

**From:** ericchristen <ericdchristen@gmail.com>

**Sent:** Monday, August 03, 2020 7:05 PM

**To:** Rich Tran <rtran@ci.milpitas.ca.gov>; Bob Nuñez <bnunez@ci.milpitas.ca.gov>; Karina Dominguez <kdominguez@ci.milpitas.ca.gov>; Carmen Montano <cmontano@ci.milpitas.ca.gov>; Anthony Phan <aphan@ci.milpitas.ca.gov>

**Cc:** Christopher Diaz <cdiaz@ci.milpitas.ca.gov>; Mary Lavelle <mlavelle@ci.milpitas.ca.gov>; Steven McHarris <smcharris@ci.milpitas.ca.gov>; dborenstein@bayareanewsgroup.com; agelhaus@bayareanewsgroup.com

**Subject:** [BULK] Here is how well a Project Labor Agreement worked out for you the last time you used one.

**Importance:** Low

Mike Luu (mluu@ci.milpitas.ca.gov) is signed in

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links.



Milpitas City Councilmembers,

You have only used one PLA in our 22 years of fighting them.

As you [take up the issue of another exclusionary Project Labor Agreement \(PLA\)](#) tomorrow I wanted to remind you what a disaster the previous PLA you used was. Over budget, behind schedule and numerous wage violations. It was the trifecta. I mean you had state agencies ripping the PLA's failure.

Please consider this as you take up this gift to big labor.

Eric Christen  
Executive Director  
Coalition for Fair Employment in Construction  
[www.opencompca.com](http://www.opencompca.com)



For Immediate Release

Contact: Clay Merrill  
916-448-5802

## Independent Audit Concludes that Milpitas Library Construction Project Riddled with Labor Law Violations

*Union Monopoly Agreement Failed to Ensure Contractors Obeyed the Law*

(Sacramento, CA, September 16, 2009) –Associated Builders and Contractors, California Cooperation Committee (ABC-CCC) Taxpayer Accountability Project announced that an independent audit of the [\\$39 million Milpitas City Library Project](#) has identified 56 separate labor compliance violations. The findings have been submitted to the California Department of Industrial Relations for review and action. These violations are significant because the project was constructed under a so-called Project Labor Agreement.

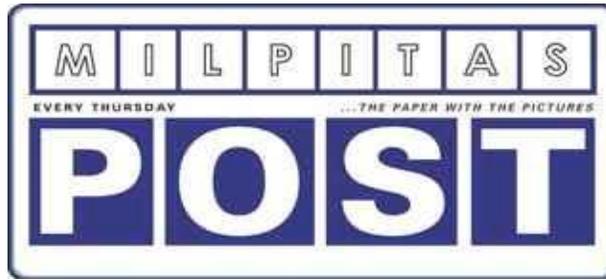
“Local governments must ensure that any construction project is built using qualified workers and that those workers are paid the proper wages,” ABC-CCC Executive Director Kevin D. Korenthal said. “Contrary to the assertion of a top official at the City of Milpitas, the construction of the new Milpitas library and parking garage was not a ‘model of success’ at least not in terms of contractor compliance with state labor laws.” An independent audit of contractors’ payroll records has now revealed 56 individual labor law violations. Public Works Director Armindariz told the Building & Construction Trades Council in a letter that the Project Labor Agreement would ‘help our construction industry work through this downturn in the economy’. Yet these labor compliance violations raise serious questions about whether or not workers were paid the wages owed to them per California Prevailing Wage law.”

Project Labor Agreements require that “union-only” contractors can bid or perform public works projects barring merit shop contractors, regardless of qualifications, from the opportunity to submit a project bid. Unions claim that such agreements ensure quality and worker protections. The Milpitas City Council had required all contractors on this project to sign a Project Labor Agreement (PLA) with construction unions. Unions claimed this agreement would help to ensure that workers were treated properly and that apprentices would get proper training. According to the audit, this was not the case as the many of the 56 violations were the result of a lack of oversight of apprentice workers, which jeopardizes project quality and could put employees at risk.

