



City of Cambridge

O-1.

IN CITY COUNCIL

March 17, 2003

COUNCILLOR DECKER
COUNCILLOR SIMMONS
VICE MAYOR DAVIS
COUNCILLOR GALLUCCIO
COUNCILLOR MAHER
COUNCILLOR MURPHY
COUNCILLOR REEVES
MAYOR SULLIVAN
COUNCILLOR TOOMEY

WHEREAS: The Cambridge City Council is unhappy with the manner in which Suffolk Construction Company, Inc. conducts business in the City of Cambridge and its failure to comply with community standards; and

WHEREAS: Suffolk Construction Company, Inc. has an agreement with Boston and the South Shore to comply with community standards in all of their subcontracting; and

WHEREAS: Community standards ensure that companies pay a prevailing wages, provide health insurance, workers compensation and other benefits that provide workers with secure, competitive jobs; now therefore be it

RESOLVED: That the City Council go on record urging Suffolk Construction Company, Inc. to initiate the same agreement with Cambridge to comply with community standards that it has with Boston and the South Shore.

In City Council March 17, 2003.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0:

Attest:- D. Margaret Drury, City Clerk.

A true copy: *D. Margaret Drury*

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

O-2.

IN CITY COUNCIL

March 17, 2003

COUNCILLOR DECKER
COUNCILLOR SIMMONS
VICE MAYOR DAVIS
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COUNCILLOR MAHER
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COUNCILLOR REEVES
MAYOR SULLIVAN
COUNCILLOR TOOMEY

WHEREAS: The City of Cambridge has set community standards; and

WHEREAS: The Hyatt Hotel has failed to comply with the community standards by allowing its general contractor, Suffolk Construction Company, Inc., to sub-bid out to contractors that do not uphold community standards; and

WHEREAS: Community standards ensure that companies pay a prevailing wage, provide health insurance, workers compensation and other benefits that provide workers with secure, competitive jobs; now therefore be it

RESOLVED: That the City Council go on record urging the public and businesses not to do business with the Hyatt Hotel until it agrees to conduct business with contractors who use community standards; and be it further

RESOLVED: That the City Council go on record urging the Hyatt Hotel to come to the bargaining table with union and non-union contractors and to comply with community standards.

WITHDRAWN WITH UNANIMOUS CONSENT.



City of Cambridge

O-3.

IN CITY COUNCIL

March 17, 2003

COUNCILLOR DECKER
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VICE MAYOR DAVIS
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COUNCILLOR REEVES
MAYOR SULLIVAN
COUNCILLOR TOOMEY

ORDERED: That the City Manager be and hereby is requested to direct the Law Department to prepare language that would require a sign off during the permitting process for companies, contractors and developers doing business in Cambridge to comply with community standards when they are doing business in the city.

In City Council March 17, 2003.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0:

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in dark ink, appearing to read "D. Margaret Drury", written over a horizontal line.

ATTEST:-

D. Margaret Drury
City Clerk

business in the city and should uphold the community standards in its subcontracting as they do in Boston and the South Shore.

The committee heard from Lori Sutherland who read a prepared statement **(ATTACHMENT C)**. Suffolk Construction informed her that it did not have to hire union labor in Cambridge.

Jack McGinness stated that Suffolk Construction is a national contractor. The company has been chased through the city because it does not meet community standards. The construction on Sixth Street and the old fire station did not meeting community standards and Suffolk Construction was the general contractor. He supported any contractor who complies with community standards. The building trades sponsors training and hires Cambridge residents and provides benefits. It is not just the contractor that is fault; the developer also is at fault. There are other companies that are leaving the owners out of the dialogue. Other companies such as Con-Gen, Richmond Group and Shawmut Construction are not abiding by community standards, he said. The Hyatt Hotel could have told Suffolk Construction that it should meet community standards. Union contractors cannot compete with contractors who are operating out of a trunk. The unions represent 50,000 members. Union workers are local people. The unions employ residents and minorities. The construction at 369 Franklin Street is employing people who are non-union.

