



# Valley Water

Clean Water • Healthy Environment • Flood Protection

# BOARD OF DIRECTORS MEETING

## Project Labor Agreement (PLA)

Presented by Michael Baratz, Labor Relations Officer

# TIMELINE

3

September  
2018

- Santa Clara & San Benito Counties Building and Construction Trades Council requested Valley Water consider implementation of a Project Labor Agreement and a Community Workforce Agreement

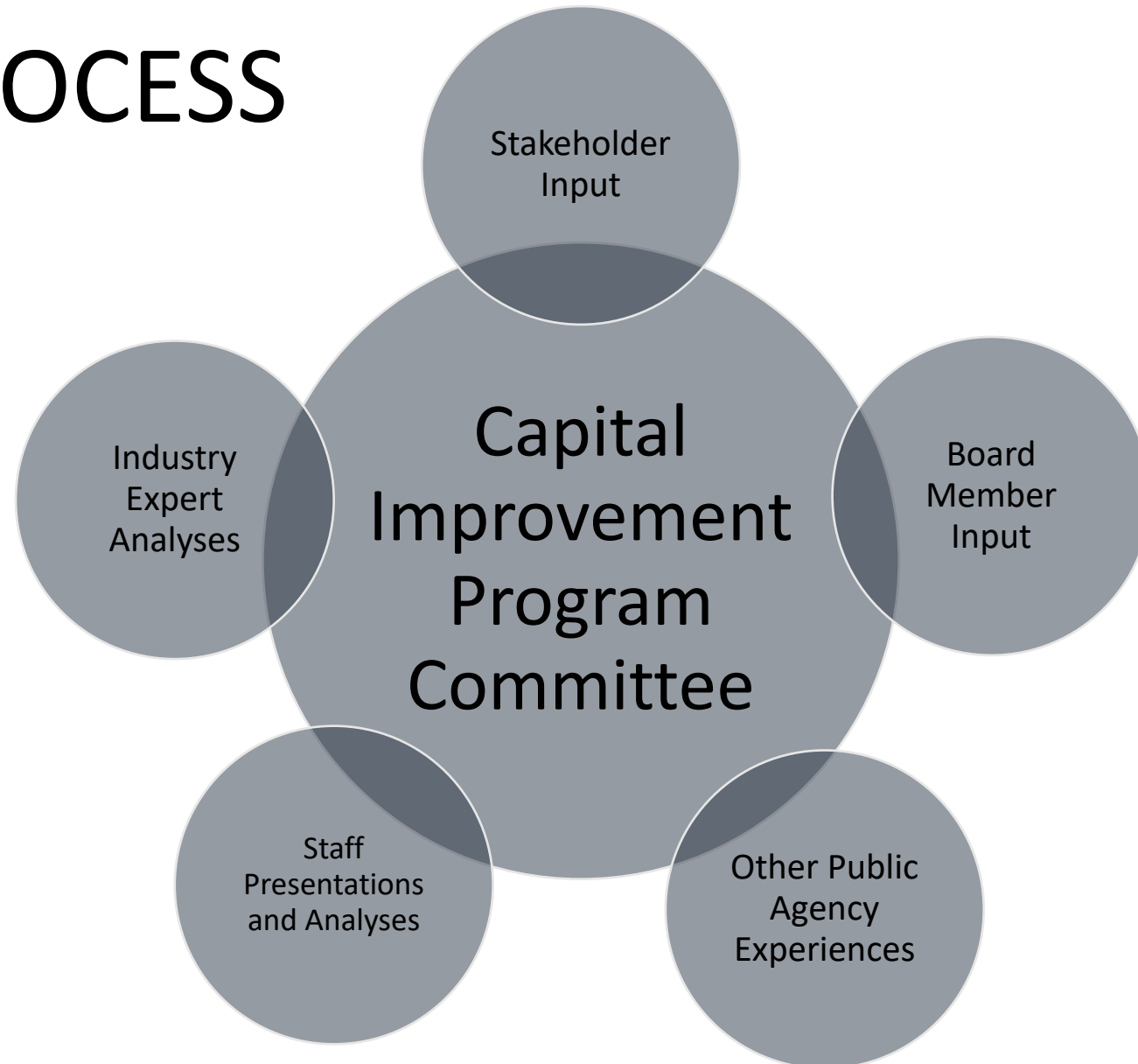
February  
2019

- The Capital Improvement Program Committee began informational intake through stakeholders, Q&A sessions, and open discussion forums

