



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: Amendment to the Citywide
Project Labor Agreement

DATE: August 18, 2025

Approved

Date:

9/1/2025

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution authorizing the City Manager, or her designee, to negotiate and execute Amendment Number 2 to Amendment Number 1 of the First Amended and Restated Citywide Project Labor Agreement to align it in accordance with the public bidding requirements as set forth in Chapter 27.10 or the design-build requirements as set forth in Chapter 27.14 of Title 27 of the San José Municipal Code.

SUMMARY AND OUTCOME

Adoption of the resolution and execution of Amendment Number 2 to the First Amended and Restated Citywide Project Labor Agreement¹ (PLA) will align the PLA with Title 27 of the San José Municipal Code to streamline procurement processes and clarifying its application. Amendment Number 2 specifies that PLAs, apply to public work construction projects subject to public bidding requirements as a Major Public Works Contract.

BACKGROUND

On August 19, 2025, the City Council approved the Public Works Department's recommended amendments to Title 27 of the San José Municipal Code to streamline procurement processes.² One of the approved recommendations increased the Director of Public Works' contract award authority. Amendment Number 1 of the First Amended and Restated Citywide PLA has a threshold tied to prior Director of Public Works' contract award authority.

¹ [Public Works PLA website](#)

² [Amendments to Title 27 of the San José Municipal Code to Streamline Procurement Processes Memorandum.pdf](#)

ANALYSIS

The PLA is applied to projects for which the City of San José (City) sends out the initial solicitation of a bid or proposal, and which meet all three of the following requirements:

- 1) Public Works project for construction awarded by the City;
- 2) Paid for in whole or in part out of City Funds; and
- 3) City Engineer's Estimate of the total cost of Construction Contract(s) to construct exceeding \$1,050,000.

Section 1.9(b) of the PLA states that "Every July 1, the \$1,050,000 threshold will be adjusted to be equal to the value of the Director of Public Works' award authority as set forth in Section 27.10.560 (Award Authority-Director) of the San José Municipal Code."

As currently written and approved, the recent amendments to Section 27.10.560 of the San José Municipal Code would increase the PLA threshold to \$5,000,000. This threshold increase would result in a significant decrease in the number of projects the PLA would be applied to as well as impact the benefits received through the utilization of the PLA.

With the approval of staff's recommendation and execution of Amendment Number 2, the PLA threshold will be adjusted to be equal to the value of the Major Public Works contract threshold as set forth in Chapter 27.08 of the San José Municipal Code (Procuring Major Public Works Contracts). The amendment will further remove annual calculations and notifications of the PLA threshold adjustment, utilize current procurement processes, procedures, and practices, and marginally increase the number of projects covered by the PLA.

Amending the PLA to apply to projects procured in accordance with the public bidding requirements as set forth in Chapter 27.10 of the San José Municipal Code and design-build requirements as set forth in Chapter 27.14 of the San José Municipal Code will also streamline and clarify the applicability of the PLA for Public Works' procurements.

Chapters 27.10 and 27.14 set forth requirements for procuring Major Public Works Contract(s) that exceed \$730,000 in Engineer's Estimates. The Public Works Department and the Building Trades Council mutually desire to amend the terms of the PLA to align the PLA threshold in accordance with the public bidding requirements set forth in Chapter 27.10 of the San José Municipal Code or the design-build requirement as set forth in Chapter 27.14 of the San José Municipal Code.

EVALUATION AND FOLLOW-UP

The Public Works Department will continue to implement and administer the PLA and will provide updates in the Annual Capital Improvement Program Report.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

During the development of this recommendation, City staff met with representatives from the Santa Clara and San Benito Counties Building and Construction Trades Council. This memorandum will be posted on the City's Council Agenda website for the September 16, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
Matt Loesch
Director, Public Works

For questions, please contact Christopher Hickey, Division Manager, Public Works, at christopher.hickey@sanjoseca.gov.