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News Release
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Internal Documents Show San Diego Unified School District's Union-Only Construction Program Costing Taxpayers Millions of Dollars

In documents obtained from the San Diego Unified School District's Facilities Department, the construction industry has found that the District's union-only Project Stabilization Agreement (PSA) for construction projects financed by the \$2.1 Billion Proposition S bond measure has been a dismal failure. The document, prepared at the request of the firm hired by the District to "conduct a study of the impact and effect of the Projects Stabilization Agreement (PSA)," covers the bidding results of all construction projects bid utilizing Proposition S funding since its inception in 2009.

The PSA was negotiated between the San Diego Building and Construction Trades Council and the District in 2009. The first project imposing the terms of the PSA was bid in February 2010. Ten Proposition S projects were bid in 2009 before the PSA was implemented, and six other projects were bid in 2010 and 2011 that were not covered by the terms of the PSA. 17 projects were bid under the terms of the PSA in 2010 and 2011.

One of the documents, "Proposition S Construction Contracts Bidding Review," shows that on average the District is paying a 21.9% premium for projects bid under the union-only terms of the PSA. This 21.9% premium amounts to approximately \$16 million in additional construction costs that the District has incurred in the two years in which they have imposed the union-only condition on the projects. The document shows that while PSA project bids were 9.7% under the District's budget, the projects bid without the imposition of the union-only PSA were 31.6% under budget...a 21.9% difference. If this trend continues, the imposition of the union-only PSA could cost taxpayers over \$200 million in unnecessary construction costs.

Jim Ryan, Executive Vice President of the Associated General Contractors of America, San Diego Chapter, Inc., stated that "the reason for the 21.9% premium is obvious. On the union-only Prop S PSA projects, the District has only been able to interest an average of 5 responsive general contractor bidders, compared to 10 responsive general contractor bidders on Proposition S projects in which the PSA was not a condition of the contract. General contractors also tell us that the union-only PSA projects receive only about 50% of the subcontractor bids that the non PSA projects receive. When there are more bidders, the District receives better construction bids. It's that simple."

Scott Crosby, CEO of the Associated Builders and Contractors, San Diego Chapter, noted that “the District has also spent several hundred thousand dollars to administer the PSA. This includes additional staff to administer the numerous grievances and jurisdictional disputes on the union-only PSA projects, pay consultants to conduct seminars to explain the complex provision of the PSA to the industry, and market the bid opportunities to contractors in areas throughout the Southwest. These expenses were incurred because the local contractors have shown little interest in bidding the union-only PSA projects.”

Another failure of the union-only PSA relates to local workers. The Building Trades promised that 70% of the craft workers would be residents of the San Diego Unified School District. As of December 1, 2011, only 40% of the craft workers working on the projects reside in the District.

The District will hold a “closed to the public” news conference Friday, December 9 to detail the results of a study by Rea & Parker Research, which was commissioned by the District’s Board of Trustees at the cost of \$71,825.

The news conference will be held at Hoover High School’s Woodshop Building, which was the first Proposition S project bid under the union-only terms of the PSA. The project had to be bid twice. Only five bidders bid the first time, and the low bidder from Stanton, California was 35% over the District’s budget. All bids were rejected, and the District rebid the same project. This time there were only four bidders, and the low bid was about 26% over budget. A comparable project was bid about the same time by another school district that does not impose a union-only PSA on its projects. 17 bids were received, and the low bid was about 25% under budget.

*Attachments: Proposition S Construction Contracts Bidding Review
Project Specific Budget/Estimates/Bids*

