

# DEVELOPMENT OF COUNTYWIDE COMMUNITY WORKFORCE AGREEMENT ORDINANCE AND PROJECT TEMPLATE



Santa Barbara County Board of Supervisors – February 1, 2022

## Background

- In April 2019, your Board directed staff to draft an ordinance governing the use of CWA on public projects
- In addition, direction was given to the General Services and Public Works Departments to negotiate a template of terms to be used in the framework of future project-specific CWA with the Tri-County Building and Construction Trades Council (TCBT)

## Background

In August 2021, your Board directed staff to:

- Utilize the CWA the City of Santa Barbara has finalized through negotiation with TCBT as the County's base CWA but also
- Negotiate agreement terms within that document to maximize the number of bidders on County projects in the future
- Which will in turn maximize competition and maximize local labor participation



# Background

- Agreement terms include:
  - Core workforce
  - Exemption from the CWA requirements for offsite fabrication/batching facilities
  - Exemption from CWA requirements for all professional services
  - Union dues for non-union contractors
  - Union benefits for non-union contractors
  - Board discretion on threshold amount, where the CWA would apply to County projects, and which types of construction would be exempt from the CWA requirements

# Outline

- What is a CWA?
- Santa Barbara City – TCBT Agreement Points
- Staff Proposed CWA Enhancements
- Options for a Future Countywide CWA
- 5- Year Capital Improvement Plan
- Other Considerations
- CWA Next Steps
- Recommendations

# What is a CWA?

- A CWA is a contractually binding negotiated agreement between a project owner and the building and construction trade unions
- CWAs require that all contractors working on a project adhere to a collective bargaining agreement
- There are no guarantees that a CWA will increase or decrease construction costs, nor attract or detract local labor beyond “good faith” efforts
- On public projects all applicable state and federal bidding statutes and regulations must be followed

# What is a CWA?

- Used in the construction industry to set the terms and conditions of employment on large projects of long duration and design complexity (i.e., expensive to build, schedule measured in years vs months, and multiple crafts involved in the construction of the project)
- Allow for the expeditious resolution of disputes that can arise in the course of the project, helping to ensure that the project is delivered on time
- Provide benefits to the community by including jobs and training opportunities for disadvantaged workers

## Potential Benefits

- May assure such things as a steady supply of skilled labor, commensurate benefits, and work rules across multiple crafts
- Allow for the timely resolution of labor disputes
- Community benefits may include high paying jobs, and training opportunities for disadvantaged local workers
- Often contain language defining health and safety provisions, safety practices, and minimum security requirements
- Allow non-union contractors to bring core workers to the job





## Potential Disadvantages

- Place additional burdens on non-union contractors, particularly smaller local contractors, when bidding on projects
- May reduce the number of bids on a project, limiting competition and raising overall project cost
- May be redundant as the project must be constructed in accordance with state and federal statutes
- Low bidding contractor must abide by appropriate prevailing wage laws and fringe benefit requirements with or without a CWA



# Staff Agreement Point “Concept” Enhancements

Critical Agreement Points	Staff recommendation
Core Workforce*	Use City of SB – TCBT CWA local contractor formula for all contractors
Exemptions for offsite fabrication*	Exempt
Exemption for professional services	<i>Exempt if not in construction contract</i>
Union apprentice programs*	Exclusive use of union apprenticeship programs
Union dues for non-union contractors/employees*	No union dues required
Union Benefits for non-union contractors/employees†	<i>Projects under \$20M, not required Projects over \$20M, required</i>
Master Labor Agreements (MLA’s)	<i>Partially Exclude</i>

Minimum Local Participation Goal for each Project set at 50% (All Options)\*

\* Staff Agree with City of Santa Barbara - TCBT CWA

† Recommendations change with different contract thresholds





# Negotiation Team Recommendations

2014 PLA Agreement Points	Staff recommendation
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Master Labor Agreements	<i>Partially Exclude</i>



