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Staff Report

Date: September 13, 2016

To: City Council

From: Valerie J. Barone, City Manager

Prepared by: Michael Vlaming, Vlaming & Associates

Victoria Walker, Community and Economic Development Director
Victoria.walker@cityofconcord.org
(925) 671-3434

Subject: **Considering a proposed citywide Project Stabilization Agreement with the Contra Costa Building & Construction Trades Council for all City let construction projects over \$750,000 in value.**

Report in Brief

On December 1, 2015, as part of the Council's public meeting agenda, then Mayor Tim Grayson formed an ad-hoc committee of the Council to discuss project labor agreements and appointed himself and Councilmember Dan Helix to the committee, with Councilmember Helix serving as the Chair of the ad-hoc committee.

Subsequently the City Manager, with input from the ad-hoc committee members, selected and hired Michael Vlaming of Vlaming & Associates to assist the City in developing and negotiating a project stabilization agreement. Mr. Vlaming and Victoria Walker, Director of Community and Economic Development, under the direction of the ad-hoc committee, represented the City in the negotiations with the Contra Costa Building & Construction Trades Council.

Mr. Vlaming and Ms. Walker have reached a tentative agreement on a Project Stabilization Agreement ("PSA"). The PSA covers City let construction projects where the construction contract is valued at over \$750,000. Key provisions of the PSA include: (1) Prohibitions against strikes and lock-outs; (2) Clearly defined dispute resolution procedures for worker grievances and jurisdictional disputes; (3) Employment opportunities for local residents; (4) Employment opportunities for military veterans under the Helmets to Hardhats program; and (5) Utilization of apprentices from joint

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apprenticeship programs. The PSA excludes projects at the Base Reuse Project because the City is currently negotiating a DDA with Lennar for Phase 1 of the Base Reuse Project. The PSA has a 5-year term, at which point the City and the Trades Council will evaluate the effectiveness of the program.

The negotiated PSA and its provisions have been reviewed by the ad-hoc committee and the ad-hoc committee is forwarding it to Council with a recommendation of approval.

Recommended Action

Approve the proposed Project Stabilization Agreement with the Contra Costa Building & Construction Trades Council and authorize the City Manager to sign the agreement.

Background

On December 1, 2015, as part of the Council's public meeting agenda, then Mayor Tim Grayson formed an ad-hoc committee of the Council to discuss project agreements and appointed himself and Councilmember Dan Helix to the committee, with Councilmember Helix serving as the Chair of the ad-hoc committee.

Subsequently the City Manager reached out to experts to support the ad-hoc committee in their work to review, develop and negotiate a PSA. With input from the ad-hoc committee members, the City Manager selected and hired Michael Vlaming of Vlaming & Associates as outside counsel support.

Analysis

Project Stabilization Agreements (PSAs) standardize the work rules applicable to a project and applicable to labor relations between contractors, their workforce, and the trade unions. Additionally, PSAs serve as a risk-management tool protecting the covered projects from construction delays caused by an interruption in the supply of labor. The ad-hoc committee has determined that there are two main community benefits that could be obtained in establishing a PSA for City let construction contracts: the first is to reduce risk of delay or labor strife on large, complex, multi-craft construction projects; the second is as a tool for achieving good jobs for local (City or County) residents and for veterans.

Michael Vlaming worked with City staff and the ad-hoc committee to develop a proposed PSA for City let construction projects that would achieve the City's objectives. Michael Vlaming and Victoria Walker represented the City in the PSA negotiations with the Contra Costa Building & Construction Trades Council. Negotiation sessions were held during the months of June, July and August with periodic status meetings with the ad-hoc committee to review progress and strategy and to receive direction.

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A tentative agreement was reached with the Contra Costa Building & Construction Trades Council which will enable the City to achieve its stated goals of (1) mitigating the risk of construction delays due to labor disruptions and (2) providing employment opportunities for local residents and military veterans: The major terms of the PSA are as follows:

- Covers City let construction projects where the construction contract is valued at over \$750,000. The PSA specifically excludes projects at the Base Reuse Project, which will be governed by a Disposition and Development Agreement between the City and the Master Developer.
- Covers all aspects of the construction contract, including after the fact warranty repair work under the original construction contract.
- Contains prohibitions against strikes and lock-outs;
- Requires contractors to utilize the local craft union referral procedures ;
- Clearly defines a dispute resolution procedure for worker grievances and jurisdictional disputes;
- Creates employment opportunities for local residents by providing a preference in the referral procedures;
- Creates employment opportunities for military veterans under the Helmets to Hardhats program by providing a preference in the referral procedures;
- Requires the utilization of apprentices from joint apprenticeship programs approved by the Division of Apprenticeship Standards where trade apprentices can gain on-the-job experience; and
- Establishes a 5-year term for the agreement.

It is anticipated that between three and five projects will be covered by this PSA annually during its term.