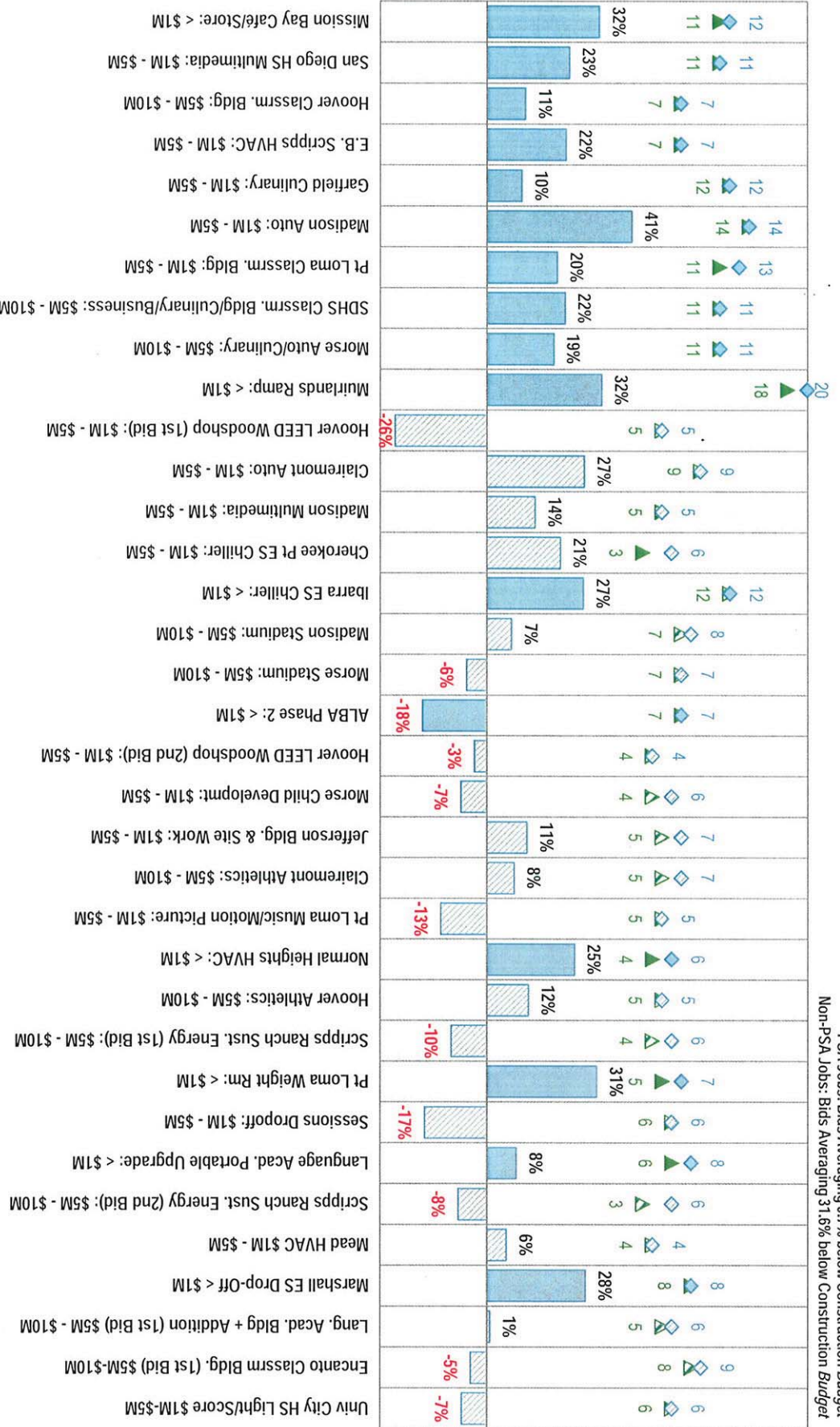
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San Diego Unified School District - Proposition S (Construction Contracts Bidding Review)

█ = Final Cost Estimate vs. Low Bid (Positive % = Bid < Estimate; Negative % = Bid > Estimate)
◆ = # of Bidders ◆ = # of Responsive Bidders
 [Note: PSA Contracts in Stripes]

SUMMARY:
 PSA Jobs: Averaging 6 Bidders (5 Responsive)
 Non-PSA Jobs: Averaging 10 Bidders (10 Responsive)
 PSA Jobs: Bids Averaging 1% below Estimate
 Non-PSA Jobs: Bids Averaging 21.2% below Estimate

Not Depicted in Chart:
 PSA Jobs: Bids Averaging 9.7% below Construction Budget
 Non-PSA Jobs: Bids Averaging 31.6% below Construction Budget



2009 Bid Openings

2010 Bid Openings

2011 Bid Openings

Project Name (Abbreviated)	PL# ?	Construction Budget	Estimate at time of ISA	Final Cost Estimate prior to Bidding	Bond Award Control Value	# of Bidders	# of Responsive Bidders (W/P)	Work in Place (W/P)	Contractor	Status	# of App'd COs (excluding Allowance Credits)	Approved \$ with Allowance Credits	App'd \$ w/o Allowance Credits	Allowances Used to Date	Invoiced (prior to Retention)	# of PEI Iterations in CM13	# of ASI Iterations in CM13	# of Notices/Deviation	Original Substantial Completion Date	CM's Forecast / Actual Substantial Completion Date	Forecast vs. Original Completion Date	Notes
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Construction Budget/Estimate/Bidding

