



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 19, 2019

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Project Labor Agreement Update

RECOMMENDATION: That Council:

- A. Receive an update on the implementation of the City of Santa Barbara's Project Labor Agreement Ordinance;
- B. Authorize the City Attorney to execute a contract with Vlaming and Associates in the not to exceed amount of \$45,000 for legal counsel services to assist the City with development of a master Project Labor Agreement;
- C. Authorize the Public Works Director to execute a contract with Water Systems Consulting, Inc., in the not to exceed amount of \$48,835 for technical support services to assist the City with development of a Project Labor Agreement; and
- D. Approve an increase in appropriations and estimates revenues in the Public Works Department by \$98,835 to cover the cost of the consultant, funded from additional anticipated savings in expenditures from salary savings which are budgeted as a revenue in the General Fund budget.

BACKGROUND:

On September 25, 2018, Council considered the request from Councilmembers Hart and Friedman regarding a Local Community Workforce Agreement (CWA) Policy for City of Santa Barbara capital construction projects. Council expressed support for the request and referred the matter to the Ordinance Committee for further consideration. Council also directed staff to expedite the staff work necessary to bring the matter to the Ordinance Committee. Staff presented this item as a Project Labor Agreement (PLA) to the Ordinance Committee on November 6, 2018, and returned to Council on December 4, 2018, with options for the Council's consideration and action.

On December 4, 2018, Council approved an Ordinance of the Council of the City of Santa Barbara amending Chapter 4.52 of the Santa Barbara Municipal Code by adding Section 4.52.200 to authorize the use of PLAs on City Public Works projects having an estimated

value of \$5 million or more and subject to Section 519 of the City Charter. The PLA Ordinance (No. 5866) is attached to this report for reference.

PLAs (and CWAs) are pre-hire collective bargaining agreements that establish standard terms and conditions applicable to a specific construction project or category of projects. PLAs are typically negotiated between the project owner and the local building trade unions council and/or individual construction trade unions. Public agencies may also choose to engage local stakeholders such as regional contractor's associations. The agreements are negotiated prior to advertisement for bids, and a requirement to be bound by the PLA becomes part of the bid submission, procurement documents, and contract. The contractor and all subcontractors of any tier must sign onto the PLA before performing any covered work.

PLAs generally include provisions for: 1) uniform work conditions; 2) hiring procedures, including allowances for a contractor's "core" workers; 3) wages and benefits; 4) management rights; 5) expedited labor dispute resolution procedures; 6) no-strike commitments and procedures to prevent work stoppages; and 7) agreement to adhere to existing Master Labor Agreements (MLAs) for the trades subject to the PLA. In addition, PLAs often include provisions to promote participation in covered projects from targeted categories of workers, including residents, apprentices, historically underutilized residents and businesses, at-risk persons, veterans, minority-owned businesses, and disadvantaged business enterprises.

DISCUSSION:

In order to proceed with implementation of this ordinance, a Master PLA must be drafted, negotiated, and approved. Staff recommends that Council authorize a contract with Vlaming and Associates (Vlaming) to assist staff with implementation of the PLA ordinance. Michael J. Vlaming is the attorney who will provide core serves and possesses extensive experience representing municipalities and developing PLAs. Mr. Vlaming brings necessary experience in negotiating PLAs, has working relationships with trade organizations, and understands the intricacies of construction labor and public works projects.

Staff also recommends a contract with Water Systems Consulting, Inc., (WSC) for technical expertise in the negotiation of the PLA. WSC assisted the City of San Luis Obispo in their recent successful negotiation of a PLA for a major construction project at its wastewater treatment plant.

With Council's approval of Recommendations B and C, staff will work with Vlaming and WSC to draft a PLA, utilizing the most recent and local PLAs (and/or CWAs) that have been authorized by other local agencies. Staff will seek input from Council on key elements of the draft PLA, prior to commencing negotiations with the Tri-Counties Building and Construction Trades Council (Trades Council). Staff would then return to Council either with a recommendation to authorize the PLA or for further direction regarding negotiating points.

Funding

This work effort was not anticipated at the time that the Fiscal Year 2019 budget was developed and consequently no funding has been budgeted for this effort. Staff recommends appropriating \$93,835, funded from additional anticipated savings in expenditures from salary savings which are budgeted as a revenue in the General Fund budget. With the recommended appropriation of funds, there will be sufficient funds to cover the anticipated costs of PLA development. Depending on the effort needed to negotiate details of the PLA with the Trades Council, staff may need to return to Council to request amendments to the contract(s) and an additional appropriation of funds in order to complete the PLA.

Next Steps

Subject to Council authorization, staff and the two consultants will begin to develop recommendations for the key items to be negotiated in the PLA. This includes issues such as the number of core workers allowed, provisions for payment of benefits, defining the “local” area for hiring, and other issues that will form the basis of the negotiations with the Trades Council. Once these terms have been identified and suitable recommendations have been developed, staff will return to Council for input on the recommended key terms and provisions.

Environmental Review

Development of a PLA is not a project subject to the California Environmental Quality Act.

ATTACHMENT: Project Labor Agreement Ordinance (Ordinance No. 5866)

PREPARED BY: Brian D’Amour, City Engineer/sk

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator’s Office