



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 8/11/2020

To: Sonoma County Board of Supervisors

Department or Agency Name(s): General Services

Staff Name and Phone Number: Matthew Mendonsa: 707-565-2552

Vote Requirement: Majority

Supervisorial District(s): All

Title:

Adult Detention Behavioral Health Unit: Project Labor Agreement

Recommended Action:

Authorize inclusion of Project Labor Agreement as a Selection Criteria for Adult Detention Behavioral Health Unit Design Build Entity Request for Qualification

Executive Summary:

In 2015, the County of Sonoma received \$40 million in State bond funding to construct a new Adult Detention Behavioral Health facility. The building will constitute a 32,000 square foot, 72-bed mental health detention facility attached to the Main Adult Detention Facility. Scheduled for occupancy in winter of 2023, this groundbreaking facility will enable the County to provide quality mental health treatment for our incarcerated population with no net-gain in inmate population. With features such as a comprehensive competency restoration program, this facility provides improved mental health treatment for existing inmates within the County's care and is intended to reduce recidivism.

On July 11, 2017 this Board approved the Project Labor Agreement (Attachment 1) as a bid enhancement to the future Design-Build proposal for the Adult Detention Behavioral Housing Unit. The Board item explained the reasons for the inclusion of the PLA as a defined line item bid enhancement; limited competition and one of the bidder's lack of experience with PLA's. Due to delays in resolving various title encumbrances required by the State Department of Finance, staff are recommending a new qualifications process for the project. The new RFQ provides an opportunity to clarify the intent to include the Project Labor Agreement in the base pricing for the project and not as a standalone enhancement. The current Board item seeks to confirm the intent to utilize the Project Labor Agreement process on this project as we seek qualifications from prospective Design Build Entities.

Discussion:

Project Background:

As part of the 2014-15 State Budget Package, \$500 million in lease revenue bonds was authorized state-wide through Senate Bill 863 to address local jail construction and programming space needs. The County of Sonoma was successful in its application for SB-863 funding and in November 2015 was conditionally awarded

\$40 million dollars to construct an Adult Detention Behavioral Health Unit adjacent to the Main Adult Detention Facility. Under SB-863, the County was required to contribute matching funds of at least 10% of the Project cost, provide a site clear of easement and encumbrance, clarify environmental determinations, provide project design and construction management staffing, and establish operations and provide on-going maintenance for the life of the facility. The total current project budget established to meet the requirements for the SB-863 Lease Bond Revenue project is \$48,800,000.

The Adult Detention Behavioral Health Unit will provide essential mental health services for those in custody. Although jail populations are reduced as a result of COVID, the percentage of those in custody requiring mental health treatment has increased. In July 2019, there were 1118 inmates at the MADF with 493 or 44.10% requiring mental health treatment services. Whereas today there are 627 inmates with 313 or 50% requiring mental health services. Jail populations requiring mental health services have been trending upward for a number of years. The ABBHU is part of an overall system of care that includes diversion programs and other efforts to reduce inmate populations.

Project Labor Agreement:

The Project Labor Agreement is a collective bargaining agreement negotiated for construction projects between the County, as project owner, and the local building trade unions. The goal of the Project Labor Agreement is twofold. First, it is desired the use of a Project Labor Agreement will stimulate use of local contracting firms and local labor. Second, the agreement is designed to prevent interruption to construction as a result of work stoppages, strikes, sympathetic strikes, and lock-outs. The Project Labor Agreement will remain effective until the Design-Build Entity completes the project work. The Design-Build Entity and all contractors and sub-contractors who will perform construction on the project are signatories to the Agreement.

Board Adopted Project Labor Agreement Policy:

On January 28, 2014, the Board of Supervisors adopted a Policy and Template Agreement for Project Labor Agreements intended to be used on future County construction projects meeting certain requirements as recommended by the Board's Project Labor Agreement Ad Hoc Committee (formed by the Chair in April 2013). The Board approved a "Policy Regarding the Use of Project Labor Agreements to Promote Use of Local Contractors and Local Workforce on Construction Projects," and a Project Labor Agreement Template document.

The policy directed that the County negotiate a Project Labor Agreement for significant new construction projects under the following conditions:

- Where the construction cost is budgeted at or above \$10 million.
- Where all key terms were met as set forth in the Project Labor Agreement Template Agreement, including but not limited to:
 - Use of Core Workers;

- No double payment of benefits where contractors provide existing equivalent benefit plans; and
- Requirement for pre-apprentice and career technical workforce training programs, beyond requirements of California Labor Code.
- Where all trades and unions are signatory to the Project Labor Agreement; and there would be only one agreement per project.
- And where referral and use of local workforce is strongly encouraged, with the goal of at least 70% of hours worked by local residents.