Financial Impact

At the stated threshold value for coverage under the PSA, it is estimated that 3-5 City construction projects annually will be covered by the PSA. Initiation of this program will require City staff resources and consultant support to develop specification language and construction contract language for covered projects. It is anticipated that covered projects may experience some delay in construction start while the contractor and any listed subcontractors execute the PSA. At this time the need for additional staff to support, implement, and monitor this new program is not anticipated; however, staff does anticipate that supporting this program with the same amount of staff will cause some level of delay in the overall CIP process. Staff will monitor the situation and report

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back to Council if a significant impact occurs. Additional project contracting costs are likely to increase due to the increased work of reviewing and tracking certified payrolls to verify local hire and military veteran participation on covered projects.

Public Contact

The City Council Agenda was posted and a copy of the agenda was mailed to the Contra Costa Building & Construction Trades Council, the Building Industry Association, the local chapter of the Associated Builders & Contractors, as well as all of the individuals who spoke at the Council's April 12, 2016 Council meeting regarding the Ad Hoc Committee's recommendation to negotiate with the various building trade unions a possible citywide project stabilization agreement.

Attachments

1. Project Stabilization Agreement

**PROJECT STABILIZATION AGREEMENT
FOR THE CITY OF CONCORD**

INTRODUCTION/FINDINGS

This Project Stabilization Agreement is entered into this ___ day of _____, 2016, by and between the City of Concord (hereinafter, the “City”), together with contractors and subcontractors of all tiers, who shall become signatory to this Agreement by signing the **"Agreement To Be Bound" (Addendum A)** (all of whom are referred to herein as "Contractors/Employers"), and the Contra Costa County Building & Construction Trades Council ("Council") and its affiliated local Unions that have executed this Agreement (all of whom are referred to collectively as “Union” or "Unions").

The purpose of this Agreement is to promote the efficiency of construction operations for the City of Concord through the use of skilled labor resulting in quality construction outcomes, and to provide for peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Project.

WHEREAS, the timely and successful completion of the Project is of the utmost importance to the City to avoid increased costs resulting from delays in construction; and

WHEREAS, large numbers of workers of various skills will be required in the performance of the construction work, including those to be represented by the Unions signatory to this Agreement and employed by contractors and subcontractors who are signatory to this Agreement; and

WHEREAS, the use of skilled labor on construction work increases the safety of construction projects as well as the quality of completed work; and

WHEREAS, it is recognized that on a Project of this magnitude with multiple contractors and bargaining units on the job site at the same time over an extended period of time, the

potential for work disruption is substantial without an overriding commitment to maintain continuity of work; and

WHEREAS, the interests of the general public, the City, the Unions and the Contractor/Employers would be best served if the construction work proceeded in an orderly manner without disruption because of strikes, sympathy strikes, work stoppages, picketing, lockouts, slowdowns or other interferences with work; and

WHEREAS, the Contractor/Employers and the Unions desire to mutually establish and stabilize wages, hours and working conditions for the workers employed on the Project to the end that a satisfactory, continuous and harmonious relationship will exist among the parties to this Agreement; and

WHEREAS, the parties agree that one of the primary purposes of this agreement is to avoid the tensions that might arise on the Project if Union and nonunion workers of different employers were to work side by side on the Project, thereby leading to labor disputes that could delay completion of the Project; and

WHEREAS, this Agreement is not intended to replace, interfere with, abrogate, diminish or modify existing local or national collective bargaining agreements in effect during the duration of the Project, insofar as a legally binding agreement exists between the Contractor/Employer(s) and the affected Union(s), except to the extent that the provisions of this Agreement are inconsistent with said collective bargaining agreements, in which event, the provisions of this Agreement shall prevail; and

WHEREAS, the contracts for the construction of the Project will be awarded in accordance with the applicable provisions of the California State Public Contract Code and state, local and federal laws; and

WHEREAS, the City has the absolute right to select the lowest responsive and responsible bidder for the award of construction contracts on the Project; and

WHEREAS, the City places high priority upon the development of comprehensive programs for the recruitment, training and employment of local area residents and military

veterans, and recognizing the ability of local apprenticeship programs to provide meaningful and sustainable careers in the building and construction industry; and

WHEREAS, the parties signatory to this Agreement pledge their full good faith and trust to work towards mutually satisfactory completion of the Project;

NOW, THEREFORE, IT IS AGREED BETWEEN AND AMONG THE PARTIES HERETO, AS FOLLOWS:

ARTICLE I

DEFINITIONS

1.1 “Agreement” means this Project Stabilization Agreement (“PSA”).

1.2 “Agreement to be Bound” means the agreement (attached hereto and incorporated herein as Addendum A) which shall be executed by each and every Contractor(s)/Employer(s) as a condition of performing Project Work.

1.3 “City” means the City of Concord and its public employees, including managerial personnel.

1.4 “Completion” means that point at which there is Final Acceptance by the City of a Construction Contract. For this definition of “Completion,” “Final Acceptance” shall mean that point in time at which the City has determined upon final inspection that the work on a Construction Contract has been completed in all respects and all required contract documents, contract drawings, warranties, certificates, manuals and data have been submitted and training completed in accordance with the contract documents and the City has executed a written acceptance of the work.

1.5 “Construction Contract” means the public works or improvement contract(s) awarded by the City (including by design bid, design build, lease leaseback or other means) that are necessary to complete a Project.

