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# Preliminary Construction Phase Hiring and Procurement Plan

Prepared for  
**Los Esteros Critical Energy Facility Phase 2**

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**LG Constructors**

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# Contents

<b>I. Scope and Objective.....</b>	<b>1</b>
<b>II. Direct Hire Construction Workers .....</b>	<b>1</b>
<b>III. Non-Manual Staff.....</b>	<b>1</b>
<b>IV. Procurement Process.....</b>	<b>2</b>
A. Bidding .....	2
B. Evaluation .....	2
C. Award.....	2
<b>V. Types of Procurement.....</b>	<b>3</b>
A. Engineered Equipment .....	3
B. Specialty Subcontractors .....	3
C. Permanent Plant Materials.....	3
D. Consumable Supplies.....	4
E. Service Subcontracts .....	4
<b>VI. Reporting.....</b>	<b>4</b>

## I. Scope and Objective

This document is issued to summarize LG Constructor's (LGC) plan for hiring and the procurement of goods and services during the construction phase of the Los Esteros Critical Energy Facility (LECEF) Project in San Jose, California. This plan was prepared in response to the California Energy Commission's socio-economic requirements, SOCIO-1, for the project.

## II. Direct Hire Construction Workers

In compliance with the LECEF Project Labor Agreement, LGC will conduct a Pre-Job Conference with the local unions, as defined in the Project Labor Agreement, responsible for supplying workers for construction of the LECEF plant. Estimated staffing requirements will be presented to each union as part of this meeting, including the numbers of workers per trade required, the approximate dates required, and projected duration.

During the pre-job conference, the local unions will be instructed that the LECEF Project has a preference for referrals of craftsmen who reside in a Bay Area County.<sup>1</sup> The unions will be required to comply with this preference on a best-effort basis provided that it does not conflict with government regulations regarding the unions' out of work lists and is consistent with the unions' labor constitutions and hiring practices.

Monthly reviews with the unions will be held to plan estimated worker requirements for the upcoming two months and the unions will be requested to provide feedback regarding the number of Bay Area County workers that are expected to be dispatched to the project.

As the need arises for construction workers at the project, personnel requisitions will be prepared and forwarded to the appropriate local union for employee referral. The unions will send qualified union tradesmen to the site for employment upon receipt of acceptable pre-employment drug screening results.

Throughout the course of hiring, a record of address provided by each dispatched construction worker will be maintained and tracked to determine the approximate number of employees residing in one of the Bay Area counties. A summary will be developed showing the approximate number of residents that are employed at the site compared with union projections. The unions will be requested to provide a reconciliation of any shortfall.

## III. Non-Manual Staff

Due to construction operations, internal procedures and work processes, many key staff positions may need to be filled by experienced LGC personnel that reside outside of the local area. These key positions consist of site management, site supervision with specialty skills for power island equipment installations, key field engineering positions, corporate safety, business administration, procurement management, and contracts administration.

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<sup>1</sup> Bay Area Counties include Santa Clara, San Mateo, Alameda, San Francisco, Contra Costa, Marin, Solano, Sonoma, and Santa Cruz.

Staffing needs for personnel integrated into various departments will normally be filled by internal company employees. If outside hire is required, recruitment of locally hired personnel will be done. Examples are clerical, secretarial, and some technical positions.

Recruitment will be accomplished by placing advertisements in newspapers servicing San Jose and the Bay Area and by contacting local job placement agencies. Interviews will be conducted and candidates selected based on qualifications and relative experience.

## IV. Procurement Process

LGC is responsible for the acquisition of construction goods and services for the project. Throughout the procurement process, Bay Area businesses will be given priority whenever possible.

### A. Bidding

Potential bidders will be selected from a number of sources, some of which are:

- Applicable LECEF's Approved Vendor, Supplier, Contractor Lists
- LGC's Supplier Information System and Global Agreement List
- Engineering recommendation
- LGC experience
- The Blue Book of Building and Construction
- Thomas Register
- Yellow Pages
- Supplier initiated contacts

### B. Evaluation

Evaluation of all bidders will be based on the following criteria:

- Ability to bid competitively
- Bidder's presence in the Bay Area
- Technical capability to provide goods and services
- Current code certificates as required in specifications (ASME)
- Satisfactory financial status (D&B, annual reports, etc.)
- Ability to meet required engineering, delivery and/or construction project schedules
- Performance based on current/past work (reference check or shop survey/QA audit) and audit and inspections by a CA CBO.
- Satisfactory labor compatibility
- Satisfactory safety record
- Commercial Terms and Conditions commensurate with industry standards

### C. Award

Purchase orders and subcontracts will be awarded to the bidder whose proposal demonstrates commercial and technical responsiveness to the bid documents, i.e., best overall evaluated bid taking into account the above criteria.

## V. Types of Procurement

### A. Engineered Equipment

Engineered equipment and systems will be purchased directly from the manufacturers as this specialized equipment may not be available in Bay Area Counties.

### B. Specialty Subcontractors

Throughout the construction of the LECEF, specialty subcontractors will be required. If available, Bay Area businesses will be given priority to be included on the bid list in accordance with the procurement process.

Subcontractors that are outside the area boundaries must agree to give priority to Bay Area residents and businesses whenever possible. This requirement will be part of the subcontract terms and conditions.

Examples of specialty subcontracts may be:

- Fencing
- Fabrication services
- HVAC installations
- Plumbing installations
- Interior building finishes
- Painting
- Paving
- Site Grading
- Soils backfill and compaction
- Switchyard Installation
- Equipment and Pipe Insulation/Lagging/Heat Trace
- X-ray Testing (NDE)
- Electrical
- Fire Protection

### C. Permanent Plant Materials

Bay Area businesses will be given priority to be included on bid lists in accordance with the procurement process for permanent plant materials.

Examples of permanent plant materials may be:

- Ready mix concrete
- Gravel
- Backfill materials
- Miscellaneous piping materials

## D. Consumable Supplies

Bay Area business will be given priority to be included on bid lists in accordance with the procurement process for consumable supplies.

Examples of consumable supplies may be:

- Welding supplies/gases
- Lumber
- Misc. small tools
- Office supplies
- Bottled water
- Fuel/lubricants for construction equipment
- Misc. consumables, i.e., rags, cleaners, sandpaper, etc.

## E. Service Subcontracts

Bay Area businesses will be given priority to be included on bid lists in accordance with the procurement process for service subcontracts.

Examples of service subcontracts may be:

- Site sanitary services
- Solid waste removal
- Miscellaneous construction equipment rentals
- Site security
- Janitorial services

## VI. Reporting

A monthly report will be submitted to the Project Owner for inclusion into the Monthly Compliance Report to the California Energy Commission, which shall include the following approximate values:

- Percentage of direct hire workers that reside in the Bay Area;
- Percentage of non-manual staff that reside in the Bay Area;
- Number of Bay Area residents employed by subcontractors;
- Total dollar value committed to Bay Area businesses by LECEF issued P.O./Subcontract;
- Total dollars spent in the Bay Area by LECEF's subcontractors (includes materials and supplies); and
- Explanations supporting any planned procurement of materials or hiring outside the Bay Area that may occur in the following two months.

Estimated hiring and bidding activity projections for the upcoming two month period will be included as part of the reporting process.