



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 21-419

Meeting Date: 2/1/2022

TITLE:

COMMUNITY WORKFORCE AGREEMENT

DEPARTMENT: PUBLIC SERVICES DEPARTMENT

PRESENTED BY: RAJA SETHURAMAN, PUBLIC SERVICES DIRECTOR

CONTACT INFORMATION: SEUNG YANG, P.E., CITY ENGINEER (714) 754-5633

RECOMMENDATION:

Staff requests the City Council:

1. Provide direction on the attached Community Workforce Agreement (CWA) (Attachment 1) for a five-year term between the City of Costa Mesa (City) and the Los Angeles/Orange Counties Building and Construction Trades Council (Trades Council).
2. If approved, authorize the City Manager or designee to execute the agreement and accept any minor modifications to the agreement during the CWA term.

BACKGROUND:

The goal of the Community Workforce Agreement (CWA), also referred to as the Project Labor Agreement (PLA), is to develop opportunities for qualified locally hired individuals and veterans for construction of the City's various Capital Improvement Projects (CIPs).

The aim is to promote efforts and to increase employment opportunities for residents of Costa Mesa and to facilitate training and employment for the City's students and veterans in the construction trades through apprenticeships and to encourage efficiency of construction operations performed by the City of Costa Mesa. In addition, it is the intent of the CWA to reconcile labor disputes in a peaceful manner and to resolve grievances without the need for labor stoppages (i.e., strikes), which serves the public interest and leads to the orderly completion of construction projects.

The goal of the CWA is that Costa Mesa residents and/or veterans, regardless of where they live, perform up to thirty-five percent (35%) of total work hours for qualifying projects. If the unions cannot provide the required labor force within the City, the next preference is to reach out to workers residing anywhere in Orange County. All CIP projects are required to comply with all other state regulations per Public Contracts Code (PCC) and subject to prevailing wage requirements. The prevailing wages are determined by the Department of Industrial Relations (DIR) according to the type of work and project location.

The CWA item was previously presented to City Council during its regularly scheduled meeting on July 21, 2020. There were several comments made, both for and against the CWA. The supporters generally appreciated the priority provided to local and veteran hires, as well as the benefits provided to union workers. The comments against the CWA were from non-union contractors and workers generally opposed to hiring requirements that would be imposed as well as potentially higher project costs. City Council members also raised specific issues with certain provisions such as definition of local hire, potential administration costs, number of core employees, and employee verification.

ANALYSIS:

The attached CWA was modified taking into consideration comments received at the July 21, 2020 meeting. Key provisions of the CWA for the City of Costa Mesa include:

- Effective date of agreement is when it is fully executed by all parties, including all signatory unions, and the duration of the term is five (5) years.
- The CWA will be applicable for projects listed in Attachment F of the CWA.
- The hiring target is thirty-five percent (35%) with priority to Costa Mesa residents and/or veterans regardless of where they live. The next priority is for graduates of Costa Mesa high schools, followed by graduates of the Building Trades multi-craft core curriculum, and then all Orange County residents. An apprenticeship is also included to help facilitate local workforce development.
- Contracts are still subject to competitive bidding and the requirement to pay prevailing wages.
- Contractors recognize the Trades Council and the Unions as the sole and exclusive bargaining representative for the craft employees engaged in project work, and contractors further recognize that the Unions shall be the primary source of craft labor employed on the project work.
- Contractors which are not independently signatories to a Master Labor Agreement with the Union(s) representing the craft employees which the contractor employs, may first hire a member of his/her core workforce, then an employee through referral from the appropriate union hiring hall, then a second core employee, then a second employee through the referral system, and so on until a maximum of five (5) core employees are employed; thereafter, all additional employees in the affected trade or craft shall be requisitioned from the craft hiring hall, established and authorized by the Los Angeles/Orange Counties Building and Trades Council who are signatories to this agreement.
- Contractors retain the right to reject any applicant referred to them through the job referral system. If any Union's registration and referral system does not fulfill the requirements for specific classifications requested by any contractor within 48 hours, the contractor may employ applicants meeting such qualifications from any other available source.
- Projects excluded from the CWA include:

- Professional, office and other non-manual employee work
- Equipment and machinery purchases
- Work performed by City employees or other government agencies
- Work performed by inspectors employed by the City to inspect Contract work
- Work with funding or grant restrictions
- Laboratory testing, environmental/compliance requirement

Several agencies have adopted similar CWAs over the past few years. Orange County agencies that have executed CWAs include the Cities of Santa Ana, Anaheim, and Garden Grove, Anaheim Union High School District, and the Santa Ana Unified School District.

Staff reviewed the experiences of other jurisdictions with executed Community Workforce Agreements. In general, it was documented that contractors are abiding by the requirements and meeting the local-hire goals set in agreements. The administration costs are approximately 2.5 percent of contract cost for projects.

City staff and/or consultants will administer the CWA. The cost for consultant services will be assigned to respective project budgets.

ALTERNATIVES:

The City Council could make changes to the proposed CWA. Staff will incorporate approved changes accordingly.

A second alternative is for the City Council to receive and file the report. If this alternative is selected, there will be no changes to current CIP project implementation practices.

FISCAL REVIEW:

Funding for the administration of the CWA will be included within each project's budget.

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report, prepared the CWA and approves them both as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item is administrative in nature.

CONCLUSION:

Staff requests the City Council:

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