Kevin Cotter, Business Agent, Vice President, Boston Building Trades, stated that Suffolk Construction started in Boston and went national. Suffolk Construction makes a determination to be a union contractor in certain circles. This however, does not mean that all workers are union workers. Suffolk Construction is being pursued to use union workers. Political pressure in Boston brought Suffolk Construction to the bargaining table. Developers and general contractors make a determination to work with the local labor community. Unions can be competitive if there is a level playing field. Elected officials have been effective in pursuing an agreement with Suffolk Construction. Whoever gives the lowest price will get the job. This makes it difficult for union workers to have a level playing field.

Donald F. Sheehan informed the committee that he is a housing commissioner in his city of residence. He likes to see development built so that it can become a part of the community. The development on Franklin Street was told by Suffolk Construction that it would not go back on pricing. His members live in the city and are in apprentice programs. Union contractors, he said, can get to the right price; can get the job done on budget and on time. Developers, owners and contractors need to be on the same page.

Councillor Decker stated that Suffolk Construction has an unofficial agreement with Boston and the South Shore. Suffolk Construction thanks that it does not have to uphold community standards in Cambridge unlike those upheld in Boston and the South Shore. The people of Cambridge set the standards. Cambridge will not uphold businesses that do not uphold the community standards and pay a living wage and provide health insurance and retirement benefits to its workers. The entire cost of doing

business in Cambridge must be considered, she said. Councillor Decker asked if any union members wanted to comment on how this issue impacts their life or work.

John Laughlin, Painters Union, stated that Cambridge has taken a strong stand with the responsible employer ordinance. Cambridge is one of thirteen communities that have a responsible employer ordinance. Suffolk Construction chooses the contractor that has the lowest price. He informed the committee that King Painting has been barred by the state and has had discrimination charges filed against the company. To get to the bottom line is to take it out of the workers. Suffolk Construction collects the extra profit. Suffolk Construction does not have any apprenticeship training programs. Unions and union contractors are committed to hiring minorities and women on job sites. Immigrants are exploited by non-union contractors by paying low wages and will not hire minorities and women. The Somerville Alderman removed King Painting from a project and required a contractor with community standards. He submitted a copy of the Somerville resolution (**ATTACHMENT D**). The Hyatt Hotel, he said, would not meet with the unions. He urged the Cambridge City Council not to support businesses who do not use community standards. He also urged holding the general contractors feet to the fire to insure that community standards are upheld.

At four o'clock and fifty minutes p. m. Councillor Decker opened the meeting to public comment.

Bill Reed, representing Oaktree Development, stated that Oaktree is a responsible company dedicated to improving the environment. Prices are estimated and went over the estimation. The project at 369 Franklin Street was unbuildable and it was worked out. Fairness in pricing is a matter of profitability or affordability. Risk is on all sides, he said.

Councillor Simmons commented that the criteria outline the community standards. Cambridge tries to be fair and apply the same criteria for all. She asked how does one argue against the criteria. Councillor Decker added that Oaktree is not new to this area. Cambridge expects all companies to abide by the community standards. Suffolk Construction should agree to do business in Cambridge as they do in Boston and the South Shore. Every union here can compete with non-union companies. Mr. Reed was asked if wages would make or break a job. He responded in the affirmative. Mr. McGinness stated that he tried to negotiate with Suffolk Construction to get on the job, but was told Suffolk Construction was going with the lowest price contractor. Councillor Simmons stated that the City Council would not accept what is happening here. She suggested that Mr. Reed go back to the developer and tell them that they will be held accountable to comply with community standards. Oaktree, she said, cannot break the rules.

Councillor Decker stated that profit could not be at the cost of the workers. If Oaktree cannot afford a project here then do not do business in Cambridge. Cambridge does not accept companies like Suffolk Construction that do not uphold community

standards. Business is expensive. If supplies cannot be undercut, employees are not going to be undercut.

