



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: 1st District Supervisor
Department No.: 064
For Agenda Of: 2/9/2010
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Board Member Salud Carbajal, First District Supervisor
Director(s)
Contact Info: Susan Paul, Assistant CEO/HR Director 568-2817
**SUBJECT: Policy Direction – Establishment of A Local Jobs Capital Project
Construction Stabilization Agreement**

County Counsel Concurrence

As to form: Select_Concurrence

Other Concurrence: Select_Other

As to form: Select_Concurrence

Auditor-Controller Concurrence

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors set a hearing for February 16, 2010 to consider:

- 1) Adoption of policy direction to establish a Local Jobs Construction Stabilization Agreement for certain County government capital projects,
- 2) Direct staff to proceed with the necessary coordination, negotiation, and preparation of documents needed to establish such an agreement; and
- 3) Return to the Board within 45 days with an agreement for adoption.

Summary:

A Local Jobs Construction Stabilization Agreement is a contractually binding agreement negotiated between the County and the Building and Construction Trade Unions. It is a form of pre-hire agreement that guarantees local jobs, uniform wages, benefits, and work rules across multiple crafts employed on certain construction projects. Such an agreement guarantees skilled labor on the project and the development of learning and career opportunities through established apprenticeship programs. Once negotiated the Agreement becomes part of the bid specification for certain construction projects and remains in effect for the duration of the project.

Background:

Construction Stabilization Agreements (CSA's) have been used in the construction industry since the 1930s on large public and private sector projects. For public construction projects there are economic benefits from systematizing and formalizing the labor terms under which construction projects are completed. These types of agreements promote efficiency and can lower costs on large construction projects. Wages, benefits, work rules, and grievance procedures are spelled out for all contractors and subcontractors. Following are key facts about CSAs:

- Achieves economic benefits related to streamlining and formalizing labor terms under which projects are completed
- Saves time and money in renegotiating terms for each subcontractor
- Controls project cost overruns
- Reduces risk of construction delays from worker shortages or labor disputes
- Streamlines and promotes efficiency and lower costs, particularly for larger projects
- Uses local/skilled labor
- Allows contractors to know their project employment costs before they submit bids on a project
- Fosters cooperation between the construction workforce and management
- Provides for apprenticeship training programs to ensure a future pipeline of expert trades workers
- Gives the public authority significant control over a project
- Ensures labor harmony if pre-existing collective bargaining agreements expire during the project (i.e. no-strike/no lock-out provisions)
- All contractors – unionized and non-unionized can bid on projects
- Ensures a steady supply of trained and qualified workers
- Has a history of being successfully used

The current economic downturn has caused vast unemployment in California's construction industry. In the year ending in June 2009, the State lost almost a fifth (18.6%) of its construction jobs, the greatest percentage among all major industries¹. CSAs can promote economic opportunity in the community through apprenticeship programs and local hire policies. Apprenticeship is a combination of on-the-job training and related instruction in which workers learn the practical and theoretical aspects of a highly skilled occupation². Apprenticeships are time intensive and require high standards of performance.

Local hire policies provide local jobs and incentivize the creation of career ladders by moving community members into apprenticeship programs and into mid-class careers. Such policies, which are part of a CSA, can include provisions that provide opportunities for "at-risk" residents and are a concrete way to ensure the investment of public funds to help low income residents. With the construction industry shifting to a green economy, there is a focus on new skills needed to respond to climate change and high energy costs. These changes will create new construction job opportunities.

Establishing a Local Jobs Construction Stabilization Agreement will require discussion with stakeholders and negotiation with the Building and Construction Trade Unions. It is recommended that the Board of Supervisors adopt policy direction to establish such an agreement and direct staff to proceed with the necessary coordination and negotiation and return to the Board within 45 days with an Agreement for adoption.

Fiscal and Facilities Impacts:

Special Instructions:

Attachments:

Authored by: Susan Paul

cc:

¹ California Employment Department Labor Market Division 2009. California Employment Highlight for July 2009. Current Employment Statistics (CES) Program.

² U.S. Department of Labor Apprenticeship www.dol.gov/dol/topic/traning/apprenticeship