



Consideration of Project Labor Agreement at District

Board of Directors Meeting
March 8, 2023



TRANSFORMING WASTEWATER TO RESOURCES

Background

- On September 14, 2022, staff received Board direction to negotiate development of a Project Labor Agreement (PLA) with the Contra Costa Construction and Building Trades Council (Trades Council)
- PLAs are pre-hire collective bargaining agreements between:
 - One or more labor organizations (i.e., Trades Council and multiple labor union signatories representing various trades), and
 - Owner of a project or projects (i.e., 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

General PLA Benefits

- PLAs provide for effective project delivery with minimal labor-related disruptions that could adversely impact District projects
 - 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

District PLA Development Negotiations Summary



- Staff and District Legal Counsel conducted multiple meetings with the Trades Council to negotiate key terms and conditions
- Incorporated applicable practices from other local agency PLAs that have been executed with Trades Council:
 - City of Antioch (December 2021)
 - City of Pittsburg (October 2018)
 - Contra Costa County (early 2000s)
 - West County Wastewater District (January 2021)
- Negotiations centered on several key issues related to PLA duration, applicability based on project threshold amount, definition of “covered work” and “excluded work”

District PLA Development

Key Terms and Conditions



- Project Threshold Amount
 - Projects with an engineer's estimate of construction cost (excluding contingencies) exceeding \$1,000,000 will be subject to the PLA regardless of project delivery methodology (e.g., traditional design-bid-build, design-build, etc.)
 - Eleven projects totaling \$98.6M in current CIP meet this threshold
- District retains sole right to reject or award construction contracts that are subject to the PLA
- Trades Council, and all signatory unions, agree to no strikes, sympathy strikes, or work stoppages for PLA projects
 - In return, contractors agree to utilize union labor and/or pay applicable union dues and fees for non-union workers while they are employed on the project (any disputes regarding these issues will be subject to expedited arbitration)

District PLA Development

Key Terms and Conditions (cont'd)



- Required use of **apprenticeship programs** for a portion of project labor force
- Preference to **hire local laborers** who live within the District's service area and Contra Costa County
- Participation in programs that offer employment services for **military veterans** (i.e., "Helmets to Hardhats")
- Contractors, and subcontractors at any level, are required to execute an agreement to be bound to PLA terms PLA prior to conducting any work on the project
- PLA will expire five years from effective date
 - Automatic roll over for additional five years unless District or Trade Council requests termination of agreement

Financial Impacts

- Potential financial impacts are expected to be negligible because state law requires contractors to pay prevailing wages for District public works projects
- PLAs do not preclude any responsive and responsible contractor from bidding on a subject project
- There could be minor cost increases for non-union contractors who will now be required to contribute to union trust funds and other associated programs
- Other agencies with similar PLAs have not observed discernible, significant cost differentials in construction bid results

Recommended Actions

- Approve and authorize the General Manager to execute a Project Labor Agreement, substantially in the form of the agreement attached to the Board agenda, which would apply to capital projects with an engineer's estimate of construction cost (excluding contingencies) greater than \$1,000,000, with the Contra Costa Building and Construction Trades Council
- Authorize General Manager, or designee, to make any necessary non-substantive changes to the Project Labor Agreement