



## SUMMARY REPORT

---

**Agenda Date:** 5/21/2024

---

**To:** Sonoma County Board of Supervisors and Boards of Directors for the Sonoma County Water Agency, Sonoma Valley County Sanitation District, Russian River County Sanitation District, Occidental County Sanitation District and South Park County Sanitation District

**Department or Agency Name(s):** County Administrator's Office

**Staff Name and Phone Number:** Yvonne Shu 565-1739, Christel Querijero 565-7071

**Vote Requirement:** Majority

**Supervisory District(s):** Countywide

**Title:**

Project Labor Agreement (Community Workforce Agreement)

**Recommended Action:**

Provide direction on outstanding issues related to the Project Labor Agreement (PLA) governing agreement

**Executive Summary:**

The County adopted a Policy and Template Agreement in 2014 for the use of Project Labor Agreements (PLA) for County construction projects. On July 18, 2023, the Boards (above) updated the County's PLA policy by lowering the PLA project cost threshold from \$10 million to \$1 million; expanding the PLA applicability to the Sonoma County Fairgrounds, Sonoma Water, and various sanitation districts; and including an emergency response exemption.

On September 12, 2023, the Boards directed staff to draft a governing agreement, which, when approved, would apply to projects that had completed environmental review and received project approval. Staff has since met with the North Bay Building Trades Council to develop draft language. Two issues remain which require Board direction today: 1) whether maintenance projects should be added to the scope of the County's PLA, and 2) whether trucking should be a covered service.

**Discussion:**

**Background**

Project Labor Agreements (PLA) are collective bargaining agreements negotiated for construction projects, typically between the County as the project owner and the local building trade unions. A PLA is a form of a pre-hire agreement that sets the terms of employment for construction workers engaged in projects that meet the PLA criteria. The contractors and subcontractors of the project must adhere to these terms throughout the entire construction of the public project, and the PLA becomes part of the bid documents. Winning contractors are required to execute an agreement to be bound by the terms of the PLA, which remains effective for the duration of the project.

On July 18, 2023, the Boards authorized staff to update the County's PLA policy by:

- 1) Lowering the PLA project cost threshold from \$10 million to \$1 million;
- 2) Including the Sonoma County Fairgrounds, Sonoma Water, Sonoma Valley County Sanitation District,

Russian River County Sanitation District, Occidental County Sanitation District and South Park County Sanitation District in the PLA policy; and

- 3) Including an emergency response exemption to remove the requirement of a PLA for construction projects related to disaster and emergency response work during a proclaimed local emergency, and projects constructed pursuant to Public Contract Code section 22050.

On September 12, 2023, the Boards agreed that the PLA policy effective date would apply to projects that had completed environmental review and had received project approval, after a governing agreement had been approved by the Boards.

## **Terminology**

### Community Workforce Agreement

The term “Community Workforce Agreement” (CWA) is often used interchangeably with “Project Labor Agreement.” CWA’s are a type of PLA that typically include community-oriented goals related to using local businesses and hiring local workforce for CWA-qualifying projects. In discussions with staff, the North Bay Building Trades Council (NBBTC) indicated a preference for using “Community Workforce Agreement” over “Project Labor Agreement.” This term does not change the focus of the County’s PLA policy and any forthcoming governing agreement, so moving forward, “Community Workforce Agreement” will be used in lieu of “Project Labor Agreement.”

### Governing Agreement

The Boards directed staff at their September 12, 2023, meeting to develop a governing agreement, or “master” agreement, that would apply to all qualifying CWA projects. Instead of “master,” staff will use the term “governing” agreement moving forward.

## **Draft Language**

Staff has had seven productive meetings with NBBTC since October 2023, resulting in agreement on most provisions. These agreements include:

- Clarifying that a qualifying project is based on contract award amount, not bid amount, of \$1 million or over;
- Excluding projects where funding sources prohibit the use of a CWA;
- Excluding off-site manufacture or handling of materials, equipment or machinery not typically performed on-site;
- Excluding specialized consulting services from the CWA, such as laboratory or other testing;
- Decreasing the number of days before the CWA is effective from 60 to 30 days; and
- Clarifying that the term of the CWA is five years from the effective date (note: expiration of the CWA would not affect projects previously begun with a CWA).

