



City of San Leandro

Meeting Date: June 15, 2015

Staff Report

File Number: 15-347

Agenda Section: ACTION ITEMS

Agenda Number: 10.A.

TO: City Council

FROM: Chris Zapata
City Manager

BY: Chris Zapata
City Manager

FINANCE REVIEW: Not Applicable

TITLE: Staff Report for a Resolution Approving a Community Workforce Agreement with the Alameda County Building and Construction Trades Council and Its Affiliated Local Unions Governing Labor Procedures for City Construction Projects Valued Above \$1,000,000

SUMMARY AND RECOMMENDATIONS

Based on direction from the City Council and the City Council Finance Committee, staff negotiated with the Alameda County Building and Construction Trades Council (“BTC”) a Community Workforce Agreement. The Agreement would establish the BTC and its affiliated labor unions as the sole bargaining representative of all persons working on City construction projects valued above \$1,000,000. Further, the Agreement would set in place certain policies and goals related to the hiring of San Leandro residents to work on City construction projects and the hiring of San Leandro residents into the signatory unions’ apprenticeship programs.

Staff recommends that the City Council review and consider for adoption the proposed resolution approving the Community Workforce Agreement. The Agreement has an effective date of January 1, 2016 and a term of three years.

BACKGROUND

Staff considers the following 2014-2015 City Council goals applicable to the City Council’s consideration of this Agreement:

- Place San Leandro on a firm foundation for long-term fiscal sustainability;
- Advance projects and programs promoting sustainable economic development, including transforming San Leandro into a center for innovation; and
- Maintain and enhance San Leandro’s infrastructure.

A Community Workforce Agreement (“CWA,” referred to from time to time and by other

jurisdictions as a Project Labor Agreement or PLA) is a contract between a public agency and the respective building and construction trades groups or unions within the jurisdiction of the public agency that governs, among other things, the role of organized construction trades unions in the execution of a public agency's projects. This issue relates to the City Council's goals because it will impact the process for completing major expenditures within the City's budget, the role that local businesses and employees play in that process, and ongoing efforts to enhance and maintain the City's infrastructure.

Based on direction from the City Council in summer 2014, staff initiated discussions with the BTC to explore policy options related to the implementation of a CWA. Staff also held discussions with numerous stakeholder groups including local San Leandro businesses, the San Leandro Chamber of Commerce, and multiple business associations. Through this process, staff encountered strong opinions both for and against the City's potential adoption of a Community Workforce Agreement. The primary arguments in favor of a CWA are that it will ensure labor peace on City projects, which assists in delivering projects on time and on budget, and that it promotes the payment and provision of quality wages and benefits for the employees who work on such projects. The primary argument in opposition is that a CWA puts non-union contractors at a disadvantage in competing for City projects.

The City Council held a Work Session on February 10, 2015 to review an assessment of policy options from staff and to gather feedback from stakeholders. At that Work Session, the City Council expressed a desire to move forward with a CWA and requested that specific policy considerations be explored in further detail at the City Council Committee level. Specifically, the City Council requested Committee consideration of three issues:

1. The appropriate minimum threshold for projects to fall under the CWA;
2. The specific language and procedures governing the ability of non-union contractors to use their existing, or "core," workforce; and
3. How the City would account for the costs and time required to provide appropriate outreach, implementation, and monitoring of a CWA.

Analysis

Review of Community Workforce Agreements and Project Labor Agreements from other Agencies

Staff compiled and reviewed comparable agreements from other Bay Area public agencies. Staff identified two Bay Area cities -- Berkeley and Martinez -- that adopted community workforce agreements or project labor policies. Additionally, staff reviewed policies adopted or agreements approved by Alameda County, the San Leandro Unified School District, the Port of Oakland and the Hayward Unified School District.

As a starting point for discussions with the Building and Construction Trades Council of Alameda County, staff and the Trades Council used the City of Berkeley's Community Workforce Agreement as a model. A draft CWA was presented at the February 10, 2015 Work Session and subsequently to the Finance Committee on March 17, 2015.

The basic provisions of the agreement are as follows:

Covered Work: The work covered under the draft CWA includes all on-site construction, demolition, alteration, painting or repair of buildings, structures, landscaping, temporary fencing and other related activities for the projects that is within the craft jurisdictions of one of the signatory unions and that is part of the projects, including, pipelines, site preparation, survey work, and demolition.

The agreement does not apply to projects for which there is a prohibition, exclusion or other limitation imposed because of a grant, funding, or other agreement that creates a risk to the City of any repayment or return to source of any funds received. Per Section 2.4.5 of the Agreement, the City Council will have final authority to make amendments to the Agreement in the unlikely event that City staff and the BTC are unable to reach agreement on amendments to the CWA for a particular project's funding restrictions.

Contracts would still be subject to competitive bidding laws, the payment of prevailing wages, and the City would still be required by law and its own ordinances to select the lowest responsive and responsible bidder.

Minimum Cost Threshold: City staff recommended setting a baseline value so that the CWA would apply to City construction projects whose value meets or exceeds \$1,000,000. The Building Trades initially requested a minimum value of \$250,000. Staff's recommendation was based on programmatic necessities, including but not limited to maintaining efficiency of process and budget and project management flexibility. Based on staff research, other agencies have used the following thresholds:

- City of Berkeley: \$1,000,000 and above
- City of Martinez: \$500,000 and above
- San Leandro Unified School District: Between \$500,000 and \$3,000,000
- Port of Oakland: Varies, some as low as \$50,000
- Contra Costa County: \$1,000,000
- Solano County: \$10,000,000

Finance Committee Recommendation: At its March 17, 2015 meeting, the Finance Committee recommended a \$1,000,000 minimum threshold and the BTC indicated that, though they preferred a lower threshold, they are amenable to this determination.

Labor Peace: For all projects covered by the Agreement, the Unions would agree that there will be no strikes, sympathy strikes, work stoppages, picketing, hand billing, or slowdowns of any kind, for any reason, on the projects, at a job site of the projects or at any other facility of the City.

Union Hiring Hall and Impact on Non-Union Contractors: Contractors working on covered projects would be required, in filling craft job requirements, to utilize and be bound by the registration facilities and referral systems authorized by the signatory unions. This is commonly referred to as the union hiring hall.

The agreement does not prohibit non-union contractors from bidding on projects. However, the CWA allows non-union contractors to use no more than five of their own employees and

only if those workers are San Leandro residents and an equal number of union workers are also retained by the contractor. This is known as the “Core Worker” provision. Non-union “core” workers hired under this provision would still be required to register with the union hiring hall and the non-union contractor would be required to pay into the union trust fund, covering health and pension benefits for these workers.

In 2014, the City Council adopted a Local Inclusion Policy that gives San Leandro businesses an advantage in competing for City contracts. As discussed at the February 10, 2015 Work Session, some stakeholders raised concerns that the CWA could create challenges for non-union contractors, including some San Leandro businesses. If San Leandro businesses opt not to bid on City projects because of a CWA, they would be unable to realize the benefits of the Local Inclusion Policy, especially the bid preference granted by ordinance. At the February 10, 2015 Work Session, this issue was referred to the City Council Finance Committee for further discussion.

Finance Committee Recommendation: At its March 17, 2015 meeting, the Finance Committee indicated that it was comfortable moving forward with the “Core Worker” provision as written.