Mr. McGinness stated that unions could not have a dialogue with Suffolk Construction and Oaktree. Mr. Reed stated that he has heard the concerns and will act accordingly. Mr. McGinness stated that the Oaktree project was the only project on the street that did not meet community standards. There was time to fix the Franklin Street project. He would have worked to make this happen, but was told not to bother.

Gene D'Avolio stated that the unions try to improve the quality of life for the workers. Suffolk Construction uses people and puts them out of business. He asked Cambridge to do what Boston has done. Councillor Simmons asked what did Boston do. Mr. D'Avolio responded that if Suffolk Construction is doing business in Boston it complies with community standards. He informed the committee that a wage discrimination violation has been filed against King Painting. An employee was also charged with drug use.

John Dumas requested support from the Cambridge City Council.

John Egan stated that he believed in community standards and organized labor.

Kevin Mercer stated that this is about fair wages. The union pays for his schooling.

At the conclusion of the meeting Councillor Decker stated that she would do the following:

- Attempt to hold a working meeting with Oaktree Development and Suffolk Construction
- Submit separate policy orders on this matter for adoption by the City Council at the meeting of March 17, 2003.

This issue can be resolved, stated Councillor Decker. Her goal is to secure an agreement with Oaktree to do business with companies that use community standards and to encourage all businesses to insist that any general contractor they work with subcontract only to contractors that uphold community standards, and to work to reach an agreement with Suffolk Construction Company, Inc. similar to what they have with Boston and the South Shore.

She thanked all attendees. The meeting adjourned at five o'clock and thirty minutes p.m.

For the committee,

Councillor Marjorie Decker, Chair

ATTACHMENT A.



2003 FEB 20 A 11: 06

February 19, 2003

CLERK
CAMBRIDGE, MASSACHUSETTS

**SENT VIA FAX 617/329-6249
FIRST CLASS MAIL**

Ms. Marjorie Decker
City Councilor
City Hall
795 Massachusetts Ave.
Cambridge, MA 02139

RE: Scheduled Hearing on District Council #35 Issue

Dear Ms. Decker:

Suffolk Construction Co., Inc. ("Suffolk") received notice of the re-scheduled hearing on "Community Standards" in the use of subcontractors on our projects in the City of Cambridge. With regret, we must inform you of our inability to attend the hearing. Please rest assured, however, that Suffolk does and will continue to comply with all federal, state and local statutes, codes and regulations in the payment of wages and benefits to its own employees. Further, we are generally required to and do comply with all federal, state and local statutes, codes and regulations related to the payment of wages by our subcontractors on all projects. We believe that most, if not all, of our subcontractors provide a reasonable wage to their employees.

Due to economic considerations of some of our private owners and the requirements of public competitive bidding laws in other instances, it is not always possible for us to utilize subcontractors with entirely union workforces, or those who are signatory to local unions. Nonetheless, we have made and will continue to make efforts to seek out such subcontractors and utilize them where possible. Please be aware that, on our four most recent projects in the City, 55 subcontracts of a total of 75 that were awarded, or 73%, were executed with union-signatory subcontractors. We believe that this record demonstrates the effectiveness of our outreach programs.

In the event that your committee receives any testimony or other evidence which you believe would be useful to us in making determination on how and where to award subcontracts for our construction work, we would be pleased to review such testimony or other evidence and discuss with you the potential for adjustments in our subcontracting process in an informal setting.



I thank you for your time and invitation to attend your committee's meeting. If you have any further questions, please do not hesitate to contact me.

Sincerely,
SUFFOLK CONSTRUCTION CO., INC.

A handwritten signature in black ink, which appears to read "Mark L. DiNapoli", is written over the typed name. The signature is fluid and cursive, with a large, stylized "M" and "D".