October  
2019

- The Capital Improvement Program Committee requested the Board of Directors provide direction on pursuance of a Project Labor Agreement

# INTAKE PROCESS



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# Q&A | DISCUSSION

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*Identified by the Capital Improvement Program Committee*



- Potential Benefits

- Construction Management
  - On-Time Project Delivery
- Community Job Training and Opportunities
  - Supports Local Workforce







- Potential Concerns

- Impact on Non-Union Construction Trades Workers
  - Reduction in Pay (union dues; health/benefit/pension payments to union and company plan)
- Impact on Small and Local Businesses
  - Ability to Submit Bids
  - Union Hiring Hall Requirements
- Cost (monitoring; compliance)





# Q&A | DISCUSSION



PROS	BOARD POLICY VALUE?	WHO BENEFITS?
✓ May guard against the possibility of work stoppages or labor actions	X	
✓ May aid in on-time delivery of key Valley Water projects through unions' use of subcontractors	✓ (Governance Policy E-1.5)	 + subcontractors
✓ May include local and/or targeted hiring involvement through incorporation of a Community Workforce Agreement	X	 + e.g. minorities, women, veterans, etc.
✓ Provides uniform wages, benefits, overtime pay, working conditions, and work rules for different crafts	X	 + contractors

# Q&A | DISCUSSION

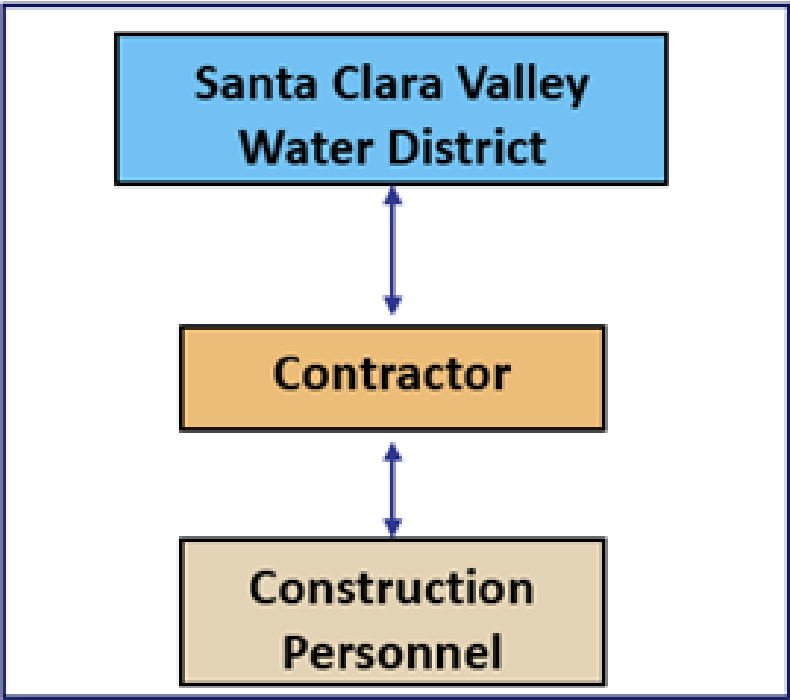


CONS	WHO IS IMPACTED?	POTENTIAL MECHANISM TO REDUCE IMPACT
× May delay key Valley Water projects due to individual project negotiation		♀ Limit negotiation proposals that are inconsistent with the Building & Construction Trades Council's established agreements