Local Hire and Apprentices: The CWA sets a goal of 30% participation by San Leandro residents in construction projects that are covered by the CWA. Contractors would make good faith efforts to reach this goal through the utilization of the Unions' hiring hall procedures. The agreement also requires contractors to hire one San Leandro resident as a New Apprentice for the first \$1 million of the bid amount. Thereafter, for every \$5 million of project monies, the contractor would be required to hire one additional New Apprentice. The intent of the clause is to increase pathways for San Leandro residents into the building trades.

Funding for Outreach, Implementation, and Oversight: Adoption of a CWA will substantially change certain procedures related to the bidding process, award, and delivery of large construction projects. Accordingly, staff believes that, should the City Council approve the CWA, an outreach process would be necessary to ensure that potential bidders are aware of the new policies and have sufficient information so that they can comply.

Additionally, staff costs for implementation will include monitoring payroll and other records to oversee and track the impact of the local hiring goal, staffing a Joint Administrative Committee, updating bid documents, and participating in the resolution of disputes if any should arise. For comparison, the City of Berkeley devotes a significant share of one full-time position in its Health, Housing, and Community Services Department for implementation and monitoring of the program. Berkeley estimates the annual cost to be \$61,000. San Leandro does not have a comparable position on staff and will need to determine the most appropriate means of providing these functions.

Subsequent City Council Action to Fund Outreach and Implementation: At its meeting on April 20, 2015, the City Council adopted Resolution No. 2015-086, appropriating \$100,000 in one-time funding for outreach and implementation of a CWA.

Effective Date and Term

Staff recommends that the CWA, if approved, have an effective date of January 1, 2016 and run for a term of three years. The effective date will allow adequate time to initiate an outreach

process to ensure that potential bidders and contractors are aware of the program and can comply with it. This time will also give the City an opportunity to establish new procedures related to the preparation of bid documents, staffing of the Joint Administration Committee, and oversight, monitoring and tracking of the local hire and apprenticeship provisions.

The term of three years is recommended because, at the close of that term, staff believes that a sufficient number of projects will have been completed to allow for a comprehensive review of the Agreement and its impact. Prior to the close of the three year term, staff anticipates returning to the City Council with a review of the program along with a recommendation of a potential extension as well as modifications that would improve the effectiveness of the CWA.

Current Agency Policies

The Local Inclusion Policy provides a bid incentive for San Leandro businesses bidding for City contracts and also sets a goal of 25% participation in City projects by San Leandro businesses.

Summary of Public Outreach Efforts

City staff met with the Alameda County Building and Construction Trades Council, the Chamber of Commerce, the Associated Building Contractors, private developers, and individual businesses to receive feedback on the proposed policy. The Chamber of Commerce also held a meeting with San Leandro contractors.

Legal Analysis

The City Attorney's Office has reviewed the proposed agreement and approved it as to form.

Previous Actions

- On February 10, 2015 the City Council held a Work Session to review options related to the adoption of a potential CWA and receive feedback from stakeholders.
- On April 20, 2015, the City Council adopted Resolution No. 2015-086, appropriating \$100,000 in one-time funding for outreach and implementation of a CWA.

Committee Review and Actions

- At meetings on March 17, 2015 and April 21, 2015, the City Council Finance Committee discussed the CWA and indicated support for bringing the item back to the City Council for adoption. Specifically, the Finance Committee recommended a minimum cost threshold of \$1,000,000 and was comfortable with the "Core Worker" provision as drafted.

Fiscal Impacts

Although the precise costs of initiating and implementing a Community Workforce Agreement are not known at this time, the City Council appropriated \$100,000 for this purpose on April 20, 2015. Staff does not anticipate a need for additional funding at this time.

ATTACHMENT

Attachment to Resolution

- Community Workforce Agreement

PREPARED BY: Jeff Kay, Business Development Manager, Community Development
Department
Richard D. Pio Roda, City Attorney



City of San Leandro

Meeting Date: June 15, 2015

Resolution - Council

File Number: 15-348

Agenda Section: ACTION ITEMS

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TO: City Council

FROM: Chris Zapata
City Manager

BY: Chris Zapata
City Manager

FINANCE REVIEW: Not Applicable

TITLE: RESOLUTION Approving a Community Workforce Agreement with the Alameda County Building and Construction Trades Council and Its Affiliated Local Unions Governing Labor Procedures for City Construction Projects Valued Above \$1,000,000.00

WHEREAS, the successful completion of the City's construction projects is of the utmost importance to the City of San Leandro; and

WHEREAS, the interests of the general public, the City, the Unions and Contractor(s) would be best served if the construction work proceeded in an orderly manner without disruption because of strikes, sympathy strikes, work stoppages, picketing, lockouts, slowdowns or other interferences with work; and

WHEREAS, the Contractor(s) and the Unions desire to mutually establish and stabilize wages, hours and working conditions for the workers employed on construction work for and within the City of San Leandro by the Contractor(s), and further, to encourage close cooperation among the Contractor(s) and the Union(s) so that a satisfactory, continuous and harmonious relationship will exist among the parties to the Agreement; and

WHEREAS, the parties agree that one of the primary purposes of the Agreement is to avoid the tensions that might arise on a Project if Union and non-union workers of different employers were to work side by side on a Project, thereby leading to labor disputes that could delay completion of the Project; and

WHEREAS, contracts for construction work within the City of San Leandro will be awarded and administered in accordance with the applicable provisions of the Charter of the City of San Leandro, the California Public Contract Code and the California Labor Code, including but not limited to competitive bidding and payment of prevailing wages; and

WHEREAS, the City of San Leandro has the absolute right to select the lowest

responsive and responsible bidder for the award of construction contracts for the Projects;
and

WHEREAS, the parties signatory to this Agreement pledge their full good faith and trust to work towards a mutually satisfactory completion of the Projects; and

WHEREAS, an agreement between the City of San Leandro and the Alameda County Building and Construction Trades Council and its Affiliated Local Unions, a copy of which is attached, has been presented to this City Council; and

WHEREAS, the City Council is familiar with the contents thereof; and

WHEREAS, the City Manager recommends approval of said Agreement.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

That said agreement is hereby approved and execution by the City Manager is hereby authorized.

COMMUNITY WORKFORCE AGREEMENT

For the City of San Leandro

This Agreement is made and entered into this ____ day of _____, by and between the City of San Leandro ("City") together with contractors and sub-contractors of all tiers, who shall become parties to this Agreement by signing the "**Agreement to be Bound (Attachment A)**", and the Alameda County Building & Construction Trades Council and its affiliated local Unions who have executed this Agreement.

PURPOSE

The purpose of this Agreement is to support the efforts of the City to increase employment opportunities for workers who reside in San Leandro, to help increase training and employment opportunities for the City's students in the construction trades through apprenticeship and pre-apprentice programs as the students graduate from the City's schools, to promote efficiency of construction operations performed for and within the City of San Leandro and to provide for peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the projects.

