

2.17 Citywide Project Labor Agreement.

Recommendation:

Approve Amendment Number 1 to the First Amended and Restated Citywide Project Labor Agreement to extend the term for a period of five years through March 28, 2029, and to provide for additional five-year extensions to the agreement, subject to any potential future amendments that the parties may agree to at any time prior to the expiration of each five-year extension term.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended)
resulting in no physical changes to the environment. (Public Works)



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

**SUBJECT: CITYWIDE PROJECT LABOR
AGREEMENT**

DATE: March 4, 2024

Approved

Date

3/12/24

RECOMMENDATION

Approve Amendment Number 1 to the First Amended and Restated Citywide Project Labor Agreement to extend the term for a period of five years through March 28, 2029 and to provide for additional five year extensions to the agreement, subject to any potential future amendments that the parties may agree to at any time prior to the expiration of each five-year extension term.

SUMMARY AND OUTCOME

Approval of Amendment Number 1 to the First Amended and Restated Citywide Project Labor Agreement extends the Citywide Project Labor Agreement through March 28, 2029, and absent any mutually agreed upon amendments, the Citywide Project Labor Agreement will continue to extend for additional five year terms.

BACKGROUND

On March 28, 2019, the City of San José and the Santa Clara and San Benito Counties Building and Construction Trades Council (Building Trades Council), on behalf of its affiliated local unions, entered into a Citywide Project Labor Agreement for the City of San José.

On June 3, 2022, the City and the Building Trades Council, on behalf of its affiliated local unions, entered into the First Amendment and Restated Citywide Project Labor Agreement for the City of San José, which incorporated certain amendments authorized by the Mayor and City Council on December 14, 2022, while maintaining the expiration date of March 28, 2024.

ANALYSIS

Since its adoption, the Citywide Project Labor Agreement between the City of San José and Building Trades Council has promoted the efficiency of construction operations for the City and promoted the public interest in timely and economical completion of public works projects. The Public Works Department has continued to experience positive benefits from the agreement and its ongoing relationship with the Building Trades Council and its affiliated local unions.

The Public Works Department and the Building Trades Council mutually desire to extend the term of the Citywide Project Labor Agreement and allow for successive term extensions unless the agreement is further amended or terminated.

The Building Trades Council has represented and demonstrated to the City that it has the authority to execute this amendment on behalf of its affiliated local unions.

Extension of the Project Labor Agreement and amendment to further extend the agreement absent changes benefit the City in completion of public works construction projects.

EVALUATION AND FOLLOW-UP

The Public Works Department will continue to implement and administer the Project Labor Agreement and will provide updates in the Annual Capital Improvements Program Report.

COORDINATION

This update was developed in coordination with the City Manager's Budget Office, City Attorney's Office, and the Department of Planning, Building, and Code Enforcement.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 26, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
MATT LOESCH
Director of Public Works

For questions, please contact Christopher Hickey, Division Manager, at christopher.hickey@sanjoseca.gov.

**AMENDMENT NO. 1 TO THE
FIRST AMENDED AND RESTATED CITYWIDE PROJECT LABOR AGREEMENT
FOR THE CITY OF SAN JOSE**

WHEREAS, on March 28, 2019, the City of San Jose (“City”) and the Santa Clara and San Benito Counties Building and Construction Trades Council (“Building Trades Council”), on behalf of its affiliated local Unions, entered into a Citywide Project Labor Agreement for the City of San Jose; and

WHEREAS, on June 3, 2022, the City and the Building Trades Council, on behalf of its affiliated local Unions, entered into the First Amendment and Restated Citywide Project Labor Agreement for the City of San Jose (“Project Labor Agreement”), which incorporated certain amendments authorized by the Mayor and City Council on December 14, 2021; and

WHEREAS, since its adoption, the Project Labor Agreement has promoted the efficiency of construction operations for the City and promoted the public interest in timely and economical completion of public works projects; and

WHEREAS, the City has continued to experience positive benefits from the Project Labor Agreement and from an ongoing relationship with the Building Trades Council and its affiliated local Unions; and

WHEREAS, the Building Trades Council has represented to the City that it has authority to execute this Amendment on behalf of its affiliated local Unions; and

WHEREAS, the City and the Building Trades Council now mutually desire to extend the term of the Project Labor Agreement and allow for successive term extensions unless the Project Labor Agreement is further amended or terminated.