Adult Detention Behavioral Health Unit Project Labor Agreement:

Utilizing the Project Labor Agreement Policy and Template adopted by the Board, the Project team (consisting of members from County Administrator's Office, Sheriff's Office, General Services, County Counsel, and Construction Manager- Kitchell) drafted a project-specific Project Labor Agreement and entered into negotiations with the representative of the Sonoma, Mendocino and Lake Counties Building & Construction Trades Council, and the local Unions with the geographical jurisdiction in Sonoma County, including those affiliated with the Building and Construction Trades Department of the American Federation of Labor Congress of Industrial Organizations, for the purpose of the construction of the County's Adult Detention Behavior Health Unit.

In 2014, the Board articulated a desire to approve each future project-specific Project Labor Agreement prior to staff soliciting project bids. The approved template was developed with the traditional design/bid/build, lowest bid value approach to project procurement. The negotiated Project Labor Agreement for the Adult Detention Behavioral Health Unit modifies the original template agreement to accommodate the Design-Build delivery methodology, address special requirements of construction associated with detention (14 day background check), drug enforcement policies, and other project specific language for the Adult Detention behavioral Health Unit. Final consensus on the amended Project Labor Agreement was reached in June 2017.

Concurrent to these negotiations the Project Design Team has solicited, received, and evaluated written proposals and conducted personal interviews with the responding design/build teams, as stated previously in this item. As PLA negotiations had not concluded at the time of RFQ issuance the specific Project Labor Agreement was not included in the Request for Qualifications except by reference. The evaluation process undertaken by the Project Team included questioning the design/build teams specifically about their individual experience with Project Labor Agreements and how they would implement an agreement with this construction contract.

The questioning resulted in one team indicating they had no previous experience with Project Labor

Agreements and were still in discussions with their legal counsel as to whether they would sign an agreement, and one team with very limited experience who indicated they would not self-perform any work on the project choosing to subcontract all trades and services. The remaining two companies indicated they were both signatory to various union trades, did have experience with Project Labor Agreements, and would not be impacted by the agreement on this project. The fact that only two bidders had experience with PLA's exposed an unforeseen impact to the project procurement process by potentially reducing our selection pool by up to fifty percent.

The Project Team recognizes this Board's desire to stimulate the involvement of local labor, to maintain stable working relationships, and to encourage a competitive bidding climate for the benefit of the County. With these goals in mind it was recommended the Board approve the Project Labor Agreement - Attachment 1 as an enhancement to the Design/Build Request for Proposals. Staff remain concerned that the inclusion of the PLA in the qualifications process of the new RFQ may limit competition, however this may be offset by market conditions that could generate competition from D/B firms whom previously did not submit proposals. Staff will conduct enhanced outreach in an attempt to generate more competition. The project will be competitively evaluated against a stipulated guaranteed maximum (Stipulated Sum) with the PLA included in the base pricing. This approach allows General Services to maintain its schedule for State submission of and to ultimately release the Request for Proposals.

Upon this Board's approval, the Project Labor Agreement becomes part of the Request for Proposals, and all candidates for the Design-Build contract agree to be bound by the Project Labor Agreement should it be included in the pricing, and agree to require all contractors and subcontractors performing construction work on the project to be bound as well.

Project Establishment:

In June, 2016 this Board approved the County's application to the Board of State and Community Corrections for Project Establishment. Project Establishment is an important milestone within the County/State project timetable encompassing submission to the State Department of Finance and review at the State Public Works Board for approval of the County's completed Board of State and Community Corrections application. The County's application consisted of a three-page Estimate, Project Milestone Schedule, Program Space Outline, and Project Scope. On February 13, 2017, the County's application for Project Establishment was approved. General Services in conjunction with the Sheriff's Office will return to your Board for award of the Design-Build contract and to consider final operational and staffing plans.

Prior Board Actions:

July 11, 2017: Adult Detention Behavioral Health Unit: Approval of Design-Build Entity Shortlist, Construction Bridging Documents, Project Labor Agreement and Request for Proposals.

January 10, 2017: Board authorization of Schematic Design Package and Design Build Request for

Qualifications.

June 21, 2016: Board authorization of County application to the Board of State and Community Corrections formally establishing project.

March 15, 2016: Authorize Agreement for Bridging Architect and Construction Management Services for Behavioral Health Housing Project.

December 8, 2015: Adopt the Sonoma County Criminal Justice Master Plan, 2015 update.

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FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Project Labor Agreement Costs:

Cost associated with implementing the Project Labor Agreement on a project of this scale are dependent on a variety of factors such as project budget, geographic location, and construction climate. Reasonable estimates for the cost of adding a Project Labor Agreement to a project of this size range between 10% and 14%.

Extrapolating these percentages from the \$48,800,000 budget for this SSB-863 project yields an additional cost of between \$3,672,590 and \$3,856,220. The project has a fixed budget, therefore any costs associated with the Project Labor Agreement will have to be deducted from the existing budget and absorbed through value-engineering of construction deliverables or services.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Agenda Date: 8/11/2020

None

Attachments:

Attachment 1: Adult Detention Behavioral Health Unit, Project Labor Agreement

Related Items "On File" with the Clerk of the Board:

None