RECITALS

WHEREAS, the successful completion of the City's construction projects is of the utmost importance to the City of San Leandro; and

WHEREAS, the interests of the general public, the City, the Unions and Contractor(s) would be best served if the construction work proceeded in an orderly manner without disruption because of strikes, sympathy strikes, work stoppages, picketing, lockouts, slowdowns or other interferences with work; and

WHEREAS, the Contractor(s) and the Unions desire to mutually establish and stabilize wages, hours and working conditions for the workers employed on construction work for and within the City of San Leandro by the Contractor(s), and further, to encourage close cooperation among the Contractor(s) and the Union(s) to the end that a satisfactory, continuous and harmonious relationship will exist among the parties to this Agreement; and

WHEREAS, the parties agree that one of the primary purposes of this Agreement is to avoid the tensions that might arise on the Project if Union and non-union workers of different employers were to work side by side on the Project, thereby leading to labor disputes that could delay completion of the Project; and

WHEREAS, this Agreement is not intended to replace, interfere with, abrogate, diminish or modify existing local or national collective bargaining agreements in effect during the duration of the Project, insofar as a legally binding agreement exists between the Contractor(s)/Employer(s) and the affected Union(s), except to the extent that the provisions of this Agreement are inconsistent with said collective bargaining agreements, in which event, the provisions of this Agreement shall prevail; and

WHEREAS, contracts for construction work within the City of San Leandro will be awarded in accordance with the applicable provisions of the Charter of the City of San

Leandro, the California State Public Contract Code and the Labor Code, including but not limited to competitive bidding and payment of prevailing wages; and

WHEREAS, the City of San Leandro has the absolute right to select the lowest responsive and responsible bidder for the award of the construction contracts for the Projects; and

WHEREAS, the parties signatory to this Agreement pledge their full good faith and trust to work towards a mutually satisfactory completion of the Projects.

NOW, THEREFORE, IT IS AGREED BETWEEN AND AMONG THE PARTIES HERETO, AS FOLLOWS:

ARTICLE 1

DEFINITIONS

- 1.1 "Agreement" means this Community Workforce Agreement.
- 1.2 "Agreement to be Bound" means the agreement (attached hereto and incorporated herein as Exhibit A) which shall be executed by each and every Contractor(s)/Employer(s) as a condition of performing Project Work.
- 1.3 "Alameda County Residents" shall include any residents living in any city or unincorporated section of Alameda County six months prior to the award of a Project.
- 1.4 "San Leandro Resident" means any individual who six months prior to the award of a Project can certify through a utility bill, or other similar means acceptable to the parties to this Agreement that the individual resides within the boundaries of the San Leandro City Limits.
- 1.5 "City" means the City of San Leandro.
- 1.6 "Completion" means that point at which there is Final Acceptance by the City of a Construction Contract. For this definition of "Completion", "Final Acceptance" shall mean that point in time at which the engineer for the City has determined upon final inspection that the work has been completed in all respects and all required contract documents, contract drawings, warranties, certificates, manuals and data have been submitted and training completed in accordance with the contract documents and the City Council has accepted the work.
- 1.7 "Contractor(s)" or "Contractor(s)/Employer(s)" means any individual, firm, partnership or corporation, or other business entity, or combination thereof, including joint ventures that is an independent business enterprise, and their successors and assigns that has entered into a contract with the City with respect to the construction work necessary for any part of a Project, under contract terms and conditions approved by the City and which incorporate this Agreement, and any of its contractors or subcontractors of any tier.
- 1.8 "Construction Contract(s)" means all of the contract(s) for construction of any Project.
- 1.9 "Council" means the Alameda County Building and Construction Trades Council, AFL-CIO.

1.10 “New Apprentice” means a San Leandro Resident who is indentured in a State of California approved apprenticeship program that is a joint labor-management apprentice program for no more than twenty-four months.

1.11 “Project” means any construction project awarded by the City, by and through its City Council, and paid for in whole or in part out of City General Fund or City Enterprise Fund monies, the value of which, either estimated by the City or bid by the Contractor, exceeds \$1,000,000.00. The City and the Council may mutually agree in writing to add additional components to a Project’s Scope of Work that is covered under this Community Workforce Agreement.

1.12 “Union” or “Unions” means the Council and any affiliated labor organization signatory to this Agreement, acting on their own behalf and on behalf of their respective affiliates and member organizations, whose names are subscribed hereto and who have through their officers executed this Agreement.

1.13 “Project Manager” means the person or persons or business entity designated by the City to oversee all phases of construction on the Projects.

1.14 “Schedule A Agreement” or “Master Labor Agreement” means the local master labor agreement of a Union signatory to this Agreement.

ARTICLE 2

SCOPE OF AGREEMENT

2.1 Parties: This Agreement shall apply and is limited to all Contractors/Employers (including subcontractors at any tier) performing work under Construction Contracts necessary for the Projects, the City, the Council and any affiliated labor organization signatory to this Agreement, acting in their own behalf and on behalf of their respective affiliates and member organizations, whose names are subscribed hereto and who have through their officers executed this Agreement.

2.2 Project Description: This Agreement shall apply to the award of all of the Construction Contracts identified by the City as part of the Projects. The City has the absolute right to combine, change, consolidate, suspend or cancel Construction Contract(s) or portions of Construction Contract(s) identified as part of the Projects. Should the City suspend or remove any individual project from the Projects and thereafter authorize that construction work be commenced on such project, then such project shall be performed under the terms of this Agreement. Once a Construction Contract is completed it is no longer covered by this Agreement except when a Contractor is directed to engage in repairs, warranty work or modifications required by its Construction Contract with the City.

2.3 Covered work:

2.3.1 This Agreement covers, without limitation, all on-site preparation, surveying, construction, alteration, demolition, installation, improvement, painting or repair of buildings, structures and other works, and related activities for the Project that is within the craft

jurisdiction of one of the Unions and which is directly part of the Project, including, without limitation to the following examples, geotechnical and exploratory drilling, temporary HVAC, landscaping and temporary fencing, pipelines (including those in linear corridors built to serve the project), pumps, pump stations, and modular furniture installation. On-site work includes work done for the Project in temporary yards, dedicated sites, or areas adjacent to the Project, and at any on-site or off-site batch plant constructed solely to supply materials to the Project. Covered work includes all soils and materials testing and inspection where such testing and inspection is a classification in which a prevailing wage determination has been published.

2.3.2 This Agreement shall apply to any start-up, calibration, commissioning, performance testing, repair, maintenance, and operational revisions to systems and/or subsystems performed after Completion unless it is a new contract and falls below the threshold identified in section 1.11, or is performed by City Employees.

2.3.3 This Agreement covers all on-site fabrication work over which the City or Contractor(s)/ Employer(s) possess the right of control (including work done for the Project in any temporary yard or area established for the Project). Additionally, this Agreement covers any off-site work, including fabrication necessary for the Project defined herein, that is covered by a current Schedule A Agreement or local addenda to a National Agreement of the applicable Union(s) that is in effect as of the execution date of this Agreement.

2.3.2 The furnishing of supplies, equipment or materials which are stockpiled for later use shall not be covered by this Agreement. However, construction trucking work such as the delivery of ready-mix, asphalt, aggregate, sand or other fill material which are directly incorporated into the construction process as well as the off-hauling of debris and excess fill, material and/or mud, shall be covered by the terms and conditions of this Agreement. Employers, including brokers, of persons providing construction trucking work shall provide certified payroll records to the City within ten (10) days of written request or as required by bid specifications.

