



**MINUTES OF THE
COMMUNITY WORKFORCE AGREEMENTS / PROJECT LABOR AGREEMENTS
(CWA/PLA) TASK FORCE**

SAN JOSE, CALIFORNIA

MONDAY, JUNE 26, 2017

The Community Workforce Agreement/Project Labor Agreements (CWA/PLA) Task Force convened in Regular Session at 3:03 p.m. in the City Manager’s Conference Room 1734, Towers, City Hall.

PRESENT: Assistant City Manager and Task Force Chair David Sykes, Councilmember Chappie Jones, Santa Clara & San Benito Counties Building and Trades Representative Josué Garcia, The Silicon Valley Organization Victor Gomez, South Bay Labor Council Representative Sal Ventura and Associated General Contractors of California Representative Mark Reynosa.

ABSENT: None.

STAFF: Deputy City Attorney Arlene Silva, Director of Public Works Barry Ng, Mayor’s office Budget Director Lee Wilcox, and Deputy City Clerk Kate Handford.

(A) Call to Order and Roll Call

Chair David Sykes called the meeting to order at 3:03 p.m. and provided introductory remarks.

(B) Consent Calendar

B.1. Approval of Minutes: May 22, 2017.

Action: The Minutes of May 22, 2017 were unanimously approved.

Documents Filed: (1) Community Workforce Agreements/Project Labor Agreements (CWA/PLA) Task Force Minutes of May 22, 2017.

(C) Review Information and Data requested at May 22, 2017 Meeting.

C.1. Renne Sloan Holtzman Sakai, LLP – Presentation on general definition/descriptions of PLA/CWA and local hire ordinance.

Deputy City Attorney, Arlene Silva, introduced Renne Sloan Holtzman Sakai, LLP to the Task Force and members of the public. Presenters were Jonathan Holtzman and Alex Volberding of Renne Sloan Holtzman Sakai, LLP.

Mr. Holtzman presented the slides to the Task Force and members of the public in attendance.

Chair David Sykes opened the floor for questions from the Task Force.

Councilmember Jones required clarification and experience on the Hiring hall rules. Renne Sloan mentioned that there could be provisions made in the PLAs. Hiring hall rules are different for different unions. For example, a specialized contract may require a contractor's team to work on the project.

Mark Reynosa, Associated General Contractors of California, enquired on the openness of union verses non-union Contractors.

Chair David Sykes posed the question on Proprietary Interest. Renne Sloan explained there has to be some overriding, larger projects focus on time criticality. The findings should not be built around the proprietary interest but built around needs of project.

Councilmember Jones enquired about the federal funding of projects. Renne Sloan clarified that some federal funding for larger projects can be segregated to a sub-project. Most PLAs have standard general language to state whether funding is part of the project or contributing to a project.

Chair David Sykes stated that Public Comment would be heard together on Item E.

Action: No action taken.

Documents Filed: (1) Community Workforce Agreements & Project Labor Agreements Presentation by Renne Sloan Holtzman Sakai, LLP. (2) Renne Sloan Holtzman Sakai LLP portfolio containing staff experience and paper entitled "*RSHS Pre-Hire Construction Agreement Representative Experience*".

C.2 Review information from Josúe Garcia on any trade worker employment statistics.

Josúe Garcia provided data on Apprentices from local High Schools. Sal Ventura also clarified on employment hiring rules.

Task Force discussion ensued.

Action: No action taken.

Documents Filed: (1) Paper entitled "*Number of Apprentices from Local High Schools*".

- C.3 West Valley College PLA review
The item was deferred to the July meeting.

D. Review Tasks and Objectives

- D.1 Union/Non-union Contractor Perspectives on PLAs.

Statements were heard from following:

- i. Tony Mirenda – Blach Construction.
Speaking personally with 40 years' experience. Spoke for PLAs and clarified that 'not one fits all' they are all different. Having skilled and trained workforce for public funded projects is imperative to have trained workforce. Negotiation with trade partners can make sense. Still allows for ample small contractors to work. Very valuable to have an agreement.
- ii. Jon Ball – AGC California.
Jon Ball's Statement was read by Mark Reynosa. A Union Contractor's perspective on Project Labor Agreements. Speaking personally with 40 years' experience specifically in San José/Santa Clara County. Spoke against PLAs and commented on duplication and higher costs
- iii. John Elwood – Rudolph & Sletten, Inc.
John Elwood read his statement speaking for PLAs and the numerous benefits, which include resolving issues and the studies completed which identifies the benefits of PLAs in private and public sectors.
- iv. Terry Risse – Iron Mechanical.
Not believer in PLAs and agrees with Jon Ball's statement. He sees no problem, hires local, apprenticeship school for plumbing, heating and air conditioning. Build a project before it starts. He is the Trade coordinator on most large projects. Cost of the project goes up with PLA's. There's talk of developers not building here if there's PLAs.

