

Citywide Project Stabilization Agreement on City Let Projects over \$1 Million

City Council
October 18, 2016



Council Direction

- Multiple City Council referrals, hearings and direction over last six years to negotiate a project stabilization agreement
- Extensive negotiations with Building Trades and Construction Council of Alameda County (BTC)

Purpose and Overview

- Agreement between public entity, developer, or contractor and local building trades council
- Helps ensure adequate supply of qualified and skilled labor and mitigates risk of labor disputes
- Does not require workers to join a union
- Requirements in addition to prevailing wage, which already applies to City projects

Major Provisions

- **Scope** – City let improvement projects over \$1 million subject to PSA
- **Term** – 3 years and then consideration of renewal
- **Work Rules** – Contractors subject to affiliate union work rules, such as benefit contributions and apprenticeship programs

Major Provisions *(cont.)*

- **No Strike-No Lockout** – Workers cannot strike and contractors prohibited from locking out
- **Local Hire** – 25% goal for City and Alameda County residents; AUSD grads count double
- **Joint Administrative Committee** – City and BTC designees meet regularly to share information and resolve issues

Financial Impact

- Data inconclusive on cost impacts of PSAs
- Risk that costs could increase 5-15% above prevailing wage especially on smaller projects due to potential lack of competition
- Labor peace can help minimize impacts to schedule and budget

Staff Recommendation

- Approve Citywide Project Stabilization Agreement on City Let Projects over \$1 Million