2.3.3 The on-site installation or application of all items shall be performed by the craft having jurisdiction over such work as set forth under the provisions of this Agreement; provided, however, it is recognized that installation of specialty items which may be furnished by the owner of the Project or a Contractor shall be performed by construction persons employed under this Agreement who may be directed by other personnel in a supervisory role; provided, however, in limited circumstances requiring special knowledge of the particular item(s), work may be performed by construction persons of the vendor or other companies where necessary to protect a manufacturer's warranty. The issue of whether it is necessary to use construction persons of the vendor or other companies to protect the manufacturer's warranty shall be subject to the grievance and arbitration clause of this Agreement.

2.4 Exclusions: The following shall be excluded from the scope of this Agreement:

2.4.1 This Agreement is not intended to, and shall not affect or govern the award of public works contracts by the City that are outside the identified scope of work of the Projects.

2.4.2 This Agreement shall not apply to a Contractor or subcontractor's non-craft executives, managerial employees, engineering employees, design employees, supervisors (except those

covered by existing building and construction trades collective bargaining agreements), office and clerical employees.

2.4.3 This Agreement shall not apply to any work performed on or near or leading to the site of work covered by this Agreement that is undertaken by state, county or other governmental bodies or their contractors; or by public or private utilities or their contractors; or by the City or its contractors for work not part of the scope of the Projects. Further, this Agreement shall not be construed to prohibit or restrict the City or its employees from performing work on or around the Project construction sites or from entering Project sites for any purposes deemed necessary or appropriate by the City.

2.4.4 This Agreement shall not apply to the off-site maintenance of leased equipment or the on-site supervision of such work.

2.4.5 In the event that the City becomes aware or is made aware that this Agreement or portions thereof are inconsistent with the terms and conditions of any grant, loan, or contract with any Federal, State, or regional agency or with the instructions or directions of an authorized representative of a Federal, State or regional agency to which the City is applying for or has received grant funds, the City shall notify the Council. Within 24 hours of notification, the parties shall meet and confer to attempt to modify the Agreement to avoid the forfeiture of any funding or to otherwise resolve the issue. Should the parties be unable to come to an accord, this Agreement or any inconsistent provision shall be modified, subject to the approval of the City Council, to remain in compliance with the requirements of the applicable funding source.

2.5 Termination, Suspension and/or Delay of Work: It is understood and agreed that the City, at its sole option, may change, terminate, delay and/or suspend any and all portions of Covered Work at any time. Further, the City may prohibit some or all work on certain days or during certain hours of the day to comply with applicable codes, laws or regulations, permits or to accommodate the ongoing operations of the City's facilities and/or to mitigate the effects of the ongoing Projects' work on the businesses and residents in the neighborhoods of the Project sites; and/or require such other operational or schedule changes that may be deemed necessary, in its sole judgment, to effectively maintain the primary purpose of the City's facilities and to remain a good neighbor to the residents and businesses in the immediate area of any Projects. In order to permit the Contractors and Unions to make appropriate scheduling plans, the City will provide the affected Contractor with reasonable notice of any changes, beyond what was stated in the bid documents, that it requires pursuant to this Section.

2.6 Work covered by this Agreement within the following craft jurisdictions shall be performed under the terms of their National Agreements as follows: the NTL Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, and the National Agreement of Elevator Constructors, and any instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Technicians, with the exception that Articles IV, XI and XII of this Agreement shall apply to such work.

2.7 The parties are hereby notified that any Projects funded in whole or in part by HUD Section 3 financial assistance must provide employment, registered apprenticeship, training, contracting, or other economic opportunities to Section 3 residents and businesses in a manner that is consistent with Section 3 of the Housing and Urban Development Act of 1968.

The parties shall meet and confer to modify this agreement when and where necessary to comply with HUD regulations.

ARTICLE 3

EFFECT OF AGREEMENT/SUBCONTRACTORS

3.1 By executing this Agreement, the Unions and the City agree to be bound by each and every provision of this Agreement.

3.2 By accepting the award of a Construction Contract for a Project, whether as contractor or subcontractor at any tier thereunder, the Contractor/Subcontractor agrees to be bound by each and every provision of this Agreement.

3.3 This Agreement shall only be binding on the signatory parties hereto, their successors and assigns, and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party unless performing work within the scope of the Project(s).

3.4 The provisions of this Agreement, including the Schedule A agreements, which are incorporated herein by reference and which are the local Master Agreements of the Signatory Unions having jurisdiction over the work on the Project, shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreements which may conflict with or differ from the terms of this Agreement. It is understood that this Agreement, together with the referenced Schedule A Agreements, constitute an integrated, self-contained, stand-alone agreement, and that by virtue of having become bound to this Agreement, the Contractor will not be obligated to sign any other local, area, or national agreement as a condition of performing work within the scope of this Agreement. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the provisions of this Agreement shall prevail. Where a subject is covered by the provisions of a Schedule A and is not covered by this Agreement, the provisions of the Schedule A shall prevail.

3.5 In addition, it is understood and agreed that all grievances and disputes involving the interpretation or application of this Agreement, including the Schedule A Agreements, shall be resolved according to the procedures set forth in Article 11 of this Agreement; provided, however, that should a dispute involve a single Schedule A Agreement and a Contractor signatory thereto, and not involve interpretation or application of this Agreement, then such dispute shall be processed and resolved pursuant to the grievance provisions of that Schedule A Agreement. Should there be a dispute in the first instance as to whether the provisions of Article 11 of this Agreement or the grievance procedures of a Schedule A Agreement apply, the dispute shall be presented initially to an arbitrator who shall be selected pursuant to the method described in Article 11. Such referral of a dispute as to the applicable procedures shall be done by an immediate conference call among the parties and the arbitrator, and be heard and decided within three (3) calendar days. Should the arbitrator hold that Article 11 applies, the parties may, by mutual agreement, submit the issue to the same arbitrator pursuant to the provisions of Article 11, or, absent mutual agreement, commence processing the dispute at Step 1 of that Article.

3.6 Subcontractors: At the time that any Contractor enters into a subcontract with any subcontractor of any tier for the performance of construction or construction trucking work

within the scope of this Agreement, the Contractor shall provide a copy of this Agreement, as it may from time to time be modified by the negotiating parties, to said subcontractor and shall require the subcontractor, as a part of accepting an award of a construction subcontract, to agree to be bound by each and every provision of the Agreement prior to the commencement of work.

3.6.1 Each Contractor and Subcontractor shall evidence their agreement to be bound to this Agreement by executing the **Agreement To Be Bound** form attached hereto as **Exhibit A**. A copy of the Agreement To Be Bound executed by the Contractors and Subcontractors shall be submitted to the Council and the Union(s) prior to both the commencement of work and the Pre-Job Conference and will be a required submittal within the City's bid packages. If the Contractor or Subcontractor refuses to execute the Agreement To Be Bound, then such Contractor or Subcontractor shall not be awarded a Construction Contract to perform work on the Projects. A Contractor or Subcontractor who executes the Agreement to Be Bound shall be considered a signatory party to this Agreement.

3.6.2 It is understood that the liability of each Contractor and Subcontractor and the liability of each Union under this Agreement shall be several and not joint. Any dispute between the Union(s) and the Contractor/Employer respecting compliance with the terms of the Agreement shall not affect the rights, liabilities, obligations and duties between the signatory Union(s) and other Contractor(s)/Employer(s) party to this Agreement. Any alleged breach of this Agreement by a signatory Union shall not affect the rights, liabilities, obligations and duties between the signatory Contractor(s)/Employer(s) and the other Union(s) party to this Agreement. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the City and/or any Contractor or Subcontractor.

