CALL TO ORDER:

ROLL CALL:

APPROVAL OF CLOSED SESSION AGENDA:

CLOSED SESSION (Items 1 - 2) 5:00 P.M. – 5:45 P.M.

ITEM NO. (1)  CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATIONS (CITY ATTORNEY)

Three matters of existing litigation, Government Code Section 54956.9(a): La Mirada v. City of Carson, Case No. BC-248284; City of Carson v. Padilla, Case No. BC-301626, and Football the Right Way v. City of Carson, Case No. BS-088294.

RECOMMENDATION for the City Council:

1. WAIVE further reading and ADOPT Resolution No. 04-048, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CALLING A
NEW BUSINESS CONSENT (Items 6 - 12)

These items are considered to be routine items of COUNCIL/AGENCY business and have, therefore, been placed on the CONSENT CALENDAR. If COUNCIL/AGENCY wishes to discuss any item or items, then such item or items should be removed from the CONSENT CALENDAR. For items remaining on the CONSENT CALENDAR, a single motion to ADOPT the recommended actions is in order.

ITEM NO. (6) APPROVAL TO AWARD A PURCHASE CONTRACT FOR THREE COPIERS (ADMINISTRATIVE SERVICES)

RECOMMENDATION for the City Council:

1. AWARD a purchase contract to Konica Minolta Business Solutions, USA Inc. in the amount of $37,953.53 for the purchase of three copiers.

ACTION:

ITEM NO. (7) THIS NUMBER LEFT BLANK.

ITEM NO. (8) LIMITED STREET CLOSURE FOR THE EIGHTH ANNUAL AIDS WALK – SATURDAY, APRIL 24, 2004 (DEVELOPMENT SERVICES)

RECOMMENDATION for the City Council:

1. APPROVE a limited street closure of portions of University Drive, Central Avenue, Victoria Street, and Wilmington Avenue in the vicinity of California State University Dominguez Hills (CSUDH), on Saturday, April 24, 2004, subject to the provision of Sheriff’s Department escorts and posting of the required $1 million dollar general liability insurance certificate.

ACTION:

ITEM NO. (9) APPROVAL OF TRACT MAP NO. 53350: 22310 - 22314 S. FIGUEROA STREET (DEVELOPMENT SERVICES)

RECOMMENDATION for the City Council:
4/12/04

- monitoring an exceed cost of project
- determine what project cost was
- phone PA chief engineer 3/4/04 363-3635
- bill 3600 +/-. too good to speak to
- storage cost can be high
- tracking required to control it
- plan not done overnight
- delaying + $ out of next year for budget
- changing + waiting to dream
- being done over too
- best if project very large, mult-year, w/ two or 3 people, 4 deadline to complete

Clyde Garvin
360/732-3031

Wed, 1st run
39
PROJECT LABOR AGREEMENT OVERVIEW

BACKGROUND

Project Labor Agreements (PLA) are collective bargaining agreements between labor unions representing construction workers in a local area and the project owner or owner's representative.

By establishing a PLA, the City of Carson, as an owner, would not have to negotiate with each individual local union within a project area; one agreement is reached that binds all local unions to a set of uniform obligations, rights and benefits. Usually, the primary signatories, on the labor side, are trade counsels acting on behalf of the local unions that will perform work on the projects. Each local union sign the PLA and their standard collective bargaining agreements are incorporated to address areas not appropriate for general coverage by a PLA, such as each local's rules for hiring hall referral procedures.

The most efficient PLAs provide dispute resolution procedures for labor-management and/or employee management disputes which could arise on a project, and in California they provide an Alternative Dispute Resolution (ADR) system to handle workers' compensation claims and managed care for workers' compensation injury and illness made possible by Section 3201.5 of the California Labor Code. Legitimate PLAs do not require all contractors seeking to work on a project to be "union shops;" however, they permit all qualified contractors to bid for work on a project by requiring that they agree to be bound by, and perform work under, the terms and conditions of the PLA while on a project.

Under most PLAs, contractors are permitted to employ a percentage of their "core" workforce ("core" means employees who have worked for the contractor for some specified period of time), and legitimate PLAs comply with federal law by not requiring these core employees to become union members; these employees may however have to pay union dues. PLAs with this type of condition requires that all other craft/labor employees must be requested and supplied through the signatory union's hiring halls, which are by law, to operate in a non-discriminatory manner and permit "non-union" individuals to join the union for a referral to work on a project.

REASON FOR A PLA

Proponents for a PLA in the City of Carson offer the following concepts as a reason to move forward:

- PLA will avoid labor disruption or disharmony on projects during construction;
- PLA will ensure the supply of qualified workers;
• PLA will ensure the supply and opportunity for apprentices and training programs;

• PLA generally will increase the potential for on time, effective, efficient construction program;

• PLA will promote and satisfy requirements to ensure Equal Employment Opportunity/Nondiscrimination in City construction projects;

• PLA will ensure proper payment of wages and benefits to employees;

• PLA will provide job training opportunities through apprenticeships; and

• PLA will increase the potential for local and “at risk” hires.

• PLA will not have a negative impact allow

**ISSUES TO CONSIDER**

The City Council should consider what the capital construction program costs (redevelopment, public works, etc.) are over the next five years and determine if these construction projects warrant the potential fiscal impact to the City associated with implementing and administering a PLA on all City construction projects.

Most PLAs will require the City establish a mechanism to ensure that the terms and conditions of the PLA are being met. The City would need to develop an administrative plan to ensure, at a minimum, the following tasks are being enforced:

• Monitor payments by contractor/employers of benefits paid into established trust funds;

• Verify that contractors are paying employees appropriate wages;

• Monitor ratio of core employees to employees from local unions;

• Monitor representative numbers of local and/or “at risk” employees;

• Monitor the effectiveness of union training program’s outreach and recruitment of Carson residents, minorities and females; and

• Monitor impact to Carson and other small business’ participation.

**FISCAL IMPACT**

If the City Council desires to proceed with implementing a PLA, staff should be directed to research the fiscal impact of administering the negotiated terms and conditions of a
PLA in the City’s construction program. If the City decides that the scope of the PLA will be in effect for all City of Carson construction projects, a cost to the City to administer the terms and conditions of the PLA for each construction project solicited for public bid will also be in effect.

RECOMMENDATIONS

The City Council should take a conservative approach in establishing a PLA for its construction program. This conservative approach may include, but not be limited to the following recommendations:

- Obtain input from other cities that have implemented PLA’s on their construction programs. Get feedback from an owner’s prospective on the positive and not so positive impacts upon the cities’ construction projects and fiscal impacts for administering the PLA;

- Determine the terms of the PLA that are in the best interest of the citizens and businesses in the City;

- Identify and assemble a qualified PLA negotiating team;

- Hold public hearings to gather comments and concerns from affected parties prior to entering into a PLA;

- Establish a contract threshold where the terms and conditions of the PLA will apply; and

- Identify a single construction project and target that project as a “test” for establishing a PLA prior to committing the City’s entire construction program.
PLA- check this

No benefit city

The Army Power Plant Project - Preliminary
PLA upper cost of project
will cost povike has been called

unfair to non-union contractors
make invalid join a union

contractors - 10-20% of "con" employee can be used cost of union being billed

unions decline in membership
use PLA + P #, etc. for short period of time
unions have very restrictive rules
performance based or non-union staffing otherwise

limit bidding process - only union employers will bid
fair PLA - Assoc. CFE
AGC - Assoc. of Gen. Contractors
To 13222 & 13208 - W.H. gw.
2/20/01 4/21/2001
PLA just used in Federally funded project

Put limit competitiveness
cape must avoid $ as much as possible

Journey vs apprenticeship route
- too dreadful

not papered until bargaining begins
en pthl pthl

[Signature]
Ron Powers
10-3rd case difference between Non-PLA & PLA projects

alternative: Labor Complexia Project

establish & continue opposition

1. must pay union dues & fees
2. pay into trust fund even if already have pension, benefits, etc.
3. either by union work rules
4. union arbitration only

克服政治上墙

create fair PLA

buy time by very cautious constraints

need legal clause & any justiciability to not include

+ cost of negotiating PLA
blank - info to him

find other groups w/ local connection w/ local individuals

→ Age

→ Unsure people guard these

low trust & earned while working,
not clear union

Local pressure is there, not assured

SDP path → union gains

Part of Church, etc. → Work stoppage
- 1 - term ending March 31, 2005
- 3 - terms ending March 31, 2006
- Mobilehome Park Rental Review Board (1):
  - 1 - At-Large Member (Alternate)
- Public Relations Commission (2):
  - 2 - Community Representatives
- Public Safety Commission (3)
- Women's Issues Commission (3)

ACTION:

NEW BUSINESS DISCUSSION (Items 18 - 23)

ITEM NO. (18) PROVIDING STAFF DIRECTION ON PUBLIC LABOR AGREEMENT (CITY MANAGER)

RECOMMENDATION for the City Council:

1. PROVIDE direction to staff regarding Public Labor Agreements (PLAs).

ACTION:

ITEM NO. (19) CITY-AFFILIATED ORGANIZATIONS AND COUNCIL SUB-COMMITTEES: REAFFIRMATION, AND/OR RE-DESIGNATION OF DELEGATES AND ALTERNATES (CITY CLERK)

RECOMMENDATION for the City Council:

1. REAFFIRM, RE-DESIGNATE and/or DESIGNATE delegates, alternates, and members to the City-Affiliated Organizations and Council Sub-Committees listed on Exhibit 1 and Exhibit 2, respectively.

ACTION:
<table>
<thead>
<tr>
<th>Telephoned</th>
<th>Please Call</th>
</tr>
</thead>
<tbody>
<tr>
<td>Came To See You</td>
<td>Will Call Again</td>
</tr>
<tr>
<td>Wants To See You</td>
<td>Rush</td>
</tr>
<tr>
<td>Returned Your Call</td>
<td>Special Attention</td>
</tr>
</tbody>
</table>

**Message:**

Advises that Item 18 on EC Agenda should read " on "Contract " Labor Agreement....

See attached - He is sending support documents via fax - cc
CALL TO ORDER:

ROLL CALL:

APPROVAL OF CLOSED SESSION AGENDA:

CLOSED SESSION (Items 1-3) 5:00 P.M. – 5:45 P.M.

