages reflected in April were typical. That is, approximately 18 percent of all workers resided within the targeted zip codes, 30 percent within the District and 94 percent within the County. These percentages represent individual workers—not labor hours or total payroll. A one-day worker is treated in these totals equally with a worker who spends a month or more on the job. Chart 53 is noteworthy in terms of the growth that has occurred in achieving these objectives during the past 6 months, with 30 percent presently from the targeted zip codes (a 67 percent increase since April), 40 percent within the District (33 percent increase) and 96 percent from the County.



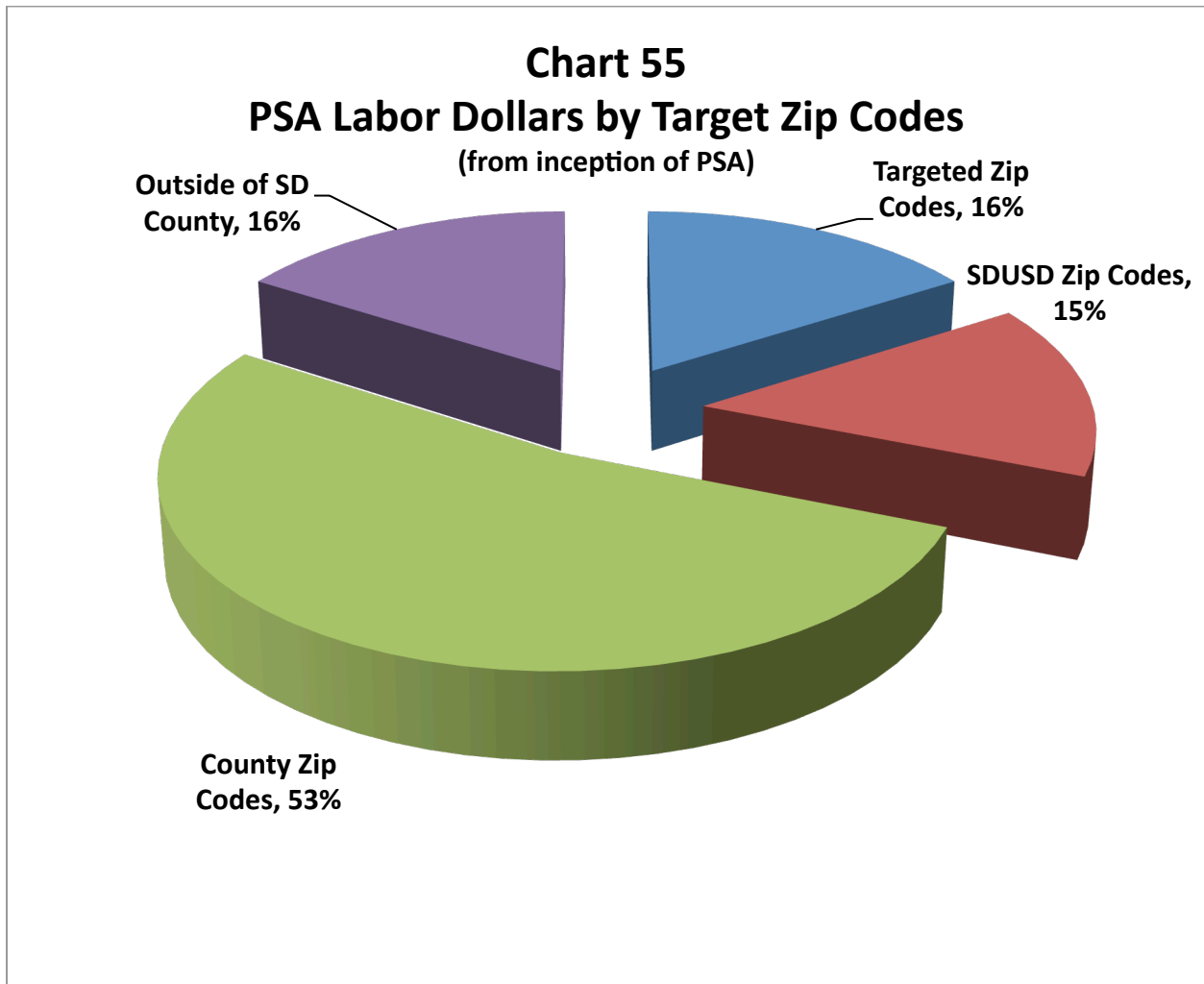
These increases over the past 6 months are due almost entirely to union referrals. Chart 54 shows that non-union workers have not changed in residential distribution during the period but that union referrals have changed significantly. In April, 22 percent of union referrals resided within the targeted zip codes; that has grown to 41 percent in October. Similarly, non-union workers are unchanged with regard to SDUSD zip codes, but union referrals have grown from 38 percent to 53 percent.