3.6.3 With regard to any Contractor or subcontractor that is independently signed to any Schedule A Agreement, this Agreement shall in no way supersede or prevent the enforcement of any subcontracting clause contained in such Schedule A Agreement. Any such subcontracting clause in a Schedule A Agreement shall remain and be fully enforceable between each craft union and its signatory employers and no provision of this Agreement shall be interpreted and/or applied in any manner that would give this Agreement precedence over subcontracting obligations and restrictions that exist between craft Unions and their respective signatory employers under a Schedule A Agreement. To the extent that the provisions of this Agreement are inconsistent with any other provisions contained in a Schedule A Agreement, the provisions of this Agreement shall prevail.

ARTICLE 4

WORK STOPPAGES, STRIKES, SYMPATHY STRIKES AND LOCKOUTS

4.1 The Unions, City and Contractor agree that for the duration of the Projects:

4.1.1 There shall be no strikes, sympathy strikes, work stoppages, picketing, hand billing or otherwise advising the public that a labor dispute exists, or slowdowns of any kind, for any reason, by the Unions or construction persons employed on the Projects, at a job site of the Projects or at any other facility of the City because of a dispute on the Projects. Nor shall the Unions or construction persons employed on the Projects participate in any strikes, sympathy strikes, work stoppages, picketing, hand billing, slowdowns, or otherwise advising the public that a labor dispute exists at a Project jobsite because of a dispute between Unions and Contractor(s) on any other project.

4.1.2 As to construction persons employed on the Projects, there shall be no lockout of any kind by a Contractor covered by this Agreement

4.1.3 If a Schedule A Agreement between a Contractor and the Union expires before the Contractor completes the performance of a Construction Contract and the Union or Contractor gives notice of demand for a new or modified Schedule A Agreement, the Union agrees that it will not strike, picket, hand-bill, slowdown or engage in any other disruptive activity against the Contractor and the Contractor will not lock out construction persons of the Union on said Construction Contract for work covered under this Agreement and the Union and the Contractor agree that the expired Schedule A Agreement shall continue in full force and effect for work covered under this Agreement until a new or modified Schedule A Agreement is reached. If the new or modified Schedule A Agreement provides that any terms of the new Schedule A Agreement shall be retroactive, the Contractor agrees to comply with any retroactive terms of the new or modified Schedule A Agreement applicable to construction persons employed on the Projects within seven (7) days.

4.1.4 It shall not be considered a violation of this article for a Union to withhold labor (but not picket) from any Contractor/Employer who fails to make its timely payment of Trust Fund contributions or fails to meet its weekly payroll. The affected Union shall give seventy-two (72) hours written notice to the City and to the Contractor/Employer prior to withholding labor due to a Contractor's failure to make timely payment of Trust Fund contributions and twenty-four (24) hours written notice to the City and to the Contractor/Employer when a Contractor/Employer fails to make weekly payroll or when paychecks are determined to be nonnegotiable by a financial institution normally recognized to honor such paychecks, during which time the Contractor/Employer shall have the opportunity to correct the default.

4.1.5 If the City contends that any Union has violated this Article, it will notify in writing (including email) the Secretary-Treasurer/Business Manager/Senior Executive of the Council and the Senior Executive of the Union, setting forth the facts alleged to violate the Article, prior to instituting the expedited arbitration procedure set forth below. The Council will immediately use its best efforts to cause the cessation of any violation of this Article. The leadership of the Union will immediately notify the membership of its obligations under this Article.

4.2 **Expedited Arbitration:** Any party to this Agreement shall institute the following procedure, in lieu of or prior to any other action at law or equity, when a breach of this Article 4 is alleged to have occurred:

4.2.1 A party invoking this procedure shall notify Robert Hirsch whom the parties agree shall be the permanent arbitrator under this procedure. In the event that the permanent arbitrator is unavailable at any time, William Riker shall be the alternate arbitrator. If neither is available, then the arbitrator shall be chosen from the list provided in Article XI. Notice to the arbitrator shall be by the most expeditious means available, with notices by facsimile, electronic mail or telephone to the party alleged to be in violation, to the City, to the Council and to the involved local Union if a Union is alleged to be in violation of this Agreement.

4.2.2 Upon receipt of said notice, the arbitrator shall convene a hearing within twenty-four (24) hours if it is contended that the violation still exists.

4.2.3 The Arbitrator shall notify the parties by facsimile, electronic mail or telephone of the place and time for the hearing. Said arbitration shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all parties. A failure of any party to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

4.2.4 The sole issue at the hearing shall be whether or not a violation of Article 4, Section 4.1 of this Agreement has occurred. The arbitrator's decision shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without a written opinion. If any party desires a written opinion, one shall be issued within fifteen (15) calendar days, but its issuance shall not delay compliance with or enforcement of the award. The arbitrator may order cessation of the violation of this Article 4 and other appropriate relief and such award shall be served on all parties by hand or the most expedient means allowed by law that meets the timelines set forth herein.

4.2.5 Such award may be enforced by any Court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to above in the following manner: Written notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's decision as issued under Section 4.2.4 of this Article 4, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or the most expedient means allowed by law that meets the timelines set forth herein.

4.2.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance are waived by the parties.

4.2.7 The fees and expenses of the arbitrator shall be divided equally between the party instituting the arbitration proceedings provided in this Article and the party alleged to be in breach of its obligations under this article.

4.3 Liquidated Damages: If the arbitrator determines that a violation of Section 4.1 has occurred, the breaching party shall, within eight (8) hours of the issuance of the decision take all steps necessary to immediately cease such activities and return to work. If the breaching party involved does not cease such activities by the beginning of the next regularly scheduled shift following the expiration of the eight (8) hour period after the arbitrator's issuance of the decision, then the breaching party shall pay the sum of ten thousand dollars (\$10,000) as liquidated damages to the City per shift until the breach is remedied. The arbitrator shall retain jurisdiction for the sole purpose of determining compliance with this obligation and determining the amount of liquidated damages, if any; but such retention shall not prevent the moving party from seeking judicial enforcement of the initial decision.

ARTICLE 5

PRE-JOB CONFERENCE

5.1 A mandatory pre-job conference shall be held after the award of the Construction Contract and prior to the commencement of work. Such conference shall be attended by a

representative from the participating Contractor(s), including all sub-contractors, and Union(s) and the Project Manager. All efforts will be made to hold the pre-job conference in sufficient time to ensure all parties the ability to properly raise and resolve any issue that may arise out of such meeting, with a goal that such conferences will be held at least ten (10) days before the work commences. Unless otherwise agreed to by the parties, all pre-job conferences will be held at San Leandro City Hall.

ARTICLE 6

NO DISCRIMINATION

6.1 The Contractors and Unions agree not to engage in any form of discrimination based on any protected class, including but not limited to race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation or disability against any person, or applicant for employment on the Projects.

ARTICLE 7

UNION SECURITY

7.1 The Contractors recognize the Union(s) as the sole bargaining representative of all construction persons working within the scope of this Agreement.