ITEM NO. (1) CONFERENCE WITH LEGAL COUNSEL – POSSIBLE LITIGATION (CITY ATTORNEY)

RECOMMENDATION for the City Council:

1. HOLD the closed session and PROVIDE direction.

ACTION:
- 1 - term ending March 31, 2005
- 3 - terms ending March 31, 2006
- Mobilehome Park Rental Review Board (1):
  1 – At-Large Member (Alternate)
- Public Relations Commission (2):
  2 – Community Representatives
- Public Safety Commission (3)
- Women’s Issues Commission (3)

ACTION:

NEW BUSINESS DISCUSSION (Items 41-48)

ITEM NO. (41) CITY OF CARSON JAZZ FESTIVAL AND PHILIPPINE INDEPENDENCE DAY CELEBRATION

RECOMMENDATION for the City Council:

1. DISCUSS this matter and advise staff accordingly.

ACTION:

ITEM NO. (42) PROVIDING STAFF DIRECTION ON PROJECT LABOR AGREEMENT (CITY MANAGER)

RECOMMENDATION for the City Council:

1. PROVIDE direction to staff regarding Project Labor Agreements (PLAs).

ACTION:

ITEM NO. (43) CITY-AFFILIATED ORGANIZATIONS AND COUNCIL SUB-COMMITTEES: REAFFIRMATION, AND/OR RE-DESIGNATION OF DELEGATES AND ALTERNATES (CITY CLERK)
SUBJECT: PROVIDING STAFF DIRECTION ON PROJECT LABOR AGREEMENTS (PLA)

Submitted by Jerome G. Groomes
City Manager

Approved by Jerome G. Groomes
City Manager

I. SUMMARY

During the April 7, 2004, meeting, the Council requested that staff place Project Labor Agreements (PLAs) on the agenda for direction. In the interim, staff researched the various issues involved regarding the implementation of a PLA for the City. There are a wide range of issues to be considered should the City move to enact this type of agreement. Tonight, staff will present these issues to add to the discussion on PLAs.

II. RECOMMENDATION

PROVIDE direction to staff regarding Project Labor Agreements (PLAs).

III. ALTERNATIVES

TAKE an alternative action regarding this issue.

IV. BACKGROUND

A Project Labor Agreement (PLA) is a collective bargaining agreement between labor unions representing construction workers in a local area, and the project owner or his representative. PLAs are known as “pre-hire” agreements because they are negotiated before contractors hire the workers employed on the project. They are typically used where large, complex projects, either public or private, involve multiple contractors and craft trades. In utilizing PLAs, a project owner does not have to negotiate with each individual union within the project area. Rather, one agreement is reached which binds all locals to a set of uniform obligations, rights and benefits. Usually, the primary signatories on the labor side are trade counsels acting on behalf of local unions who would have “territorial jurisdiction” over the work to be performed. Each of the local unions also sign the PLA, and their various standard collective bargaining agreements are incorporated to cover areas not appropriate for general coverage by a PLA, such as local’s rules for hiring hall referral procedures.

The following provisions are usually included in PLAs:

- A provision stating that all work at a specific location, or performed under a
specific contract is covered by the terms and conditions of the PLA.

- A statement requiring recognition of the signatory unions as the sole bargaining representatives for covered workers, regardless of workers' union membership status.

- A statement that the terms and conditions of the PLA supersede all other collective bargaining agreements.

- A prohibition on strikes and lockouts.

- A statement requiring that all hiring be done though union hiring halls.

- A provision requiring all subcontractors to sign the agreement.

- A statement establishing uniform work rules, work hours, and dispute resolution protocol.

- A provision prescribing the appropriate craft wages.

Legitimate PLAs do not require all contractors seeking work on the contract to be "union shops;" rather, they permit all qualified contractors to bid for work on the project, requiring only that they agree to be bound by, and work under, the PLA while on the project. Contractors winning bids are not required to sign any other collective bargaining agreement, nor are they required to work under a collective bargaining agreement on any other projects.

Under most PLAs, contractors are permitted to employ a percentage of their core workforce (e.g. 15% per trade; "core" means employees who have worked for the contractor for some specified time period of time), and legitimate PLAs comply with federal law by not requiring these core employees to become union members. They may, however, have to pay union dues. These PLAs require that all other craft/labor employees must be requested and supplied through the signatory unions' hiring halls, which are, by law, to be operated in a non-discriminatory fashion and permit "non-union" individuals to join the union for a referral to work on the project.

**Pros and Cons**

In general, proponents of PLAs argue that they reduce the risk of costly delays by:

- Avoiding labor disruption or disharmony on projects during construction.

- Ensuring the supply of qualified workers.

- Ensuring the supply and opportunity for apprentices and training programs.

- Generally increasing the potential for on time, effective, efficient construction program.

- Promoting and satisfying requirements to ensure Equal Employment Opportunity/Nondiscrimination in City construction projects.

- Ensuring proper payment of wages and benefits to employees.
• Providing job training opportunities through apprenticeships.
• Increasing the potential for local and “at-risk” hires.

Opponents, on the other hand, argue that PLAs reduce competition by excluding or discriminating against both non-union contractors and non-union workers. Reduced competition, moreover, is said to increase the cost of construction because union wages, work rules, and benefits packages are believed to increase labor costs.

Issues to Consider

Staff has looked further into these agreements, and discovered that there are a number of issues to be considered should a PLA be implemented. Among these issues are:

1. An evaluation of the city’s capital construction costs over the next five years and a determination if whether these construction costs warrant the potential financial impact to the city associated with implementing and administering a PLA on all city construction projects.

2. Most PLAs will require the city to establish a monitoring mechanism to ensure that the terms and conditions of the PLA are being enforced. These tasks are:
   • Monitor payments by contractor/employers of benefits paid into established trust funds.
   • Verify that contractors are paying employees appropriate wages.
   • Monitor ratio of core employees to employees from local unions.
   • Monitor representative numbers of local and/or “at risk” employees.
   • Monitor the effectiveness of union training program’s outreach and recruitment of Carson residents, minorities and females.
   • Monitor impact to Carson and other small business’ participation.

3. The level of monitoring demanded by a PLA will require staff analysis on the fiscal impact of administering the negotiated terms and conditions of the PLA. If the city decides that the scope of the PLA will be in effect for all construction projects, a cost to administer the terms and conditions of the PLA for each construction project solicited for public bid will be incurred. This cost will come in the form of staff time, which may include those of a consultant and an attorney should their expertise be required.

Suggested Next Steps

The Council may wish to take a conservative approach in implementing a PLA for its construction program. This approach may include, but not limited to, the following suggestions:

• Obtain input from other cities that have implemented PLAs on their construction programs. Get feedback from an owner’s prospective on the positive and not so positive impacts upon the cities’ construction projects and fiscal impacts for administering the PLA.
• Determine the terms of the PLA that are in the best interest of the citizens and businesses in the City.
• Identify and assemble a qualified PLA negotiating team.
• Hold public hearings to gather comments and concerns from affected parties prior to entering into a PLA.
• Establish a contract threshold where the terms and conditions of the PLA will apply.
• Identify a single construction project and target that project as a “test” for establishing a PLA prior to committing the City’s entire construction program.

V. FISCAL IMPACT
None at this time.

VI. EXHIBITS
None
PLA - Richard Lawrence

30-40 days - speak to Council re. capital programs

project specific - PTA offering available
  e.g. swimming pool @ 4th Avenue
  $1-$1.5 million
  heading to bidding

Two ways to do:

1. time specific w/ threshold
2. project specific after threshold, PTA invested

6/1 - status report
  take into account time from of write

Time frame of approved =
  1 month - 1 1/2 months

in turn step - tell Council of any strategy
Collective bargaining agreement

- pay prevailing wage of craft workers
- Apprentice paid ½ of craft workers' wage
- must require 2 of apprentices to journey workers - pay Level of PhA if not pay into apprentice fund

PhA - ensure contractors follow
- youth law
- ensure apprentices get opportunities

Any assumes responsibility to monitor program, though your voluntary monitoring via agreement
business reps monitor compliance of PhA requirements

hope to see your benefit to local union workers

PhA sights awareness of providing/requirement to may increase
Monitoring responsibilities
your contractors develop an agreement

- train people
- fund good workers
- don't advertise to fund good workers

have good compliance reps to mirror compliance of agreement
and run surveys to ensure compliance

how many local benefit vs. pension
rule for setting wage
- give advantage to local workers
  - wage federal local or available
  - get list of local names to apply from

pre-apprenticeship program not in agreement

establish outside of apprenticeship program

approx 1500 union craft workers in Career
5/26 - PLT: Claire McCleary
(2004)
negotiated $50 approx. PLTs -> benefit to owner
construction project -> $10 mil, $1 mil.
new RA work -> our $1 mil project
more good ways to get around
work stoppage requirements

Good: purge is non-disruptive except

jurisdiction not locally

stop picketing/proc test

V in previous go back to owner

PLT will get purge

locked into. Master wage

policies come contract

negotiated

construction project phasing -> get between

unions to

get jobs

problem w/ jurisdictional issues

PLT will around that, later

beforehand

arbitration & quickie panel important
due w/ issues
Threshold & any discretion

For & others - okay
For only - may go after us \{ not
\}
taxed

PLA = contract
must be written in our phrase
if not, may not need

Most of stuff in PLA as similar to current contracts

Workers must be trained & flag
into trust fund
- follow union rules

If have multiple projects, ask need basis or specific number
project specific - test
ID specific projects

Need to know project # test #
Negotiate those experts - important to us.

Local hiring monitoring clearly & sufficiently placed - PHA local teams will do - go to individual teams spread into hiring halls.

Wage of non-unions subcontractors clearly listed.

Explain non-unions' residents want everyone working.

Training & jobs for residents.

Stay in community - not affect civic pride of.

Keep here, crop/har.

Put pencilener into PHA for.
Process + Approve/Negotiate

+ Form + Submit → D

{ simple negotiation ⇒ wash ⇒ okay
  ⇒ begin negotiation ⇒ negotiate ⇒ sign
  ⇒ work @ with Media + leg

  discuss +
SUBJECT: STATUS REPORT ON THE IMPLEMENTATION OF A PROJECT LABOR AGREEMENT

Submitted by Jerome G. Grooms
City Manager

Approved by Jerome G. Grooms
City Manager

I. SUMMARY
At the May 4th, 2004, meeting, Council directed staff to establish a policy for Project Labor Agreements (PLAs) to be in effect in the City of Carson, commence negotiation of an agreement with the appropriate agency, and to bring back an agreement for review. Staff has since spoken to several groups and individuals to obtain additional information that would assist in the development of the policy and agreement. It was during those meeting that staff was informed that the process to develop a PLA would take much more time than anticipated. Tonight, staff is providing Council with a report of what has transpired, and a timeline of what is forthcoming.

II. RECOMMENDATION
RECEIVE and FILE report.

III. ALTERNATIVES
SUGGEST an alternative direction.

IV. BACKGROUND
A Project Labor Agreement (PLA) is a contractually binding agreement negotiated between a construction project owner/representative, developer and the Building and Trades labor union. It is a form of pre-hire agreement, negotiated before any employees are hired, and becomes part of the bid specification that all winning contractors must follow. Once negotiated the PLA remains effective for the duration of the project.

While the language of every PLA is different, PLAs typically guarantee uniform wages, work rules and benefits across the multiple crafts employed on a project. In addition, PLAs provide grievance procedures for settling disputes, include no-strike and no-lockout provisions, and usually require that workers be hired through local union halls. Under most PLAs, contractors are permitted to employ a percentage of their core workforce (e.g. 15% per trade; “core” means employees who have worked for the contractor for some specified period of time), and legitimate PLAs comply with federal law by not requiring these core employees to become union members. They may, however, have to pay union dues.
In the time since this issue was placed on the May 4, 2004, Council agenda, staff has met with representative from various groups that have had experience with Project Labor Agreements. This was done in an effort to obtain further information that would assist in the development of the policy and the agreement.

