



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office

Subject: Project Labor Agreement

Meeting Date: February 11, 2025

Formal Title: Approve revised Project Labor Agreement with Monterey and Santa Cruz Counties Building Trades Council, and take related actions

Recommended Actions

1. Approve revised Project Labor Agreement with Monterey and Santa Cruz Counties Building Trades Council; and
2. Authorize Chair of the Board of Supervisors to execute Project Labor Agreement as revised.

Executive Summary

Approval of changes Project Labor Agreement with Monterey and Santa Cruz Counties Building Trades Council (Trades Council) allows the Board Chair to execute the agreement as approved at the December 17, 2024 Board Meeting and further allows staff to implement the Pilot Program as directed.

Discussion

On December 17, 2024, the Board approved a Project Labor Agreement with the Monterey and Santa Cruz Building Trades and Construction Council (Trades Council) for use on specified projects as part of the County Pilot Program. The Pilot Program applies to ten (10) significant County capital projects, each valued over \$1 million, to explore the efficacy of project labor agreements in enhancing local workforce development, ensuring fair labor practices, increasing local contractor participation, and use of skilled labor to save time, and increase the safety of construction projects as well as the quality of work completed. The Board approved changes to the agreement to increase the Board's flexibility of awarding contracts to Covered Projects and expand Core Workforce provisions to all businesses with a principal place of business in Santa Cruz County. Specifically, the changes included:

- Modification to section B.4.3 related to Covered Projects reducing the percentage above the engineer's original cost estimate on solicited bids from 25% to 10% for a Covered Project; and
- Modification to section D.4 related to Core Workers to change the language from the definition of a Local Small Business to a "Contractor with a principal place of business in Santa Cruz County".

Upon further review of the document, staff also identified that due to a version control error in the negotiation of the agreement that section 2.4.7 was mistakenly included. Staff recommend that this section be deleted. Additionally, minor language changes are included for clarity that do not substantively change the terms of the agreement.

Clean and Redline versions of the revised Project Labor Agreement are attached.

Financial Impact

The future financial impact to the County of entering into a PLA for each of the Covered Project in the Pilot Program is unknown other than there will be a new cost associated with the Project Labor Coordinator function. Proponents state that a project labor agreement ensure experienced, trained Union labor and allow for expeditious resolution of disputes ensuring that a project is delivered on time, on budget, that safety and quality standards are maintained, and compliance with payment of prevailing wages and benefits to trades and crafts workers is achieved. Opponents state that project labor agreements overlay an additional layer of bureaucracy for compliance and administration that may not significantly enhance project outcomes, deter some contractors from bidding thereby reducing competition, and in general increase project costs.

Strategic Initiatives

Equity Framework - County Facilities & Infrastructure, Workplace & Workforce, Communications & Education
Operational Plan - Dynamic Economy, Operational Excellence

Submitted By:

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Recommended By:

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Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.