Associated Builders and Contractors, California Cooperation Committee (ABC-CCC) investigated these 56 violations and filed formal complaints on September 14, 2009 with the California Labor Commissioner's office. As part of The Taxpayer Accountability Project, ABC-CCC is performing audits of public works projects statewide and releasing findings as a means of ensuring that public funds are efficiently and effectively managed.

**For more information about the Taxpayer Accountability Project or to obtain the results of a specific audit, please contact Kevin D. Korenthal at (818) 898-2099.**

###



**October 8, 2009**

## **Group claims labor violations occurred in Milpitas library construction**

**By Ian Bauer**  
*Milpitas Post*

A non-unionized builders and contractors' organization claims numerous labor law violations occurred during construction of the \$39-million Milpitas Public Library. But Milpitas officials say use of contractor labor on the public library project the city built and Santa Clara County now runs was legal and that the group's allegations lack merit.

On Sept. 16, the Associated Builders and Contractors-California Cooperation Committee announced their own independent audit dubbed the "Taxpayer Accountability Project" had identified 56 labor compliance violations, detailed during construction of the new library at 160 N. Main St.

Kevin Korenthal, ABC-CCC's executive director, said his organization combed through requested City of Milpitas records and documents and determined Milpitas' library project essentially shut out non-union contractors and prevented many less-experienced workers, known as apprentices, from properly earning prevailing wages as required by State of California labor law.

"Local governments must ensure that any construction project is built using qualified workers and that those workers are paid the proper wages," Korenthal said. "Contrary to the assertion of a top official at the City of Milpitas, the construction of the new Milpitas library and parking garage was not a model of success, at least not in terms of contractor compliance with state labor laws."

Korenthal suggested these violations are significant because the library project was constructed under a so-called project labor agreement City of Milpitas approved in 2006.

"The (PLA) requires that all labor on the project be from a union," he said.

The group states that project labor agreements require "union-only" contractors bid or perform public works projects, barring non-union merit shop contractors, regardless of qualifications, from the opportunity to submit a project bid. ABC-CCC states further that unions claim such PLA agreements ensure quality and worker protections and helped ensure workers are treated

properly and that apprentices would get proper training. ABC-CCC maintained Milpitas City Council required all contractors on this project to sign a project labor agreement with construction unions.

According to ABC-CCC's audit, many of the 56 violations involved a lack of oversight of apprentice workers.

"By far the greatest number of violations were how many apprentices were assigned to the journeyman on the project," Korenthal said.

He asserted this situation jeopardized project quality and put employees at risk.

"State of California requires a certain number of apprentices be assigned to journeymen," Korenthal said, adding there were too few journeymen but many more apprentice laborers on the Milpitas library job.

ABC-CCC said on Sept. 14 their group filed findings over the Milpitas Public Library project with the California Department of Industrial Relations and California Labor Commissioner's Office for review and action.

### City's response

City of Milpitas issued a written statement on Sept. 23 stating ABC-CCC's allegations were unfounded and that the city had "managed a fair and safe construction project for the new Milpitas library."

"The newest jewel of the Santa Clara County Library system, the Milpitas library opened ... on time and was delivered approximately \$2 million under budget, saving the taxpayers significant amounts of money," the statement reads.

Moreover, the city claims ABC-CCC's allegations demonstrate a "well-documented anti-union worker stance" and that the group "asserts that subcontractors used union apprentice workers in a manner that was purportedly unsafe or harmful to project delivery."

"However, a review of official documents reveals that the Milpitas library project did not have a single construction-related accident and had both

daily and weekly meetings to implement worksite safety procedures," the city's statement reads.

In addition, the city claimed the library project's PLA "encouraged close cooperation between worker trade groups and general contractors, so as to maximize worker safety and the avoidance of costly job actions."

Saying it paid workers on the job wages owed to them under the state's prevailing wage laws, the city also maintained the California Labor Commissioner's Office had indicated it had no record of the receipt of any complaint from ABC-CCC.

