



**DATE:** June 17, 2025

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT** Adopt a Resolution Authorizing the City Manager to Execute an Updated Community Workforce Agreement with the Alameda County Building Trades Council and Finding that the Action is Exempt from Environmental Review

## **RECOMMENDATION**

That the City Council adopts a resolution (Attachment II) authorizing the City Manager to execute an updated Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC) and finding that the action is exempt from environmental review.

## **SUMMARY**

In April 2015, the City Council directed staff to negotiate and execute a CWA with the BTC for the new main library. At City Council's direction, staff brought forward an item on February 23, 2016 that allowed for the discussion of creating a Citywide CWA that could apply to a broader scope of projects within the community. Staff received policy direction from the City Council at that meeting regarding how a Citywide CWA might be structured. Subsequently, staff negotiated a CWA with the BTC, which included an effective date of July 6, 2017. The Citywide CWA was effective for 3 years and with a number of term extensions, expires on June 30, 2025. Staff and the BTC were open to discussing any modifications and drafting an updated CWA. Over the past several months, staff continued working with BTC on several elements of the CWA and successfully negotiated and agreed to the changes for an updated CWA.

## **BACKGROUND**

CWAs have been utilized in the construction industry to assure that labor issues related to major construction projects are minimized and to help accomplish local hiring and apprenticeship goals. CWAs are a type of collective pre-hire bargaining agreement between project managers or owners and organized labor that outline a variety of employment and other working conditions with the express purpose of providing peaceful settlement of labor disputes and grievances without work stoppages, strikes, or lockouts, thereby allowing for the timely and cost-effective completion of projects. It is noteworthy that there has never been a work stoppage or strike on any City projects in recent history.

In April 2015, the City Council directed staff to negotiate and execute a CWA with the BTC for the new main library.

That agreement included the following types of provisions:

- Requirements that the contractor and subcontractors on the project use local union hiring halls to hire trades workers for the projects;
- “Local Hire” provisions, encouraging the contractor to employ Hayward residents or Hayward Unified School District graduates;
- Requirements that all hired workers pay union dues and receive other benefit trust fund contributions;
- Management rights regarding employment procedures, including hiring, discipline, etc.;
- Grievance and arbitration procedures to allow for timely resolution of disputes;
- Standardized work rules and regulations; and
- Provisions governing requirements around apprenticeships.

At City Council’s direction, staff brought forward an item on February 23, 2016 that allowed for the discussion of creating a “Citywide” CWA that could apply to a broader scope of projects within the community. Staff received policy direction from the City Council at that meeting regarding how a Citywide CWA might be structured. Subsequently, staff negotiated a CWA with the BTC, which included an effective date of July 6, 2017. Below is a summary of the key elements of the final negotiated CWA:

- 1) The Citywide CWA applies to City projects where the construction cost of the project exceeds one million dollars (\$1,000,000) based on the Engineer’s Estimate.
- 2) The Citywide CWA does not apply to private development projects or to projects awarded/managed by another third-party public agency where the City has contributed funding.
- 3) The City retains the ability to exempt certain specialty or unique projects from the CWA requirements as needed and upon approval by the City Council. Staff and the BTC would first meet in good faith to discuss the exemption. However, if the parties fail to reach a consensus, staff would be able to bring the project to the City Council for review and consideration.

4) During the duration of the Projects, the Union(s) and its members, agents, representatives and employees shall not incite, encourage, condone, or participate in any strike, walkout, slowdown, sit-down, stay-in, boycott, wobble, sympathy strike, picketing or other work stoppage or hand billing of any nature whatsoever, for any cause whatsoever (including jurisdictional disputes), and it is expressly agreed that any such action is a violation of the agreement.

5) A Joint Administrative Committee (JAC) comprised of two City representatives, two Union representatives, and one construction industry representative was established to review the implementation of the agreement and the progress of the projects. The JAC has the responsibility of monitoring the local hire and apprentice provisions of the agreement.