The implication of this is that the District is very close to achieving the objectives for targeted zip codes and is doing so almost entirely due to union referrals. The participation from workers residing within the District is still well short of the 70 percent goal, but is moving in the right direction, albeit more slowly than the targeted zip codes.⁵



⁵ It is the contention of the Associated General Contractors (a long-time opponent of PLAs and PSAs and frequent litigant against such agreements) that it is the common experience of contractors in San Diego County that as many as 80 percent of construction workers come from Tijuana, including union workers. According to Jim Ryan, Executive Vice-President and Brad Barnum, Vice-President Government Relations (interview with Rea & Parker Research—October 17, 2011), the percentages of local workers cited herein are not in line with their experience and knowledge of the local construction labor market. It should be noted, however, the data in this report comes from certified payroll reports filed under penalty of perjury and that the contentions of the AGC are not similarly documented.

As indicated above, Chart 53 and Chart 54 are based on individual workers. SDUSD also prepared an analysis based on payroll dollars from inception of the PSA (July, 2009)—Chart 55. This chart would not reflect the growth shown in Chart 53 or Chart 54 because of the weight of all expenditures from 2009 versus the growth that has been very recent. The advantage of this data, however, is that it does reflect actual hours on the job more closely than do the previous charts, and, not surprisingly, for both of these reasons (cumulative from 2009 and total payroll versus individual workers), the numbers reflect somewhat less of a local workforce. Chart 55 shows that 16 percent of total payroll has gone to targeted zip code workers since the inception of the PSA, 15 percent to workers residing in other parts of the District, 53 percent to County residents outside of the District, and 16 percent outside of the County.



In order to compare these data with Chart 53 and Chart 54, the percentages in Chart 55 require aggregation as follows:

- 16 percent targeted zip codes
- 31 percent within the District (including 16 percent targeted and 15 percent other District residents)
- 84 percent County

These aggregated totals are very similar to the data for total workers through April, 2011, and it can be expected that, as the recent increases take hold, these payroll numbers will move in that same direction. Thus, it can be concluded that the use of workers as a measure of PSA labor compliance and the use of labor dollars lead to the same conclusion – that there is growth in the number of local workers used on PSA projects and these numbers are moving toward the PSA local worker goals.

Report Authors

Richard A. Parker, Ph.D. is President of Rea & Parker Research and a professor in the School of Public Affairs at San Diego State University where he teaches graduate and undergraduate courses in statistics, survey research, urban economic development, finance, and real estate. Dr. Parker possesses extensive analytical experience in fiscal impact analysis, statistical survey research, market analysis, land use, real estate development and valuation, and transportation issues.

Dr. Parker has been a consultant to both the public and private sectors for almost 30 years. He has specialized in sample survey research for various governmental agencies and market research for retail, commercial, residential, and recreational development. Particular emphasis has been placed upon market research conducted in the field of transportation, with myriad rider/on-board surveys, intercept surveys, telephone surveys, and focus group projects having been performed for several transportation agencies. Dr. Parker has further established his reputation with regard to financial, fiscal and economic impact studies, urban redevelopment, and environmental impact/socioeconomic and demographic analyses. Dr. Parker has also been involved on a consultative basis with a number of issues concerning economic and population growth impacts in Southern California and has published a variety of articles, monographs, and books on these subjects. He has further participated in various panel discussions, delivered expert testimony to legislatures and courts, and appeared on several radio and television programs on behalf of his clients. Dr. Parker is a graduate of Brown University, the University of California at Berkeley, and UCLA. He possesses degrees in Business Administration from those institutions (B.S., MBA, and Ph.D.) plus a further graduate degree in City Planning (MCP) from San Diego State University.

Louis M. Rea, Ph.D. is Vice-President of Rea & Parker Research and professor of City Planning in the School of Public Affairs at San Diego State University. Dr. Rea served as School Director from 1983 to 2006. Dr. Rea has taught graduate courses in statistical analysis, transportation planning, survey research, urban/fiscal problems and program design and evaluation. He has published a variety of articles, participated in panel discussions, and delivered numerous papers at professional conferences throughout the United States. He has extensive experience as a researcher and consultant in the San Diego area for over 30 years.

Dr. Rea has conducted on-board surveys, passenger counts, intercept surveys, telephone surveys, and focus group analysis in numerous consulting and research assignments for municipal jurisdictions and private businesses throughout Southern California. He has prepared environmental impact reports, market analyses, and economic impact studies for various commercial/recreational and public entities. He has analyzed the feasibility of assessment districts and direct benefit financing, and prepared demographic and economic profiles and projections for numerous projects. Dr. Rea has a bachelor's degree from Colgate University in New York, a Master's degree in regional planning from Syracuse University, as well as a Ph.D. in public management and economics from Syracuse University.