7.2 All construction persons who are employed by the Contractor(s) shall, as a condition of employment, on or before the eighth (8th) day of consecutive or cumulative employment on the Projects, be responsible for the payment of the applicable monthly working dues and any associated fees uniformly required for union membership in the applicable local union which is signatory to this Agreement. Further, there is nothing in this Agreement that would prevent non-union construction persons from joining the local union.

7.3 Authorized representatives of the Unions shall have access to the Projects whenever work covered by this Agreement is being performed on the Project.

ARTICLE 8

REFERRAL AND LOCAL HIRE PROGRAM

8.1 Referral:

8.1.1 Contractor(s) performing construction work on the Projects described in the Agreement shall, in filling craft job requirements, utilize and be bound by the registration facilities and referral systems established or authorized by the Unions signatory hereto ("Job Referral System"). Such Job Referral System will be operated in a non-discriminatory manner and in full compliance with all federal, state, and local laws and regulations, including those which require equal employment opportunities and nondiscrimination.

8.1.2 The Contractor(s) shall have the right to reject any applicant referred by the Union(s), in accordance with the applicable Master Agreement.

8.1.3 The Contractor(s) shall have the unqualified right to select and hire directly all supervisors above general foreman it considers necessary and desirable, without such persons being referred by the Unions(s).

8.1.4 In the event that referral facilities maintained by the Union(s) are unable to fill the requisition of a Contractor(s) for employees within a seventy-two (72) hour period after such requisition is made by the Contractor(s), the Contractor(s) shall be free to obtain employees from any source. Contractor(s) shall promptly notify the Union(s) of any applicants hired from other sources. This provision does NOT affect core employees as defined below.

8.1.5 Unions shall exert their utmost efforts to recruit sufficient numbers of skilled craft persons to fulfill the requirements of the Contractor(s).

8.2 Local Hire:

8.2.1 All parties agree to make a good faith effort to refer on a priority basis, consistent with the non-discriminatory referral procedures of the hall, qualified and available, and bona-fide San Leandro residents and if no San Leandro residents are available, then Alameda County Residents, for Project work.

8.2.2 The parties also recognize and support the City's commitment to provide opportunities for participation on the Projects to San Leandro businesses through the City's Local Business Preference Ordinance. In furtherance of this commitment, the parties agree that such San Leandro contractors and subcontractors awarded work on the Projects may request by name, and the local will honor, referral of persons who have applied to the local union for Project work and who demonstrate the following qualifications:

- (1) possess any license required by state or federal law for the Project work to be performed;
- (2) have worked a total of at least one thousand (1,000) hours in the construction craft during the prior three (3) years;
- (3) were on the Contractor's active payroll for at least sixty (60) out of the one hundred and twenty (120) calendar days prior to the contract award;
- (4) have the ability to perform safely the basic functions of the applicable trade, and
- (5) are San Leandro residents.

The Union will refer to such Contractor one journeyman employee from the hiring hall out-of-work list for the affected trade or craft, and will then refer one of such Contractor's "core" employees as a journeyman and shall repeat the process, one and one, until such Contractor's crew requirements are met or until such Contractor has hired five (5) "core" employees, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list(s). For the duration of the Contractor's work the ratio shall be maintained and when the Contractor's workforce is

reduced, employees shall be reduced in the same ratio of core employees to hiring hall referrals as was applied in the initial hiring.

8.2.3 The Contractor shall notify the appropriate Union of the name and social security number of each direct hire and each direct hire shall register with the Union's hiring hall before commencing Project work. If there is any question regarding an employee's eligibility under this Subsection, the City Representative, at a Union's request, shall obtain satisfactory proof of such from the Contractor.

8.2.4 To the extent allowed by law and consistent with the non-discriminatory referral procedures of the Union hiring halls, the Parties agree to a goal that San Leandro Residents shall perform a minimum of 30% of the hours worked, on a craft by craft basis, on the Projects. In the event that no San Leandro residents are available to fulfill the 30% local hire requirement, the next tier of residents shall come from anywhere in Alameda County. The Contractor(s) shall make good faith efforts to reach this goal through the utilization of the Unions' hiring hall procedures. The Unions shall exercise their best efforts in their recruiting and training of San Leandro Resident workers and in their hiring hall procedures to facilitate this 30% goal.

8.2.5 Should any Contractor performing work on the Projects exceed the 30% local hire goal as set forth in this Agreement, they shall be acknowledged by the City Council for their efforts.

8.3 **Apprenticeship Provision:**

8.3.1 Consistent with the requirements of California Labor Code §§ 1776, 1777.5 and 1777.6, Prime Contractor(s), and or their sub-contractors shall hire 1 San Leandro resident as a New Apprentice for the first 1 million dollars of the total bid amount. Thereafter, for every 5 million dollars of the total bid amount the Prime Contractor and their Sub-contractors will be required to hire one additional New Apprentice. The New Apprentice(s) must work a minimum of 10% of the project's work hours. The contractor may employ the apprentice on a different concurrent project in order to meet the minimum hours, and those hours will be counted towards the total hours of the craft on the San Leandro project. Certified Payrolls must reflect the hours worked by persons that fall under this Subsection.

8.3.2 There shall be no more than 1 entry-level apprentice for each craft, provided said crafts have apprenticeship openings and the general contractor is able to include entry-level apprentices hired by their subcontractors to meet this requirement. The City, upon request, will refer names of graduates of workforce development programs to the Unions and Contractors and the Unions will agree to cooperate with Contractor(s) to furnish apprentices as requested. The hiring of apprentices will be in accordance with the Apprenticeship provisions of the applicable Master Agreements and the standards and procedures of the applicable JATC program approved by the division of apprenticeship standards. Apprentices shall be properly supervised and paid in accordance with provisions contained within the Master Agreements.

8.3.4 The intent of this provision is to utilize San Leandro Resident First Period Apprentices to the fullest extent permissible by state law and the Master Agreements. Failure of Contractor(s) and their subcontractors to maintain qualified apprentices on the job will be subject to Division of Apprenticeship Standards penalties, and further penalties as determined by the Joint Administrative Committee.

8.4 Should any of the contractors performing work on the Projects fail to meet this 30% local goal and the apprenticeship requirements set forth in this article or fail to demonstrate "good

faith" efforts to do so, through a specific submittal process to be included in their contractual requirements, the City reserves the right to withhold the 5% retention on current progress payments until such time that this failure is remedied, but not longer than ninety (90) days after the date of substantial completion of the Projects or as required by law. However, Enforcement of this Article will be through the Grievance Procedure set forth in Article 11.

ARTICLE 9

GRIEVANCE PROCEDURE

9.1 All disputes involving discipline and/or discharge of employees working on the Project shall be resolved through the grievance and arbitration provision contained in the Master Agreement for the craft of the affected employee. No employee working on the Project shall be disciplined or dismissed without just cause.

ARTICLE 10

JOINT ADMINISTRATIVE COMMITTEE

10.1 The parties to this Agreement shall establish a five (5) person Joint Administrative Committee. This Committee shall be comprised of two (2) representatives selected by the City; two (2) representatives of the signatory Unions and Alameda County Building and Construction Trades Council; and one (1) industry representative, mutually selected by the City and the Alameda County Building and Construction Trades Council. Each representative shall designate an alternate who shall serve in his or her absence for any purpose contemplated by this Agreement.