During the meeting with the Los Angeles/Orange County Building & Construction Trades Council and a number of its represented unions, staff was informed that the process to deliver a final PLA was much more extensive than anticipated. Once a draft is developed, a copy is given to the City, as well as to the Trade Council’s office in Washington, D.C. If the Washington office approves the document, negotiations between the City and the Trade Council can commence. When both parties agree to the terms and conditions of the PLA, it is sent back to Washington for approval. At the same time, the Trade Council forwards the PLA to the unions for their signatures.

Given this lengthy process, the original projected timeframe will need to be extended. Staff will provide an update at the June 15, meeting, and all future meetings as deemed necessary. As of the writing of this report, staff has not yet received the draft PLA.

V. FISCAL IMPACT

None at this time.

VI. EXHIBITS

1. Disposition of Item 42, Providing Staff Direction on Project Labor Agreement, from the May 4, 2004, meeting. (pg. 4)
Dear Ms. Magante:

Attached is a copy of the sample Project Labor Agreement that we had discussed at our earlier meeting. I've have sent Mr. Groomes a copy as well.

I have also asked Mr. Groomes to call me when he has reviewed the PLA so that we can set a date for another discussion and negotiation meeting. Please call me if you have any questions or to schedule a meeting.

Sincerely,

Richard Slawson
Executive Secretary
LA/O Building & Construction Trades Council
1626 Beverly Blvd.
Los Angeles, CA 90026

213 483-4222
fax 483-4419
SUBJECT: STATUS REPORT ON THE IMPLEMENTATION OF A PROJECT LABOR AGREEMENT

Submitted by Jerome G. Groomes
City Manager

Approved by Jerome G. Groomes
City Manager

I. SUMMARY
At the May 4th, 2004, meeting, Council directed staff to establish a policy for Project Labor Agreements (PLAs) to be in effect in the City of Carson, commence negotiation of an agreement with the appropriate agency, and to bring back an agreement for review. During the June 1, 2004 meeting, staff informed Council that, after meeting with several groups and individuals, the process to develop a PLA would take much longer than anticipated. Tonight, staff is providing Council with a report of what has transpired, what has been learned, and what is forthcoming until an agreement can be presented for Council review.

II. RECOMMENDATION
RECEIVE and FILE report.

III. ALTERNATIVES
SUGGEST an alternative direction.

IV. BACKGROUND
A Project Labor Agreement (PLA) is a contractually binding agreement negotiated between a construction project owner/representative, developer and the Building and Trades labor union. It is a form of pre-hire agreement, negotiated before any employees are hired, and becomes part of the bid specification that all winning contractors must follow. Once negotiated the PLA remains effective for the duration of the project.

While the language of every PLA is different, PLAs typically guarantee uniform wages, work rules and benefits across the multiple crafts employed on a project. In addition, PLAs provide grievance procedures for settling disputes, include no-strike and no-lockout provisions, and usually require that workers be hired through local union halls. Under most PLAs, contractors are permitted to employ a percentage of their core workforce (e.g. 15% per trade; “core” means employees who have worked for the contractor for some specified period of time), and legitimate PLAs comply with federal law by not requiring these core employees to become union members. They may, however, have to pay union dues.

In the time since this issue was placed on the Council agenda, staff has met with
representative from various groups that have had experience with Project Labor Agreements. This was done in an effort to obtain further information that would aid Council’s deliberation on this issue.

Arguments in Support

Proponents, such as the Los Angeles/Orange Counties Building & Construction Trades Council and its represented unions, have detailed numerous advantages of instituting a PLA for the City’s construction projects. They include:

- Promoting efficiency and lowering costs via systemizing and formalizing labor terms.
- Avoiding labor disruption or disharmony on projects during construction.
- Ensuring the supply of qualified workers.
- Ensuring the supply and opportunity for apprentices and training programs.
- Generally increasing the potential for on time, effective, efficient construction program.
- Promoting and satisfying requirements to ensure Equal Employment Opportunity/Nondiscrimination in City construction projects.
- Ensuring proper payment of wages and benefits to employees.
- Providing job training opportunities through apprenticeships.
- Increasing the potential for local and “at-risk” hires.

Arguments in Opposition

Staff spoke with representatives from a number of groups, such as the Association of Builders & Contractors and the Coalition for Fair Employment in Construction, to obtain their perspective on PLAs. While they acknowledge the union view, their experiences have shown that there are some definite drawbacks associated with the implementation of a PLA.

For one, the purported cost savings have not always materialized. Either there were no savings, or costs were actually higher than those projects without a PLA. Opponents blame the restrictive conditions stipulated in PLAs for this lack of savings. Contractors are permitted to use only a small fraction of their own proven workforce, thereby creating organization and management problems. Additionally, many employers must contribute to union benefit plans, even though they may already be contributing to their own plans. Unfortunately, many of these workers will never receive these benefits because they do not remain with the union long enough to become vested in these plans. Contractors are also bound to follow union work rules, displacing their own more flexible operating rules and procedures.

These clauses have also served to limit competition, as nonunion contractors are discouraged from bidding on projects. With fewer bids, competition decreases, thereby raising the cost of the project. Some suggest that this situation also contributes to cost overruns and delays.
Supporters claim that PLAs contribute to labor harmony, as workers would be prohibited from striking. However, workers have still gone on strike. In truth, a project with a no-strike clause can be put out for bid without a PLA, thus making it amenable for merit shops to bid for work. The addition of a PLA merely imposes a layer of costs, bureaucracy and controls onto merit shop bidders. As well, it also ignores the fact that open shop employees do not strike.

Given Carson's diversity, it would seem the implementation of a PLA would assist in the City's desire to see more and greater involvement by minority and female workers and contractors. However, the opposite has been shown. Minority- and female-owned contractors tend to be small, nonunion shops who find the restrictive clauses in PLAs particularly onerous. Compounding this problem is the limited supply of female and minority employees to work these projects. Both minorities and females are underrepresented in the building trades. As a result, some projects were forced to hire nonunion employees to fulfill the requirements set forth in the PLA. Other entities have elected to throw out these clauses because they could not be met.

The hiring of local workers, which has been a supported cause in Carson, would appear to be a welcome recipient of a PLA. Unfortunately, this may not be the case. The rules governing worker deployment would not necessarily place Carson workers in an advantageous position versus other union members. Moreover, should these Carson residents be nonunion, they may be required to join the union to even be placed on its lists.

The issue of local, minority and female hiring lends itself to a related issue, that of monitoring. Should these requirements be placed in the City's PLA, staff must be in place to ensure that these clauses are being fulfilled. As this data is not necessarily readily available - unions do not traditionally collect this information - this task may be arduous, if not impossible, to complete.

**Issues to Consider**

As was stated earlier, the requirements the City wishes to include in the PLA will determine the level of monitoring that must be done to ensure that the terms and conditions are being met. Beyond the monitoring of local, minority and female hires, the City must also:

- Monitor payments by contractor/employers of benefits paid into established trust funds.
- Verify that contractors are paying employees' appropriate wages.
- Monitor ratio of core employees to employees from local unions.
- Monitor the effectiveness of union training program's outreach and recruitment of Carson residents, minorities and females.
- Monitor impact to Carson and other small business' participation.

The level of monitoring demanded by a PLA will require staff analysis on the fiscal impact of administering the negotiated terms and conditions of the PLA. If
the city decides that the scope of the PLA will be in effect for all construction projects, a cost to administer the terms and conditions of the PLA for each construction project solicited for public bid will be incurred. This cost will come in the form of staff time, which may include those of a consultant and an attorney should their expertise be required. Note that this cost must be factored into the total cost of construction.

Next Steps

During the meeting with the Los Angeles/Orange County Building & Construction Trades Council and a number of its represented unions, staff was informed that the process to deliver a final PLA was much more extensive than anticipated. Once a draft is developed, a copy is given to the City, as well as to the Trade Council’s office in Washington, D.C. If the Washington office approves the document, negotiations between the City and the Trade Council can commence. When both parties agree to the terms and conditions of the PLA, it is sent back to Washington for approval. At the same time, the Council forwards the PLA to the unions for their signatures.

Given this lengthy process, the original projected timeframe will need to be extended. Staff will continue to provide updates to the Council as this process continues. As of this report, staff very recently received the draft PLA from the Trades Council. It is currently being reviewed, and meetings will soon be scheduled to discuss the draft and its details.

V. FISCAL IMPACT

None at this time.

VI. EXHIBITS

1. Excerpt of Minutes of Item 42, Providing Staff Direction on Project Labor Agreement, from the May 4, 2004 meeting. (pg. 6)
We are expecting Rialto to consider this item at their June 23rd at 7pm

---

**Strong-Arm Tactics Against Contractors and Workers Result in Prison Time**

On June 9th, the first of fourteen members of the Laborers' International Union Local 91 in N.Y. pleaded guilty to the strong-arming tactics against both contractors and employees.

Brian Perry who was a union steward with the local is also charged with extortion "as a part of a pattern of violence." Mr. Perry agreed to cooperate with federal prosecutors in the investigation and prosecution of his co-defendants. Mr. Perry faces up to 20 years in jail for racketeering conspiracy.

Perry and 13 other members were accused of extorting jobs, wages, and benefits from both contractors and employees over a six year period. Now Mr. Perry will again be living off the backs of people, this time the taxpayers will be paying the bill for his ball and chain and three square meals a day; and the citizens will be much better off.

---

**City of Carson**

The City of Carson has been surrounded by political controversy for the last several years. With a past Mayor and council members serving jail time for dubious deeds, including bribery and tax evasion, they may now be close to crossing that line once again. Recently the L.A./Orange County Building Trades Council, headed by Richard Slawson, was able to convince the City of Carson to contemplate having a discriminatory PLA placed on Carson residents for all construction projects. After meetings with the City Manager's office and testimony at a recent City Council meeting, we are hopeful that the City will do the right thing and that is to excuse any PLA as mere political rhetoric, and to dismiss the PLA in its entirety.

They have taken the first step. At their June 15th meeting, Art Pedroza of the CFEC and Chuck Hess of ABC testified against the ill effects of PLA's and they requested that if they are seriously considering utilizing such a discriminatory agreement, they first must allow all interested parties to participate in a public "work shop." Groups like the CFEC, ABC, and other industry groups should be allowed to sit down and discuss their objections around a table with union leaders, contractors, and city officials. Mayor Jim Dear approved the idea of a public workshop and he asked the City Manager to schedule it. This is a great step in the right direction for the City of Carson. The next step would be to throw out the union's request and to take the moral and ethical high ground by not getting caught up in situations where political cronyism is clearly present.

If you would like to contact the City of Carson regarding the proposed PLA, please send an email to webmaster@carson.ca.us or call (310) 952-1740.
June 26, 2004

Ms. Luchie S. Magante
Administrative Analyst
City of Carson
701 East Carson St.
P. O. Box 6234
Carson, CA. 90749

Re: City of Carson Project Labor Agreement:

Dear Ms. Magante:

Enjoyed visiting with you the other day. Enclosed you will find the consulting agreement you requested. I hope this meets with your approval and if not please let me know. If it meets with you approval please sing one copy and return to me.