1.6 “Contractor/Employer(s)” or “Contractor(s)” or “Employer(s)” means any individual, firm, partnership or corporation, or combination thereof, including joint ventures, that is an independent business enterprise, and their successors and assigns, that enters into a

contract with the City (whether by design bid, design build, lease leaseback or other means), with respect to the construction of any part of the Project under contract terms and conditions approved by the City and which incorporate this Agreement, and any of its contractors or subcontractors of any tier.

1.7 “Council” means the Contra Costa County Building & Construction Trades Council.

1.8 “Master Agreement” or “Schedule A” or “Master Labor Agreement” means the Master Collective Bargaining Agreement of each craft Union signatory hereto, copies of which shall be made available to the City upon request.

1.9 “Project” means a City construction project funded in whole or in part with City of Concord funds where the engineer’s estimate or bid amount exceeds seven hundred fifty thousand dollars (\$750,000.00). The City and the Council may mutually agree in writing to add additional components to the Project’s Scope of Work to be covered under this PSA.

1.10 “Project Manager” means the person or business entity designated by the City to oversee all phases of construction on the Project.

1.11 “Union” or “Unions” means the Contra Costa Building and Construction Trades Council, AFL-CIO (“the Council”) and its affiliated Unions signatory to this Agreement, acting in their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement.

ARTICLE II

SCOPE OF AGREEMENT

2.1 **Parties:** This Agreement shall apply and is limited to all Contractors/Employers performing Construction Contracts on the Project (including subcontractors at any tier), the City, the Council and its affiliated Unions signatory to this Agreement.

2.2 **Applicability:** The Agreement shall govern all Construction Contracts awarded on City Projects. For the purposes of this Agreement, the Construction Contract shall be considered

complete as set forth in Section 1.4, except when the City's authorized representative directs a Contractor to engage in repairs, warranty work, or modifications as required under the original Construction Contract with the City.

2.3 Covered Work: This Agreement covers, without limitation, all on-site site preparation, surveying, construction, alteration, demolition, installation, improvement, painting or repair of buildings, structures and other works, and related activities for the Project that is within the craft jurisdiction of one of the Unions and which is directly or indirectly part of the Project, including, without limitation to the following examples, geotechnical and exploratory drilling, temporary HVAC, landscaping and temporary fencing, pipelines (including those in linear corridors built to serve the project), pumps, pump stations, and modular furniture installation. On-site work includes work done solely for the Project in temporary yards, dedicated sites, or areas adjacent to the Project, and at any on-site or off-site batch plant constructed solely to supply materials to the Project. This scope of work includes all soils and materials testing and inspection where such testing and inspection is a classification in which a prevailing wage determination has been published.

2.3.1 This Agreement shall apply to any start-up, calibration, commissioning performance testing, repair, maintenance, and operational revisions to systems and/or subsystems for a Project that are part of the original Construction Contract, including when performed after Completion, unless it is performed by City employees.

2.3.2 This Agreement covers all on-site fabrication work over which the City, Contractor(s) or subcontractor(s) possess the right of control (including work done for the Project in any temporary yard or area established for the Project). Additionally, this Agreement covers any off-site work, including fabrication, necessary for the Project defined herein, that is covered by a current Schedule A Agreement or local addenda to a National Agreement of the applicable Union(s) that is in effect as of the execution date of this Agreement.

2.3.3 The furnishing of supplies, equipment or materials which are stockpiled for later use shall not be covered by this Agreement. However, construction trucking work, such as the

delivery of ready-mix, asphalt, aggregate, sand, or other fill or material which are incorporated into the construction process as well as the off-hauling of debris and excess fill, material and/or mud, shall be covered by the terms and conditions of this Agreement to the fullest extent allowed by law and by the prevailing wage determinations of the California Department of Industrial Relations. Contractor/Employer(s), including brokers, of persons providing construction trucking work shall provide certified payroll records to the City within ten (10) calendar days of written request or as required by bid specifications.

2.3.4 Work covered by this Agreement within the following craft jurisdictions shall be performed under the terms of their National Agreements as follows: the National Transient Lodge (NTL) Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, and the National Agreement of Elevator Constructors, and any instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Technicians, with the exception that Articles IV, XIV and XV of this Agreement shall apply to such work.

2.4 Exclusions

(1) The Agreement is not intended to, and shall not affect or govern the award of public works contracts by the City which are not included in the Project.

(2) The Agreement shall not apply to a Contractor/Employer's non-construction craft employees, including but not limited to executives, managerial employees, engineering employees and supervisors above the level of General Foreman (except those covered by existing Master Collective Bargaining Agreements), staff engineers or other professional engineers, administrative, management, office and clerical employees.

(3) This Agreement shall not apply to any non-Project work performed on or near or leading to the site of work covered by this Agreement that is undertaken by state, county, city or other governmental bodies or their contractors; or by public or private utilities or their contractors;

(4) The Agreement shall not apply to off-site maintenance of leased equipment

and on-site supervision of such work; and

(5) Any construction project not bid by the City and performed jointly with another public entity.