## **Today’s Discussion**

The following items require the Boards’ direction before a final governing agreement can be brought back for adoption:

### 1) Maintenance Projects

The intended applicability of the County’s CWA has been to construction projects, as defined in California Public Contract Code 22002(c). This code has been referenced in previous County CWA drafts to clarify

qualifying projects. The definition includes “construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility” (Attachment 1).

The same code excludes maintenance work; the code’s definition of maintenance work includes “routine, recurring, and usual work for the preservation or protection of any publicly operated facility for its intended purposes” and “resurfacing of streets and highways at less than one inch.”

Staff sought to clarify that the CWA should exclude maintenance projects by explicitly stating so in draft language; this clarification prompted NBBTC to counter that maintenance projects should, in fact, be included. NBBTC has proposed removal of the reference to California Public Contract Code 22002(c), which would broaden the CWA scope. County stakeholders have voiced concerns about potential impacts to timing and process for contracted maintenance projects.

Staff believes that adding maintenance projects to the County’s CWA scope would be an expansive addition and different from intended policy direction but defers to the Boards for final direction.

## 2) Trucking

Trucking has been included as a covered service on previous, standalone County CWA drafts. With an area of 1,575 square miles and varied terrain, the County benefits from locally based trucking companies from both an environmental and economic perspective.

Staff spoke to two local trucking companies. These companies have their own drivers but may hire sub-haulers, depending on the job. Both companies are concerned about any potential CWA requirement that would add costs to their operations, as their margins are already thin. Depending on other local or jurisdictional requirements, they also juggle similar types of CWA requirements on a job-by-job basis, which makes it more challenging to compete. Their understanding is that there is no trucking company in the county that is truly union-represented.

Staff also spoke to three local quarries to get an understanding of their operations. In general, the quarries have their own trucks but hire out as needed, with a mix of union or non-union drivers comprising the sub-contracted truckers.

County staff and NBBTC have alternately included and then deleted versions of the following language with each draft:

*“This Agreement shall not apply to the delivery of supplies, equipment or materials that are stockpiled for later use, any trucking work, including the hauling and delivery of ready mix, asphalt, aggregate, sand, soil or other fill or similar material that is directly incorporated into the construction process, as well as the off-hauling of soil, sand, gravel, rocks, concrete, asphalt, excavation materials, construction debris and excess fill, material and/or mud.”*

NBBTC is advocating for inclusion of trucking in the CWA. They had proposed excluding local quarries from any trucking provision, in exchange for including maintenance projects under the CWA scope.

---

**Agenda Date:** 5/21/2024

---

Staff seeks direction from the Boards today on whether trucking should or should not be covered under a CWA policy agreement.

**Next Steps**

With Board majority agreement and direction to staff today on the remaining issues, staff will meet with NBBTC to finalize language and return with a draft agreement as soon as feasible.

**Strategic Plan:**

N/A

**Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

Yes

Staff used the Government Alliance on Race and Equity's (GARE) Equity Toolkit to provide a general equity analysis and it was included with the [7/18/23 Board materials <https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6286189&GUID=74CE4E85-0530-4134-8D01-D7E3028117E6>](https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6286189&GUID=74CE4E85-0530-4134-8D01-D7E3028117E6).

**Prior Board Actions:**

12/2/23: Received an update on the Project Labor Agreement governing agreement (consent)

9/12/23: Directed staff to return with a draft governing agreement for the Board's consideration, and to have the policy be applicable to projects that complete environmental review and receive project approval, either after a governing agreement is approved by the Boards or after January 1, 2024

7/18/23: Authorized staff to update the PLA policy with respect to the threshold amount, entities covered under the PLA, and an emergency response exemption.

1/28/14: Adopted a Policy and Template Agreement for the use of Project Labor Agreements on future County construction projects over \$10 million

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY23-24 Adopted</b>	<b>FY24-25 Projected</b>	<b>FY25-26 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
<b>Total Sources</b>			

---

**Agenda Date:** 5/21/2024

---

**Narrative Explanation of Fiscal Impacts:**

The number of PLA-covered projects will increase with the lowered project threshold of \$1 million, and this will affect project timelines, staff time, County Counsel expenses. There is a potential for competition to be limited, especially for smaller construction projects, which may increase construction costs.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Attachment 1: California Public Contract Code 22002(c)

**Related Items "On File" with the Clerk of the Board:**

None