



Santa Clara Valley Water District

File No.: 21-1134

Agenda Date: 1/11/2022
Item No.: 2.8.

BOARD AGENDA MEMORANDUM

SUBJECT:

Accept and Execute the Project Labor Agreement Negotiated Between Santa Clara Valley Water District and Santa Clara and San Benito Counties Building Trades Council.
PREVIOUSLY LISTED AS ITEM 2.7.

RECOMMENDATION:

- A. Accept the signed Project Labor Agreement submitted by the Santa Clara and San Benito Counties Building and Construction Trades Council (Council) and approved by the Board at the August 10, 2021 Board meeting;
- B. Direct the Chief Executive Officer to implement terms and conditions in the executed Project Labor Agreement on Covered Projects (as defined in the Project Labor Agreement); and
- C. Adopt modifications to Board Governance Policies Executive Limitation 9 - Project Labor Agreement, as required by the Project Labor Agreement.

SUMMARY:

A Project Labor Agreement (PLA) is a multi-union pre-hire agreement that governs wages, benefits, work rules, and other terms and conditions of employment at a construction site. The Santa Clara Valley Water District (Valley Water) PLA is an agencywide agreement applicable to all Covered Projects (as defined in the PLA) which exceed two million dollars (\$2,000,000).

BACKGROUND

The purpose of the PLA is to promote the efficiency of construction operations for Valley Water through the use of skilled labor resulting in quality construction outcomes, to develop a skilled workforce for future Valley Water construction, and to provide for the orderly and peaceful settlement of labor disputes and grievances without strike or lockouts, thereby promoting Valley Water's and the public interest in assuring the timely and economical completion of Covered Projects subject to this Agreement.

At the Board meeting on May 26, 2020, the Board directed staff to engage in negotiation with the Council for the development of an agencywide PLA. In addition, the Board directed staff to work with the PLA Working Group comprised of Chair Estremera, Directors Hsueh and Keegan for guidance during negotiation.

At the Board meeting on August 10, 2021, the Board approved the final draft of the negotiated PLA recommended by the Working Group, directed staff to facilitate the final approval process with the Council and provide the agreement for the Board's acceptance.

Project Labor Agreement Policy

In order to efficiently implement the new Project Labor Agreement, it is further recommended that the Board approve the terms of a Project Labor Agreement Policy to be incorporated into the Board Governance Policies under new Executive Limitations section EL-9 (Project Labor Agreement), as follows:

EL-9 Project Labor Agreement

9.1 A Project Labor Agreement is an agreement negotiated between a project owner and one or more labor organizations prior to award of a construction contract. Project Labor Agreements are designed to eliminate potential project delays resulting from labor strife, ensure a steady supply of skilled labor on a project, and provide a contractually binding means of resolving worker grievances.

9.2 Pursuant to the negotiated Project Labor Agreement between Valley Water and the Santa Clara and San Benito Counties Building & Construction Trades Council (PLA), Valley Water agreed to require all contractors and subcontractors to be bound by the PLA's terms for Covered Projects.

9.3 Under the PLA, a Covered Project is a construction project with an engineer's estimate, or a cumulative awarded bid amount, that exceeds two million dollars (\$2,000,000). The PLA covers all Covered Work as identified in Article 2.3 of the negotiated PLA. The PLA does not cover exclusions as identified in Article 2.4 of the PLA. The terms of the PLA are incorporated by reference in this policy as if fully stated herein.

9.4 In the event of any conflict between this policy and the PLA, the terms of the PLA shall prevail.

9.5 A BAO shall:

9.5.1 Apply this policy to promote efficiency of construction operations during construction of Covered Projects and to provide for the peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of projects.

9.5.2 Subject to all applicable exclusions, apply the PLA to Valley Water Covered Projects awarded by Valley Water after the effective date of the PLA.

9.5.3 Ensure that there is a meeting between Valley Water and the Santa Clara and

San Benito Counties Building & Construction Trades Council no less than 90 days prior to the five-year anniversary of the effective date of the PLA to discuss its effect and to consider extending and/or modifying the PLA.

9.6 The CEO may recommend to the Valley Water Board individual exemptions to the applicability of the PLA to any Covered Project where the Covered Project has one or more unique features or requirements making it unsuitable for a PLA based upon Valley Water's specific needs or interests. Under the PLA, Valley Water's Board retains discretion to approve such recommendations and issue individual exemptions of projects to the PLA.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

There is no financial impact resulting from the recommended action. PLAs may reduce cost of construction by ensuring adequate and steady supply of workforce on construction projects by avoiding delays caused by labor disruptions during construction.

CEQA:

The recommended action to accept the PLA does not constitute a project under the California Environmental Quality Act (CEQA) because it does not have the potential to result in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Agreement

UNCLASSIFIED MANAGER:

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