10.2 The Joint Administrative Committee shall meet as required, but not less than once each quarter, to review the implementation of the Agreement and the progress of the Projects including, but not limited to, compliance with Article 8, prevailing wage, safety, craft workforce levels and construction progress. Requests for certified payrolls from the Joint Labor/Management Committee to which the Union(s) signatory to this Agreement are a party shall be provided as required by law.

ARTICLE 11

GRIEVANCE ARBITRATION PROCEDURE

11.1 The parties understand and agree that in the event any dispute arises out of the meaning, interpretation or application of the provisions of this Agreement, the same shall be settled by means of the procedures set forth herein. No grievance shall be recognized unless the grieving party provides notice in writing to the signatory party with whom it has a dispute within seven (7) calendar days after becoming aware of the dispute, but in no event more than thirty (30) calendar days after it reasonably should have become aware of the event causing the dispute. The time limits in this Article 11 may be extended by mutual written agreement of the parties.

11.2 Grievances shall be settled according to the following procedures:

Step 1: Within seven (7) calendar days after the receipt of the written notice of grievance, the necessary parties to the grievance, including but not limited to the Business Representative of the involved Local Union, or the City's authorized representative or his/her designee, or the representative of the construction person, or the representative of the involved Contractor shall confer and attempt to resolve the grievance.

Step 2: In the event that the representatives are unable to resolve the dispute within seven (7) calendar days after its referral to Step 1, either involved party may submit the dispute within three (3) calendar days to a subcommittee of the Joint Administrative Committee consisting of one (1) person selected by the City and one (1) person selected by the Council, which shall meet within seven (7) calendar days after such referral (or such longer time as mutually agreed upon by all representatives of the subcommittee), to confer in an attempt to resolve the grievance. If there is a unanimous decision by the subcommittee, the decision will be binding on all parties. The Union(s) shall notify its International Union representative(s), which shall advise both parties if it intends on participating in a Step 2 meeting. If the dispute is not resolved within such time (seven (7) calendar days after its referral or such longer time as mutually agreed upon) it may be referred within seven (7) calendar days by either party to Step 3.

Step 3: In the event the matter is not settled or otherwise resolved in a final and binding manner by the Committee, either party may demand arbitration. The parties shall provide a list to each other of their preferred arbitrators. The parties shall flip a coin to determine who shall strike the first name and shall then alternatively strike names from the list and the last remaining name shall be the neutral third party arbitrator who shall have the power to resolve the dispute in a final and binding manner. The costs of the arbitration shall be evenly split by the parties with each bearing the cost of their own legal counsel. Upon mutual agreement of the parties, the matter may be heard on an expedited basis, by telephone or other electronic means, and the arbitrator may render a "bench decision".

11.3 The Arbitrator shall arrange for a hearing no later than fourteen (14) calendar days after the matter has been submitted to arbitration. A decision shall be given to the parties within five (5) calendar days after completion of the hearing unless such time is extended by mutual agreement. A written opinion may be requested by a party from the Arbitrator. The time limits specified in any step of the Grievance Procedure set forth in Section 11.2 may be extended by mutual agreement of the parties initiated by the written request of one party to the other, at the appropriate step of the Grievance Procedure. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without the request for an extension of time, shall be deemed a waiver of such grievance without prejudice, or without precedent to the processing of and/or resolution of like or similar grievances or disputes.

11.4 The decision of the Arbitrator shall be binding upon all parties. The Arbitrator shall not have authority to change, amend, add, or detract from any of the provisions of the Agreement. The expenses of the Arbitrator shall be borne equally by both parties.

11.5 In order to encourage the resolution of disputes and grievances at Step 1 and 2 of this Grievance Procedure, the parties agree that such settlements shall not be precedent setting.

11.6 Retention: At the time a grievance is submitted under this Agreement or any Master Agreement, the Union(s) may request that the City withhold and retain an amount from what is due and owing to the Contractor(s) against whom the grievance is filed, sufficient to cover the damages alleged in the grievance, should the Union(s) prevail. The amount shall be retained by the City until such time as the underlying grievance giving rise to the retention is withdrawn, settled, or otherwise resolved, and the retained amount shall be paid to whomever the parties to the grievance shall decide, or to whomever an Arbitrator shall so order.

ARTICLE 12

WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES

12.1 The assignment of Covered Work will be solely the responsibility of the Contractor/Employer(s) performing the work involved. However, such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

12.2 All jurisdictional disputes on the Projects between or among the Union(s) shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department, or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Contractor/Employer(s) and Union(s) parties to this Agreement.

12.2.1 If a dispute arising under this Article involves the Northern California Carpenters Regional Council or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch and Thomas Pagan and the Arbitrator's hearing on the dispute shall be held at the offices of the California State Building and Construction Trades Council in Sacramento, California, within fourteen (14) calendar days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

12.3 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor/Employer(s)' assignment shall be adhered to until the dispute is resolved. Individuals violating this Section shall be subject to immediate discharge.

12.4 Each Contractor/Employer(s) shall conduct a Pre-Job Conference with the Council prior to commencing Covered Work. Pre-job conferences for different Contractor(s) may be held together.

ARTICLE 13

APPRENTICES

13.1 Recognizing the need to develop adequate numbers of competent workers in the construction industry, the Contractor/Employer(s) shall employ apprentices from California State-approved Joint Apprenticeship Programs in the respective crafts to perform such work as is within their capabilities and which is customarily performed by the craft in which they are

indentured.

13.2 Contractors shall at all times comply with the applicable provisions of the California Labor Code, the payment of prevailing wages, the registration of contractors and subcontractors, and the hiring of apprentices, in addition to the requirements of Article 8.

13.3 The apprentice ratios will be in compliance with the applicable provisions of the California Labor Code and Prevailing Wage Rate Determinations.

13.4 HELMETS TO HARDHATS:

13.4.1 The Contractor(s)/Employer(s) and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The Contractor(s)/ Employer(s) and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center) and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

13.4.2 The Unions and Contractor(s)/Employer(s) agree to coordinate with the Center to participate in an integrated database of veterans interested in working on the Projects and of apprenticeship and employment opportunities for the Projects. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE 14

MANAGEMENT RIGHTS

14.1 The Contractor shall retain full and exclusive authority for the management of its operations, including the right to direct its work force in its sole discretion except as otherwise limited by the terms of this agreement and/or Schedule A Agreements. No roles, customs or practices shall be permitted or observed that limit or restrict production, or limit or restrict the working efforts of construction persons except that the lawful provisions of the Schedule A Agreements shall be recognized.

ARTICLE 15

WAGES/BENEFITS

15.1 All Contractor(s)/Employer(s) agree to pay contributions to the vacation, pension and other form of deferred compensation plan, apprenticeship, worker protection and assistance, and health benefit funds established by the applicable Master Agreement for each hour worked on the Project in the amounts designated in the Master Agreements of the appropriate local Unions.

15.2 By signing this Agreement, the Contractor(s)/Employer(s) adopt and agree to be bound by the written terms of the legally established trust agreements and which may from time to time be amended, specifying the detailed basis on which payments are to be made into, and benefits

paid out of, such Trust Funds. The Contractors authorize the parties to such local trust agreements to appoint trustees and successor trustees to administer the trust funds and hereby ratify and accept the trustees so appointed as if made by the Contractor(s). The Contractor(s) agrees to execute a separate Subscription Agreement(s) for Trust Funds when such Trust Fund(s) requires such document(s).