"The city is on record as having pledged full cooperation with the labor commissioner in the event of any state law requests, but stands by its record of achievement," the city's statement reads.

California Department of Industrial Relations reported ABC-CCC had sent their

findings to their Division of Apprenticeship Standards, which falls under the Department of Industrial Relations.

"What happened was ABC did send a box full of complaints in mid-September to the Division of Apprenticeship Standards," Erika Monterroza, a Department of Industrial Relations spokesperson, said.

However, she said ABC-CCC's complaints were often incomplete.

Monterroza added the Division of Apprenticeship Standards was working with ABC-CCC to go back and re-file many complaint forms the group had left incomplete and was still reviewing others.

"We have not encountered any violations so far," she said.

Monterroza suggested overall state review of ABC-CCC complaints against City of Milpitas would likely take three to six months to process.

DEPARTMENT OF INDUSTRIAL RELATIONS  
DIVISION OF APPRENTICESHIP STANDARDS  
455 Golden Gate Avenue, 10th Floor  
San Francisco, CA 94102  
Tel: (415) 703-4920  
Fax: (415) 703-5218

www.dir.ca.gov



ADDRESS REPLY TO:  
Div. of Apprenticeship Standards  
P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

Shinji Komatsu, CEO/President  
Birdair, Inc.  
65 Lawrence Bell Drive, Suite 100  
Amherst, NY 14221

**RE: Milpitas Library  
DAS Complaint # 2009-0644**

Dear Mr. Komatsu,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

The allegation of this complaint is failure to comply with the required apprentice to journeyman ratio.

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

Since we have found no evidence of previous violation, we are enclosing information to direct your attention to the requirements of LC § 1777.5 as well as a new change to Regulation 230.1:

1. applicable excerpts from the California Labor Code,
2. Apprentices on Public Works Summary of Requirements,
3. the Public Contract Award Notification form (DAS 140),
4. Request for Dispatch of Apprentices form (DAS 142), and
5. Payment and filing of Training Fund Contribution form (CAC 2),

6. **New requirement (Notice of Change in Regulation 230.1) effective on projects bid July 1, 2009 and later.**

(Our website at <http://www.dir.ca.gov/DAS/PublicWorksForms.htm>. contains this and additional information of interest.)

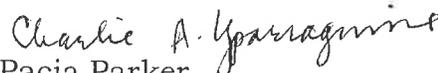
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This letter with attachments constitutes legal notification of the requirements of California Labor Code § 1777.5 and the new changes regarding Regulation 230.1. After receipt of this notice, **any failure to comply will be considered a knowing and possibly intentional violation.** In future investigations of alleged violations on public works projects, the fact of this notice will be considered in determining the seriousness of the violation and imposition of penalties.

No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,

  
Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
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P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

Alexander Medvedev, RMO/ CEO/President  
EHF, Inc.  
335 S. Van Ness Avenue  
San Francisco, CA 94103

**RE: Milpitas Library  
DAS Complaint # 2009-0651**

Dear Mr. Medvedev,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

We have no record that you filed a Public Contract Award Notification (DAS form 140), or requested registered apprentices (DAS 142).

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

Since we have found no evidence of previous violation, we are enclosing information to direct your attention to the requirements of LC § 1777.5 as well as a new change to Regulation 230.1:

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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,

*Charlie A. Yarraguirre*  
For Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
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P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

William Clyne, RMO/ CEO/President  
Floor Seal Technology, Inc.  
1005 Ames Ave.  
Milpitas, CA 95035

**RE: Milpitas Library  
DAS Complaint # 2009-0653**

Dear Mr. Clyne,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

We have no record that you requested registered apprentices (DAS 142).

