

Project Labor Agreements

OCTOBER 25, 2022

CITY COUNCIL

Assistant City Manager, Jason Nutt & City Attorney, Sue Gallagher

Recommendation

1. Adopt a Council Policy on Project Labor Agreements.
2. Delegate authority to the City Manager to negotiate, execute and amend a Project Labor Agreement, in a form consistent the Policy.
3. Delegate authority to the City Manager to adopt further policies and procedures to ensure efficient operational integration with the City's CIP program.

Primary Objectives

PLA Program

1. Enhance the City's highly skilled local workforce and increase access to apprenticeship programs to benefit diversity, equity, and broader inclusion in the workforce;
2. Reduce carbon footprint by keeping local workforce local; and
3. Create positive economic impacts by re-investing capital improvement funds through the local workforce.



Key Policy Issues

July 2022 Council Discussion

- Scope of PLA Policy
- Project Threshold for PLA
- Project Type
- Local Labor Definition
- Local Hire Incentives and Definitions
- Inflation or Escalation Factor
- PLA Program Term and Revisit Date
- Options to proceed where PLA Agreement cannot be reached.



Key Policy Issues

Proposed Approach

Scope of the PLA Program

- Both Horizontal and Vertical City projects

PLA Project Threshold

-\$3M

Project Type

INCLUDE: construction craft work

EXCLUDE: trucking/hauling, CM/inspection/managerial work, certain project categories (slurry seal) where union density or local presence is still developing



Key Policy Issues

Proposed Approach

Local Labor Definition

- Sonoma, Marin, Napa, Lake Mendocino

Local Hire Incentives and Definitions

- 30%

Inflation or Escalation Factor

- given revisit date, do not propose inclusion

PLA Program Term and Revisit Date

- Jan 1, 2024 start date, revisit in 3 years



Key Policy Issues

Proposed Approach

Options to Proceed where PLA agreement cannot be reached:

No Blanket Approach, Instead Propose Targeted Policy Exceptions:

- Federal, State, Other Funding Prohibits PLA
- Grant funding deadlines
- Emergency/exigent circumstances
- Negative Impact on Project Delivery

Council Action Today

Adopt Council Policy for PLA Program to guide PLA with any Council recommended adjustments

Makes PLA requirement applicable to City CIP Projects, \$3M and over starting 1/1/24, with 30% local requirement

****Excludes Trucking/Hauling, CM/Inspection/Managerial Work, Certain Project Categories (e.g. Slurry Seal)**



Council Action Today

Delegate authority to the City Manager for key aspects of PLA Program implementation to prepare for 1/1/24 launch, including:

- Negotiate Master PLA Agreement using SR City Schools Model as Base
- Develop any necessary internal policies and procedures to integrate PLA with existing CIP process
- Continue meetings with key internal and external stakeholders to refine PLA Program and return to Council as necessary to update PLA Policy in advance of 1/1/24



Recommendation

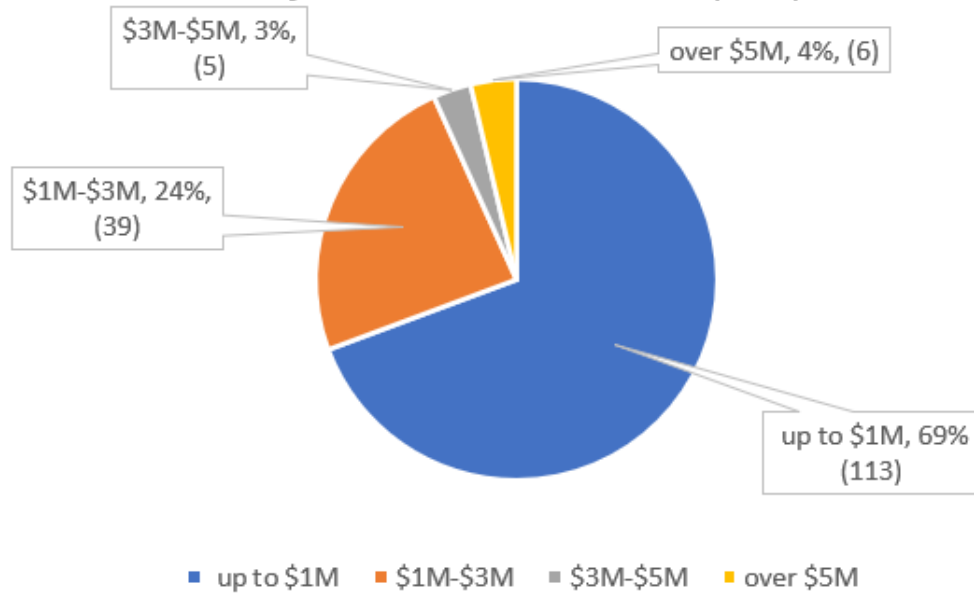
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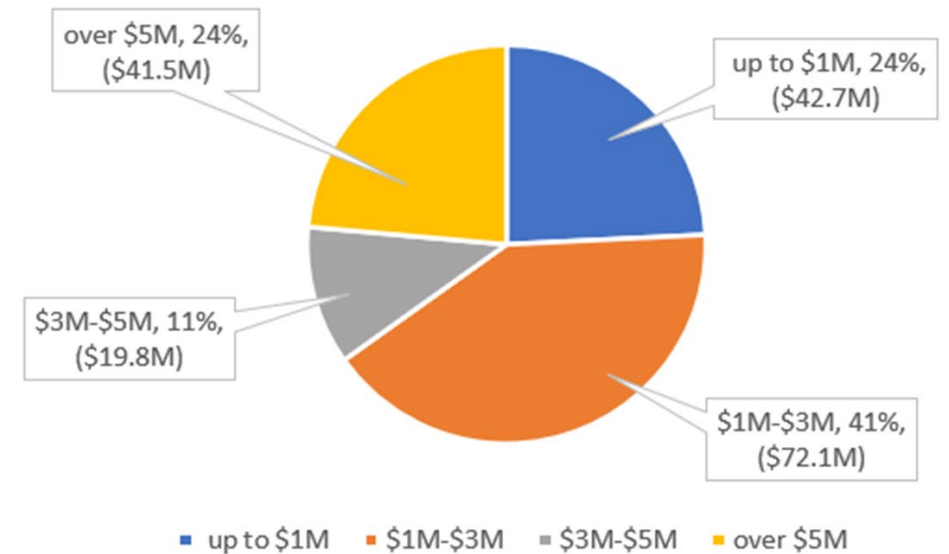
Questions