Sal Ventura posed the question about how would the costs go up with PLAs. Mr. Risse suggested that it limits a lot of people, a lot less bidders and prices goes up. Mr. Risse will not work on a PLA. Mr. Ventura asked about number of apprentices and local workers. Mr. Risse commented that 30% of his workers were local. He has a State Approved Apprenticeship Program and meets apprenticeship criteria on school and public projects.

Task Force discussion ensued on apprenticeship and graduation rates.

Action: No action taken.

Documents Filed: (1) June 26, 2017 – Statement of Jon W. Ball “*A Union Contractor’s Perspective on Project Labor Agreements (PLAs)*”.

D.2 Review Council Info Memo.

Chair David Sykes introduced the item and advised the Task Force the reason for the Info Memo was to:

1. Inform Council that Bill Guthrie was replaced by Sal Ventura on the Task Force.
2. Update Council on Task Force status.
3. Update Council on Local Hire – Council priority.

Director of Public Works, Barry Ng, provided update on status of Labor Market Study. An RFI was completed in January 2017, an RFP is now being prepared to send out by end of June 2017. Results will be back in August 2017 for consultant choosing process and work performed for next 9 to 10 months and by Spring 2018 will have the results from the study.

Josúe Garcia enquired about the scope of contract, and was advised that it was an analysis of private and public sector jobs. Also a look at best practices for local hire policy. Best practices for PLA/CWA and various programs there are. The scope will be on the RFP.

Council will be provided with options from the Study.

Victor Gomez mentioned that he was slightly offended by comments he had heard from Councilmembers in regard to potential delay tactics by the Task Force. Mr. Gomez wanted to stress that the Task Force are dedicated and it is not the intention. Chair David Sykes mentioned that a Local Hire update had been added to the Community and Economic Development Committee meeting in September.

Mark Reynosa appreciated the hard work of staff on the Task Force and confirmed that the Task Force should have the best public policy for the City in regard to PLAs.

Action: No action taken.

Documents Filed: (1) Attachment A – Information Memorandum dated June 15, 2017 to Mayor and City Council from the CWA/PLA Task Force and Local Hire Update.

E. **Public Comment**

Chair David Sykes opened the floor for public comments.

Aboubacar Ndiaye, Working Partnerships USA, spoke about trade worker employment statistics.

Louise Auerhahn, Working Partnerships USA, spoke on Task Force next steps, stating frustrations on delay and asks Task Force to work in July to put forward to Council in August.

Nicole Goehring – Associated Builders and Contractors of Northern California, spoke against PLAs providing West Valley College PLA review.

Gerard Pharro, a Santa Clara local Contractor, spoke against PLAs the impact of PLAs on small businesses.

Joseph Otayde, HC Solutions, spoke in support of PLAs and advocating for implementing targeted hiring, providing statistics on small businesses and ethnicity in the workplace.

Mark Plubell, Heat & Frost Insulators, spoke for PLAs.

Mauricio Volarde, South Bay Piping Industry, spoke for PLAs and the concern on wage theft and industry compliance.

Al Gonzalez, Local Union 393 Plumbers & Pipefitters, spoke about prevailing wage issues. Comparing libraries built in Gilroy and Palo Alto.

Mark Tersini, spoke on construction costs and union/non-union workers.

Walter Wilson, Minority Business Consortium Silicon Valley, spoke about exploring targeted hire and assessment of best practices in the construction industry.

Documents Filed: (1) Public comment binder entitled “*Exploring Targeted Hire, An Assessment of Best Practices in the Construction Industry, UCLA Labor Center, March 2014*”.

F. Next Steps

1. Task Force to bring forward recommendations for Task Force consensus at next meeting on the formal report out to Council in August 2017.
2. Josúe Garcia to contact Mission Valley College.

G. Next Meeting: July 31, 2017, 3:00 p.m. – 5:00 p.m.

ADJOURNMENT

Chair David Sykes adjourned the meeting at 4:47 p.m.



Assistant City Manager David Sykes
Chair