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

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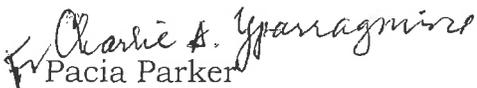
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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,

  
Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

Tu Bao Nhu Nguyen, RMO/CEO/President  
JJ Nguyen, Inc.  
3172 Salem Dr.  
San Jose, CA 95127

**RE: Milpitas Library  
DAS Complaint # 2009-0655**

Dear Mr. Nguyen,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

We have no record that you requested registered apprentices (DAS 142).

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

Since we have found no evidence of previous violation, we are enclosing information to direct your attention to the requirements of LC § 1777.5 as well as a new change to Regulation 230.1:

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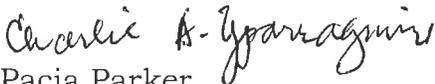
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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,



*For* Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
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P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

Ross Haisley, CEO/President  
Peninsulators, Inc.  
360 Piercy Road  
San Jose, CA 95138

**RE: Milpitas Library  
DAS Complaint # 2009-0660**

Dear Mr. Haisley,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

We have no record that you filed a Public Contract Award Notification (DAS form 140), or requested registered apprentices (DAS 142).

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

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Sincerely,

  
Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
Div. of Apprenticeship Standards  
P. O. Box 420603  
San Francisco, CA 94142-0603

December 31, 2009

John Chelstowski, Officer  
Netversant Northern California, Inc.  
47811 Warm Springs Blvd.  
Fremont, CA 94539

**RE: Milpitas Library  
DAS Complaint # 2009-0658**

Dear Mr. Chelstowski,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

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If you have questions, please call me at (415) 355-5472.

Sincerely,



Pacia Parker

Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
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P. O. Box 420603  
San Francisco, CA 94142-0603

December 31, 2009

Carl Biggs, RMO/CEO/President  
Harry L. Murphy, Inc.  
42 Bonaventura Drive  
San Jose, CA 95134

**RE: Milpitas Library  
DAS Complaint # 2009-0654**

Dear Mr. Biggs,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

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To briefly summarize the enclosed Information Sheet regarding changes in Regulation 230.1, the contractor must not only request the dispatch of apprentices in writing at least 72 hours before the date apprentices are needed, but also further pursue dispatch, if apprentices are not dispatched and employed. In such cases, the contractor must request apprentice dispatch from another committee (in craft) in the geographic area and must request from each such committee, either consecutively or simultaneously, until ratios are met or the contractor has requested from all such committees in the geographic area. (All requests must be in writing and within a timeframe to meet ratio requirements.)

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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,



Pacia Parker

Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

DEPARTMENT OF INDUSTRIAL RELATIONS  
DIVISION OF APPRENTICESHIP STANDARDS  
455 Golden Gate Avenue, 10th Floor  
San Francisco, CA 94102  
Tel: (415) 703-4920  
Fax: (415) 703-5218

www.dir.ca.gov



ADDRESS REPLY TO:  
Div. of Apprenticeship Standards  
P. O. Box 420603  
San Francisco, CA 94142-0603

December 31, 2009

Andrew Serb, RMO/ CEO/President  
Serb Systems, Inc. dba Pro Media  
800 Alfred Nobel Drive  
Hercules, CA 94547-1807

**RE: Milpitas Library  
DAS Complaint # 2009-0664**

Dear Mr. Serb,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

Since we have found no evidence of previous violation, we are enclosing information to direct your attention to the requirements of LC § 1777.5 as well as a new change to Regulation 230.1:

1. applicable excerpts from the California Labor Code,
2. Apprentices on Public Works Summary of Requirements,
3. the Public Contract Award Notification form (DAS 140),
4. Request for Dispatch of Apprentices form (DAS 142), and
5. Payment and filing of Training Fund Contribution form (CAC 2),
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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,



Pacia Parker

Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
Div. of Apprenticeship Standards  
P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

Shinji Komatsu, CEO/President  
Birdair, Inc.  
65 Lawrence Bell Drive, Suite 100  
Amherst, NY 14221

**RE: Milpitas Library  
DAS Complaint # 2009-0644**

Dear Mr. Komatsu,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

The allegation of this complaint is failure to comply with the required apprentice to journeyman ratio.