15.3 Wages, Hours, Terms and Conditions of Employment: The wages, hours and other terms and conditions of employment on the Project shall be governed by the Master Agreement of the respective crafts, to the extent such Master Agreement is not inconsistent with this Agreement. Where a subject is covered by the Master Agreement and not covered by this Agreement, the Master Agreement will prevail. When a subject is covered by both the Master Agreement and this Agreement, to the extent there is any inconsistency, this Agreement will prevail.

15.4 Holidays: Holidays shall be established as set forth in the applicable Schedule A.

15.5 If a contractor fails to pay wages, the City agrees to honor a properly submitted, legally enforceable Stop Notice.

ARTICLE 16

MODIFIED SCHEDULE A AGREEMENTS

16.1 Certain Provisions Shall Not Apply. Provisions negotiated into the new or modified Schedule A Agreements which are less favorable to the Contractor than those uniformly required of employers for construction work normally covered by those agreements or which may be construed to apply exclusively or predominantly to work covered by this Agreement shall not apply to work covered by this Agreement. Any disagreement between the parties regarding the application of the provisions of any new or modified collective bargaining agreement to work covered by this Agreement shall be resolved under the dispute and grievance arbitration procedures set forth in Article 12 hereof.

ARTICLE 17

SAVINGS CLAUSE

17.1 The parties agree that in the event any article, provision, clause, sentence or word of this Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect. The parties further agree that if any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void, by a court of competent jurisdiction, the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, clause, sentence or word which will meet the objections to its validity and which will be in accordance with the intent and purpose of the article, provision, clause, sentence or word in question.

17.2 The parties also agree that in the event that a decision of a court of competent jurisdiction materially alters the terms of this Agreement such that the intent of the parties is defeated, then the entire Agreement shall be null and void.

ARTICLE 18

ENTIRE AGREEMENT

18.1 This Agreement, together with the referenced Schedule A Agreements, represents the complete understanding of the parties: The provisions of this Agreement, including the Schedule A Agreements, shall apply to the work covered by this Agreement. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A Agreement, the provisions of this Agreement shall prevail. Where a subject is covered by the provisions of a Schedule A Agreement and is not covered by this Agreement, the provisions of the Schedule A Agreement shall prevail. Nothing contained in a Schedule A Agreement, working rule, by-law, constitution or other similar document of the Unions shall in any way affect, modify or add to this Agreement unless otherwise specifically set forth in this Agreement or mutually agreed to in a writing executed by the parties.

18.2 The parties agree that this Agreement covers all matters affecting wages, hours, and other terms and conditions of employment and that during the term of this Agreement the parties will not be required to negotiate on any further matters affecting these or any other subjects not specifically set forth in this Agreement except by mutual agreement of the parties.

18.3 This Agreement may be executed in counterparts, such that original signatures may appear on separate pages and when bound together all necessary signatures shall constitute an original. Facsimile and PDF signature pages transmitted to the other parties to this Agreement shall be deemed the equivalent to original signatures.

ARTICLE 19

TERM

19.1 The Agreement shall be included as a condition of the award of the Construction Contracts.

19.2 The Agreement shall be effective as of January 1, 2016 ("Effective Date").

19.3 The Agreement shall continue in full force and effect for a term of three years from the Effective Date and shall be applicable to all Projects bid during the term until completion.

ARTICLE 20

COMPLIANCE

20.1 It shall be the responsibility of the Contractor(s) and Unions to investigate and monitor compliance with the provisions of this agreement contained in Article 15. Nothing in this

agreement shall be construed to interfere with or supersede the usual and customary legal remedies available to the Unions and/or employee benefit Trust Funds to collect delinquent Trust Fund contributions from Contractors on the Project. The City shall monitor compliance with the prevailing wage requirements of the state, and the Contractors/Employers' compliance with this Agreement.

20.2 DRUG & ALCOHOL TESTING:

20.2.1 The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms at any time during the work day is prohibited.

20.2.2 Drug and alcohol testing shall be conducted in accordance with the Substance Abuse Prevention Policies set forth in each applicable Schedule A.

City of San Leandro

By: _____ Date: _____

Alameda County Building & Construction Trades Council, AFL-CIO

By: _____ Date: _____

Signatory Unions

Asbestos Workers, Local 16

Boilermakers, Local 549

By: _____

By: _____

Bricklayers & Allied Craftsmen,

Local 3 Cement Masons, Local 300

By: _____

By: _____

Electrical Workers, Local 595

Elevator Constructors, Local 8

By: _____

By: _____

Hod Carriers, Local 166

Iron Workers, Local 378

By: _____

By: _____

Laborers, Local 67

Laborers, Local 304

By: _____

By: _____

Operating Engineers,

Local 3 Plasterers, Local 66

By: _____

By: _____

Roofers, Local 81

Sheet Metal Workers, Local 104

By: _____

By: _____

Sign Display, Local 510

Sprinkler Fitters, Local 483

By: _____

By: _____

Teamsters, Local 853

United Association of Journeymen and Apprentices
Fitting Industry, Underground Utility & Landscape, Local
355

By: _____

By: _____

United Association of Steamfitters,

Plumbers, & Gas Fitters, Local 342

By: _____

By: _____

**Council No. 16 Northern California
Painters & Allied Trades** (On behalf
of Painters, Local 3; Carpet & Linoleum
Layers, Local 12; Glass Workers, Local
169; Auto& Marine Painters, Local 1176)

By: _____

**Northern California Carpenters
Regional Council** (on behalf of Carpenters,
Local 713; Carpenters, Local 2236; Lathers,
Local 68L; Millwrights, Local 102; Pile
Drivers, Local 34)

By: _____

EXHIBIT A

City of San Leandro Community Workforce Agreement

AGREEMENT TO BE BOUND

The undersigned, as a Contractor or Subcontractor ("Contractor") on a City Project ("Project"), for and in consideration of the award to it of a contract to perform work on said Project, and in further consideration of the mutual promises made in the Project's Community Workforce Agreement ("Agreement"), a copy of which was received and is acknowledged, hereby:

1. Accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments and supplements now existing or which are later made to said Agreement.

2. Certifies that it has no commitments or agreements which would preclude its full and complete compliance with the terms and conditions of said Agreement;

3. Agrees to secure from any Contractor (as defined in said Agreement) which is or becomes a subcontractor (of any tier) to it, and from any successors, a duly executed Agreement to be bound in form identical to this document.

4. Contractor agrees that it shall be bound by all applicable trust agreements and plans for the provision of such fringe benefits as accrue to the direct benefit of the construction persons, including Health and Welfare, Pension, Training, Vacation, and/or other direct benefits provided pursuant to the appropriate craft's Schedule "A" Agreement as set forth in Article 15, as they may from time to time be amended, specifying the detailed basis upon which contributions are to be made into, and benefits made out of, such trust funds, and ratifies and accepts the trustees appointed by the parties to such trust funds. The undersigned party agrees to execute a separate Subscription Agreement(s) when such Trust Fund(s) requires such document(s).

This letter shall constitute a subscription agreement, to the extent of the terms of the letter.

Date: _____

Company Name: _____

Name of Prime Contractor or Higher Level Subcontractor:

Name of Project: _____

Signature: _____

Print Name: _____

Title: _____

Contractor's License # or Motor Carrier (CA) Permit Number: _____

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