6) The agreement contains a goal that Hayward residents, and especially HUSD graduates, will perform a minimum of thirty (30%) percent of the hours worked on a craft-by-craft basis on the covered projects. Contractors shall make good faith efforts to reach the Local Hire Goal through the utilization of the Union's hiring hall procedures. The Unions shall make good faith efforts in their recruiting and training of Hayward Resident workers and in their hiring hall procedures to facilitate the Local Hire Goal on the Projects. The parties shall cooperate to establish or support a pre- apprenticeship/internship program for HUSD graduates. If a Contractor fails to meet the Local Hire Goal or demonstrate a good faith effort, there will be a ten (10%) percent contract retention withheld until the Local Hire Goal is remedied. Acceptable remedies include commitment to employ Hayward residents on non-City projects or acceptance of Hayward residents as new apprentices.

Contractors will be required under the agreement to hire one Hayward resident as a New Apprentice for the first one million dollars (\$1,000,000) of construction costs with one additional apprentice for every five million dollars (\$5,000,000) thereafter and with an assignment of a maximum of two New Apprentices to any one craft. A minimum of 50% of the applicable Apprentice hours on any project must be worked by the Hayward New Apprentice.

The BTC has also agreed to facilitate and encourage enrollment of at least ten (10) Hayward residents or HUSD graduates into State approved Labor-Management Apprenticeship programs during each year of the agreement term and facilitate placing them on a job site.

The Citywide CWA was negotiated with the BTC with an effective date of July 6, 2017 and a term of three years that expired on July 6, 2020. On January 26, 2021 the citywide CWA was extended to July 6, 2021, with an option for one six-month extension to December 6, 2021. On April 19, 2022, the citywide CWA was extended to December 6, 2022. On December 6, 2022, the citywide CWA was extended to December 31, 2023. On December 5, 2023, staff requested extension of the current terms of the CWA to December 31, 2024 with

an option for one six-month extension to June 30, 2025 to allow time for staff and the BTC to discuss any modifications and draft an updated CWA.

## **DISCUSSION**

On May 21, 2024, City Council approved the revised CWA and authorized the City Manager to execute the revised CWA; however, the revised CWA included revisions that were not fully agreed-to between the City and the BTC. One of those included the definition of “Local Resident” expanding the local hire goal beyond Hayward residents to other cities including Union City, San Leandro, Dublin, Pleasanton, Livermore, and Oakland. Another included redefining “Project” where the engineer’s estimate would include the project cost or the bid amount in determining the \$1,000,000 threshold for the applicability of CWA on projects. Since that time staff and the BTC continued to discuss several key provisions for an updated CWA. During this time, the term of the CWA was extended to allow time for negotiations to continue. Currently, the term ends June 30, 2025.

Over the past several months, staff continued working with BTC on several elements of the CWA and successfully negotiated and agreed to the changes for an updated CWA (Attachment III). Below are key changes:

### **Article 1.8 - Definitions**

“District Graduate” means a person who has graduated from a Hayward Unified School District high school or adult education program, or who has received a G.E.D. from Hayward Unified School District.

### **Article 1.12 - Definitions**

“Project” means City projects paid for in whole or in part by City funds, where the engineer’s estimate exceeds one million dollars (\$1,000,000). The City shall not split, divide, or otherwise separate Projects or Construction Contracts for the purpose of avoiding application of this Agreement. The City and the BTC may mutually agree in writing to add additional projects or components to be covered by this Agreement. The term “Project” applies to each and all projects as defined in this section, whether used in the singular or plural herein.

### **Article 2.1 – Scope of Agreement**

Parties: This Agreement applies to and is limited to all Contractors/Employers performing Construction Contracts on the Project (including subcontractors at any tier), and their successors and assigns, the City, the BTC, and the Unions signatory to this Agreement.

### **Article 2.3 – Scope of Agreement**

Project Description: This Agreement shall govern the award of all of the Construction Contracts identified by the City as part of the Project. All Projects that are subject to this Agreement shall be identified as covered Projects in the agenda report to the City Council requesting the authorization to solicit bids. The JAC has the right to exempt projects under this Agreement upon discussion and mutual agreement between City staff and the Building Trades Council. If there is no agreement with respect to exempting a particular project, the

matter will be presented to City Council for decision. 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; provided, however, that if such Construction Contract(s) or portion of Construction Contract(s) is thereafter reauthorized, this Agreement shall apply. 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.

### **Article 3.7 – Effect of Agreement**

The provisions of this Agreement, including the Master Agreements incorporated herein by reference, 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. To the extent a provision of this Agreement conflicts with a Master Agreements, the provision of this Agreement shall prevail. Where a provision of a Master Agreements does not conflict with this Agreement, the provision of the Master Agreements shall apply.