## Recommendations:

- City of Santa Barbara – TCBT CWA has different formulas for local vs. non-local contractors
- This practice not recommended for the County as it differentiates between contractors
- Use the City – TCBT formula for local contractors, which allows less core workers than the previously approved 2014 County PLA





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## Recommendations:

- Construction inspection and materials testing is quality assurance/quality control of the project, which is the agency’s responsibility
- If construction inspection and materials testing included in construction contract it will be considered a covered craft
- If construction inspection and materials testing is performed by the County or consultant procured it will be exempt from CWA





# Negotiation Team Recommendations

## Recommendations:

- Allow employer to choose best plan for their employees (cash payout, employer provided, or union provided) (Option 1)
- Or if tiering is preferred (Option 3):
- Projects under \$20M (Option 1 CWA) → contractors choose whether to enter the union program, cash payout or keep their existing benefit program
- Projects over \$20M (Option 2) → all employees fall under union benefit programs

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## Why consider tiering?

For projects \$10M-\$20M

- Historically strong local contractor participation in these bids
- These project durations are often measured in months, not years
- Union benefits are not realized by employees for short-duration projects (not vested in pension plan)
- Negative impacts to employees having to change their medical benefit providers for short time periods, then change back
- Net impact is non-union contractors may have to “double pay” to protect their employees’ ongoing benefits, leading to higher costs
- Takes the choice out of employee’s power to choose cash payouts (DIR Approved) if they want to pursue other benefit options





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## Recommendations:

- Partially exclude
- MLAs contain thousands of pages and many different agreements. It is untenable for non-union contractors to read and implement all aspects of MLAs
- MLAs change periodically and the County is not a party to these changes and would be incorporating unknown requirements
- Some MLA language may conflict with State, Federal, and County legal requirements, standards, and policies
- Inclusion of each MLA will be very limited and primarily to address each union's trust funds and grievance procedures for jurisdictional disputes