Ark Pk 2	No	992,128	792,425	843,297	994,715	7	7	100%	ET	Complete	18	(2,911)	49,847	15,162	986,894	63	7	1	Sat 12/11/10	Fri 12/11/10	-4	
Charlotte Childer	Yes	1,000,000	1,292,502	1,256,332	1,441,255	6	3	100%	Ami	Complete - Substantial	1	16,182	16,182	45,980	991,235	39	2	1	Tue 9/7/10	Thu 5/12/11	-247	
Claremont Athletics	Yes	7,832,371	8,310,000	6,582,303	6,375,150	7	5	90%	Tiron	In Construction	40	270,964	270,964	210,880	5,111,245	200	22	0	Thu 11/11/11	Thu 11/11/11	0	
Claremont Auto	Yes	4,027,900	2,590,000	3,518,496	2,605,500	9	9	87%	Straight line	In Construction	36	173,216	173,216	144,341	2,290,202	165	17	6	Wed 5/4/11	Sun 10/30/11	-179	
EHS HVAC	No	2,173,359	2,000,000	2,300,000	1,789,324	7	7	100%	Bot Air	Complete	27	(28,656)	(86,629)	-	1,501,699	35	0	4	Tue 9/1/09	Mon 12/14/09	-104	
Garfield Culinary	No	2,738,000	1,769,234	2,712,989	1,995,000	12	12	100%	MA Stevens	Complete	8	(43,247)	(830)	109,583	1,951,253	70	5	0	Fri 3/19/10	Tue 3/30/10	-11	
Hoover Athletics	Yes	9,683,345	10,708,035	10,712,937	9,513,200	5	5	23%	Solex	In Construction	68	-	-	42,227	1,839,082	59	0	0	Fri 1/27/12	Wed 7/18/12	9	
Hoover New Bldg	No	6,074,720	10,077,950	6,074,720	5,418,000	7	7	100%	Erickson-Hill	Complete	68	388,708	599,468	116,640	6,002,708	272	62	0	Sun 7/11/10	Mon 8/9/10	-29	
Hoover Woodshop	No	750,000	757,944	826,794	638,329	12	12	100%	Falton	Complete	15	86,576	86,576	59,743	3,593,699	144	35	0	Thu 8/11/11	Fri 9/30/11	-198	
Jefferson	Yes	4,339,327	2,500,000	3,066,097	2,236,734	7	5	46%	Solex	In Construction	11	39,608	39,608	3,956	1,188,275	69	14	2	Mon 10/31/11	Fri 1/12/12	-32	
Long Acad Forable	No	1,671,719	350,000	1,46,859	134,688	8	8	99%	AW	Complete - Substantial	1	(9,500)	-	-	90,992	7	0	0	Fri 6/24/11	Tue 8/9/11	-46	
Madison Auto	No	6,246,000	4,111,771	5,584,778	3,314,000	14	14	100%	Solex	Complete	33	(358,837)	127,281	65,312	2,955,143	177	29	0	Mon 8/2/10	Mon 9/13/10	-42	
Madison Multi	Yes	4,894,000	3,329,000	3,037,592	2,625,820	5	5	100%	Suffolk Real	Complete - Substantial	23	(347,451)	80,147	24,418	2,488,385	141	5	5	Fri 2/4/11	Mon 5/2/11	-82	
Madison Stadium	Yes	7,477,918	9,085,900	6,443,789	5,998,000	8	7	100%	Solex	Complete - Substantial	22	(344,543)	162,543	57,213	5,595,735	116	0	0	Wed 6/1/11	Wed 6/1/11	0	
Marchall ES Prep-Off	No	880,346	350,000	725,091	525,000	4	4	0%	Sierra Pacific West	Awarded 9/13/11	0	0	0	0	0	0	0	0	Sat 12/17/11	Sat 12/17/11	0	
Mead ES HVAC	Yes	1,552,841	1,344,657	1,580,774	1,492,800	4	4	0%	Solex	Awarded 9/13/11	0	0	0	0	0	0	0	0	Wed 4/25/12	Wed 4/25/12	0	
Mission Boy Store	No	476,000	150,000	382,601	261,877	12	11	100%	Teves	Complete	11	(13,461)	8,885	7,324	248,416	0	0	0	Sun 7/26/09	Fri 8/21/09	-26	
More Athletics	Yes	7,318,472	8,300,000	7,379,034	7,790,000	11	11	83%	Solex	In Construction	24	393,986	393,986	38,337	5,591,941	729	48	13	Fri 7/15/11	Thu 11/7/11	-125	