I would be more than happy to meet with all of you on Thursday, July 15th at 9:30 am if that still works for all of you. Please let me know if that is acceptable and I will be there.

Look forward to seeing you soon.

Sincerely,

Claire McChristy
June 12, 2004

Ms. Luchie S. Magante
Administrative Analyst
City of Carson
701 East Carson St.
P.O. Box 6234
Carson, CA. 90749

Re: City of Carson Project Labor Agreement:

Dear Ms. Magante:

I enjoyed visiting with you the other day and am sorry I could not respond with a written proposal sooner, but as I said I was out of town.

It would be a please assisting the City of Carson with a Project Labor Agreement. My fees to do so would be $150.00 per hour plus reasonable expenses. This would include writing (if needed) reviewing, make recommendations, and of course negotiating on behalf of the city. If this meets with ;your approval please let me know and I will forward a contract to you.

While I do not know what your schedule for the PLA is I would not be available to assist until after the 9th of July.

Sincerely,

Claire McChristy
President
CITY OF CARSON
AGREEMENT

1. Parties. This agreement is between City of Carson, acting by and through its City Manager, Mr. Jerry Grooms (hereinafter Employer) and, The Employee Consulting Group a Nevada Corporation, located at 2060 E. Avenida de Los Arboles, D315, Thousand Oaks, CA. 91362-1376 (hereinafter Contractor).

2. Services. Contractor hereby agrees to provide the following services at the times and places set forth herein: Negotiate acceptable labor and fringe rates, work rules, grievance and jurisdiction resolution issues and all other issues and articles normally found in such agreements with all effected labor organization and reduce all such agreements into a written Private Labor Agreement (PLA).

3. Term. This Agreement shall be effective from the latest date it is executed on behalf of both parties and shall continue in effect until all parties have performed to the satisfaction of the City of Carson or its earlier termination by the City of Carson upon then (10) days' notice in writing but in no event shall the term of this agreement exceed one year from its effective date.


(a) Upon satisfactory performance of the services required herein, the City of Carson agrees to pay and Contractor agrees to accept in full satisfaction thereof the actual cost of services rendered payable at the rates set forth herein: For senior labor relations personnel $150.00 per hour plus reasonable expenses.

(b) Any additional expense in excess of $500.00 must be authorized in advance by the City of Carson in writing.

Contractor shall submit invoices in quadruplicate. Each such invoice shall contain the following certificate:

"I certify under penalty of perjury that the above invoice is just and correct according to the terms of the Agreement and that payment has not been received."

Invoices submitted by Contractor shall be subject to approval by Mr. Jerry Grooms, City Manager or his designee, and shall be paid in the ordinary course of the City of Carson's normal business.

5. Indemnity. Contractor shall at all times relieve indemnify, defend, protect and save harmless the City of Carson and any and all of its boards, officers, agents and employees from any and all claims and demands, actions, proceedings, losses, liens, costs and judgments of any kind and nature whatsoever, including expenses incurred in defending against legal actions, for death of or injury to persons, including City of Carson employees, damage to property, including City of Carson property, or any action that may arise out of the performance of the Agreement that may be caused directly or indirectly by any act, omission or negligence of Contractor, its officers, agents or employees, regardless of whether any act, omission or negligence of the City of Carson its officers, agents or employees contributed thereto.

6. Affirmative Action. Contractor agrees not to discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition. Any subcontracts awarded under or pursuant to the Agreement shall contain this provision.
7. **Independent Contractor.** Contractor in the performance of the work required by the Agreement is an independent contractor and not an agent or employee of the City of Carson. Contractor shall not represent itself as an agent or employee of the City of Carson and shall have not power to bind the City of Carson in contract or otherwise.

8. **Minority, Women and Other Business Enterprise (MBE/WBE/OBE) Outreach Program.** It is the policy of the City of Carson to provide minority business enterprises (MBEs) women's business enterprises (WBEs) and all other business enterprises (OBEs) an equal opportunity to participate in the performance of all the City of Carson contracts in all areas where such contracts afford such participation opportunities. The Tenant or Consultant shall assist the City of Carson in implementing this policy and shall use its best efforts to afford the opportunity for MBE’s, WBE’s, and OBE’s to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises including MBE’s, WBE’s, and OBE’s have an equal opportunity to compete for and participate in any such participation opportunity which might be presented under this Agreement.

9. **Taxpayer Identification Number (TIN).** Contractor declares that its authorized Taxpayer Identification Number (TIN) is 48-1255202. No payments will be made under this Agreement without a valid TIN.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date to the left of their signatures.

Signatures

Dated: _______________                 THE CITY OF CARSON

By

Mr. Jerry Grooms
City Manager

Dated: 6-28-04                  THE EMPLOYEE CONSULTING GROUP

By

Claire McChristy
CITY OF CARSON

CONTRACT SERVICES AGREEMENT FOR

PROJECT LABOR AGREEMENT NEGOTIATION SERVICES

This CONTRACT SERVICES AGREEMENT (herein "Agreement") is made and entered into this 18th day of July, 2004 ("Effective Date"), by and between the CITY OF CARSON, a municipal corporation, (herein "City") and THE EMPLOYEE CONSULTING GROUP, a California Corporation (herein "Consultant").

NOW, THEREFORE, the parties hereto agree as follows:

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Consultant warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated for the actual cost of services rendered by Consultant, based on the hourly rate of $150.00 per hour for time spent by Consultant's senior labor relations personnel, plus those expenses that are pre-approved in writing by the City Manager or his designee, but not exceeding the maximum contract amount of Seven Thousand Five Hundred Dollars ($7,500.00) ("Contract Sum").

2.2 Method of Payment. Provided that Consultant is not in default under the terms of this Agreement, Consultant shall be paid within 30 days of the City's receipt of a detailed invoice specifically describing the work performed and charges incurred for such work, which invoice shall be subject to the approval of the City Manager or his designee. Each invoice shall contain the following certificate: "I certify under penalty of perjury that the above invoice is just and correct according to the terms of the Agreement and that payment for the services in this invoice has not been received."

32384
3.0 COORDINATION OF WORK

3.1 Representative of Consultant. Claire McChristy is hereby designated as being the principal and representative of Consultant authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

3.2 Contract Officer. The City Manager is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer by providing written notice to Consultant.

3.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

4.0 INSURANCE AND INDEMNIFICATION

4.1 Insurance. The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Comprehensive General Liability Insurance. A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than either (i) a combined single limit of $500,000.00 or (ii) bodily injury limits of $250,000.00 per person, $500,000.00 per occurrence and $500,000.00 products and completed operations and property damage limits of $100,000.00 per occurrence and $100,000.00 in the aggregate.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Consultant and the City against any loss, claim or damage arising from any injuries or
occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) **Automotive Insurance.** A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than either (i) bodily injury liability limits of $250,000.00 per person and $500,000.00 per occurrence and property damage liability limits of $100,000.00 per occurrence and $250,000.00 in the aggregate or (ii) combined single limit liability of $500,000.00. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) **Professional Liability Insurance.** A policy of professional liability insurance in an amount not less than $1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance and shall name the City, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.

**CANCELLATION:**

**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.**

[to be initialed]

Agent Initials

The Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages to any persons or property resulting from the Consultant's activities or the activities of any person or persons for which the Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.
4.2 **Indemnification.** Consultant agrees to indemnify the City, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, including paying any legal costs, attorneys fees, or paying any judgment (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work or services of Consultant, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of Consultant hereunder, or arising from Consultant's negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, but excluding such claims or liabilities to the extent caused by the sole negligence or willful misconduct of the City.

5.0 **TERM**

5.1 **Term.** Unless earlier terminated in accordance with Section 5.2 below, this Agreement shall continue in full force and effect until the services are concluded, but not to exceed one (1) year from the Effective Date of this Agreement.

5.2 **Termination Prior to Expiration of Term.** Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of the notice of termination, the Consultant shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the City, Consultant shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

6.0 **MISCELLANEOUS**

6.1 **Covenant Against Discrimination.** Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

6.2 **Non-liability of City Officers and Employees.** No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

6.3 **Conflict of Interest.** No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the
financial interest of any corporation, partnership or association in which he is, directly or
indirectly, interested, in violation of any State statute or regulation. The Consultant warrants
that it has not paid or given and will not pay or give any third party any money or other
consideration for obtaining this Agreement. When requested by the Contract Officer, prior to
the City’s execution of this Agreement, Consultant shall provide the City with an executed
statement of economic interest.

6.4 Notice. Any notice, demand, request, document, consent, approval, or
communication either party desires or is required to give to the other party or any other person
shall be in writing and either served personally or sent by prepaid, first-class mail, in the case
of the City, to the City Manager and to the attention of the Contract Officer, CITY OF
CARSON, 701 East Carson Street, Carson, California 90745, and in the case of the
Consultant, to the person at the address designated on the execution page of this Agreement.

6.5 Interpretation. The terms of this Agreement shall be construed in
accordance with the meaning of the language used and shall not be construed for or against
either party by reason of the authorship of this Agreement or any other rule of construction
which might otherwise apply.

6.6 Integration; Amendment. It is understood that there are no oral
agreements between the parties hereto affecting this Agreement and this Agreement
supersedes and cancels any and all previous negotiations, arrangements, agreements and
understandings, if any, between the parties, and none shall be used to interpret this
Agreement. This Agreement may be amended at any time by the mutual consent of the
parties by an instrument in writing.

6.7 Severability. In the event that part of this Agreement shall be declared
invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction,
such invalidity or unenforceability shall not affect any of the remaining portions of this
Agreement which are hereby declared as severable and shall be interpreted to carry out the
intent of the parties hereunder unless the invalid provision is so material that its invalidity
deprives either party of the basic benefit of their bargain or renders this Agreement
meaningless.

6.8 Waiver. No delay or omission in the exercise of any right or remedy by
a nondefaulting party on any default shall impair such right or remedy or be construed as a
waiver. A party's consent to or approval of any act by the other party requiring the party's
consent or approval shall not be deemed to waive or render unnecessary the other party's
consent to or approval of any subsequent act. Any waiver by either party of any default must
be in writing and shall not be a waiver of any other default concerning the same or any other
provision of this Agreement.

6.9 Attorney's Fees. If either party to this Agreement is required to initiate
or defend or made a party to any action or proceeding in any way connected with this
Agreement, the prevailing party in such action or proceeding, in addition to any other relief
which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's
fees, whether or not the matter proceeds to judgment.
6.10 **Corporate Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

**CITY:**

CITY OF CARSON,
a municipal corporation

[Signature]
City Manager

**ATTEST:**

[Signature]
City Clerk

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

[Signature]
William W. Wynder, City Attorney

**CONSULTANT:**

THE EMPLOYEE CONSULTING GROUP

[Signature]
Name:
Title:

Address:
2060-D Avenida de los Arboles,
PMB 315
Thousand Oaks, CA 91362-1376

[END OF SIGNATURES]
EXHIBIT "A"

SCOPE OF SERVICES

Consultant shall negotiate labor and fringe rates, work rules, grievance and jurisdiction resolution issues and all other issues and articles normally found in agreements with private labor organizations and reduce such agreement into a written private labor agreement ("PLA"), the terms of which Consultant represents are valid and enforceable under applicable federal, State and local laws, and favorable to the City, based on direction by the Contract Officer, and subject to the approval of the City Council. In conjunction with such work, Consultant will perform the following specific tasks.

