

Memorandum

To: TJPA Board of Directors

From: Nila Gonzales, Interim Executive Director

Date: For the Board Meeting of January 14, 2020

Re: Project Labor Agreement Status Report

The Project Labor Agreement (PLA) for the Transbay Program was approved on November 10, 2011. The PLA is designed to ensure labor harmony and equal opportunity for small, local, disadvantaged, union, and non-union businesses throughout construction, providing standardized working conditions and wages. This quarterly report provides information on the status of the administration of the PLA and the apprenticeship plan that was developed in conjunction with the PLA.

PROJECT LABOR/LABOR HARMONY/ ACCESS TO SKILLED LABOR POOL

No work stoppages or labor incidents have affected construction on the Base Building project. The Construction Manager/General Contractor (CM/GC) Webcor/Obayashi and its trade subcontractors have reported no issues accessing skilled labor in sufficient numbers, and each trade subcontractor's workforce demands have been met.

The Tenant Improvement (TI) Construction phase is also covered by the Project Labor Agreement. The contract manager for the TI construction, Lincoln Properties, and the individual Tenant buildout contractors have reported no issues accessing skilled labor in sufficient numbers, and each trade subcontractor's workforce demands have been met. Recently, there was a labor issue identified with two tenant contractors that is being resolved directly between the union and the tenants. One of the tenants has chosen to find a new contractor in order to proceed.

The total number of labor hours for the construction of the Transit Center is approximately 5.8 million.

SAFETY

There were no Occupational Safety and Health Administration (OSHA) recordable safety incidents and no lost time incidents reported in relation to Base Building or Tenant Improvement Construction activities at the Transit Center through all of 2020!

JOINT ADMINISTRATIVE COMMITTEE

The JAC meeting scheduled for December 17th was deferred with no objections from the members as no significant issues arose over the last 3 months. In order to continue with the communications on any PLA-related issues, an e-update was sent to all members and portions of it is provided below.

E-Update provided:

Item 1) Phase 1 Construction Closeout update: Webcor/Obayashi has completed all work on the Transit Center construction except for only 2 electrical punchlist items. The main focus for phase 1 construction continues with the trade package closeout process with Webcor/Obayashi.

Item 2) Retail/Tenant Improvements: There are currently two active tenant-managed construction projects performing improvements on their own suites at the Transit Center. Kaiser (Turner SPD) is in the final inspection process and anticipates attaining their TCO this month. Spring Fertility (Excolo) is almost complete with TCO anticipated in January. Since we last met, Verizon completed their buildout and is now open for business. Two other tenant-managed construction projects (Happy Lemon and Venga) have been halted and are not currently active due to Prevailing Wage issues and are working on steps to becoming compliant before starting work again. As we look forward towards 2021, there will be a significant uptick in tenant-managed projects especially regarding many of the restaurants on the ground floor. Of course, elements such as Labor Harmony and Prevailing Wage requirements apply to these projects and are being provided to the tenants and their contractors as they come onboard.

Other base building construction projects that support the Tenant Improvements, but managed by the TJPA/LPC, are progressing well. The Kitchen Exhaust (MA Steiner) installation has started in the field as the submittal process has matured to that milestone. The Utility Reallocation (Teamwrkx) contract for the redistribution of utilities to meet the tenants needs within each leased suite has completed their work. Total combined amount of work for both the Kitchen Exhaust and Utility Reallocation projects is approximately \$13Million. Duration of the Kitchen Exhaust project will be until Q2 2021.

Item 3) Phase 2 update: The Comprehensive Work Plan for the DTX (ESC recommended) was presented to the TJPA Board on December 10th and approved.

New topics & next meeting

The next regular JAC meeting is scheduled for Thursday, March 18, 2021 at 9:30 am.