### **Article 7.7 – Union Representation and Referral**

A Sole Operator, as defined in this Agreement under Section 1.14, self-performing work on a covered Project shall not be required to request dispatch for themselves from the Union hall with jurisdiction over the Sole Operator's work unless the craft is covered under Operating Engineers Local 3 and as such shall agree with and execute Addendum C, Sole Operator Side Letter. However, if the Sole Operator hires any additional employees subsequent to starting work on a covered Project, the Sole Operator will be treated as the core employee in accordance with Section 7.8 below. Before hiring an employee(s) on the Project, the Sole Operator must request permission from the JAC through the Coordinator and provide evidence of compliance with CLSB and Workers Compensation requirements. For purposes of this Agreement, Sole Operators performing construction trucking work will be exempt from trust fund obligations but must pay representational fees. All Sole Operators, including truckers, must sign this Agreement's Letter of Assent prior to starting work on a covered Project.

### **Article 7.10 – Union Representation and Referral**

The parties agree to a goal that Hayward Residents, and especially District Graduates, will perform a minimum of thirty (30%) percent of the hours worked on the Projects (the "Local Hire Goal"). Contractor(s)/Employer(s) shall make good faith efforts to reach the Local Hire Goal through the utilization of the Union's hiring hall procedures. Throughout the hiring process, priority will be given to Hayward Residents and/or District Graduates. The Unions shall make good faith efforts in their recruiting and training of Hayward Resident workers and in their hiring hall procedures to facilitate the Local Hire Goal on the Projects. The parties shall cooperate to establish or support a pre-apprenticeship/internship program for District Graduates. If a Contractor/Employer fails to meet the Local Hire Goal or demonstrate a good faith effort, there will be a ten (10%) percent contract retention withheld until the Local Hire Goal is remedied. Acceptable remedies include: commitment to employ Hayward Residents on non-City projects or acceptance of Hayward Residents as new apprentices.

### **Article 7.12 – Union Representation and Referral**

It is the responsibility of Contractors/Employers to document all requested dispatches and the Union's response. The Unions agree to use the Craft Dispatch Request Form for dispatch requests. Such documentation shall be provided to the City by the Contractor/Employer within ten (10) days of request by the City.

### **Article 18.3 – Term**

This Agreement shall become effective on the day it is executed by the City and the BTC. Prior to each five (5) year anniversary of the effective date of this Agreement, the City and the BTC shall meet to discuss proposed changes, if any, to the Agreement. Absent changes or termination, the Agreement will roll over for an additional five (5) years.

### **Environmental Review**

This action is statutorily exempt from analysis under the California Environmental Quality Act (CEQA) for the reason that it is not a project. CEQA Guidelines, Section 15378(b)(5), states that a project does not include "Organization or administrative activities of governments that will not result in direct or indirect physical changes in the environment." CEQA review will be completed separately for individual Public Works' projects subject to the Citywide CWA.

### **ECONOMIC IMPACT**

There has been much debate over the years regarding the impacts of CWAs and their potential benefits (i.e., smoother management/labor relationships, increased local hiring, and improved pay and benefits to workers over and above that of a prevailing wage job). On the other hand, the concerns include that any form of restrictions on contractors' bids may result in fewer bids being received, thereby potentially higher costs.

Furthermore, as the purchasing power of \$1M gets reduced over the years, thereby more projects are subjected to CWA, this could make it more difficult for non-union smaller, local contractors to bid on City projects.

Prior staff reports to City Council have provided detail regarding project cost implications.

### **FISCAL IMPACT**

This item has no direct fiscal impact to the City's General Fund.

### **STRATEGIC ROADMAP**

This agenda item is a routine operational item that does not relate to any of the Strategic Initiatives.

### **SUSTAINABILITY FEATURES**

This item has no sustainability features.

## **PUBLIC CONTACT**

No public contact has been made related to this item.

## **NEXT STEPS**

If the City Council adopts the attached resolution, the City Manager will execute the updated CWA between the City of Hayward and the BTC.

*Prepared by:* Dave Hung, Acting Deputy Director of Public Works

*Recommended by:* Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in blue ink, appearing to read 'M. Lawson', is positioned above a horizontal line.

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Michael Lawson, J.D.  
Acting City Manager