2.5 Award of Contracts: It is understood and agreed that the City has the absolute right to select any qualified bidder for the award of Construction Contracts under this Agreement. The bidder need only be willing, ready and able to execute and comply with this Agreement. It is further agreed that this Agreement shall be included in all invitations to bid or solicitations for proposals from contractors or subcontractors for work on the Project that are issued on and after the effective date of this Agreement. A copy of all invitations to bid shall be provided at time of issuance to the Council.

ARTICLE III

EFFECT OF AGREEMENT

3.1 By executing the Agreement, the Unions and the City agree to be bound by each and all of the provisions of the Agreement.

3.2 By accepting the award of a construction contract for the Project, whether as contractor or subcontractor thereunder, the Contractor/Employer agrees to be bound by each and every provision of the Agreement and agrees that it will evidence its acceptance prior to the commencement of work by executing the **Agreement to be Bound** in the form attached hereto as **Addendum A**.

3.3 At the time that any Contractor/Employer enters into a subcontract with any subcontractor providing for the performance of a construction contract, the Contractor/Employer shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor as a precondition of accepting an award of a construction subcontract to agree in writing, by executing the **Agreement to be Bound**, to be bound by each and every provision of this Agreement prior to the commencement of work. The obligations of a contractor may not be evaded by subcontracting.

3.4 This Agreement shall only be binding on the signatory parties hereto, and their successors and assigns, and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party. Each Contractor shall alone be liable and responsible for its own individual acts and conduct and for any breach or alleged breach of this Agreement. Any dispute between the Union(s) and the Contractor(s) respecting compliance with the terms of the Agreement, shall not affect the rights, liabilities, obligations and duties between the signatory Union(s) and other Contractor(s) party to this Agreement.

3.5 It is mutually agreed by the parties that any liability by a signatory Union to this Agreement shall be several and not joint. Any alleged breach of this Agreement by a signatory Union shall not affect the rights, liabilities, obligations and duties between the signatory Contractor(s) and the other Union(s) party to this Agreement.

3.6 The provisions of this Agreement, including Schedules A's, which are incorporated herein by reference and which are the local Master Agreements of the Signatory Unions having jurisdiction over the work on the Project, shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreements which may conflict with or differ from the terms of this Agreement. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the provisions of this Agreement shall prevail. Where a subject is covered by the provisions of a Schedule A and is not covered by this Agreement, the provisions of the Schedule A shall prevail.

ARTICLE IV

WORK STOPPAGES, STRIKES, SYMPATHY STRIKES AND LOCKOUTS

4.1 The Unions, City and Contractor(s)/Employer(s) covered by the Agreement agree that for the duration of the Project:

4.1.1 There shall be no strikes, sympathy strikes, work stoppages, picketing, handbilling or otherwise advising the public that a labor dispute exists, or slowdowns of any kind, for any reason, by the Unions or employees employed on the Project, at the job site of the Project or at any

other facility of City because of a dispute on the Project. Disputes arising between the Unions and Contractor(s)/ Employer(s) on other City projects are not governed by the terms of the Agreement or this Article.

4.1.2 There shall be no lockout of any kind by a Contractor/Employer of workers employed on the Project.

4.1.3 If a Master Agreement expires before the Contractor/Employer completes the performance of work under the Construction Contract and the Union or Contractor/Employer gives notice of demands for a new or modified Master Agreement, the Union agrees that it will not strike on work covered under this Agreement and the Union and the Contractor/Employer agree that the expired Master Agreement shall continue in full force and effect for work covered under this Agreement until a new or modified Master Agreement is reached. If the new or modified Master Agreement provides that any terms of the Master Agreement shall be retroactive, the Contractor/Employer agrees to comply with any retroactive terms of the new or modified Master Agreement which are applicable to employees who were employed on the projects during the interim, with retroactive payment due within seven (7) days of the effective date of the modified Master Agreement.

4.1.4 In the case of nonpayment of wages or trust fund contributions on the Project, the Union shall give the City and the Contractor/Employer(s) three (3) business days' notice when nonpayment of trust fund contributions has occurred and one (1) business days' notice when nonpayment of wages has occurred or when paychecks being tendered to a financial institution normally recognized to honor such paychecks will not honor such paycheck as a result of insufficient funds, of the intent to withhold labor from the Contractor/Employer(s) or their subcontractor's workforce, during which time the Contractor/Employer shall have the opportunity to correct the default. In this instance, a Union's withholding of labor (but not picketing) from an Contractor/Employer who has failed to pay its fringe benefit contributions or failed to meet its weekly payroll shall not be considered a violation of this Article.

4.1.5 If the City contends that any Union has violated this Article, it will notify in writing

(including email) the Senior Executive of the Council and the Senior Executive of the Union, setting forth the facts alleged to violate the Article, prior to instituting the expedited arbitration procedure set forth below. The Council will immediately use his/her best efforts to cause the cessation of any violation of this Article. The leadership of the Union will immediately inform the membership of their obligations under this Article. A Union complying with this obligation shall not be held responsible for unauthorized acts of employees it represents.

