



Memorandum

TO: MAYOR AND COUNCIL

FROM: Vice Mayor Chappie Jones

SUBJECT: Project Labor Agreement Amendments **DATE:** December 14, 2021

Approved

Date December 14, 2021

RECOMMENDATION

Accept recommendations from Council Members Cohen, Esparza, and Arenas as a 1-year pilot with the following amendments.

1. Include apprentices from any state-approved apprenticeship programs as is currently written in the existing PLA.
2. For staff to return to Council in one year with:
 - A. Data and analysis of impact of proposed changes on small and local business participation in the City's procurement program.
 - B. Data and analysis of impact to city's cost in implementing PLA's.

DISCUSSION:

On March 28, 2019, the City of San José and the Santa Clara and San Benito Building Trades Council entered into a Project Labor Agreement (PLA) for certain City public works projects with a cost in excess of \$3 million. The current agreement resulted from a multi-year deliberation process that began with recommendations of the Community Workforce Agreements/Project Labor Agreement (CWA/PLA) Task Force, which was created by City Council in 2016 and included me as a member. The purpose of the six member task force was to study the opportunities and impacts of implementing requirements for Community Workforce Agreements and Project Labor Agreements on City capital projects, and to report back to City Council.

Today, over two years later, as Council considers amendments to the City's PLA agreement, I again call for consideration of potential impacts to small and local businesses and the ability of

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non-union contractors to compete for City contracts, especially with the proposal to lower the threshold from \$3 million to \$1 million and the expansion of qualifying projects.

As we know, PLA's require pre-hire agreements and include providing union recognition, compulsory union dues, and mandatory use of union hiring halls prior to the hiring of any employees. In addition, PLA's include local hire and/or targeted hire provisions. I recognize that the building and construction trade unions provide great educational and apprenticeship programs that bring value to our workforce. At the same time, I also recognize that as public officials, we should be creating policies that provide a level playing field between union and non-union contractors and be weary of escalating PLA costs on our taxpayers.

When the PLA agreement of 2019 was adopted, there was significant disagreement on impacts of costs to the projects; however, we moved forward and adopted the agreement. Today, I look forward to considering the proposed amendments to the City's Project Labor Agreement with the addition of analyzing the impacts of the proposed changes utilizing the last 2+ years, when the current PLA was adopted, as the baseline. With additional data in one year, Council should evaluate the impacts of the proposed changes to our City's procurement program and consider additional amendments to ensure a level playing field for all potential contractors and reducing cost to our City and taxpayers if needed.