



Potential Utilization of Project Labor Agreements at District

Board of Directors Meeting
September 14, 2022



Background

- At July 13, 2022 Board Meeting, Board Chair requested staff to include future agenda item regarding “Project Labor Agreements” (PLAs) for discussion
- PLAs (also referred to as “Project Stabilization Agreements”) are pre-hire collective bargaining agreements between:
 - One or more labor organizations (often negotiated with local Building and Construction Trades Council and executed with multiple labor union signatories representing various trades), and
 - Owner of a projects or projects (e.g., the District)
- PLA establishes general terms and conditions of labor employment for the project or projects
- Once executed, contractors/subcontractors who are awarded contracts on a subject project are required to execute an agreement that binds them to the PLA terms and conditions

PLA Benefits

- Public agencies have utilized PLAs to provide for effective project delivery with minimal labor-related disruptions that could adversely impact the project and/or public
 - PLAs typically include provisions that prohibit the signatory unions, and their workers, from engaging in strikes, work stoppages, and slowdowns for duration of agreement
- In return, PLAs generally require contractors to:
 - Hire local workers from union hiring halls
 - Pay applicable union dues and/or fees
 - Contribute to union trust funds
 - Comply with certain dispute and grievance resolution procedures

Local Use of PLAs

- In addition to utilization by several Bay Area cities, PLAs have been executed locally with Contra Costa Building and Construction Trades Council:
 - City of Antioch (December 2021)
 - City of Pittsburg (October 2018)
 - Contra Costa County (early 2000s)
- Some common terms and conditions, including labor stability, local hiring preference, apprenticeship programs, and employment opportunities for veterans

Key Terms and Conditions

- If PLAs were to be implemented at the District, there are several key terms and conditions that require consideration to determine most applicable and appropriate approach:
 - Effective term of PLA (typically five years)
 - Value threshold at which a project would be subject to a PLA (e.g., \$2.0 million construction cost estimate or greater)
 - Work covered by PLA and associated exclusions
 - Impacts to existing District contract templates and procurement rules
 - Applicability to projects that utilize alternative capital project delivery methods (e.g., design build, construction manager at risk)

Financial Impacts

- As item is being considered for initial discussion with Board, staff has not yet identified potential financial impacts associated with PLA implementation
 - PLAs do not preclude any responsive and responsible contractor from bidding on a subject project
 - Contractor interest could be impacted if they self-perform most of project work with non-union laborers—may adjust bids to account for potential efficiency impacts; reduced concern for contractors who regularly staff projects through union hiring halls

Next Steps

- Receive direction from Board regarding potential utilization of PLAs at District
- If desired, consider directing staff to:
 - Engage with construction contractors to identify potential impacts
 - Initiate discussions with Contra Costa Building and Construction Trades Council representative(s)
 - Develop preliminary recommendations for key terms and conditions for discussion at future Board meeting