4.2 Expedited Arbitration: Any party to this Agreement shall institute the following procedure, prior to initiating any other action at law or equity, when a breach of this Article is alleged to have occurred:

4.2.1 A party invoking this procedure shall notify **Robert Hirsch**, as the permanent arbitrator, or **Barry Winograd**, as the alternate arbitrator under this procedure. In the event that the permanent arbitrator is unavailable at any time, the alternate will be contacted. If neither is available, then a selection shall be made from the list of arbitrators in Section 14.2. Notice to the arbitrator shall be by the most expeditious means available, with notices by facsimile, email or telephone to the City and the party alleged to be in violation, and to the Council and involved local Union if a Union is alleged to be in violation.

4.2.2 Upon receipt of said notice, the City will contact the designated arbitrator named above or his alternate who will attempt to convene a hearing within twenty-four (24) hours if it is contended that the violation still exists.

4.2.3 The arbitrator shall notify the parties by facsimile, email or telephone of the place and time for the hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all parties. A failure of any party to attend said hearings shall not delay the hearing of evidence or the issuance of an award by the arbitrator.

4.2.4 The sole issue at the hearing shall be whether or not a violation of Article IV, Section 4.1 of the Agreement has occurred. The arbitrator shall have no authority to consider any matter of justification, explanation or mitigation of such violation or to award damages, which

issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without a written opinion. If any party desires a written opinion, one shall be issued within fifteen (15) calendar days, but its issuance shall not delay compliance with or enforcement of the award. The arbitrator may order cessation of the violation of this Article and other appropriate relief and such award shall be served on all parties by hand or registered mail upon issuance. Should a party found in violation of this Article fail to comply with an Arbitrator's award to cease the violation, the party in violation shall pay to the affected party (the City for a strike violation, the applicable Union(s) and trust fund(s) on behalf of the affected workers for a lockout violation) as liquidated damages the sum of ten thousand dollars (\$10,000.00) per shift for which it failed to comply, or portion thereof, until such violation is ceased. The Arbitrator shall retain jurisdiction to resolve any disputes regarding the liquidated damages claimed under this section.

4.2.5 Such award may be enforced by any Court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to above in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's award as issued under Section 4.2.4 of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order or enforcement. The Court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or delivered by certified mail.

4.2.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure, or which interfere with compliance, are waived by the parties.

4.2.7 The fees and expenses of the arbitrator shall be divided equally between the party instituting the arbitration proceedings and the party alleged to be in breach of its obligation under this Article.

ARTICLE V

PRE-CONSTRUCTION CONFERENCE

5.1 Timing: The Project Manager shall convene and conduct a pre-job conference with representatives of all involved Contractors/Employers, who shall be prepared to announce craft assignments and to discuss in detail the scope of work and other issues as set forth below, and the Unions, at a location mutually agreeable to the parties at least twenty-one (21) calendar days prior to:

- (a) The commencement of any Project Work, and
- (b) The commencement of Project Work on each subsequently awarded construction contract or phase.

5.2 The conference shall be attended by a representative of each participating Contractor and each affected Union and the Council and City may attend at their discretion.

5.3 Pre-Job Conference. The pre-job conference will consist of:

- (a) A listing of each Contractor's scope of work;
- (b) The craft assignments;
- (c) The estimated number of craft workers required to perform the work;
- (d) Transportation arrangements;
- (e) The estimated start and completion dates of the work; and
- (f) Discussion of pre-fabricated materials.

5.4 Review Meetings: In order to ensure the terms of the PLA are being fulfilled and all concerns pertaining to the City, the Unions, and the Contractors are addressed, the Project Manager, General Contractor and CEO of the Council or designated representatives thereof shall meet on a periodic basis during the term of construction of a Project.

ARTICLE VI

NO DISCRIMINATION

6.1 The Contractor/Employers and Unions agree to comply with all anti-

discrimination provisions of federal, state and local law, to protect employees and applicants for employment, on the Project.

ARTICLE VII

UNION SECURITY

7.1 The Contractor/Employers recognize the Union(s) as the sole bargaining representative of all craft employees working within the scope of this Agreement.

7.2 All employees who are employed by the Contractor/Employer(s) shall, as a condition of employment, on or before the eighth (8th) day of consecutive or cumulative employment on a construction contract subject to this Agreement, be responsible for the payment of the applicable monthly working dues and any associated fees uniformly required for Union membership in the applicable local Union which is signatory to this Agreement and shall stay current with such working dues and fees for the duration of work on the Project. Further, there is nothing in this Agreement that would prevent non-union employees from joining the local Union.

7.3 Authorized representatives of the Unions shall have access to the Projects whenever work covered by this Agreement is being, has been, or will be performed on the Project.

ARTICLE VIII

REFERRAL

8.1 Contractor/Employers performing construction work on the Project described in the Agreement shall, in filling craft job requirements, utilize and be bound by the registration facilities and referral systems established or authorized by the Unions signatory hereto. The Contractor/Employer(s) shall have the right to reject any applicant referred by the Union(s), in accordance with the applicable Master Agreement.

8.2 The Contractor(s) shall have the unqualified right to select and hire directly all supervisors above general foreman it considers necessary and desirable, without such persons being referred by the Union(s), (unless covered by an existing Master Agreement).

