

**Requested Action:**

Reservoir Committee and Authority Board consider approval of the Final Construction Workforce Policy that establishes the Authority's expectations for the Project Labor Agreements, workforce utilization and other factors of importance to the local community.

**Detailed Description/Background:**

As part of the Board and Reservoir Committee's authorization in November 2024 to proceed with completing and issuing the Reservoir Construction Manager at Risk (CMAR) Request for Qualifications (RFQ), the Board gave direction to issue the Draft Construction Workforce Policy (Policy) so that CMAR feedback, if any, could be considered in finalizing the policy. Staff did not receive any comments from Reservoir CMAR RFQ respondents on the draft policy which is taken to mean the policy aligns with CMAR business practices. In addition to CMAR considerations, the draft policy was again reviewed with the Local Community Working Group with the following being additional recommendations to incorporate into the policy to be responsive to their concerns:

- Reflect that temporary housing for the project in the form of RV parks are the contractor's responsibility, that the parks must comply with local ordinances and regulations, and they must be self-sufficient and not burden local public services.
- Identify that the contractor coordinate with local needs and timing for agriculture production (e.g. hauling, workforce, etc).
- Add Yuba County to the definition of "Local Area".

Board adoption of the Construction Workforce Policy is proposed at this time. Following adoption, staff will include the adopted Policy as part of the Reservoir CMAR RFP. Shortlisted Proposers will be requested to describe their approach for conforming to the adopted Policy and the approach will be scored as part of the RFP evaluation criteria. Implementation of the policy will primarily occur through the construction contracts.

**Prior Action:**

November 2024: Draft Policy provided for review and comment.

**Fiscal Impact/Funding Source:**

The Amendment 3 Work Plan includes sufficient budget to cover required resources and activities to implement these next steps.


**Staff Contact:**

JP Robinette

**Attachments:**

Attachment A – Sites Project Authority Construction Workforce Policy (Clean Version from November 2024 draft)

Attachment B – Sites Project Authority Construction Workforce Policy (Redline Version from November 2024 draft)

	DOCUMENT TYPE	Policy
	DOCUMENT NO.	I01
	ADOPTED	[TBD]
	LAST UPDATED	n/a

**SITES PROJECT AUTHORITY  
CONSTRUCTION WORKFORCE POLICY**

**1. Purpose:**

Sites Project Authority (“Sites Authority”) establishes this Construction Workforce Policy (“Policy”) as a means to communicate its intention to implement project labor agreements (“PLAs”) on certain construction projects using alternative project delivery methods (“Alternative Projects”) to construct the Project, as defined below. Sites Authority acknowledges the history, working relationships, and shared interests of Sites Authority, the local community, the contracting community, and labor, and seeks in this Policy to bring together overlapping workforce interests to facilitate the implementation and completion of a successful Project.

The Sites Authority expects to receive feedback on this Policy through the procurement of construction services and recognizes that such feedback may lead to future revisions which must be adopted by Sites Authority to be in effect.

Assembly Bill (“AB”) 2551, codified in Public Contract Code section 20928 et seq., allows Sites Authority to engage in Alternative Projects to construct individual projects and requires that either the selected contracting entity, including its subcontractors, utilize a skilled and trained workforce to perform work on the project or implements a PLA. Sites Authority desires to implement a PLA on Alternative Projects and has developed this Policy to provide guidelines to the selected contracting entities on the parameters and values to be included in each PLA.

Additionally via this Policy, the Sites Authority commits to considering Project Area agriculture needs in recognition of concerns raised by Local Community Working Group.

Nothing in this Policy shall be interpreted as requiring the use of a PLA, where the use of a PLA is not permitted by federal funding requirements or could result in the loss of federal funds for the Project.

**2. Definitions:**

**Alternative Projects:** Alternative project delivery methods listed in Public Contract Code section 20928.1 including: construction manager at-risk; design-build, including conventional, progressive, and target price; and design-build operate.

**Local Area:** Project Area plus Butte, Placer, Sacramento, Shasta, Sutter, Tehama, and Yuba counties.

**Local Area Worker:** A construction craft worker domiciled in the Local Area at least six continuous months immediately prior to employment on the Project. “Domiciled” has the meaning set forth in Section 349(b) of the California Election Code.