City Projects

Project Count, 2015-2020 (163)

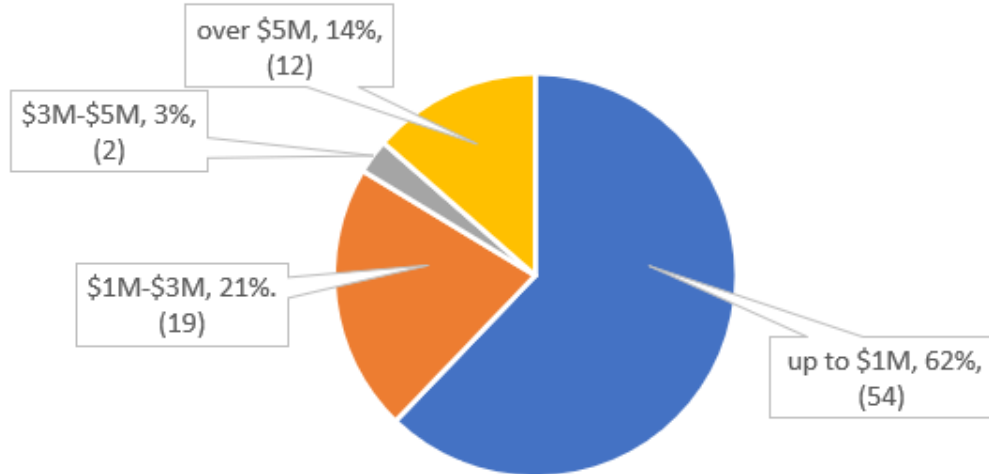


Project Value, 2015-2020 (\$176M)



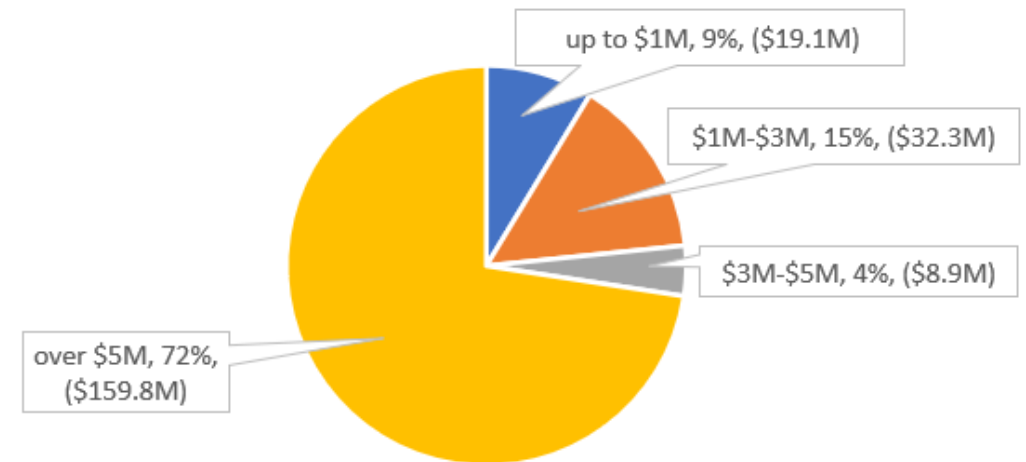
PROJECTED City Projects

Projected Project Count, FY 2023-2026 (88)



■ up to \$1M ■ \$1M-\$3M ■ \$3M-\$5M ■ over \$5M

Projected Project Value, FY 2023-2026 (\$220M)



■ up to \$1M ■ \$1M-\$3M ■ \$3M-\$5M ■ over \$5M



Example Projects over \$5M July 2023-July 2026

Alderbrook/Denton/Sherwood Sewer and Water Replacement	\$5M
Llano Trunk Rehabilitation Phase 1	\$10M
Fulton Rd Lift Station	\$7M
LTP Electrical Infrastructure	\$15M
Hearn Avenue Interchange	\$28M
Highway 101 Bike and Pedestrian Overcrossing	\$21M
Roseland Community Center	\$30M
Calistoga Road Reconstruction	\$5M
Los Alamos Trunk Sewer Phase 2	\$15M

