

To All Contractors and Subcontractors

Re: LAUSD PSA Sections 5.1 and 5.2
Payment of fringe benefits not to exceed prevailing wage

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

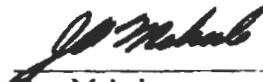
Article 5 of the PSA, which covers Wages and Benefits, states in Section 5.1:

"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."

Section 5.2(a) goes on to say that


"Contractors shall pay contributions to the established employee benefit 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, 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.



Guy Mehula
Chief Facilities Executive
LOS ANGELES UNIFIED SCHOOL DISTRICT

1 OCT 2008
Date



Richard Slawson
Executive Secretary
LOS ANGELES/ORANGE COUNTIES BUILDING
AND CONSTRUCTION TRADES COUNCIL

October 1, 2008
Date