**Local Community Working Group:** the individuals and organizations consulted by the Sites Authority on issues related to local impacts of the Sites Reservoir Project.

**Project Area:** Colusa, Glenn, and Yolo counties.

**Project Area Worker:** A construction craft worker domiciled in the Project Area at least six continuous months immediately prior to employment on the Project. “Domiciled” has the meaning set forth in Section 349(b) of the California Election Code.

**Project Labor Agreement (or “PLA”):** A pre-hire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects and is an agreement described in Section 158(f) of Title 29 of the United States Code. (See Public Contract Code, § 2500(b)(1).)

**Sites Project Authority (or “Sites Authority”):** The Sites Project Authority, an independent joint powers authority established pursuant to the Joint Exercise of Powers Agreement to exercise powers common to the Sites Authority members to, among other things, effectively study, promote, develop, design, finance, acquire, construct, manage, and operate Sites Reservoir and related facilities such as recreation and power generation.

**Sites Reservoir Project (or “Project”):** The entire physical infrastructure and capital improvements to be designed, constructed, commissioned, and completed by the Sites Authority. The Project will be procured through numerous separate contracting vehicles, potentially including traditional design/bid/build and Alternative Projects.

**3. Policy:**

**a. Alternative Project-Specific Project Labor Agreements.**

California Public Contract Code section 2500 et seq., governs Sites Authority’s use of a PLA. In compliance with statutory authority, Sites Authority finds that the selected contracting entity for each Alternative Project will be in the best position to manage the risk of staffing labor on specific projects and complying with all labor requirements. Alternative Project-specific PLAs permit the focus of each PLA to include trades applicable to the scope of work and the means and methods of the selected contracting entity. This will help engage involved construction trades, control costs and avoid schedule delays, resulting in successful projects.

Accordingly, Sites Authority shall contractually require each selected contracting entity to negotiate and execute a PLA on each Alternative Project which must meet the minimum requirements specified in this Policy.

**b. Key Terms to be Addressed in Every Project Labor Agreement.**

The Sites Authority has determined that the following are key terms and items that shall be incorporated by the selected contracting entity into each PLA as a minimum.

(i) Public Contract Code Section 2500.

Pursuant to Public Contract Code section 2500, the PLA must include, at a minimum, all of the following taxpayer protections:

- Prohibition on discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation, or membership in a labor organization in hiring and dispatching workers for the project.
- Permission for all qualified contractors and subcontractors to bid for and be awarded work on the project without regard to whether they are otherwise parties to collective bargaining agreements (i.e., whether they are union or non-union).
- Agreed-upon protocol concerning drug testing for workers who will be employed on the project.
- Guarantees against work stoppages, strikes, lockouts, and similar disruptions of the project.
- Requirement that disputes arising from the PLA shall be resolved by a neutral arbitrator.

(ii) Project Area and Local Area Workers.

(1) Training.

A provision encouraging and ensuring employment opportunities for Local Area residents and enable effective construction career pathways. This could include developing, implementing, and administering a construction careers pipeline program to maximize construction career opportunities and provide a path to employment for Local Area residents. This could also require, among other things, priority for union hall referral of Local Area residents, identifying and training Local Area residents interested in entering the construction industry, holding community job fairs, establishing work force development programs, and employing of Local Area residents as apprentices.

(2) Hiring.

A provision establishing goals for the hiring, training, and retention of Local Area Workers and prioritizing the dispatch of Local Area Workers from union halls. The PLA shall include the following two goals: (1) At least 20% of the total construction craft work hours on the project covered by and subject to the PLA shall be performed by Project Area Workers; and (2) At least 50% of the total construction craft work hours on the project covered by and subject to the PLA shall be performed by Local Area Workers.

(3) Apprenticeships.

A provision requiring the use of apprentices on the projects as allowed and required by the Labor Code, with measured goals to facilitate, encourage, and assist Local Area Workers and transitional workers in enrolling in and progressing through apprenticeship programs in the construction industry.