NOW, THEREFORE, IT IS HEREBY AGREED BETWEEN THE PARTIES TO AMEND THE PROJECT LABOR AGREEMENT AS FOLLOWS:

- 1) Section 18.2 of the Project Labor Agreement shall be removed and replaced in its entirety, as follows:

18.2 This Agreement shall become effective two weeks after it is executed by the City and by the Building Trades Council and shall continue in full force and effect until March 28, 2029. Prior to the expiration date, and each five (5) year expiration date thereafter, the City and the Building Trades Council shall meet to discuss proposed changes, if any, to the Agreement. Absent changes, the Agreement will continue in effect for an additional five (5) years. This Agreement shall also apply until Completion of each respective Project in accordance with Sections 1.4 and 2.2, except as to those provisions that expressly survive the termination of this Agreement.

- 2) Other than as explicitly set forth herein, this Amendment No. 1 shall make no other changes, modifications, additions, or deletions to the Project Labor Agreement.
- 3) This Amendment No. 1 shall be attached to and included with the Project Labor Agreement for all intents and purposes, including all bid solicitations or similar documents issued by the City, and shall continue in full force and effect concurrently with the Project Labor Agreement.
- 4) This Amendment No. 1 shall become effective when executed by the City and the Building Trades Council.

Dated: _____

CITY OF SAN JOSE

Name:

Title:

Dated: _____

SANTA CLARA AND SAN BENITO COUNTIES
BUILDING AND CONSTRUCTION TRADES
COUNCIL

David Bini, Executive Director

FW: Public Comment 3.26 Meeting Agenda Item 2.17 Citywide Project Labor Agreement

City Clerk <city.clerk@sanjoseca.gov>

Tue 3/26/2024 3:48 PM

To:Agendadesk <Agendadesk@sanjoseca.gov>

From: Matthew Estipona <[REDACTED]>

Sent: Tuesday, March 26, 2024 3:38 PM

To: City Clerk <city.clerk@sanjoseca.gov>

Subject: Public Comment 3.26 Meeting Agenda Item 2.17 Citywide Project Labor Agreement

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Hello - I would like to submit the below as public comment before the San Jose City Council on March 26 Agenda item 2.17 Citywide Project Labor Agreement.

Date: March 26, 2024

To: The Honorable Matt Mahan, Mayor City of San Jose
San Jose City Council Members

From: Matthew Estipona, Director of Government Affairs, Associated Builders and Contractors Northern

California Chapter

Re: ABC NorCal Opposes Citywide PLA Extension Agenda Item 2.17, City Council Meeting 3.26

The Associated Builders and Contractors, Northern California, a national construction trade association representing countless men, women, journeyman, apprentices in the trades, oppose the extension of the City of San Jose's Citywide Project Labor Agreement.

Project Labor Agreements increase construction costs, discriminate against small businesses who cannot adhere to the terms of an agreement which often tend to be women, veteran and people of color owned businesses and excludes local apprentices from being able to fulfil their state approved required hours while robbing them of their hard-earned wages that they will never be able to access.

We are disappointed to learn that there has been no discussion, inclusion or reaching out to the local contractor community in San Jose and Santa Clara outside of Big Labor for their thoughts on how the Citywide PLA has impacted the cities' ability to get projects built on time and on budget. Where is the accountability and transparency regarding the local hire goals if they are being met or if the purported community benefit agreements panned out as promised? Instead, we are left with an agenda item of the utmost importance to the livelihood of countless construction workers who want to stay and build in the communities they live and work in, without even a shred of consideration, discussion or negotiation.

We oppose the blanket approval and subsequent intention to continuously approve further PLAs in the future. I am reaching out in good faith to meet with City Officials to understand how this Citywide extension will impact construction costs in a time of rising costs.

Thank you for the time and I hope to hear from you soon.



Matthew Estipona

Director of Government Affairs and Community Engagement

Associated Builders and Contractors

Northern California



<https://www.abcnorcal.org/political-advocacy/>

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