

DEPARTMENT OF PARKS AND RECREATION
DESIGN AND CONSTRUCTION



CITY OF SAINT PAUL
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TO: City Council

FROM: David Ronzani, Project Manager
Margaret Park Improvements Project

RE: Consideration for Recommendation Against the Use of a PLA on the Project

This is the Project Manager's report on the non-recommendation of a Project Labor Agreement (PLA) request for the Margaret Park Improvements Project per Council Resolution CF #09-584.

1. The Margaret Park Improvements financing plan was approved by Council in the 2014 budget with CIB Bond funds, for a total project budget of \$500,000.
2. Notification regarding the possible use of a PLA was duly sent to interested parties on January 19, 2016 with one response received from The Building Trades Council which stated, "Labor Negotiations, Dollar Amount, and Time Sensitive" as reasons they recommend a PLA for this project. No other recommendations for using a PLA were received for Margaret Park.
3. The project is being bid *lump sum* and labor rates are established by prevailing wage labor rates which meet or exceed union rates. Labor costs and requirements as well as total project costs are already accurately established with the bid.
4. Project manager evaluation, when considering the non-recommendation of a PLA per CF #09-584 includes considering relevant criteria as follows:
 - A. *Size of the job*: At approximately 143 sq. ft. of building and 3 acres of site work, this project is not considered a large project.
 - B. *Cost of the job*: The actual construction is approximately \$400,000, which is not considered a large construction budget.
 - C. *Duration of the job*: The construction work is anticipated to require 120 days of construction, which is not considered a long construction period.
 - D. *Impact of delays*: Construction delays that may negatively impact the budget could be detrimental to successful completion of the project.

- E. *Amount of construction projects in the area competing for skilled workers:* The current construction climate is improving. However; the City of Saint Paul has been receiving low numbers of bidders on recent projects. The concern is that a PLA may reduce the list of potential bidders.
- F. *The number of local collective bargaining agreements (CBA's) that will expire during the term of the project:* This information is unavailable to the City; it is assumed that some CBA's will expire during the project.
- G. *Number of crafts and CBA's in the geographic area:* It is assumed that all crafts required for this project are available within this geographic area, regardless of union association.
- H. *Whether a majority of successful bidders on prior projects were union employers:* This information is unavailable to the City, since the City does not collect information identifying union/non-union status of contractors.
- I. *Impact on achieving vendor outreach program (VOP) and workforce goals:* The VOP and Affirmative Action policies of the City will be implemented by the City's Office of Contract Compliance, and will be aided and facilitated by contracted services of the Project Construction Manager; it is not anticipated that a PLA will impact successful compliance beyond those efforts.