- Review the PLA given to the City by the Building Trades.
- Direct the Contract Officer’s attention to any areas of concern with proposed terms in the PLA, which have the potential to cause the City any damage, loss of funds, legal issues or otherwise.
- Provide input as to changes required to meet the City’s needs, as directed by the Contract Officer.
- Make recommendations on how to change the PLA to meet City requirements for a balanced PLA.
- Provide explanation as to why changes are needed.
- Attend any meetings required by the Contract Officer to assist with the development of the PLA.
- Assist with negotiations if so requested by the Contract Officer, in writing.
Hi, Richard.

When you are ready to send me your comments regarding the draft PLA we discussed today, can you please send them to Jerry’s secretary, Virginia Aguada, also? I will be out of the office tomorrow through Friday. Virginia’s e-mail address is vaguada@carson.ca.us. She will forward your message on to Jerry and staff.

Thank you very much.

Luchie
Virginia Aguada

From: Luchie Magante
Sent: Tuesday, July 20, 2004 5:32 PM
To: Claire McChristy (mcchristy@earthlink.net)
Cc: Virginia Aguada
Subject: City Contractor Agreement

Hi, Claire.

As we discussed earlier, a copy of the city’s contractor agreement will be sent to you. Since I will be out of the office tomorrow through Friday, I am requesting that Jerry’s secretary, Virginia Aguada, forward that message to you on my behalf. Unfortunately, what will be sent to you will be an entire bid proposal. I have requested that staff delineate which pages cover the section you need, and you only have to look at/print those particular pages.

If you have any questions, I can be reached at 310/930-8253 or leave a message at my office, as I will be checking my voice mail.

Thank you very much.
Luchie
Hola, Massoud!

As we discussed earlier, please send me a copy of the contractor agreement you normally use on a project. Since you will be sending me an entire proposal, could be please tell me which section/pages cover the information I need? That would help me and other staff a great deal.

When you forward the proposal, please cc Virginia in your message. I will out of the office tomorrow through Friday, and she will be passing it on to those persons who must review those pages.

If you have any questions, I can be reached at 310/ 930-8253.

Thanks a bunch!
Luchie
Hola!

As you have already figured out, a couple of messages will be sent to you for forwarding. Here’s where they go:

- The message from Massoud must be sent to Claire McChristy (mcchristy@earthlink.net) and to Pam Dowell (pamela.dowell@gte.net).
- The message from Richard Slawson must be forwarded to both Claire and Pam, as well. Jerry should also receive a copy of the e-mail to review.
- You may be getting a call from Fred Galante about this whole PLA issue. Tell him he can either leave me a message on my voice mail – I will be checking it periodically – or call me on the City cell.

If anything else arises give me a call. It may take me a while to get back to you, but I will call you back.

Thanks a bunch, Ms. Pampered Chef!!!
Luchie
This receipt for the mail you sent to <pamela.dowell@gte.net>; <mcchristy@earthlink.net> at 7/21/04 4:52 PM

This receipt verifies that the message has been displayed on the recipient's computer at 7/22/04 6:11 AM
I. SUMMARY

At the May 4th, 2004, meeting, Council directed staff to establish a policy for Project Labor Agreements (PLAs) to be in effect in the City of Carson, commence negotiation of an agreement with the appropriate agency, and to bring back an agreement for consideration. Since then, staff has met with the Los Angeles/Orange Counties Building & Construction Trades Council, and several other groups and individuals to obtain a greater understanding of PLAs. Also, staff has received a draft PLA from the Trades Council. During the last few weeks, staff has been reviewing and negotiating with the Trades Council to develop a PLA for Council review. However, given the number of outstanding terms to be finalized, staff has determined that additional time is needed in order to complete these negotiations, and present Council with a viable agreement.

II. RECOMMENDATION

RECEIVE and FILE report.

III. ALTERNATIVES

SUGGEST an alternative direction to the development of a Project Labor Agreement.

IV. BACKGROUND

A Project Labor Agreement (PLA) is a contractually binding agreement negotiated between a construction project owner/representative, developer and the Building and Trades labor union. It is a form of pre-hire agreement, negotiated before any employees are hired, and becomes part of the bid specification that all winning contractors must follow. Once negotiated, the PLA remains effective for the duration of the project.

While the language of every PLA is different, PLAs typically guarantee uniform wages, work rules and benefits across the multiple crafts employed on a project. In addition, PLAs provide grievance procedures for settling disputes, include no-strike and no-lockout provisions, and usually require that workers be hired
through local union halls. Under most PLAs, contractors are permitted to employ a percentage of their core workforce (e.g. 15% per trade; “core” means employees who have worked for the contractor for some specified period of time), and legitimate PLAs comply with federal law by not requiring these core employees to become union members. They may, however, have to pay union dues.

In the time since this issue was placed on the May 4, 2004, Council agenda, staff has met with representatives from various groups that have had experience with Project Labor Agreements. This was done in an effort to obtain further information that would assist in the development of the policy and the agreement.

During the meeting with the Los Angeles/Orange County Building & Construction Trades Council and a number of its represented unions, staff was informed that the process to deliver a final PLA was much more extensive than anticipated. Once a draft is developed, a copy is given to the City, as well as to the Trade Council’s office in Washington, D.C. If the Washington office approves the document, negotiations between the City and the Trade Council can commence. When both parties agree to the terms and conditions of the PLA, it is sent back to Washington for approval. At the same time, the Trade Council forwards the PLA to the unions for their signatures.

Given this lengthy process, the original projected timeframe was extended to permit the facilitation of this process. Staff has received the Trades Council’s draft and is currently negotiating the terms of the agreement. However, additional time is required to go over a number of outstanding and pertinent details. Once a viable PLA is available, the document will be forwarded to Council for review.

V. FISCAL IMPACT

None at this time.

VI. EXHIBITS

None.

Prepared by: Luchie S. Magante, Administrative Analyst
City of Carson  Report to Mayor and City Council  
August 3, 2004

Reviewed by:

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Action taken by City Council

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August 4, 2004

Richard Slawson, Executive Secretary
Los Angeles/Orange Counties
Building & Construction Trades Council
1626 Beverly Blvd.
Los Angeles, CA 90026

Dear Mr. Slawson,

I am writing to inform you that we are continuing to develop the final Project Labor Agreement (PLA) for you and your respective unions to consider. In addition to some further staff research and discussions, we will soon be sending the document to the City Attorney for review. I expect that the agreement will be ready for your receipt in approximately two weeks.

As I will be on vacation until early September, please contact Luchie Magante at 310/ 952-1729 with any questions you may have.

Sincerely,

Jerome G. Groomes
City Manager
Luchie:

Let me go through these items one by one and marry them up with the Pier 400 agreement and give you some talking points.

2.2 Word for word with the Pier 400 PLA with the addition mid paragraph of the sentence “The City will identify which construction projects, if any, are covered by the Agreement as new projects begin and when the anticipated completion date is for said projects”. That sentence only give the City control to establish which projects are covered, the fact that only the project is covered nothing else and when the project completes the agreement is void. This give you control and you should keep that control, these agreements are meant to stop work stoppages not give the Union control over your business.

3.3 When you compare 3.3 in the Pier 400 PLA to yours the only language we took out is “for purposes of the Project only, to the terms and conditions of the applicable local collective bargaining agreement or agreements for such craft work to be performed, established between the signatory Union(s) and contractor, in effect and covering the area of the Project”. The Union should not be concerned how non-union contractors settle their employee grievances it isn’t their business. As for the slippery slope how does that work? Both union and non-union are bound by the agreements No Strike – No Lockout provisions so no grievance by either union or non-union contractors will shut down any project which is what PLA’s are meant to do, not force all contractors to work under union agreements.

4.2.1 – 4.2.2 Word for word from the Pier 400 PLA he signed.

6.2 All we added there was the statement “covered by collective bargaining agreements”. The rest of the language is straight out of Pier 400’s PLA. If you have non-union contractors working on your projects why should their employees have to join a Union? This stymies your ability to attract local non-union small and startup contractors and again PLA’s were meant to stop strikes not give the Unions a change to organize the National Labor Relations Act gives them that right. Make them do their own work not make contracts with the City to do their organizing for them.

7.1 This is the exact language he agreed to and signed with the Pier 400 PLA.

8.1 You already know what this is all about, THE MONEY. You have the right to follow the regulations established by DIR for the payment of prevailing wage benefits to non-union employees.

9.1 This language is identical to what he signed with Pier 400 except the language we added which says, “Non-signatory Contractor/Employers will follow their Company dispute policy provisions”. This goes back to letting non-union
companies run their own business and the PLA not being used as an organizing tool. No slippery slope here as individual grievances from union or non-union companies can shut down any project.

13.1 This Article is 12.1 in your agreement but it is word for word from the Pier 400 PLA. Non-signatory wasn’t covered there why does it have to be now?

18.1 Word for word from the Pier 400 PLA. The decision to have or not to have Pre-job conferences should be the Cities and your compliance officer’s call.

The Contractors who are signatory draw their apprentices from the Union involved. The non-union Contractors have their own state approved apprenticeship programs to draw from.

I hope this will help and if there is anything else I can do please let me know.

Claire
September 4, 2004

Luchie:

Here is a quick summary for you to format for Jerry. Sorry I'm a little late this morning, but I didn't get back from Oakland until this morning.

**Overview of PLA's**

When Bush became President he signed an executive order ending the requirement for Government Mandated Labor Agreement. (GMLA). Under Clinton they were required. There is no requirement for mandated PLA's in the State.

If there is Federal money involved in a project there is a sound argument that a PLA is not required and if you as an owner (City of Carson) wish to have one it is on a voluntary basis. The purpose of a PLA is to provide an instrument which guards against any work stoppage or disruption during projects. That is how Union's first sold them.

A PLA, other than the protection described above, provides little if any value to the owner. The PLA given to the City of Carson by the Building Trades goes well beyond what a PLA should consist of and in fact stripes the City of Carson of many of it's rights to control and direct it's projects.

Examples are:

- The PLA (page 1) covers all construction, rehabilitation and maintenance projects funded throughout the City and it allows the Union to control the staffing and direction of all these areas. As broad and ambiguous as this agreement is it could even cover the routine landscaping duties of the City just to name one area.

- It also (page 1) directs you to have a “Project Labor Coordinator”. That decision is for the City to make not the Union but this is an example of where this agreement gives the Union broad powers to direct, and make demands of the City.