× May conflict with projects utilizing external funding and may impact Valley Water's ability to obtain funding on projects with PLAs (e.g. state, federal grant or U.S. Army Corps of Engineers funded projects)		♀ Select project(s) that does not include external funding source(s) restricting the use of PLAs (e.g. state, federal grant or U.S. Army Corps of Engineers funded projects)
× May cause loss of staffing control for contractors of projects (e.g. core worker limitations, 1:1 hiring, use of unknown employees)	 + contractors	♀ Negotiate terms to include use of more core workers by non-union contractors
× May reduce the number of contractors who submit bids for projects	 + contractors	× No control over submission of bids
× Union dues requirements cause reduction in paycheck for non-union workers	non-union construction trade workers	♀ Negotiate terms
× Requires non-union contractors to pay health and retirement benefits twice (union + company plan) *receipt of benefits from contributions paid to union only if worker joins union and remains member until vested	non-union construction trade workers	♀ Negotiate terms
× May increase administrative costs (e.g. monitoring and compliance)	 + rate payer(s), small and/or non-union contractors	♀ Select larger, more substantial project(s) so costs are proportional to the value of the project
× May increase project costs (e.g. monitoring and compliance)	 + rate payer(s), small and/or non-union contractors	♀ Select larger, more substantial project(s) so costs are proportional to the value of the project

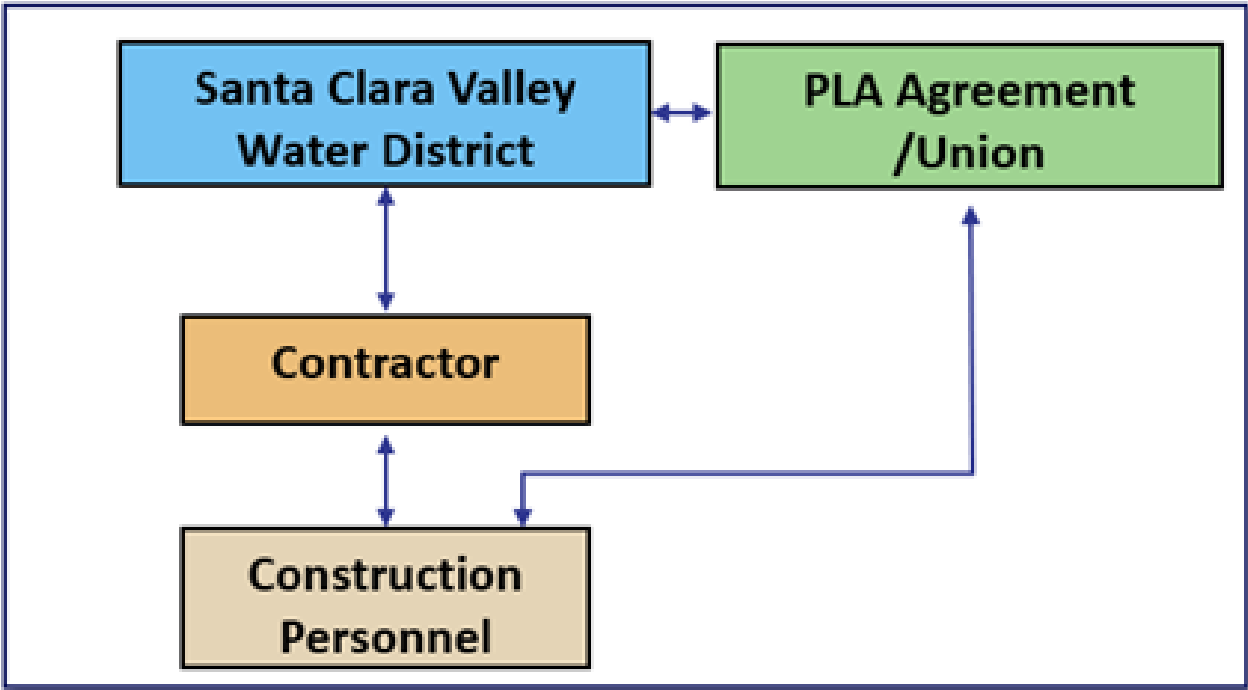
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# Q&A | DISCUSSION