Mark L. DiNapoli
General Manager/Special Projects Division

cc. Donna Lopez/Deputy City Clerk



ATTACHMENT B

CAMBRIDGE CITY COUNCIL

Brian Murphy
City Councillor

February 20, 2003

Councillor Marjorie Decker, Chair
Civic Unity Committee
City Hall
Cambridge, MA 02139

Dear Councillor Decker:

I'm sorry that I will be unable to attend today's meeting, due to a scheduling conflict.

It is outrageous that Suffolk Construction is not following community standards in Cambridge and this is of great importance to the City of Cambridge.

Today's meeting to discuss with Suffolk Construction and District Council # 35 the issue of compliance with community standards when subcontracting on the issue of wages and benefits is a matter that deserves to be pursued through ample discussion and investigation.

Again, I regret not being able to be there to participate in the discussion and thank the Chair for initiating this meeting and I look forward to discussing this matter with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Murphy", is written over the printed name.

Brian Murphy

Statement by Lori Sutherland, Cambridge Resident

At Civic Unity Committee Hearing

February 20, 2003

Hello, My name is Lori Sutherland and I live at 132 Pearl Street in Cambridge. I was raised in North Cambridge on Richdale Avenue and Walden Street. I attended kindergarten, grammar school and high school in Cambridge. I am currently the recording secretary for the Ward 5 democratic committee.

Growing up in Cambridge, my family consisted of middle class, blue-collar, hard working people, as were most of my neighbors. I was born, raised and bred in a city that values social justice—those values have been instilled in me since childhood, and I have carried those values into my adulthood and into my career. I am an organizer for the IUPAT, District Council #35. I have seen many changes in this city in my 40 years here. One of the saddest changes is the loss of middle-class, blue collar workers that once occupied this city. I have watched my entire family be slowly driven out of Cambridge due to the high cost of living in Cambridge. I have tried desperately to work with my neighbors to reverse this trend.

As a Union Organizer, a large part of my job is to promote and fight for social and economic justice. I try to do that to the best of my ability, and believe me, it is an uphill battle. We are meeting here this evening to discuss the challenge of keeping the values the City of Cambridge has

always had intact. I am very disturbed at the behavior of Suffolk Construction here in Cambridge. Suffolk Construction prides itself as being a "Union Contractor" that provides decent benefits and wages for its hard-working employees--but Suffolk is very deceitful and misleading in its false pride. Although a few of Suffolk's employees may indeed work under a collective bargaining agreement, the majority of its workers do not because Suffolk Construction subs out most of its work to smaller non-union companies. What is most disturbing about this is Suffolk's choice of contractors. For instance, Suffolk chose to sub its painting work out to Avalon Painting on its Umass/Dartmouth project. Avalon Painting had hired undocumented immigrants to work on this project, a prevailing-wage project. The workers did not earn the prevailing wages, however, they earned approximate \$5 to \$6 per hour and they worked with the implied threat that if they complained about their wages, that they would be deported. Because they earned so little, they were unable to live in the area in which they worked. They therefore, slept on the dirty floors of the construction site. Fortunately, some of the workers were not intimidated so easily and filed wage complaints with the attorney generals office who eventually resolved the problem. Now Suffolk construction can deny their involvement in this atrocity, they can claim that they are not responsible for what Avalon Painting does, but I don't buy that and they shouldn't be selling it. The fact is that they chose Avalon painting because of its reputation of low-balling in such ways, and that created a bigger profit for Suffolk Construction.

Suffolk is now trying to bring these practices to the City of Cambridge, and I, as an activist and a life-long resident of this city am strongly opposed to

this. Suffolk Construction is currently building a Luxury Condominium building on Franklin Street.