- This PLA (page 2 and page 37) requires a “Labor/Management Apprenticeship Program” with the exclusion of the open shop contractor apprenticeship programs certified by the State of California. This could serve to discourage small contractor and start up contractor within the limits of the City of Carson not to bid City projects, as they do not wish to expose themselves to Unions. There are open shop apprenticeship programs which can provided qualified and trained workers. While the Union's PLA (page 4) calls for encouragement of small local business most will not participate in the bid process because of the Unions involvement.

- The Section 1.5 (page 5) dealing with Workers' Compensation Carve-out and Section 2.5 (page 9) Awarding of Contracts are issues that are between the City and it's bidders and have no need to be included. This is another area where the Union's wish only to intrude into the Owners business.

- The most far-reaching and key issue of the PLA provided and demanded by the Building Trades benefits no one other than themselves. The payment of benefits. (page 18) is a clear example of how the City and its residents lose as a result of this proposed PLA. State Prevailing Wage determinations state that if a worker is not represented by a Union the benefit costs will be paid directly to the worker. The Building Trades wants these
moneys paid into Union trust. Workers who are not represented by a Union and that could possible be the majority of the small contractors within the City, and the residents who live there. As we have discussed this takes money out of the local area and puts it into the Unions coffers and the workers who paid for them will never use the benefits. This money should and needs to go directly to the worker.

While the Building Trades PLA mentions hiring local residents (page 13) it also places requirements driven by the Union which they use to disqualify applicants so they can dispatch from their own Union halls (keep their people working at the expense of your residents). This is an area the City must control and make demands that residents be include, Union free if they wish, and controlled by someone like Pam. That money needs to stay in your community.

This entire PLA is nothing more than an organizing tool the Building Trades is attempting to force on the City. They can organize lawfully under the National Labor Relations Act and should do so, not force a PLA onto the City.

Overall Luchie as we have discussed over and over this Agreement does nothing for the City of Carson and everything for the Unions. This is by far the worst PLA I have ever seen. If there is anything else you need or I can do please let me know.
I. SUMMARY

This item is being placed on the agenda at the request of Mayor Dear.

At the May 4th, 2004, meeting, Council directed staff to establish a policy for Project Labor Agreements (PLAs) to be in effect in the City of Carson, commence negotiation of an agreement with the appropriate agency, and to bring back an agreement for consideration. In the time since, staff has received a draft from the Trades Union and has been negotiating the terms of the agreement. Unfortunately, given the number of outstanding items to be finalized, staff has determined that additional time is needed in order to complete these negotiations. Thus, staff wishes to discuss this issue further so that a viable agreement can be delivered for Council consideration.

II. RECOMMENDATION

DISCUSS and PROVIDE direction to staff.

III. ALTERNATIVES

SUGGEST an alternative direction in the development of a Project Labor Agreement.

IV. BACKGROUND

A Project Labor Agreement (PLA) is a contractually binding agreement negotiated between a construction project owner/representative, developer and the Building and Trades labor union. It is a form of pre-hire agreement, negotiated before any employees are hired, and becomes part of the bid specification that all winning contractors must follow. Once negotiated, the PLA remains effective for the duration of the project.

While the language of every PLA is different, PLAs typically guarantee uniform wages, work rules and benefits across the multiple crafts employed on a project. In addition, PLAs provide grievance procedures for settling disputes, include no-strike and no-lockout provisions, and usually require that workers be hired through local union halls. Under most PLAs, contractors are permitted to employ a percentage of their core workforce (e.g. 15% per trade; “core” means employees who have worked for the contractor for some specified period of time), and
legitimate PLAs comply with federal law by not requiring these core employees to become union members. They may, however, have to pay union dues.

During the last few months, staff has been in negotiations with the Los Angeles/Orange County Building & Construction Trades Council and a number of its represented unions. The Trades Council initially presented the City with a draft agreement that contained a number of issues that were discussed in a series of meetings. Ultimately, the City developed a "counter proposal," i.e. a revised version of the initial draft which deleted or revised language of concern to City staff. That revised version was shared with the City Attorney, who recently gave back comments to the City Manager. Staff strongly believes it is important to have a final document which gives the City comfort that we can stand by and enforce all provisions.

There currently remain a significant number of issues with the original draft provided by the Trades Council that should be finalized before a final agreement is presented for Council action. Many of these issues will have a major bearing on virtually all future projects undertaken by the City. The following summarizes a sample of what should be settled prior to Council review:

- **Scope of the Agreement:** In Article 2, Section 2.1, the Trades Council draft states that the PLA will cover all new construction, rehabilitation and maintenance projects undertaken by the City. This statement is so broad as to include rehabilitation and maintenance projects such as median maintenance, slurry seals, and landscaping, which the City normally does internally or is currently being contracted. Rather, the City should more narrowly define the PLA to construction only.

- **Project Identification:** In Article 2, Section 2.2, the Trades Council draft states that projects all construction, rehabilitation and maintenance that exceed $100,000; and all prime specialty contracts that exceed $20,000, and all subcontracts flowing from these prime contracts are subject to the PLA. These thresholds are so low as to include virtually every project the City undertakes. More importantly, it precludes the City from determining which projects it wishes to placed under a PLA. This control should remain with the City.

- **Apprentices:** In Article 14, the Trades Council draft states that apprentices will be culled from Labor/Management Apprenticeship programs. This statement precludes those individuals in open-shop/state-sponsored apprentice programs. As a result, Carson residents in these programs who wish to join this industry will not be able to receive the training they need, in a project in their own city.

- **Benefits:** In Article 5, Section 5.2, the Trades Council draft states that all contractors must pay benefit dues for all their employees into the union benefit trust funds. This stipulation would not preclude those employers who already provide benefits to their employees. Thus, contractors would be paying
benefits twice, once as part of their regular benefit plans and a second into the union trust funds. Rather than go to the union trust funds, this money should go directly to the worker. This would permit non-union, Carson workers to keep their money in the city they live in.

- **Workers' Compensation Carve Out (Article 1, Section 1.5) & Awarding of Contracts (Article 2, Section 2.5):** The original intent of a Project Labor Agreement was to ensure that there would be no work stoppages on a project. These two sections greatly exceed the bounds of this intent, and, in fact, are irrelevant to a PLA. Many sections of the draft provided by the Trades Council similarly fall into this area.

- **Referral Procedures:** Article 3, Section 3.5, of the Trades Council draft needs to be clarified so as to more directly encourage local hiring. As it currently states, there is no definite requirement for hiring Carson residents. Moreover, the unions determine which workers possess the requisite skills and qualifications to work on a project, thereby making them the sole referral authority. Carson should receive a better guarantee that local workers will be hired to work on projects in their own city.

In light of these, and several other issues that need resolving, additional time is warranted before Council considers any final action on a Project Labor Agreement. Staff wishes to discuss this matter further with Council.

V. **FISCAL IMPACT**

None.

VI. **EXHIBITS**


2. Draft City of Carson Project Labor Agreement (pgs. 54-72)
Attached is a revised copy of the City of Carson Project Labor Agreement. This version contains minor corrections that do not change the substance of the document. However, there is one amendment of note: In Section 2.4, Exclusions, the project threshold was changed from $1,000,000 to $500,000, so as to be consistent with Section 1.4 in Definitions, and Section 2.2 in Project Description.

Should you have any questions, I can be reached at x1729.
TO: KAY CALAS, COUNCILMEMBER  
FROM: JEROME G. GROOMES, CITY MANAGER  
SUBJECT: PROJECT LABOR AGREEMENT (PLA)  
DATE: SEPTEMBER 20, 2004

I am writing in response to your memo dated September 8, 2004. Please note that though your attachment was the report from the August 3, 2004, Council meeting, another item was presented to Council on September 7, 2004, that included the original agreement given by the Trades Council. The City of Carson Project Labor Agreement will be going up for possible Council action tomorrow, September 21, 2004.

A PLA for Carson was originally broached by the Los Angeles/Orange Counties Building & Construction Trades Council. In the time since, several staff members – lead by Luchie Magante, Administrative Analyst - have worked on this project. I have also utilized outside expertise and the City Attorney to assist the City in this endeavor.

Should you have any further questions, I can be reached at x1729.

lsm
cc: Mayor Jim Dear  
Councilmember Elito Santarina  
Councilmember Julie Ruiz Raber

document10
MEMORANDUM

TO: Jerry Groomes
FROM: Kay A. Calas
DATE: September 8, 2004
SUBJECT: Project Labor Agreement

Agenda Item #5 under new business consent, refers to a draft Project Labor Agreement (PLA) (see page 2, last paragraph). The “Trade Council” submitted this document to the City and although the staff’s report states “once a viable PLA is available, the document will be forwarded to Council for review,” I am requesting a copy of this first draft at this time. In addition, I want more background information as to how this project got started and what staff is or has worked on this issue.
SUMMARY

At the May 4th, 2004, meeting, Council directed staff to establish a policy for Project Labor Agreements (PLAs) to be in effect in the City of Carson, commence negotiation of an agreement with the appropriate agency, and to bring back an agreement for consideration. Since then, staff has met with the Los Angeles/Orange Counties Building & Construction Trades Council, and several other groups and individuals to obtain a greater understanding of PLAs. Also, staff has received a draft PLA from the Trades Council. During the last few weeks, staff has been reviewing and negotiating with the Trades Council to develop a PLA for Council review. However, given the number of outstanding terms to be finalized, staff has determined that additional time is needed in order to complete these negotiations, and present Council with a viable agreement.

II. RECOMMENDATION

RECEIVE and FILE report.

III. ALTERNATIVES

SUGGEST an alternative direction to the development of a Project Labor Agreement.

IV. BACKGROUND

A Project Labor Agreement (PLA) is a contractually binding agreement negotiated between a construction project owner/representative, developer and the Building and Trades labor union. It is a form of pre-hire agreement, negotiated before any employees are hired, and becomes part of the bid specification that all winning contractors must follow. Once negotiated, the PLA remains effective for the duration of the project.

While the language of every PLA is different, PLAs typically guarantee uniform wages, work rules and benefits across the multiple crafts employed on a project. In addition, PLAs provide grievance procedures for settling disputes, include no-strike and no-lockout provisions, and usually require that workers be hired
through local union halls. Under most PLAs, contractors are permitted to employ a percentage of their core workforce (e.g. 15% per trade; "core" means employees who have worked for the contractor for some specified period of time), and legitimate PLAs comply with federal law by not requiring these core employees to become union members. They may, however, have to pay union dues.

In the time since this issue was placed on the May 4, 2004, Council agenda, staff has met with representatives from various groups that have had experience with Project Labor Agreements. This was done in an effort to obtain further information that would assist in the development of the policy and the agreement.

During the meeting with the Los Angeles/Orange County Building & Construction Trades Council and a number of its represented unions, staff was informed that the process to deliver a final PLA was much more extensive than anticipated. Once a draft is developed, a copy is given to the City, as well as to the Trade Council's office in Washington, D.C. If the Washington office approves the document, negotiations between the City and the Trade Council can commence. When both parties agree to the terms and conditions of the PLA, it is sent back to Washington for approval. At the same time, the Trade Council forwards the PLA to the unions for their signatures.