Current Contractual Relationship



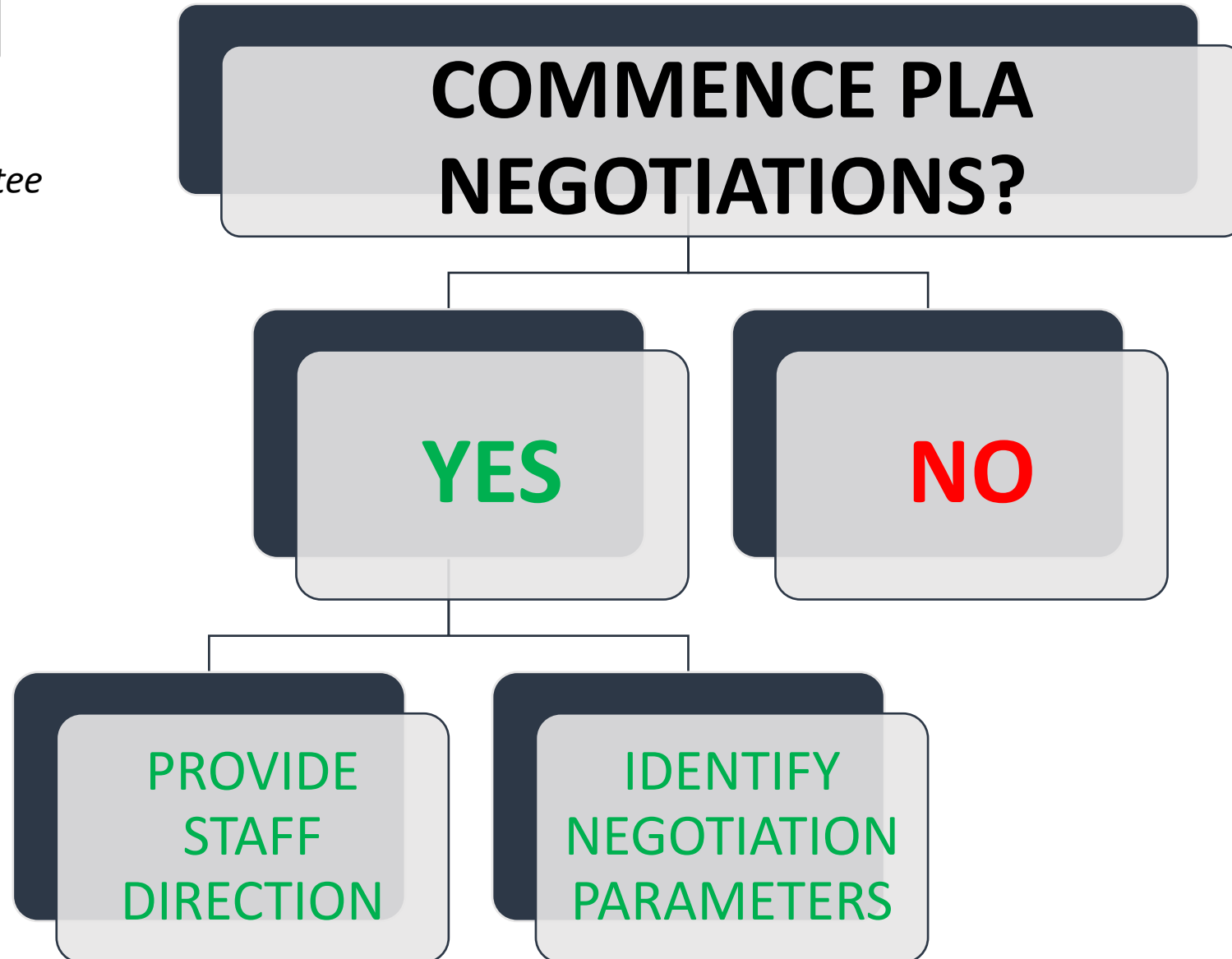
Contractual and PLA Relationship





# DIRECTION

*Request by the Capital  
Improvement Program Committee  
to the Board of Directors*



# QUESTIONS