(4) Considerations for Project Area Agriculture Needs

In its preparations for project construction, the Sites Authority will require project contractors to identify and implement a coordinated approach where the interests of the project and those involved in potentially affected agriculture production can be reasonably achieved in a coordinated manner.

(5) Other.

Any other provisions that Sites Authority identifies on a project by project basis that when included in a PLA would promote Local Area workforce development.

(iii) Sufficient Workforce Use of Local Contractors.

A provision requiring construction trades signatory to the PLA to use their best efforts to maintain sufficient numbers of skilled craft workers to fulfill the labor requirements of the selected contracting entity on the project.

(iv) Wages.

A provision incorporating union master agreements into the PLA and applying any applicable terms to the covered work, including, among other things, wages scales and fringe benefit rates for the covered work in compliance with current prevailing wage laws and determinations.

(v) Veterans.

A provision to facilitate the inclusion of veterans and service members who are interested in careers in the building and construction industry into the construction trades by participating in "Helmets to Hardhats".

(vi) Management Rights.

A definition of the general working conditions of the employees (safety, working hours, etc.) along with management rights (including flowing through to the Sites Authority as provided for in the construction contract) to exercise full and exclusive authority and responsibility for the management and operation of its operations and work forces including, but not limited to, requiring all workers to observe and abide by local laws and regulations.

(vii) Local Area Contractors.

A provision that excludes specific work or work packages from a PLA that can be provided by Local Area contractors. This would include both work that generally is covered by a PLA, but could be provided by Local Area contractors, such as trucking, and work outside the jurisdiction of covered work in the PLA, such as but not limited to demolition work, hauling services, equipment rental, delivery, and maintenance, fencing and gate installation and maintenance, and other similar work.

(viii) Disputes.

- Dispute resolution procedures for the settlement of grievances and disputes by parties on the projects. This includes liquidated damages for works stoppages or other disruptions.
- A mechanism to settle jurisdictional disputes between construction trades without work stoppages.

(ix) Subcontractors.

A provision requiring subcontractors on the projects to accept and be bound by the PLA.

(x) Enforcement Provision.

A provision providing Sites Authority the rights of a third-party beneficiary to each project specific PLA, including, but not limited to, the right to terminate the PLA.

(xi) Federal and State Funding.

Depending on final funding contract terms and conditions, if State or Federal funds are used for a specific project, the PLA shall comply with applicable federal and state funding requirements, including, but not limited to, 2 CFR §200.321 and contracting with small businesses, minority businesses, women's business enterprises, and veteran-owned businesses.

**c. Temporary Housing**

A provision requiring that any development of temporary worker housing by contractors shall be limited in duration to the project construction period as needed by the project workforce. As currently envisioned temporary housing would consist of RV parking with, to the extent reasonably feasible, self-sufficient on-site water, sewer, security and trash services, avoiding or minimizing the burden to the Project Area public services and municipalities. Contractors will be responsible to comply with any ordinances or regulations of the applicable land use agency in setup, use, or tear-down of the temporary housing. All temporary housing shall avoid and minimize any materially adverse impacts on public services and/or municipalities within the Project Area.


**4. Implementing this Policy.:**

Sites Authority authorizes the Executive Director, or designee, to take all necessary steps to implement this Policy. This includes, but is not limited to, the following:

- Requiring all potential contracting entities to provide their strategy for implementation of this Policy during the procurement process that will be considered as part of the Sites Authority's evaluation process as further described in specific Requests for Qualifications and Requests for Proposals.
- Contractually requiring the selected contracting entity to include the applicable Key Terms and its proposed strategy into each PLA.
- Contractually requiring the selected contracting entity to submit quarterly workforce utilization reports to Sites Authority documenting the selected contracting entity's efforts to meet the requirements of this Policy and the PLA, including, but not limited to, the hiring goals described in this Policy.
- Implementing a tracking and reporting system to evaluate contractor performance meeting the requirements of this Policy.

Nothing herein shall be intended to supersede the terms of the contract between Sites Authority and the selected contracting entity to construct Alternative Projects.



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	DOCUMENT NO.	[INSERT]101
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