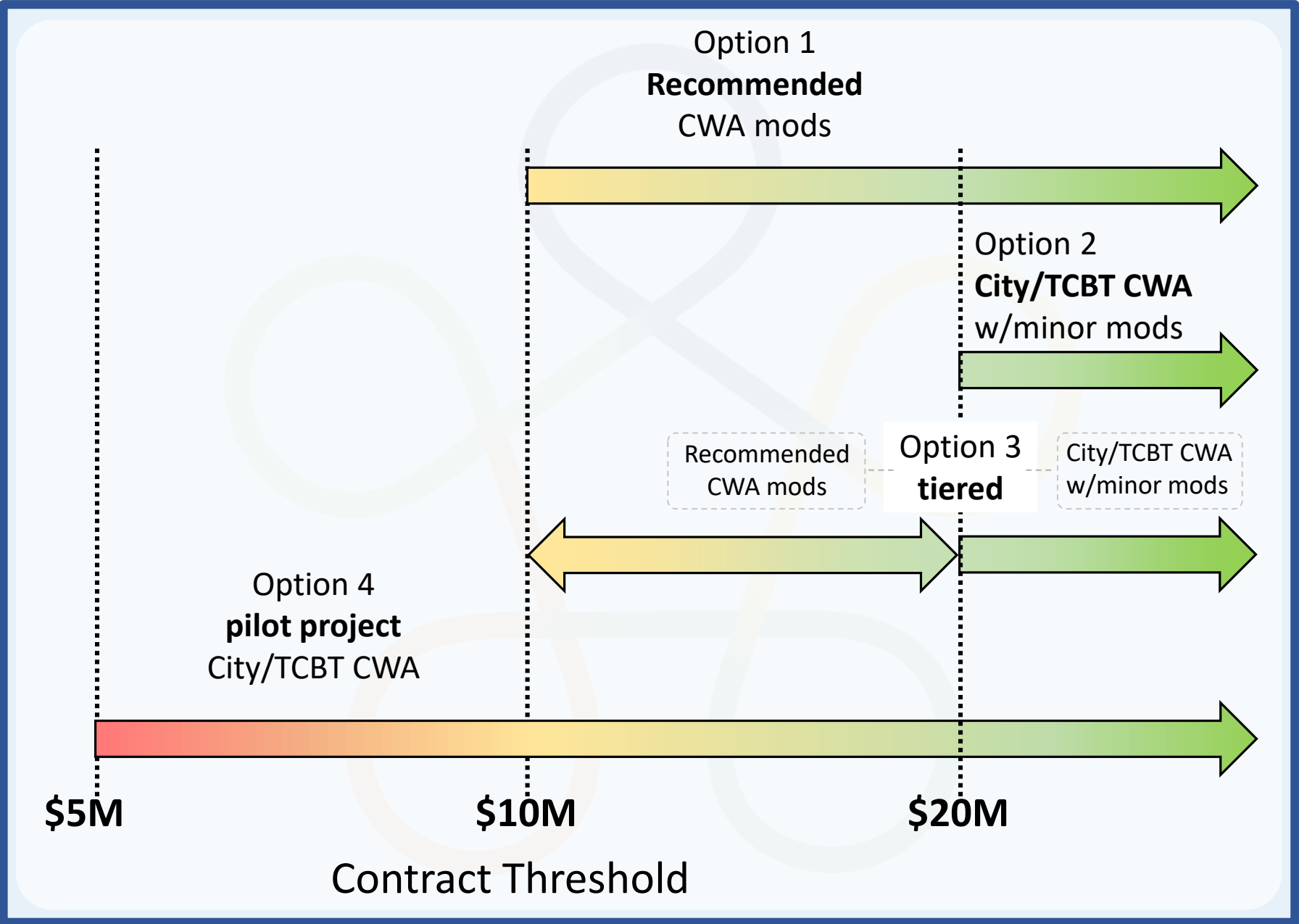


Future  
Countywide  
CWA Options

# Negotiation Team Recommendations

- Option 1: Use City of SB – TCBT baseline with four modifications to enhance for County use
  - Include All Staff Agreement Point Enhancements
  - Exclusions Clarified (In All Options)
  - Rebid Provision
  - Apply to Projects \$10M and Above
- Option 2: Use City of SB – TCBT CWA fewer modifications
  - Partial Exclusion of MLAs
  - Rebid Provision
  - Apply to Projects \$20M and Above
- Option 3: Use a tiered CWA depending on contract estimate
  - Option 1 for projects \$10M-\$20M
  - Option 2 for projects over \$20M
- Option 4: Use City of SB -TCBT CWA for a pilot project over \$5 million (Validation)
  - Bid pilot project with and without CWA
  - Award least expensive bid received