If a contractor “knowingly” fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

Since we have found no evidence of previous violation, we are enclosing information to direct your attention to the requirements of LC § 1777.5 as well as a new change to Regulation 230.1:

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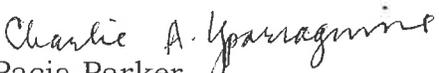
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This letter with attachments constitutes legal notification of the requirements of California Labor Code § 1777.5 and the new changes regarding Regulation 230.1. After receipt of this notice, **any failure to comply will be considered a knowing and possibly intentional violation.** In future investigations of alleged violations on public works projects, the fact of this notice will be considered in determining the seriousness of the violation and imposition of penalties.

No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,

  
Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
Div. of Apprenticeship Standards  
P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

Alexander Medvedev, RMO/ CEO/President  
EHF, Inc.  
335 S. Van Ness Avenue  
San Francisco, CA 94103

**RE: Milpitas Library  
DAS Complaint # 2009-0651**

Dear Mr. Medvedev,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

We have no record that you filed a Public Contract Award Notification (DAS form 140), or requested registered apprentices (DAS 142).

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

Since we have found no evidence of previous violation, we are enclosing information to direct your attention to the requirements of LC § 1777.5 as well as a new change to Regulation 230.1:

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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,

*Charlie A. Yarraguirre*  
For Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
Div. of Apprenticeship Standards  
P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

William Clyne, RMO/ CEO/President  
Floor Seal Technology, Inc.  
1005 Ames Ave.  
Milpitas, CA 95035

**RE: Milpitas Library  
DAS Complaint # 2009-0653**

Dear Mr. Clyne,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

We have no record that you requested registered apprentices (DAS 142).

If a contractor “knowingly” fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,

  
Pacia Parker

Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
Div. of Apprenticeship Standards  
P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

Tu Bao Nhu Nguyen, RMO/CEO/President  
JJ Nguyen, Inc.  
3172 Salem Dr.  
San Jose, CA 95127

**RE: Milpitas Library  
DAS Complaint # 2009-0655**

Dear Mr. Nguyen,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

We have no record that you requested registered apprentices (DAS 142).

If a contractor “knowingly” fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

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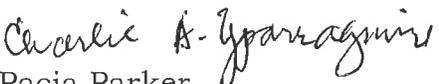
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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,

*For*   
Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File

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ADDRESS REPLY TO:  
Div. of Apprenticeship Standards  
P. O. Box 420603  
San Francisco, CA 94142-0603

December 22, 2009

Ross Haisley, CEO/President  
Peninsulators, Inc.  
360 Piercy Road  
San Jose, CA 95138

**RE: Milpitas Library  
DAS Complaint # 2009-0660**

Dear Mr. Haisley,

The Division of Apprenticeship Standards (DAS) has received a complaint against your company alleging violations of Labor Code § 1777.5 for the work you performed on the Milpitas Library.

We have no record that you filed a Public Contract Award Notification (DAS form 140), or requested registered apprentices (DAS 142).

If a contractor "knowingly" fails to comply with apprenticeship requirements on public works, DAS has an obligation to assess penalties. Various factors can provide evidence of a knowing violation. (These indicators include previous employment of apprentices on public projects, the signing of a contract with a public agency which mentions apprenticeship requirements in the contract documents, or previous notification by DAS of apprenticeship requirements on public works.)

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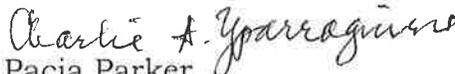
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No penalties will be assessed for the current complaint. **We now consider this case closed.**

If you have questions, please call me at (415) 355-5472.