Suffolk Construction has invited 4 painting sub contractors, who are all guilty of some of the following:

1. Drug dealing on the project.
2. Sexual Discrimination
3. Exploitation of undocumented immigrant workers.
4. Sub-subbing and sub sub-subbing to the detriment of any accountability, exacerbating exploitation.
5. Failure to pay social security taxes and consequent denial of benefits.
6. Failure to cover workers with workers compensation insurance
7. Fraudulently avoiding workers compensation premiums
8. Blatant violations of the state and federal overtime laws.
9. Failure to provide respiratory protection in prep and spray operations
10. Violations of the National Labor Relations Act.
11. Periodic debarment from public works construction
12. Exploitation of “free care” at local hospitals for health and industrial accident care.

I cannot understand why a company such as Suffolk Construction must stoop to this level. I cannot understand why the construction of luxury condominiums in the City of Cambridge must be built with such unethical injustice (and we can only guess what those condominiums will sell for). My only conclusion is that Suffolk Construction and Oak Tree Development

are willing to sacrifice social justice, ethics and morality in order to maximize the money they will make, to the detriment of the workers and the community. And make no mistake about it—the community as a whole is affected by these practices. Every time a worker not covered by health insurance goes to the hospital for free health care, we all pay. Nothing is free. All of our premiums go up. When a worker is injured on a job and not covered by workers comp, lawsuits begin to fly. We all pay.

Suffolk construction has hired similar sub contractors on its other projects in Cambridge, such as the Hyatt Regency, and their project on the corner of Sixth and Bent Streets.

I close in asking that this board take real action to send a message to contractors like Suffolk Construction, and to those businesses that hire Suffolk and encourage this unscrupulous behavior. Cambridge should be on record that the city will not use public funds if Suffolk Construction has been employed on any project in the city.



Board of Aldermen
City of Somerville
Massachusetts

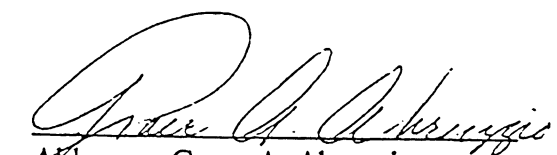
ATTACHMENT D

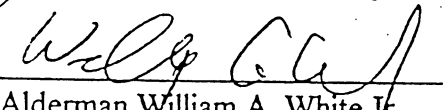
City Hall
Tel. - 625-6600

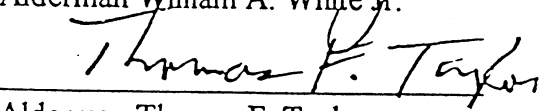
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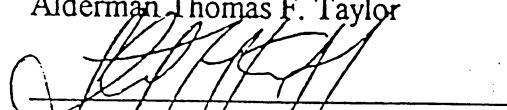
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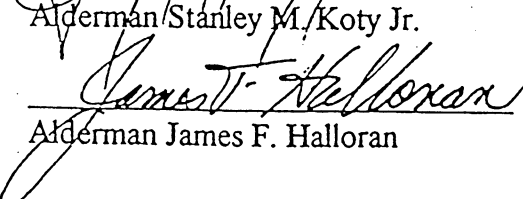
- WHEREAS, This Board of Aldermen supports responsible development that contributes to the health and well-being of working men and women and their families, AND
- WHEREAS, The Tage Corporation is developing a new hotel in Somerville (Tage Inn), AND
- WHEREAS, The Tage Corporation has employed Suffolk Special Projects as its General Contractor, AND
- WHEREAS, Suffolk Special Projects has employed King Painting Company as a subcontractor, AND
- WHEREAS, King Painting Company has been cited for numerous unfair labor practice charges by the National Labor Relations Board (NLRB), and for various health and safety violations by the Occupational Safety and Health Administration (OSHA), AND
- WHEREAS, King Painting Company has unlawfully denied its workers their right to organize a union, NOW THEREFORE BE IT
- RESOLVED, That this Board of Aldermen requests that the Tage Corporation and Suffolk Special Projects re-evaluate their business relationship with King Painting Company and replace that company with a responsible painting contractor.


