

To: All Contractors and Subcontractors

Re: Southwestern Community College District Community Benefits Agreement (CBA)

Sections 7.2(a) and 7.2(b) (Benefits)

The Southwestern Community College District CBA section 7.2 states in part:

- (a) Contractors shall pay contributions for all employees into the established employee benefit funds in the amounts designated in the appropriate Schedule A; make all employee authorized deductions in the amounts designated in the appropriate Schedule A: provided, however, that the Contractor and Unions agree that only such bona fide employee benefits such as accrue to the direct benefit of the employees (such as pension and annuity, health and welfare, vacation, apprenticeship, and training funds) shall be included in this requirement and required to be paid by the contractor on the Project; and provide further, however, that such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination.
- (b) Unless otherwise required by law, Contractors who have fringe benefits for their core workforce equal to better than those designated in the Schedule A do not have to pay the fringe benefit contribution designated in the Schedule A on the core work force and may utilize their own fringe benefits. Contracts who believe their benefit plans are equal to or better than those designated in the Schedule A's must submit their fringe benefit packages to the Project Labor Coordinator for evaluation by the Project Labor Coordinator at least fourteen (14) days prior to bidding. The Project Labor Coordinator will be responsible for determining whether the benefits are equal to or better than those designated in the Schedule A's. Any appeal of the Project Labor Coordinator's decision must be made within seven (7) days to the Joint Committee under Article 19. Contractors may only take credit against the prevailing wage for its core work force in accordance with the Prevailing Wage Statute and the differences between the hourly cost, if any, of the fringe benefit provided and the hourly cost of the applicable fringe benefit portion of the wage determination must be paid to the worker as wages. Benefits designated in the Schedule A's will be paid on all employees dispatched by the Union.

Subsection (a) contains the requirement that all Contractors shall pay contributions to the established employee benefit funds in the amounts designated in the appropriate Schedule A, including all employee authorized deductions in the amounts designated in the appropriate Schedule A.

Subsection (b) contains an "exception" to this requirement and permits a contractor to submit their fringe benefit plan(s) to the District's Project Labor Coordinator (at least 14 days prior to bidding a specific project) for a determination of "equal to or better" for the designated core workforce assigned to the project. This is a quality or value comparison of the fringe benefits provided.

Quality or Value Evaluation Methodology:



The Parties hereby agree that, to qualify as "equal to or better than," all of the following must be true:

1. Each component (medical, vision, dental, retirement, life insurance, etc.) of the Contractor's plan(s) must be "equal to or better than" the benefits designated in the Schedule A's;

2. If the Schedule A provides for a defined benefit plan, a Contractor's plan must be a defined benefit plan and be 100% paid for by the Contractor in order to be eligible for a determination that it is "equal to or better than" the plan in the Schedule A; and
3. The Contractor's health & welfare premiums (including vision and dental, if applicable) must be 100% paid by the Contractor, including coverage for any eligible dependents.
4. The Contractor's dollar contribution to each component of the Contractor's plan(s) must be "equal to or greater than" the contribution made by contractors under the plan(s) in Schedule A's.

The contractor will submit to the Project Labor Coordinator, its fringe benefit plan(s) Summary of Benefits that are applicable to each of the identified three (3) core employees, for a side-by-side comparison to the applicable local union (Schedule A) benefit plan(s). Each component (medical, vision, dental, retirement, life insurance, etc.) of the Contractor's plan(s) must be "equal to or better than" the benefits designated in the Schedule A. The side-by-side comparison of each plan will be performed by a qualified Benefit Plan Insurance consultant of the District/Project Labor Coordinator's choosing.

The effective date of this clarification of the intent of fringe benefit plan comparisons described in the CBA Section 7.2 (b) is **December 15, 2015**. Any prior approvals issued relative to contractors' benefits plan deemed to be "equal to or better" shall not be applicable for any future projects that are bid beyond the effective date stated herein.

<p>SOUTHWESTERN COMMUNITY COLLEGE DISTRICT</p> <p>By: </p> <hr/> <p>Melinda Nish, Ed.D. Superintendent/President</p>	<p>SAN DIEGO COUNTY BUILDING & CONSTRUCTION TRADES COUNCIL</p> <p>By: </p> <hr/> <p>Tom Lemmon Business Manager</p>
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