8.3 In the event that referral facilities maintained by the Union(s) are unable to fill the requisition of a Contractor/Employer for employees within a forty-eight (48) hour period (Saturdays, Sundays and Holidays excluded) after such requisition is made by the Contractor/Employer(s), the Contractor/Employer(s) shall be free to obtain work persons from any source. A Contractor who hires any personnel to perform covered work on the Project pursuant to this Section shall immediately provide the appropriate Union with the name and address of such employee(s) and shall immediately refer such employee(s) to the appropriate Union to satisfy the requirements of Article VII of this Agreement.

8.4 **Local Hire:** It is in the interest of the parties to this Agreement to facilitate employment of City of Concord and Local Area residents and to use resources in the Local Area in construction of the Project. The “Local Area” shall be defined as the communities of Concord and Contra Costa County to be served by the Project. It is the objective of the parties that not less than twenty-five percent (25%) of all hours worked on the Project, on a craft by craft basis, be worked by residents of the Local Area. The Unions will exert their utmost efforts to recruit sufficient numbers of skilled craft persons to fulfill the requirements of the contractor. The Parties to this Agreement support the development of increased numbers of skilled construction workers from the Local Area. To the extent allowed by law, and consistent with the Local Union’s hiring hall provisions, and as long as they possess the requisite skills and qualifications, residents of the Local Area, including journeymen and apprentices, shall be referred for Project work covered by this Agreement.

ARTICLE IX

WAGES AND BENEFITS

9.1 All Contractor/Employers agree to pay contributions to the established vacation, pension and other form of deferred compensation plan, apprenticeship, worker protection and assistance, and health benefit funds established by the applicable Master Agreement for each hour worked on the Project in the amounts designated in the Master Agreements of the appropriate signatory Unions.

9.2 By signing this Agreement, the Contractor/Employers adopt and agree to be bound by the written terms of the legally established Trust Agreements, as described in Section 9.1, which may from time to time be amended, specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds. The Contractors authorize the parties to such local trust agreements to appoint trustees and successor trustees to administer the trust funds and hereby ratify and accept the trustees so appointed as if made by the Contractor(s). The Contractors/Employers agree to execute a separate Subscription Agreement(s) for Trust Funds when such Trust Fund(s) requires such document(s).

9.3 Wages, Hours, Terms and Conditions of Employment: The wages, hours and other terms and conditions of employment on the Project shall be governed by the Master Agreement of the respective crafts, to the extent such Master Agreement is not inconsistent with this Agreement. Where a subject is covered by the Master Agreement and not covered by this Agreement, the Master Agreement will prevail. When a subject is covered by both the Master Agreement and this Agreement, to the extent there is any inconsistency, this Agreement will prevail.

9.4 Holidays: Holidays shall be in compliance with the applicable Master Agreement.

ARTICLE X

APPRENTICES

10.1 Recognizing the need to develop adequate numbers of competent workers in the construction industry, the Contractor/Employer(s) shall employ apprentices of a California State-approved Joint Apprenticeship Training Program in the respective crafts to perform such work as is within their capabilities and which is customarily performed by the craft in which they are indentured.

10.2 The apprentice ratios will be in compliance with the applicable provisions of the California Labor Code and Prevailing Wage Rate Determination.

10.3 It is an objective of the parties to the Agreement that twenty-five percent (25%) of craftworkers, including apprentices, shall be Local Area residents. The Contractors shall reach this goal through utilization of the normal hiring hall procedures. The Unions are committed to working with the Contractors to achieve these goals. All apprentices referred to Contractors under this Agreement shall be enrolled in State of California approved Joint Apprentice Training Programs.

10.4 Consistent with the Master Agreements and state law, there shall be no restriction on the utilization of apprentices in performing the work of their craft provided they are properly supervised.

ARTICLE XI

HELMETS TO HARDHATS

11.1 The Contractor/Employer(s) and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The Contractor(s)/Employer(s) and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center), a joint Labor-Management Cooperation Trust Fund, established under the authority of Section 6(b) of the Labor-Management Cooperation Act of 1978, 29 U.S.C. Section 175(a), and Section 302(c)(9) of the Labor-Management Relations Act, 29 U.S.C. Section 186(c)(9), and a charitable tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

11.2 The Unions and Contractor(s)/Employer(s) agree(s) to coordinate with the Center to participate in an integrated database of veterans and members of the National Guard and Reserves interested in working on the Project and of apprenticeship and employment

opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans and members of the National Guard and Reserves for bona fide, provable past experience.

ARTICLE XII

COMPLIANCE

12.1 It shall be the responsibility of the Contractor(s)/Employer(s) and Unions to investigate and monitor compliance with the provisions of the Agreement contained in Article IX. Nothing in this agreement shall be construed to interfere with or supersede the usual and customary legal remedies available to the Unions and/or employee benefit Trust Funds to collect delinquent Trust Fund contributions from Contractor(s)/Employer(s) on the Project. The City shall monitor and enforce compliance with prevailing wage requirements of the state only to the extent required by law, and Contractors/Employers' compliance with this Agreement.