Given this lengthy process, the original projected timeframe was extended to permit the facilitation of this process. Staff has received the Trades Council's draft and is currently negotiating the terms of the agreement. However, additional time is required to go over a number of outstanding and pertinent details. Once a viable PLA is available, the document will be forwarded to Council for review.

V. **FISCAL IMPACT**

None at this time.

VI. **EXHIBITS**

None.

Prepared by: Luchie S. Magante, Administrative Analyst
City of Carson  
Report to Mayor and City Council  
August 3, 2004  

Reviewed by:  

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Action taken by City Council  

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I. SUMMARY

This item is being placed on the agenda at the request of Mayor Dear.

At the May 4th, 2004, meeting, Council directed staff to establish a policy for Project Labor Agreements (PLAs) to be in effect in the City of Carson, commence negotiation of an agreement with the appropriate agency, and to bring back an agreement for consideration. In the time since, staff has received a draft from the Trades Union and has been negotiating the terms of the agreement. Though there remain a number of outstanding items to be finalized with the Trades Council, the City can move forward with this plan by approving the version developed by City staff. This “counter agreement” responds to all points of concern by City staff, and is designed to best serve and protect the interests of the City, as well as permit enforceability.

II. RECOMMENDATION

APPROVE the Project Labor Agreement document developed by City staff as the basis for establishing a formal relationship between the City of Carson and the Los Angeles/Orange Counties Building and Construction Trades Council, subject to approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE whatever action Council deems necessary.

IV. BACKGROUND

A Project Labor Agreement (PLA) is a contractually binding agreement negotiated between a construction project owner/representative, developer and the Building and Trades labor union. It is a form of pre-hire agreement, negotiated before any employees are hired, and becomes part of the bid specification that all winning contractors must follow. Once negotiated, the PLA remains effective for the duration of the project.

While the language of every PLA is different, PLAs typically guarantee uniform wages, work rules and benefits across the multiple crafts employed on a project. In addition, PLAs provide grievance procedures for settling disputes, include no-
strike and no-lockout provisions, and usually require that workers be hired through local union halls. Under most PLAs, contractors are permitted to employ a percentage of their core workforce (e.g. 15% per trade; “core” means employees who have worked for the contractor for some specified period of time), and legitimate PLAs comply with federal law by not requiring these core employees to become union members. They may, however, have to pay union dues.

During the last few months, staff has been in negotiations with the Los Angeles/Orange County Building & Construction Trades Council and a number of its represented unions. The Trades Council initially presented the City with a draft agreement that contained a number of issues that were discussed in a series of meetings. Ultimately, the City developed a “counter proposal,” i.e. a revised version of the initial draft which deleted or revised language of concern to City staff. That revised version was shared with the City Attorney, who recently gave back comments to the City Manager. Staff strongly believes it is important to have a final document which gives the City comfort that we can stand by and enforce all provisions.

There currently remain a significant number of issues with the original draft provided by the Trades Council that should be finalized before a final agreement is approved. Some of these issues could have a major bearing on virtually all future projects undertaken by the City. The following summarizes a sample of what should be settled prior to Council approval:

- **Scope of the Agreement**: In Article 2, Section 2.1, the Trades Council draft states that the PLA will cover all new construction, rehabilitation and maintenance projects undertaken by the City. This statement is so broad as to include rehabilitation and maintenance projects such as median maintenance, slurry seals, and landscaping, which the City normally does internally or is currently being contracted. Rather, the City should more narrowly define the PLA to construction projects exceeding $500,000 for a three year period.

- **Project Identification**: In Article 2, Section 2.2, the Trades Council draft states that projects all construction, rehabilitation and maintenance that exceed $100,000; and all prime specialty contracts that exceed $20,000, and all subcontracts flowing from these prime contracts are subject to the PLA. These thresholds are considered by staff to be too low.

- **Apprentices**: In Article 14, the Trades Council draft states that apprentices will be culled from Labor/Management Apprenticeship programs. This statement potentially precludes those individuals in open-shop/state-sponsored apprentice programs. As a result, Carson residents in these programs who
wish to join this industry may not be able to receive the training they need in a project in their own city.

- **Benefits:** In Article 5, Section 5.2, the Trades Council draft states that all contractors must pay benefit dues for all their employees into the union benefit trust funds. This stipulation would not exclude those employers who already provide benefits to their employees. Thus, contractors could be paying benefits twice, once as part of their regular benefit plans and a second into the union trust funds. Rather than go to the union trust funds, this money could go directly to the worker. This would permit non-union, Carson workers the option to keep their money in the city they live in.

- **Workers' Compensation Carve Out (Article 1, Section 1.5) & Awarding of Contracts (Article 2, Section 2.5):** The original intent of a Project Labor Agreement was to ensure that there would be no work stoppages on a project. These two sections exceed the bounds of this intent, and are considered irrelevant to a PLA.

- **Referral Procedures:** Article 3, Section 3.5, of the Trades Council draft could be modified so as to more directly encourage local hiring. As it currently states, there is no definite requirement for hiring Carson residents. Moreover, the unions determine which workers possess the requisite skills and qualifications to work on a project, thereby making them the sole referral authority. Carson should be in a better position to assure to the maximum extent possible that local workers will be hired to work on projects in their own city.

In light of these, and several other issues that need resolving, additional time for discussion would be beneficial before Council considers any final action on a Project Labor Agreement. However, Council can move ahead with the implementation of a PLA by approving the “counter agreement” developed by City staff. This version responds to areas of staff concern, and serves to best protect the interests of the City and its residents. It would better enable Carson residents to obtain work they need, and on projects in their own community. At the same time, residents who need to obtain the requisite training in their particular craft are provided with the opportunity to apprentice on projects in their own city. Additionally, this version seeks to enhance participation of local, smaller contractors by creating an environment that encourages their involvement. In summary, it is staff’s view that this version of the agreement would ultimately serve the City and its citizens better.
V. **FISCAL IMPACT**
None.

VI. **EXHIBITS**
2. Project Labor Agreement Developed by City Staff (under separate cover)

Prepared by: Luchie S. Magante, Administrative Analyst
sf:Rev061902

Reviewed by:

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Action taken by City Council

Date__________________ Action_____________________________________________

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Date 9/3/04       Page 1 of 2

PLEASE DELIVER TO:

Name: Richard Slauson
Agency: LA/Orange County Building & Construction Trades Council
FAX #: 213/483-4419 Phone #213/483-4222

Document(s) Transmitted: Letter re 9/28 meeting.

Message: Please note that a hard copy is forthcoming.

FROM:

Sender           Justin Maggard
Phone number     (310) 952-1729
FAX number       (310) 835-7261

If you have difficulty receiving any pages, please telephone this office immediately (310) 952-1729.
September 23, 2004

Richard Slawson, Executive Secretary
Los Angeles/Orange Counties Building &
Construction Trades Council
1626 Beverly Blvd.
Los Angeles, CA 90026

Dear Mr. Slawson,

I am writing to confirm our meeting for Tuesday, September 28, 2004, at 1:30 p.m., in City Hall. If possible, let me know prior to that date the number of individuals from your group that will be attending the meeting. This will assist staff in determining the appropriate room to convene.

Also, I am requesting information detailing any concerns that you feel must be addressed on Tuesday. I am hoping these discussion points will help facilitate the meeting, and lead us to an agreement that can be presented to Council for its consideration. Please provide me with this information by Monday afternoon, so as to allow staff and myself ample time to review it.

Should you have any questions, I can be reached at 310/952-1729.

Sincerely,

Jerome G. Groomes
City Manager

lsm
Differences

1. **$500,000 Threshold**
   - too high to make PLA useful

   - fast to start projects
   - plenty to do
   - our grasp projects
   - look our CIP to get feel for upcoming projects

   - specialty projects
   - fast

   - wall work

primary wage -> regular benefit as well

average retirement, vie. #

A year + receive

medical benefit, vacation, holiday

Those not here
A apprenticeship program
- goals vs. requirements
  to encourage later participants

An industry does not co-op
big city resident

For projects
not get it way of projects
that receive federal funds
more specific
3.3 a. Close grievance procedure
If it agrees to be done so by
this agreement

contractor must specify
what asking for
get into agreement?

TC. Contractor fills out
request form

All contractor bonds +
Thus
present: buy into union
trust fund w/ exception
of "core"

highlight areas of concern
not act like trying to
block it.

bullet points— Define
what quit mean

† May May: Minutes
action— Work to
publish with discuss
City of Carson Proposed Project Labor Agreement
October 5, 2004

In reviewing the City Manager's proposal for a Project Labor Agreement to cover the City of Carson's Public Works Projects a number of issues remain. There are sections of the proposed Project Labor Agreement that would require modification prior to the acceptance of the agreement by the Craft Unions and the Building & Construction Trades Council.

The following are the Articles and Sections that need modifications:

* Article II, Section 2.4 (7): Remove the word "inspectors" from the paragraph.

  Add a clarification of the definition of the coverage for Inspectors, and testing work on the City's Projects (See attached language)

* Article XIII: Replace entire language regarding Jurisdictional Disputes with the originally proposed language from the Unions. The original language contains four paragraphs and is attached to this document.

* Article XIX, Section 19.2: Substitute three (3) years with five (5) years.

* Article XIX, Section 19.3: Eliminate the entire Section and renumber Section 19.4 to 19.3
This agreement shall include the classifications of Building/Construction Inspector and Field Soils and Material Testers ("Inspectors") as a covered craft under this agreement. This inclusion applies to the scope of work defined in the State of California Prevailing Wage Determination for said craft. Every Inspector performing work under these classifications pursuant to a professional service agreement or a construction contract shall be bound to all applicable requirements of this agreement. Covered work as defined by this Agreement shall be performed pursuant to the terms and conditions of this Agreement regardless of the manner in which the work was awarded.
ARTICLE VII
JURISDICTIONAL DISPUTES

Section 1. The assignment of work will be solely the responsibility of the Contractor performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

Section 2. All jurisdictional disputes on this Project, between or among Building and Construction Trades Unions and 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 Contractors and Unions parties to this Agreement.

Section 3. All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

Section 4. Each Contractor will conduct a pre-job conference with the appropriate Building and Construction Trades Council prior to commencing work. The Project Contractor and the Owner will be advised in advance of all such conferences and may participate if they wish.
SUBJECT: CONSIDER APPROVAL OF THE CITY OF CARSON PROJECT LABOR AGREEMENT

I. SUMMARY

This item is being placed on the agenda at the request of Mayor Dear.

At the May 4th, 2004, meeting, Council directed staff to establish a policy for Project Labor Agreements (PLAs) to be in effect in the City of Carson, to commence negotiation of an agreement with the appropriate agency, and to bring back an agreement for consideration. In the time since, staff has received a draft from the Trades Union and has been negotiating the terms of the agreement. Tonight, staff is presenting the agreement for Council consideration.

II. RECOMMENDATION

CONSIDER approving the Project Labor Agreement document as the basis for establishing a formal relationship between the City of Carson and the Los Angeles/Orange Counties Building and Construction Trades Council, subject to approval as to form by the City Attorney.

