



## Legislation Details (With Text)

<b>File #:</b>	18-617	<b>Version:</b>	1	<b>Name:</b>	Discussion Concerning an Extension of the Community Workforce Agreement
<b>Type:</b>	Staff Report	<b>Status:</b>	Filed	<b>In control:</b>	Facilities & Transportation Committee
<b>On agenda:</b>	12/5/2018	<b>Final action:</b>	12/5/2018	<b>Enactment date:</b>	
<b>Enactment date:</b>		<b>Enactment #:</b>		<b>Title:</b>	Staff Update on Implementation of the Community Workforce Agreement
<b>Sponsors:</b>	Keith Cooke			<b>Indexes:</b>	
<b>Code sections:</b>				<b>Attachments:</b>	1. CWA Agreement BOOKMARKED

Date	Ver.	Action By	Action	Result
12/5/2018	1	Facilities & Transportation Committee	Received and Filed	

Staff Update on Implementation of the Community Workforce Agreement

## SUMMARY AND RECOMMENDATIONS

Staff will update the Committee on the implementation of the Community Workforce Agreement as the Agreement's three year term will end on December 31, 2018.

## BACKGROUND

On June 15, 2015, the City Council approved adoption of a Community Workforce Agreement (CWA) negotiated with the Alameda County Building and Construction Trades Council (BTC) and its affiliated local unions to govern labor procedures for City construction projects awarded above \$1,000,000. Further, the CWA set in place policies and goals related to the hiring of San Leandro residents to work on City construction projects and the hiring of San Leandro residents into the signatory unions' apprenticeship programs. The three-year term of the CWA began on January 1, 2016.

The current CWA has a goal of 10% participation by San Leandro residents as apprentices on construction projects that are covered by the CWA. Contractors are required to make good faith efforts to reach this goal through the utilization of the Unions' hiring hall procedures. The CWA also requires contractors to hire one San Leandro resident as a New Apprentice for the first \$1 million of their bid amount. Thereafter, for every \$5 million of project monies, the contractor is required to hire one additional New Apprentice. The intent of this requirement is to increase pathways for San Leandro residents into the building trades. For San Leandro journeymen-level workers, the CWA sets a 30% goal of total project hours. After the contractor uses the Unions' hiring hall procedures and, if qualified workers from San Leandro are not available, workers who reside in Alameda County can be hired to meet the apprentice goal of 10% and the journeymen goal of 30%.

Staff coordinate the activities of the five person Joint Administrative Committee. This Committee is comprised of two representatives selected by the City; two representatives of the signatory Unions and Alameda County Building and Construction Trades Council; and one industry representative, mutually selected by the City and the Alameda County Building and Construction Trades Council. The Joint Administrative Committee strives to meet monthly, but not less than once each quarter.

### **Analysis**

Since commencement of the CWA on January 1, 2016, nine projects have been awarded that have been governed by the CWA, and the City Council has accepted the work as completed for three of those projects. The nine awarded projects are:

2016: Citywide Energy and Water Efficiency Upgrades (Climatec) - \$5.2M  
 2016: Annual Overlay / Rehabilitation 2015-16 Project - \$3.5M  
 2017: Annual Street Overlay / Rehabilitation 2016-17 Project (Phase I) - \$3.395M  
 2017: Sanitary Sewer Line Replacement/Repair 2017 Project - \$1.16M  
 2018: Water Pollution Control Plant Asphalt Replacement Project - \$1.605M  
 2018: Annual Overlay / Rehabilitation 2016-2017 Project (Phase II) - \$1.754M  
 2018: Annual Street Sealing 2017-18 Project - \$1.894M  
 2018: Annual Overlay / Rehabilitation 2017-18 Project - \$10.163M  
 2018: Police Building and South Offices Modification Project - \$6.268M

### **Local Hire Participation Rates**

For the three accepted projects, the results of the local hire goals (10% of the total project work hours worked by San Leandro apprentices and 30% of the total project work hours worked by San Leandro journeymen) was as follows:

#### **Annual Overlay / Rehabilitation 2015-16 Project:**

	Total Hours Worked	San Leandro Resident Hours	San Leandro Resident (%)	Alameda County Resident Hours	Alameda County Resident (%)
Journeyman	7494	565	6.4%	4761	54%
Apprentice	1393	0	0%	899	10%

#### **Annual Street Overlay / Rehabilitation 2016-17 Project (Phase I):**

	Total Hours Worked	San Leandro Resident Hours	San Leandro Resident (%)	Alameda County Resident Hours	Alameda County Resident (%)
Journeyman	6933	574	8.3%	2915	42%
Apprentice	1109	0	0%	653	13%

#### **Sanitary Sewer Line Replacement/Repair 2017 Project:**

	Total Hours Worked	San Leandro Resident	San Leandro Resident	Alameda County Resident	Alameda County Resident
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		Hours	(%)	Hours	(%)
Journeyman	5094	250	4.9%	2599	51%
Apprentice	5094	0	0%	772	16%

The total value of CWA projects awarded since the beginning of the 3-year term is \$34.94M. As approximately 60% of the projects awarded are for street reconstruction, rehabilitation, and sealing, trades such as operating engineers, laborers, cement masons and electricians, have been used for each contract. For those projects accepted as completed by the City Council thus far, there has **not** been **any** zero participation by San Leandro apprentices, and significantly low participation for San Leandro journeymen. Staff **identified** noticed this trend early on at the close of the first year of the CWA and began working with the Joint Administrative Committee union representatives as well as pre-apprenticeship and training programs to identify solutions to address the low rates of resident participation.

### **Current Agency Policies**

- Place San Leandro on a firm foundation for long-term fiscal sustainability.
- Advance projects and programs promoting sustainable economic development, including transforming San Leandro into a center for innovation.
- Maintain and enhance San Leandro's infrastructure.

### **Previous Actions**

- On February 10, 2015, the City Council held a Work Session to review options related to the adoption of a potential CWA and to receive feedback from stakeholders.
- On April 20, 2015, the City Council adopted Resolution No. 2015-086, appropriating \$100,000 in one-time funding for outreach and implementation of a CWA.
- On June 15, 2015, the City Council approved the Community Workforce Agreement that was negotiated with the Alameda County Building and Construction Trades Council (BTC) and its affiliated local unions to govern labor procedures for City construction projects awarded above \$1,000,000.
- On May 16, 2016, staff provided an update on implementation of the CWA.
- On December 5, 2016, staff provided an update on the first year of projects constructed under the CWA.

### **Applicable General Plan Policies**

- Policy CSF-6.8: Maintenance: Ensure that sufficient funding is provided for the ongoing maintenance of City owned facilities, including streets, street lights, traffic signals, landscaping, street trees, storm drains, public buildings and other infrastructure.
- Policy ED-6.6: Job Training: Support job training initiatives which prepare local residents for local jobs.
- Policy ED-6.7: Job Opportunities for Residents: Support programs that encourage San Leandro employers to hire local residents.
- Policy ED-6.8: Labor: Engage organized labor, labor unions, and labor advocates in the economic development process.
- Policy ED-6.11: Career Ladders: Encourage career advancement programs to provide

opportunities for upward mobility among the city's workforce. Support the growth of businesses that provide career advancement or "ladder" opportunities for employees.

### **Fiscal Impacts**

This Community Workforce Agreement is anticipated to cost the City \$90,750, which was previously appropriated in General Fund - Community Investment.

The Contractor's performing work under the CWA also had costs associated with administering the program; these costs presumably were passed on to the City in the form of higher bid prices.

It is possible that some contractors chose not to bid on projects that include the CWA; reduced competition generally results in higher bid prices.

### **ATTACHMENT**

- Community Workforce Agreement, as approved June 15, 2015

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