ARTICLE XIII

EMPLOYEE GRIEVANCE PROCEDURE

13.1 All disputes involving discipline and/or discharge of employees working on the Project shall be resolved through the grievance and arbitration provision contained in the Master Agreement for the craft of the affected employee. No employee working on the Project shall be disciplined or dismissed without just cause.

ARTICLE XIV

GRIEVANCE ARBITRATION PROCEDURE

14.1 **Project Labor Disputes:** All project labor disputes involving the application or interpretation of the Master Agreement to which a signatory Contractor/Employer and a signatory Union are parties shall be resolved pursuant to the resolution procedures of that Master

Agreement. All disputes relating to the interpretation or application of this Agreement shall be subject to resolution by the grievance arbitration procedures set forth herein.

14.2 No grievance shall be recognized unless the grieving party (Local Union or District Council on its own behalf, or on behalf of an employee whom it represents, or a Contractor/Employer on its own behalf) provides notice in writing to the party with whom it has a dispute within five (5) business days after becoming aware of the dispute but in no event more than thirty (30) business days after it reasonably should have become aware of the event giving rise to the dispute. Time limits may be extended by mutual written agreement of the parties.

Step 1: Within five (5) business days after the receipt of the written notice of the grievance, the Business Representative of the involved Local Union or District Council, or his/her designee, or the representative of the employee, and the representative of the involved Contractor/Employer shall confer and attempt to resolve the grievance.

Step 2: In the event that the representatives are unable to resolve the dispute within the five (5) business days of the Step 1 meeting, within five (5) business days thereafter, the alleged grievance may be referred in writing by either involved party to the Business Manager(s) of the affected Union(s) involved and the Manager of Labor Relations of the Employer(s) or the Manager's designated representative, for discussion and resolution. Regardless of which party has initiated the grievance proceeding, prior to a Step 2 meeting, the Union(s) shall notify its International Union representative(s), which shall advise both parties if it intends on participating in a Step 2 meeting. The Project Manager and the Council shall have the right to participate in any efforts to resolve the dispute at Step 2.

Step 3: If the grievance is not settled in Step 2, within five (5) business days of the Step 2 meeting, either party may request the dispute be submitted to arbitration or the time may be extended by mutual consent of both parties. Within five (5) business days after referral of a dispute to Step 3, the representatives shall choose a mutually agreed upon arbitrator for final and binding arbitration. The parties agree that if the permanent arbitrator or his alternate is not available, an arbitrator shall be selected by the alternate striking method from the

list of three (3) below. The order of striking names from the list of arbitrators shall be determined by a coin toss, the winner of which shall decide whether they wish to strike first or second.

1. William Riker
2. William Engler
3. Morris Davis

The decision of the Arbitrator shall be final and binding on all parties. The Arbitrator shall have no authority to change, amend, add to or detract from any of the provisions of the Agreement. The expense of the Arbitrator shall be borne equally by both parties. The Arbitrator shall arrange for a hearing on the earliest available date from the date of his/her selection. A decision shall be given to the parties within five (5) calendar days after completion of the hearing unless such time is extended by mutual agreement. A written opinion may be requested by a party from the presiding arbitrator.

The time limits specified in any step of the Grievance Procedure set forth in Section 14.2 may be extended by mutual agreement of the parties. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without an agreed upon extension of time, shall be deemed a waiver of such grievance without prejudice, or without precedent to the processing of and/or resolution of like or similar grievances or disputes.

In order to encourage the resolution of disputes and grievances at Steps 1 and 2 of this Grievance Procedure, the parties agree that such settlements shall not be precedent setting.

14.3 Retention: At the time a grievance is submitted under this Agreement or any Master Agreement, the Union(s) may request that the City withhold and retain an amount from what is due and owing to the Contractor(s) against whom the grievance is filed, sufficient to cover the damages alleged in the grievance, should the Union(s) prevail. The amount shall be retained by the City until such time as the underlying grievance giving rise to the retention is withdrawn, settled, or otherwise resolved, and the retained amount shall be paid to whomever the parties to the grievance shall decide, or to whomever an Arbitrator shall so order.

14.4 Should any of the arbitrators listed in this Article or Article IV no longer work as a labor arbitrator, the City and the Council shall mutually agree to a replacement.

ARTICLE XV

WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES:

15.1 The assignment of Covered Work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of the Jurisdictional Disputes in the Construction Industry (the “Plan”) or any successor Plan.

15.2 All jurisdictional disputes on this Project between or among the building and construction trades Unions and the Employers parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

15.3 If a dispute arising under this Article involves the Northern California Carpenters Regional Council or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator’s hearing on the dispute shall be held at the offices of the California State Building and Construction Trades Council in Sacramento, California, within fourteen (14) calendar days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

15.4 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Employer’s assignment shall be adhered to until the dispute is resolved. Individual employees violating this section shall be subject to immediate discharge. Each Employer will conduct a pre-job conference with the Council prior to commencing work. The Project Manager and City will be advised in advance of all such

conferences and may participate if they wish. Pre-job conferences for different Employers may be held together.