III. ALTERNATIVES

PROVIDE direction to staff.

IV. BACKGROUND

A Project Labor Agreement (PLA) is a contractually binding agreement negotiated between a construction project owner/representative, developer and the Building and Trades labor union. It is a form of pre-hire agreement, negotiated before any employees are hired, and becomes part of the bid specification that all winning contractors must follow. Once negotiated, the PLA remains effective for the duration of the project.

While the language of every PLA is different, PLAs typically guarantee uniform wages, work rules and benefits across the multiple crafts employed on a project. In addition, PLAs provide grievance procedures for settling disputes, include no-strike and no-lockout provisions, and usually require that workers be hired through local union halls. Under most PLAs, contractors are permitted to employ a percentage of their core workforce (e.g. 15% per trade; “core” means employees who have worked for the contractor for some specified period of time), and legitimate PLAs comply with federal law by not requiring these core employees to
become union members. They may, however, have to pay union dues.

Earlier this year, the City was broached by the Los Angeles/Orange Counties Building & Construction Trades Council and a number of its represented unions to possibly establish a PLA for Carson. On May 4th, 2004, Council directed staff to establish a policy for a PLA to be in effect in the City of Carson, to commence negotiation of an agreement with the appropriate agency, and to bring back an agreement for consideration.

In the time since, staff has met with representatives from various groups that have had experience with Project Labor Agreements. This was done in an effort to obtain further information that would educate staff and aid Council's deliberation on this issue.

Arguments in Support

Proponents, such as the Los Angeles/Orange Counties Building & Construction Trades Council and its represented unions, have detailed numerous advantages of instituting a PLA for the City’s construction projects. They include:

- Promoting efficiency and lowering costs via systemizing and formalizing labor terms.
- Avoiding labor disruption or disharmony on projects during construction.
- Ensuring the supply of qualified workers.
- Ensuring the supply and opportunity for apprentices and training programs.
- Generally increasing the potential for on time, effective, efficient construction program.
- Promoting and satisfying requirements to ensure Equal Employment Opportunity/Nondiscrimination in City construction projects.
- Ensuring proper payment of wages and benefits to employees.
- Providing job training opportunities through apprenticeships.
- Increasing the potential for local and “at-risk” hires.

Arguments in Opposition

Staff has been contacted by representatives from a number of groups, such as the Association of Builders & Contractors and the Coalition for Fair Employment in Construction, to provide their perspective on PLAs. While they acknowledge the union view, their experiences have shown that there are some potential issues and drawbacks associated with the implementation of a PLA. They include:

- The purported cost savings under a PLA have not always materialized. Either there were no savings, or costs were actually higher than those projects without a PLA. Proponents contend that these agreements limit competition, as only union contractors or those few open shops who are willing to become signatory to the PLA for the duration of the project will enter a bid. With fewer bids, competition decreases, thereby raising the cost of the project.
• Under a PLA, contractors and subcontractors are required to pay prevailing wages. However, rather than the full amount of the prevailing wage being paid to the employees, a portion of the prevailing wage is paid to the union trust fund in the form of benefits. Unfortunately, because some employees may have limited involvement with the unions – usually for only during the duration of the project – these workers may not fully vest under the terms of the union’s trust funds. Thus, they may never receive all of the benefits for which they have paid. Also, the employee is still required to pay union dues and fees.

• Supporters claim that PLAs contribute to labor harmony, as workers would be prohibited from striking. However, public works projects are not typically subject to delays caused by labor disputes. Under the typical construction contract, the contractor has an incentive to resolve disputes because the contractor does not want to pay liquidated damages. Also, workers have actually gone on strike under a PLA. As well, it also ignores the fact that open shop employees do not strike.

• Though PLAs can ensure the use of local workers, this applies to those residents who are already members of the union, or are willing to pay the union dues and fees required by the agreement. With the majority of construction workers not affiliated with any union, the number of local hires may be small.

Developing the Agreement

During the last few months, staff has been meeting with the Trades Council to compose the PLA. The Trades Council initially presented the City with a draft agreement that contained a number of issues that were discussed in a series of meetings. Ultimately, the City developed a “counter proposal,” i.e. a revised version of the initial draft which deleted or revised language of concern to City staff. That revised version was shared with the City Attorney, who gave back comments to the City Manager. In light of these comments, changes were made to the proposal by the City Attorney. This version was sent to the Trades Council, as well as to Council for possible action on September 21, 2004. However, the Trades Council felt that further negotiations were needed to obtain an agreement that responded to their concerns. As a result, this item was continued to tonight’s meeting. On September 28, 2004, staff met with the Trades Council to finalize the agreement.

The City’s PLA contains a number of notable points. They include:

• The PLA prohibits strikes, picketing, slowdowns, withholding of work, refusal to work, sit-down, sand-ins, wobbles, boycotts lockout, work stoppages, disruptions, and advising of the public that a labor dispute exists.
• The PLA requires the unions to recruit City of Carson residents and refer City of Carson residents to City projects.

• The PLA requires all contractors and subcontractors hired by the City to recognize the Unions as the representatives of all employees, including employees who are employed by the contractor/subcontractor who are not union members.

• All employees of contractors and subcontractors will be required to pay union dues and initiation fees. Without a PLA, workers would not be obligated to pay this cost.

• The contractor and subcontractor may be required to obtain most of their work force from the union hiring halls. Thus, the contractor may not be able to utilize all their core employees who have worked for the contractor or subcontractor in the past.

• Employees may not receive the entire prevailing wage amount from the contractor/employer. The PLA requires the payment of prevailing wage to employees, which is the same standard set by law. However, they may not be receiving the full amount, as a portion may be paid to the union’s trust fund for benefits (such as medical, vacation, retirement, etc.). Some employees may not vest under the applicable union trust fund requirements, and, in the end, may not receive these benefits.

• The agreement has a set term of three years, and will apply to all projects for specialty work that are over $25,000 and general contract work over $125,000.

Due to these and other terms of the agreement, ensuring that these stipulations are enforced will demand a high level of monitoring by the City. If the City decides that the scope of the PLA will be in effect for all construction projects, a cost to administer the terms and conditions of the PLA for each construction project solicited for public bid will be incurred. This cost will come in the form of staff time, which may include those of a consultant and an attorney should their expertise be required. Note that this cost must be factored into the total cost of construction.

V. FISCAL IMPACT

None at this time.

VI. EXHIBITS

1. Minutes from the May 4, 2004, City Council Meeting (pg. 6)

2. City of Carson Project Labor Agreement (pgs. 7-29)
City of Carson  Report to Mayor and City Council
October 5, 2004

Prepared by:  Luchie S. Magante, Administrative Analyst

sf:Rev061902

Reviewed by:

<table>
<thead>
<tr>
<th>City Clerk</th>
<th>City Treasurer</th>
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<td>Economic Development Services</td>
<td>Public Services</td>
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Action taken by City Council

Date_______  Action________________________________________
________________________________________
PLEASE DELIVER TO:

Name:  Claire Mclachlan
Agency:  Employee Consulting Group
FAX #:  805/517-1870  Phone #: 805/482-7391

Document(s) Transmitted: Unit of Arbitrators

Message: Let me know what you think. If there is anyone "better", let me know.

      Thanks!

FROM:

Sender  S Turner  
Phone number  (310) 952-1729
FAX number  (310) 835-7261

If you have difficulty receiving any pages, please telephone this office immediately (310) 952-1729.
Los Angeles / Orange Counties
Building and Construction
Trades Council

RICHARD N. SLAWSON
Executive Secretary

1626 Beverly Boulevard
Los Angeles, CA 90026-5756
Phone (213) 483-4222
(714) 827-5791
Fax (213) 483-4419

TO: LUCII MACANIE - CITY OF CARSON

DATE: 11-2-04 FAX: 310) 835-7261

FROM: R. SLAWSON FAX: (213) 483-4419

RE: ORGANIZERS & INSPECTORS LANGUAGE (PLA)

PAGES: 2 (including cover sheet)

Please call our office as soon as possible if any pages are missing or illegible.

CONTACT: copy to follow via U.S. Mail

PHONE: (213) 483-4222

REMARKS: See the attached...
City of Carson Project Labor Agreement

* List of Arbitrators

- HOWARD BLOCK (714) 554-3323
- CHESTER BRISCO (714) 730-6688
- JOE GENTILE (310) 479-3915
- JOHN KAGEL (650) 325-0389
- LIONEL RICHMAN (818) 841-2666
- ANTHONY SINCROPI (760) 564-6055
- LOUIS ZAGMAN (310) 556-3748

* Inspector Language

Article II, Section 2.4 (7): Remove the word “inspectors” from the paragraph.

Add the following language covering Inspectors, and testing work on the City’s Projects:

However, this agreement shall include the classifications of Building/Construction Inspector and Field Soils and Material Testers (“Inspectors”) as a covered craft under this agreement. This inclusion applies to the scope of work defined in the State of California Prevailing Wage Determination for said craft. Every Inspector performing work under these classifications pursuant to a professional service agreement or a construction contract shall be bound to all applicable requirements of this agreement. Covered work as defined by this Agreement shall be performed pursuant to the terms and conditions of this Agreement regardless of the manner in which the work was awarded.
March 29, 2005

Linda Mann
City of Carson
701 E. Carson St.
Carson CA 90745-2224

Re: City of Carson
Project Labor Agreement

Dear Linda:

A comparison of the two copies of the Project Labor Agreement shows them to be identical. Please have the attached agreement executed on the City's behalf.

Please feel free to call me if you have any questions.

Very truly yours,

ALESHIRE & WYNDER, LLP

Dawn C. Honeywell

DH:prj
Enclosure
Date 5/5/05

PLEASE DELIVER TO:

Name: Richard Stansby
Agency: Building & Trade Council
FAX #: 213/483-4419 Phone #: 213/483-4222

Document(s) Transmitted:

Message:

FROM:

Sender: [Signature]
Phone number (310) 952-1729
FAX number (310) 835-7261

If you have difficulty receiving any pages, please telephone this office immediately (310) 952-1729.
June 6, 2005

Mr. Richard Slawson  
Executive Secretary  
Los Angeles/Orange County Building & Construction Trades Council  
1626 Beverly Boulevard  
Los Angeles, California 90026

Re: Carson Project Labor Agreement

Dear Mr. Slawson:

Please be advised that the Project Labor Agreement between the City of Carson, a general law city and municipal corporation, and the Los Angeles/Orange County Building & Construction Trade Council has now been executed by the Mayor as authorized by the City Council. A copy of the fully executed agreement is enclosed for your files.

The Mayor executed the agreement on April 27, 2005. Accordingly, pursuant to the agreement, the term of the same will commence on June 30, 2005. This office stands ready to assist the signatories to the agreement to fully implement the same to their mutual benefit.

Very truly yours,

William W. Wynder, Esq.,  
Carson City Attorney

Cc: (w/out enclosure)  
Mr. Jerome Groomes,  
City Manager  
Honorable Mayor & Councilmembers,  
City of Carson