Future  
Countywide  
CWA Options

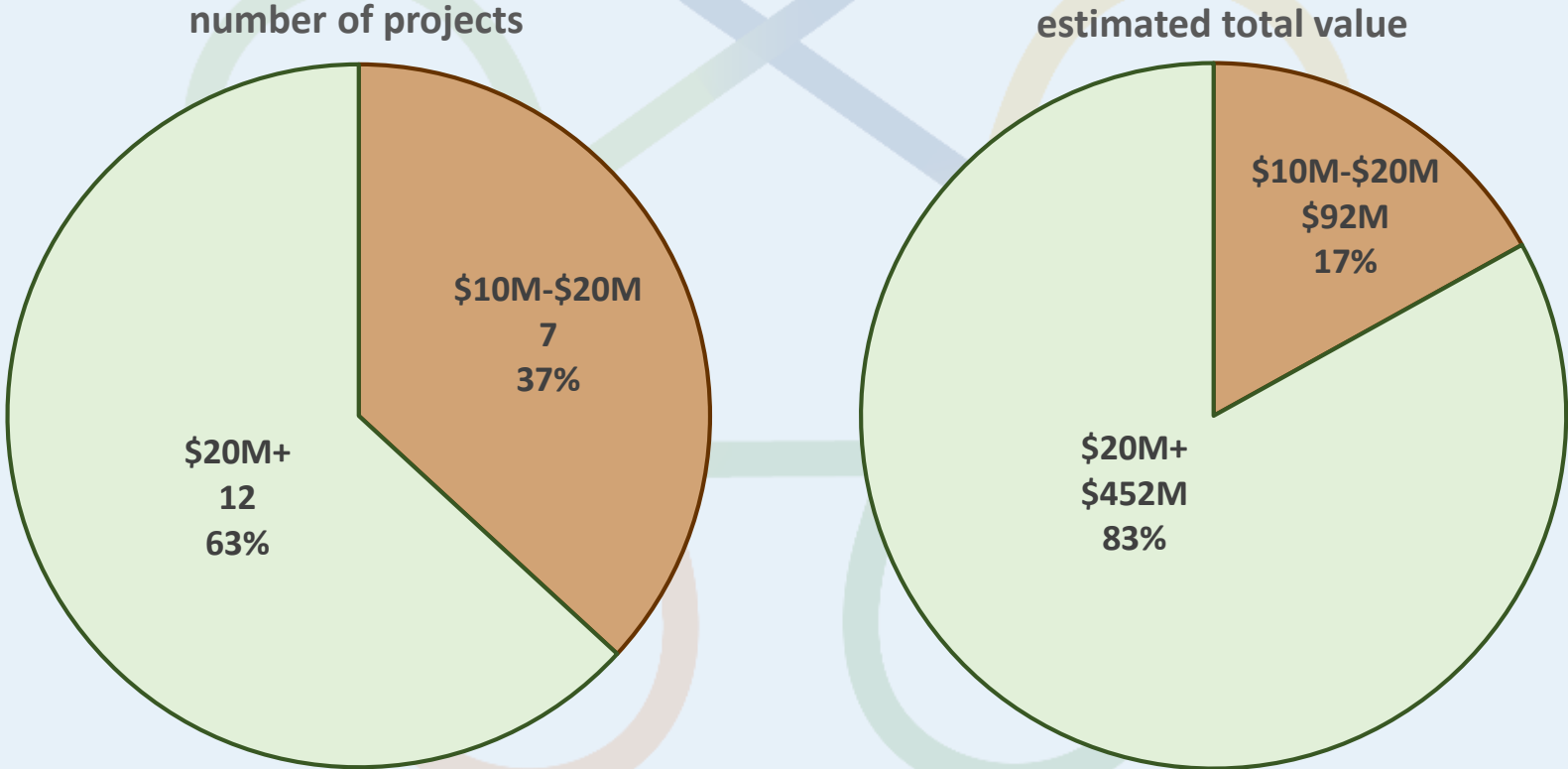




5 Year  
CIP

The County's FY21-22 Five Year Capital Improvement Plan has 19 CWA-eligible\* projects totaling \$544M in value under Option One.