ARTICLE XVI

MANAGEMENT RIGHTS

16.1 The Contractor/Employer(s) shall retain full and exclusive authority for the management of their operations, including the right to direct their work force in their sole discretion. No rules, customs or practices shall be permitted or observed which limit or restrict production, or limit or restrict the working efforts of employees, except that lawful manning provisions in the Master Agreement shall be recognized.

ARTICLE XVII

DRUG & ALCOHOL TESTING

17.1 The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms at any time during the work day is prohibited.

17.2 Drug and alcohol testing shall be conducted in accordance with the Substance Abuse Prevention Policies set forth in each applicable Schedule A.

ARTICLE XVIII

SAVINGS CLAUSE

18.1 The parties agree that in the event any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect. The parties further agree that if any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void, by a court of competent jurisdiction, the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, clause, sentence or word which will meet the objections to its validity and which will be in accordance with the intent and purpose of the article, provision, clause, sentence or word in question.

18.2 The parties also agree that in the event that a decision of a court of competent jurisdiction materially alters the terms of the Agreement such that the intent of the parties is defeated, then the entire Agreement shall be null and void.

18.3 If a court of competent jurisdiction determines that all or part of the Agreement is invalid and/or enjoins the City from complying with all or part of its provisions and the City accordingly determines that the Agreement will not be required as part of an award to a Contractor/Employer, the Unions will no longer be bound by the provisions of Article IV.

ARTICLE XIX

AMENDMENT/COUNTERPARTS/AUTHORITY

19.1 Any substantive modification of any provision or addendum to this Agreement must be reduced to writing and signed by the City, Council and Unions to be effective.

19.2 This Agreement may be executed in counterparts, such that original signatures may appear on separate pages, and when bound together all necessary signatures shall constitute an original. Facsimile or scanned signature pages transmitted to other parties to this Agreement shall be deemed equivalent to original signatures.

19.3 Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the party indicated and each of the parties by signing this Agreement warrants and represents that such party is legally authorized and entitled to enter into this Agreement.

ARTICLE XX

TERM

20.1 The Agreement shall be included as a condition of the award of construction contracts for the Project.

20.2 This Agreement shall become effective on the day it is executed by the City and by the Council.

20.3 This Agreement shall remain in full force and effect for a period of five (5) years from the date it becomes effective. Prior to the expiration of the term of this Agreement, the City and the Council agree to meet and confer regarding the status of and experience with Projects covered by the Agreement. Any mutually agreed to substantive changes to the Agreement shall not be effective unless and until approved by the City Council. Absent substantive changes, the Agreement will roll over for an additional period of five (5) years.

CITY OF CONCORD

By _____ Date _____

**CONTRA COSTA BUILDING AND
CONSTRUCTION TRADES COUNCIL, AFL-CIO (COUNCIL)**

By _____ Date _____

SIGNATURE BLOCKS FOR UNIONS

Asbestos Workers Local #16

Teamsters Local #315

Boilermakers Local #549

Roofers Local #81

Bricklayers Local #3

Iron Workers Local #378

Northern California Carpenters Regional
Council for itself and on behalf of
its affiliated local Unions

Northern California District Council
Of Laborers for itself and on behalf of
Its affiliated local Unions

Sheet Metal Workers Local #104

Cement Masons Local #300

Operating Engineers Local #3

Electrical Workers Local #302

District Council #16, Painters and
Allied Trades

Plasterers Local #66

Sprinkler Fitters Local #483

United Association Local #159

United Association Local #342

United Association Local #355

Elevator Constructors Local #8

Addendum A

**CITY OF CONCORD
PROJECT STABILIZATION AGREEMENT**

AGREEMENT TO BE BOUND

[Addressee]
[Address]
[City and State]

Re: City of Concord Project Labor Agreement.

Dear Mr. /Ms. _____:

The undersigned party confirms that it agrees to be a party to and bound by the City of Concord Project Stabilization Agreement as such Agreement may, from time to time, be amended by the parties or interpreted pursuant to its terms.

By executing this **Agreement to Be Bound**, the undersigned party subscribes to, adopts and agrees to be bound by the written terms of the legally established trust agreements as set forth in Article 9.1, as they may from time to time be amended, specifying the detailed basis upon which contributions are to be made into, and benefits made out of, such trust funds and ratifies and accepts the trustees appointed by the parties to such trust funds.

Such obligation to be a party to and bound by this Agreement shall extend to all work covered by the City of Concord Project Stabilization Agreement undertaken by the undersigned party. The undersigned party shall require all of its subcontractors, of whatever tier, to become similarly bound for all their work within the scope of this Agreement by signing an identical Agreement to Be Bound.

This letter shall constitute a subscription agreement, to the extent of the terms of the letter. However, the undersigned agrees to execute a separate Subscription Agreement(s) for Trust Funds when such Trust Fund(s) so requires.

CONTRACTOR/SUBCONTRACTOR: _____

Project Contract Number: _____

California State License Number:
or Motor Carrier (CA) Permit Number _____

Name and Signature of Authorized Person: _____
(Print Name)

(Title)

State Public Works Registration Number: _____