More Auto	No	5,444,858	4,948,027	4,065,133	3,337,000	6	4	96%	Cox	In Construction	93	134,964	347,553	28,556	2,241,291	356	59	2	Tue 11/30/10	Fri 9/23/11	-292	Auto & Culinary 1
More Culinary	No	4,120,041	3,009,820	3,878,857	3,117,000	6	7	41%	Suffolk Real	In Construction	48	55,826	265,437	36,800	2,437,109	330	64	4	Tue 11/30/10	Sun 10/23/11	-327	Contract
More CUC	Yes	3,286,457	2,390,000	2,705,718	2,900,000	6	6	100%	Team C	Complete	10	93,594	180,190	12,220	1,161,823	57	15	0	Sun 2/28/12	Tue 4/3/12	-37	
Mountain Romp	No	140,000	47,000	202,121	137,000	20	18	100%	Team C	Complete	2	(17,827)	12,883	24,340	124,173	0	1	0	Wed 2/10/10	Fri 3/26/10	-44	Contract was Re-Bid
Mountain Hts Childer	No	800,000	978,521	865,231	652,595	6	4	93%	PWC	In Construction	2	16,919	16,919	24,011	866,722	25	0	0	Fri 9/23/11	Fri 9/23/11	0	
Platoma Nat Picture	3,000,000																		Tue 2/14/12	Sun 4/15/12	-61	
Platoma Seismic	3,784,510																		Tue 6/14/11	Fri 9/16/11	-94	
Platoma Fire Alarm	1,512,280																		Wed 8/24/11	Fri 9/16/11	-23	Motion Picture, Seismic,
Platoma Music Ctr	1,988,189																		Tue 2/14/12	Sun 4/15/12	-71	Central Supply, Music Ctr
Platoma New Bldg	4,316,502																		Mon 10/7/10	Fri 12/17/10	-27	
Platoma Weight Rom	975,089																		Mon 11/28/11	Wed 12/28/11	-20	
Reagan CUC	No	1,062,342	650,000	753,335	680,135	7	7	100%	MA Stevens	Complete	14	28,413	97,262	1,151	716,548	17	3	0	Fri 10/1/10	Fri 10/29/10	-28	NOT A PROP 5 PROJECT
Scripte Rm CTE	Yes	5,862,342	6,000,000	5,983,519	6,354,815	6	3	10%	Tiron	In Construction	-	-	-	-	-	66	1	0	Fri 6/22/12	Thu 8/19/10	-50	
SIBS Business	No	1,118,352	517,734	843,091	449,950	11	11	100%	Solex	Complete	4	14,344	34,679	45,665	457,294	66	11	0	Wed 6/20/10	Thu 8/19/10	-20	Business, Culinary & New
SIBS Culinary	No	2,281,212	1,168,289	1,912,945	1,143,400	11	11	100%	Solex	Complete	20	74,002	96,827	43,125	2,816,808	79	18	0	Wed 6/30/10	Thu 8/19/10	-50	Business, Culinary & New
SIBS New Bldg	No	4,289,999	9,312,635	5,750,253	3,976,900	12	12	100%	St Thomas	Complete - Substantial	45	219,740	367,550	261,628	5,446,486	200	36	0	Fri 4/1/11	Thu 11/4/11	-116	Bldg, 1 Contract
SIBS Multi	No	2,532,000	838,586	2,017,652	1,530,000	11	11	100%	St Thomas	Complete	12	227,271	255,110	62,661	1,777,271	121	12	0	Mon 8/10/10	Thu 8/5/10	-150	
Stations Shop-Off	Yes	1,944,272	1,260,000	1,534,622	1,828,000	6	6	48%	St Thomas	In Construction	-	-	-	-	889,495	35	2	0	Sat 12/31/11	Sun 1/1/12	-1	Contract was Re-Bid

Approved Change Order/Allowance \$ Data

Other Data

Schedule Summary Data

CM's Forecast / Actual / Original / Completion Date

SS Data through 9/16/11
WIP % through 9/22/11