



MEMORANDUM

DATE: November 23, 2016

TO: Governing Board
San Francisco Bay Restoration Authority

FROM: Sam Schuchat
Executive Officer
San Francisco Bay Restoration Authority

SUBJECT: Project Labor Agreement Resolution

I recommend that the Authority adopt Resolution 22 requiring that Authority grantees enter into project labor agreements for all construction work, subject to the exceptions discussed below.

Background

On June 7, 2016, the San Francisco Bay Restoration Authority Parcel Tax for Bay Restoration & Shoreline Protection (“Measure AA”) was approved by more than the requisite two-thirds vote of ballots cast on the measure in the nine San Francisco Bay Area counties. Pursuant to the San Francisco Bay Restoration Authority Act at Government Code § 66700 et seq., the Authority is now able to grant funds for projects that restore, protect or enhance tidal wetlands, managed ponds or natural habitats on the shoreline of San Francisco Bay in accordance with the terms of the Measure AA.

The Authority has compiled a list of numerous projects eligible for funding under Measure AA. Many of these involve construction work. It is in the Authority’s interest to fund projects that are high-quality projects built with a properly trained workforce and completed in a timely manner. It is also in the Authority’s interest that the numerous jobs created due to passage of Measure AA are safe, good-paying jobs that include training opportunities and other benefits to the region’s workforce.

The use of project labor agreements can help achieve these goals. A project labor agreement (“PLA”) is an agreement between a project owner and a local building and construction trades council that sets forth the terms and conditions of employment on a construction project. A PLA provides assurances for workers regarding job conditions and assurances for project owners on timely completion. A 2010 study by the Economic Policy Institute found that “PLAs help to assure timely completion by keeping projects free from disruptions resulting from local labor

disputes, grievances, or jurisdictional issues.”¹ Many public entities in the San Francisco Bay Area have used PLAs, including the San Francisco International Airport and the Oakland International Airport.

Proposed PLA Resolution

At the February 24, 2016 meeting of the Authority’s Governing Board, staff presented a proposed PLA resolution (Resolution 12) and 18 members of the public provided comments. Following the meeting, staff obtained additional input on the proposed PLA resolution from a variety of types of potential Authority grant applicants, including the Santa Clara Valley Water District, Ducks Unlimited, and Marin Audubon Society. Based on the public input received at the meeting and in the subsequent discussions, staff has revised the proposed PLA resolution. Proposed changes include the following:

- 1) the policy would apply to projects for which the total cost of the project is *more than \$500,000* and for which the Authority’s grant is *greater than 10% of the cost of the project* (changed from applying to projects that cost more than \$100,000 receiving any amount of Measure AA funds); and
- 2) the policy would *not* apply to projects funded by, sponsored by, or otherwise undertaken in collaboration with, the U.S. Army Corps of Engineers.

The proposed PLA Resolution continues to state that the PLA must cover all work within the craft jurisdictions of the local unions (e.g., construction, remediation, demolition, alteration, installation, improvement, and repair). The Resolution identifies minimum terms required to be in each PLA. These PLA terms include:

- a prohibition on strikes and lockouts;
- a dispute resolution mechanism for all conflicts;
- use of union hiring halls;
- use of apprentices; and
- the wages, benefits and working conditions of the craft employees must be governed by the applicable Union Master Labor Agreement.

¹ (Dale Belman, Matthew Bodah, “Building Better: A Look at Best Practices for the Design of Project Labor Agreements,” ECONOMIC POLICY INSTITUTE, Briefing Paper 274, available at: <http://www.epi.org/files/page/-/pdf/BP274.pdf> (accessed Feb 12, 2016).

The Resolution also provides that the PLA policy will not apply if implementing a PLA is unachievable despite intensive efforts to secure one.

Recommendation

The use of PLAs will help assure that Authority-funded projects are high-quality projects that are completed in a timely manner by a properly trained workforce. In addition, the use of PLAs furthers the Authority's goal, as indicated in the Measure AA, of benefitting the region's economy, including through local workforce development. Resolution 22 requires Authority grantees to enter into PLAs for any construction project subject to the exceptions described in this memo. Accordingly, I recommend that the Authority adopt Resolution 22.

Attachments

Examples of Bay Area Public Entities that have used PLAs
Resolution 22