Sincerely,

  
Pacia Parker  
Sr. Apprenticeship Consultant

Cc: Kevin Korenthal, Contractor Compliance & Monitoring, Inc.  
SJ Amoroso Construction  
Steve Erickson, City of Milpitas  
File



**For Immediate Release**

**Contact: Clay Merrill  
916-448-5802**

## **State Agency Confirms Milpitas Library Construction Project Violated Contractors' Labor Law**

*State Notifies Contractors of Violations Associated with \$39 Million Public Works Project*

**(Milpitas, CA, January 8, 2010)** – Responding to the findings of a labor compliance audit conducted by the Taxpayer Accountability Project of Associated Builders and Contractors, California Cooperation Committee (ABC-CCC), the California Department of Industrial Relations has officially notified eight contractors that they violated state labor laws during construction of the \$39 million Milpitas City Library Project. See the letters issued by the state at this link: [Milpitas Library Labor Violations](#).

“Staff for the City of Milpitas reacted angrily and defensively when the Taxpayer Accountability Project submitted its findings to the Labor Commissioner in September,” Kevin D. Korenthal, executive director of Associated Builders and Contractors, California Cooperation Committee said. “The results of the independent audit were validated by the State and we are pleased that action has been taken to protect the public trust and ensure accountability by contractors on public works projects.”

Confirmed violations by contractors on the Milpitas Library Project include lack of proper ratios of journeymen to apprentices and improper use of apprentices. These infractions are significant as they could have contributed to project quality and worker safety issues. Furthermore, many contractors working on the project failed to provide records as required by law until after the audit and subsequent state inquiry.

Contractors confirmed in violation include five based in the South Bay, two others based in the Bay Area, and one based in the state of New York: [Milpitas Library Labor Violations](#).

“Additionally, based upon the findings of ABC-CCC’s independent audit, we have reason to believe that our conclusions only scratched the surface of how labor laws were violated on this project,” Korenthal added. “Clearly, City of Milpitas officials neglected to scrutinize the project following the City Council’s vote to give construction unions a monopoly by virtue of a Project Labor Agreement.”

In October 2008, the Public Works Director for the City of Milpitas sent a [letter](#) to Neil Struthers, head of the Santa Clara and San Benito Counties Building and Construction Trades Council, boasting of the success of the library project and advocating for another union agreement to be enacted in the construction of a proposed Senior Center. These assertions are effectively disproved as a result of ABC-CCC’s audit and today’s announcement.

**For more information about the Taxpayer Accountability Project or to obtain the results of a specific audit, please contact Kevin D. Korenthal at (818) 217-0453 or by email at [contact@abc-ccc.org](mailto:contact@abc-ccc.org).**

###

# Public “Works” Update

February 2010

Facts for leaders who build and finance public projects



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San Fernando, CA 91340

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## PROJECT LABOR AGREEMENTS NO GUARANTEE FOR LABOR COMPLIANCE

State of California  
Confirms Labor  
Compliance Violations  
During Construction  
of \$39 Million  
Library Project



**Project Labor Agreements provide no tangible benefit to local government and public works projects. They don't prevent strikes, ensure labor compliance or guarantee contractor accountability.**

**R**esponding to the findings of a labor compliance audit conducted by the Taxpayer Accountability Project of Associated Builders and Contractors, California Cooperation Committee (ABC-CCC), the California Department of Industrial Relations has officially notified eight contractors that they violated state labor laws during construction of the \$39 million Milpitas City Library Project under a so-called Project Labor Agreement.

#### **CONFIRMED VIOLATIONS**

- **Lack of proper ratios of journeymen to apprentices**
- **Improper use of apprentices**

These infractions are significant as they could have contributed to project quality and worker safety issues. Furthermore, many contractors working on the project failed to provide records as required by law until after the audit and subsequent state inquiry.

**Taxpayer-funded contracts should be about quality work at the best price...always. That means allowing all qualified businesses, union and non-union, to compete fairly and win based on their ability to provide quality work at the best price.**

**Learn more by contacting ABC-CCC Executive Director Kevin D. Korenthal at [kkorenthal@abc-ccc.org](mailto:kkorenthal@abc-ccc.org).**



**The Labor Compliance Equalizer**

Associated Builders and Contractors – California Cooperation Committee is a non-profit organization that supports local government officials who want to deliver quality public works projects at the best price.