Alderman Grace A. Abruzzio

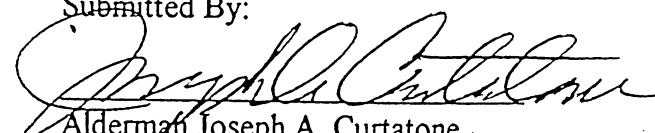

Alderman William A. White Jr.

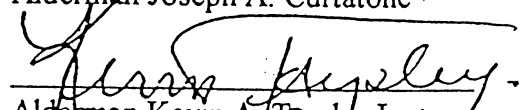

Alderman Thomas F. Taylor

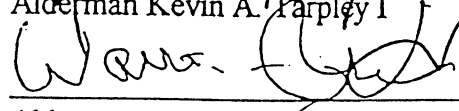

Alderman Stanley M. Koty Jr.

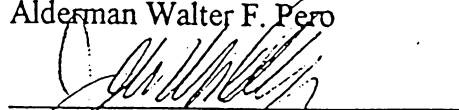

Alderman James F. Halloran

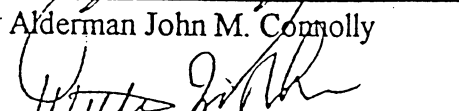
Submitted By:


Alderman Joseph A. Curtatone


Alderman Kevin A. Farley I


Alderman Walter F. Pero


Alderman John M. Connolly


President William M. Roche

City of Cambridge

CIVIC UNITY

In City Council March 17, 2003

COMMITTEE MEMBERS*Councillor Marjorie C. Decker, Chair**Vice Mayor Henrietta Davis**Councillor E. Denise Simmons*

The Civic Unity Committee held a public meeting on Thursday, February 20, 2003 at four o'clock and seven minutes p.m. in the Sullivan Chamber.

The purpose of the meeting was to discuss with Suffolk Construction and the District Council #35 compliance with community standards when subcontracting on the issue of wages and benefits.

Present at the meeting were Councillor Marjorie C. Decker, Chair of the Committee, Councillor Denise Simmons, Mayor Michael Sullivan and Donna P. Lopez, Deputy City Clerk. Also present were Jack McGinness Business Agent, Plumbers and Gasfitters Local Union #12, Donald F. Sheehan, Business Agent, International Brotherhood of Electrical Workers Local 103, John Dumas, President, International Brotherhood of Electrical Workers Local 103, John S. Laughlin, Director, Political/Public Relations, Painters and Allied Trades, District Council #35, Gene D'Avolio, Assistant Director of Organizing, Painters and Allied Trades District Council #35, Jeff Sullivan, Painters and Allied Trades District #35, Lori Sutherland, Organizer, District Council #35 Women's Committee and Bill Reed, Oaktree Development.

Councillor Decker opened the meeting and stated the purpose. She informed the committee that she was in receipt of a letter from Suffolk Construction Company, Inc. expressing their regret that they would be unable to attend the meeting **(ATTACHMENT A)**. She also was in receipt of a letter of support from her colleague Councillor Brian Murphy who could not attend the meeting because of a scheduling conflict **(ATTACHMENT B)**.

Councillor Decker spoke about the living wage ordinance and the cost of doing business. It is unfortunate that a representative from Suffolk Construction could not be at this meeting. She asked for comments, challenges and recommendations.

Mayor Sullivan commented that projects are based on the prevailing wage and the responsible employer ordinance. The economic well being of this community has had a relationship between unions and the city. He stated that benefits should come home. He thanked all the unions.

Councillor Decker stated that the City of Cambridge would not support companies that do not do business the right way. Suffolk Construction does a lot of

S-99

Committee Report #5

Committee Report from Councillor
Marjorie C. Decker, Chair of the
Civic Unity Committee, for a
meeting held on February 20, 2003
to discuss with Suffolk
Construction and the District
Council #35 compliance with
community standards when
subcontracting on the issue of
wages and benefits.

In City Council March 17, 2003

**REPORT ACCEPTED.
PLACED ON FILE.
SEE ORDERS #1, 2 AND 3.**