



# City Council Meeting

## SYNOPSIS

Tuesday, October 24, 2017

SAM LICCARDO, MAYOR

CHAPPIE JONES, DISTRICT 1

SERGIO JIMENEZ, DISTRICT 2

RAUL PERALEZ, DISTRICT 3

LAN DIEP, DISTRICT 4

MAGDALENA CARRASCO, VICE MAYOR, DISTRICT 5

DEV DAVIS, DISTRICT 6

TAM NGUYEN, DISTRICT 7

SYLVIA ARENAS, DISTRICT 8

DONALD ROCHA, DISTRICT 9

JOHNNY KHAMIS, DISTRICT 10

### **3. STRATEGIC SUPPORT**

**3.1 Report of the City Manager, David Sykes (Verbal Report)**  
None provided.

**3.2 Labor Negotiations Update. *Accept Labor Negotiations Update.***  
None provided.

**3.3 17-098 CWA/PLA Task Force Committee Recommendations.**

**Recommendation:** (a) Accept the Community Workforce Agreement/Project Labor Agreement (CWA/PLA) Task Force Report;  
(b) Provide further direction to City staff.  
CEQA: Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment. (Public Works)

Staff was directed to negotiate with the labor unions around terms as outlined in Mayor Sam Liccardo's memorandum dated October 23, 2017, with modifications as noted. Recommendations were approved as outlined in the Community Workforce Agreement (CWA)/Project Labor Agreement (PLA) Task Force memorandum, dated September 22, 2017, and the supplemental memorandums dated October 12, 2017 and October 20, 2017 with the following changes:

A. Allow the first ~~sixty (60)~~ *thirty-five (35)* workers employed by non-signatory Contractor/Employer to come from its own core workforce, prior to the imposition of any requirement to hiring workers from the union hall. (a) To minimize risk of malfeasance, staff may consider measures to ensure accurate designation of "core" employees, such as by requiring non-signatory subcontractors to identify their core workforce at the time of bidding. (b) "Core" employees of non-signatory employers shall not be required to pay union dues and fees.

B. Permit signatory and non-signatory Contractors/Employers to select and directly hire all supervisors above general foreman.

C. A non-signatory Contractor/Employer shall compensate any workers for benefits in excess of the basic hourly wage in accordance with the applicable prevailing wage determination established by the Department of Industrial Relations pursuant to California Labor Code and the City's Prevailing Wage Policy. Contractor/Employer shall either: (a) Directly compensate the core worker, or (b) Contribute to Contractor/Employer's sponsored benefit plans on behalf of the worker, or (c) Contribute to the Union's established employee benefit plan on behalf of the worker.

D. Exempt small business employers having a subcontract of \$250,000 or less in value.

E. Direct the City Manager to develop metrics for annual reporting that measure the effectiveness of this Program.

F. Apply a ~~\$ 10 million~~ *\$ 6 million threshold* for applicability of CWA/ PLA mandates.

*(Item continued on the next page)*

3.3 17-098 CWA/PLA Task Force Committee Recommendations (Cont'd.)

Also including second part of Councilmember Johnny Khamis' memorandum dated October 23, 2017:

Direct staff to gather additional information to be presented by City Staff so that we may better understand the effects of a CWA/PLA policy on projects within San Jose:

1. Estimate the impact on qualified ethnic/minority/woman-owned (disadvantaged) small businesses which participate in our BidSync system from the implementation of a CWA/PLA policy.
2. For the 396 construction contracts awarded over the past five years identified in the Staff Memorandum, provide a chart of statistics on bids for all projects where bidding was required, to include: (a) Number of qualified bids received for each project; (b) Number of bids that exceeded Engineer's Estimates; (c) Dollar variance and percentage variance of awarded bid, positive or negative, from Engineer's Estimates; (d) Dollar variance and percentage variance of final actual project cost, positive or negative, from Engineer's Estimates included in bid award; (e) Type of contractor to which bid was awarded - union or merit contractor, and whether the contractor was a disadvantaged business; (f) For any merit contractor awarded bids, the total reduction in take-home pay for their employees that would have resulted were they to have had union dues deducted from their paychecks and the total cost of union benefit fund contributions that would have been required for the contractor.
3. For the pool of all projects identified in the six-month projection of City CIP projects: (a) Provide the dollar impact of a 15% cost increase on the cost of the project (b) Provide an assessment of project impact from a 15% cost increase on project costs (i.e. is the project scope reduced, e.g. miles of road paved reduced by 15%, or, if scope cannot be reduced, where additional monies would be sourced for project completion)
4. Commission a non-biased study of the economic impacts of implementing a CWA/PLA policy in the City of San Jose, based on an analysis of economic impacts of implementation of CWA/PLA where they have been in place for at least two years.

(6-5. Noes: Arenas, Carrasco, Jimenez, Peralez, Rocha.)

3.4 17-211 Amendment of the City's Gift Ordinance.

**Recommendation:** Approve an ordinance amending Chapter 12.08 of the San José Municipal Code related to the Gift Ordinance to strike the City's exceptions for allowable gifts and incorporate the exceptions for allowable gifts under the Political Reform Act while maintaining a \$50.00 gift limit. CEQA: Not a Project, File No. PP17-008, General Procedure & Policy Making resulting in no changes to the physical environment. (City Attorney)  
Please note: Approval of this item requires 8 or more affirmative votes (2/3).  
Ordinance No. 30016 passed for publication.

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