

Santa Cruz City Council Meeting Scorecard

January 28, 2020

Agenda Item Number 24: Evaluation of the Potential Use of Project Labor Agreements, Community Workforce Agreements or Other Approaches for City Construction Projects to Produce Long-term Community Workforce and Local Business Benefits (CN)

Recommendation

Motion to direct the staff to create an analysis report on the result of using Project Labor Agreements (PLAs), Community Workforce Agreements (CWAs) or other comparable programs, with the intention of raising community benefits. In particular, increasing benefits for local tradesmen, construction workers and long term positive community impacts as part of development.

Background

Project Labor Agreements (PLAs) or Community Workforce Agreements (CWAs) are often used by cities with the intention of increasing community benefits while simultaneously completing projects aimed at capital improvement. PLAs and CWAs act as bargaining agreements that set standards for certain types of construction projects or categories of projects. They are negotiated between the project developers and trade unions who are hired to do the work. Adhering to the PLA or CWA would become part of the bid submission and all contractors on the project would be required to sign it.

PLAs usually set standards for work conditions, hiring procedures, benefits, wages, management practices, dispute resolution practices and strike regulations as well as promote specific categories of workers that may include local residents, veterans or marginalized residents.

Discussion

Councilmembers want to gain more perspective on how PLAs or CWAs could enhance community benefits as they relate to the City's continuous investments in development/construction projects. Specifically, the council requests that the staff evaluate how these mechanisms could create community benefits and bring back a report to the council within 4 to 6 months. This request relates to the Equity provision of the Council's recently adopted Health in All Policies Ordinance. The estimated cost of the report will be 25,000 to 40,000 dollars of additional expenses for workforce, other analyses and anticipated attorney fees.

Council Action

Motion carried to direct staff to work with the Monterey Bay/Santa Cruz Counties Building and Construction Trade Council to draft a Community Workforce Agreement, interchangeable with a Project Labor Agreement, and bring back a draft for consideration by the first meeting in April, including broader community participation, any analysis that City staff needs to do, and draft updates as needed, should it need more time.

Council Vote

Motion carried — with all council members voting to request the first draft report come back to the City Council in April.

Chamber's Position

Foremost, the Santa Cruz County Chamber of Commerce understands the need to create incentives in public works projects that bring 'added public benefits' to a city. Regrettably, as written and directed by the City Council assumes that the Project Labor Agreement (PLA) and/or a Community Workforce Agreement will serve as a catalyst for better projects. To study and have a thorough analysis of current projects in the city, there needs to be a clear understanding of who are the current project vendors? Do the laborers reside in Santa Cruz County and are they effective in producing the type of projects the city invasions at a cost effective manner? There is no analysis presented to date that describes whether these Labor Agreement will limit construction projects to labor union contractors only or will the PLA be designed to offer flexibility to the vendor in delivering a cost effective product to the City.

This City Council should have directed the city staff to do a thorough community conversation with the Santa Cruz County business and construction industry before launching into a PLA process without a collaborative discussion first.