PROJECTS OVER \$10M



\* based on City of SB/TCBT CWA exclusions



5 Year  
CIP

7 projects  
\$92M



12 projects  
\$452M



# Option One: FY21-22 Five Year CIP

## 19 CWA-eligible projects totaling \$544M

DEPT	DESCRIPTION	LOCATION	AMOUNT	
GS	Regional Fire Communications Center (Fire Dispatch)	Fire District	\$10,376,000	1
CSD	Point Sal	CIAP, Park Capital, General Fund (DM)	\$11,860,000	2
RD	Santa Claus Ln Streetscape Improvement	State Grant	\$11,990,000	3
CSD	Cachuma Lake RV Area Renovations	General Fund, BOR	\$13,555,000	4
FC	Atascadero Creek Lining	Atascadero Creek, Goleta	\$14,160,000	5
CSD	Waller Park Playfields	Dev. Impact Fees	\$14,800,000	6
CSD	Cachuma Lake Pool Area Renovations	BOR, General Fund (DM)	\$15,455,000	7
DEPT	DESCRIPTION	LOCATION	AMOUNT	
LS	LCSD - Sewer System Improvements	LCSD Revenue	\$22,878,000	1
CSD	Cachuma Lake Recreation Enhancements		\$24,255,000	2
GS	Main Jail - Re-Model and Accessibility Upgrades	COPs	\$27,500,000	3
FC	Oak Creek Capacity Project	Improvements to Channel Capacity, Montecito	\$27,744,000	4
GS	Probation - New Headquarters Building	COPs	\$28,000,000	5
FC	Romero Creek Capacity Improvement Project	Hwy 101 - Ocean, Montecito	\$28,917,000	6
FC	Channel - Lower Mission Creek Flood Control Proj, (Reach 2b-2 & 3)	Discretionary	\$36,204,000	7
RD	Bonita School Road Bridge Replacement	HBP	\$39,500,000	8
FC	San Ysidro Creek Capacity Improvement Project	Property Acquisition & Channel Imp., Hwy 101 - Ocean, Montecito	\$41,785,000	9
GS	Calle Real Master Plan - BeWell Headquarters & Operations Building	Health Campus @ Calle Real (Lower Portion of Campus)	\$42,000,000	10
FC	Sycamore Creek Improvement Project	Pacific Ocean - Five Points Roundabout, Santa Barbara	\$62,633,000	11
LS	LCSD - Plant Upgrade	LCSD Revenue	\$70,357,000	12



## Other Considerations

### Exclusions:

- Clarifications to work types for repair, maintenance and replacement of existing infrastructure
- Excludes disaster response and emergency work

### Initial Bid Options:

- Bid project(s) with both CWA and no CWA option (Board's Discretion)
- Pilot CWA

### Rebid Option:

- Include language in ordinance to rebid without CWA if low bidder participation (<3 bids) or high bids (>10%) above the engineers estimate

### Expiration Date:

- Staff recommends mirroring the City of SB's expiration date as we have never utilized a CWA in our County
- Your Board may also consider requesting that staff provide annual updates on the goals of the CWA during that timeframe

### Community Workforce Coordinator:

- The administration of the CWA is the responsibility of the County



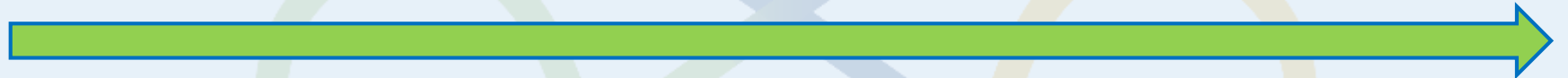
# CWA Next Steps

2014  
County creates balanced PLA/CWA framework.  
Signed by all but one TCBT trade

April 2019  
Board directs exploration of CWAs

July 2021  
City of SB adopts a CWA framework with TCBT

February 1, 2022  
Staff seeks additional direction for finalizing negotiations



Today:

- Board approval of agreement point concepts
- Board approval of preferred option

Next steps:

- Staff to finalize the CWA agreement language
- Staff brings draft ordinance and agreement to Board for consideration



## Recommendations

- Direct staff to pursue one of the following options:
  - Direct staff to pursue Option 1, continue negotiating with Tri-County Building and Construction Trades (TCBT), and return with documents for approval to utilize a CWA.
  - Direct staff to pursue other options (Table 3), continue negotiating with TCBT, and return with documents for approval to utilize a CWA.
  - Provide other direction as appropriate.
- Find that the proposed activities do not constitute a “Project” within the meaning of the California Environmental Quality Act, pursuant to 14 CCR §15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment), therefore no environmental document is required.

CWA on  
Public Projects

Seven  
Negotiation  
Points

# Thank You

