

THIRD SIDE LETTER TO THE SAN DIEGO UNIFIED SCHOOL DISTRICT  
PROJECT STABILIZATION AGREEMENT

Re: SDUSD PSA Sections 5.1 and 5.2  
Wages and benefits not to exceed prevailing wage

Contractors on Project Stabilization Agreement ("PSA") projects, which are not otherwise signatory to a Schedule A Agreement(s), are not obligated to pay wages and benefits in excess of the amounts set forth in the applicable prevailing wage determination.

Article 5 of the PSA, which covers Wages and Benefits, states in Section 5.1:

**"All employees covered by this Agreement shall be classified in accordance with work performed and paid the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to the California Labor Code by the Department of Industrial Relations. If a prevailing rate increases under state law, the Contractor shall pay that rate in accordance with the California Labor Code. If the prevailing wage laws are repealed during the term of this Agreement, the Contractor shall pay the wage rates established under the Schedule A's, except as otherwise provided in this Agreement."**

Section 5.2(a) goes on to say that:

**"Contractors shall pay contributions to the established employee benefits funds in the amounts designated in the appropriate Schedule A; and 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 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 provided further, however, that such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination."**

The language is not ambiguous, and this section intends to preclude contractors, which are not signatory to a Schedule A Agreement(s), from having to pay benefits in excess of those set forth in the prevailing wage determinations. A contractor may always choose to pay its workers more than the prevailing wage rate.

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Lee Dulgeroff  
Chief Facilities Executive  
SAN DIEGO UNIFIED SCHOOL DISTRICT



\_\_\_\_\_  
Date

12/7/2011

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Date

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Tom Lemmon  
Executive Secretary  
SAN DIEGO COUNTY BUILDING AND  
CONSTRUCTION TRADES COUNCIL



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Mike Magallanes  
SOUTHWEST REGIONAL COUNCIL  
OF CARPENTERS

12/7/11

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Date