

Project Labor Agreement Policy Update

JPB Finance Committee
August 28, 2023



PLA – Common Elements of Individual Agreements

Common elements of individual project PLAs include:

- Statement of purpose and parties
- Scope of agreement, including covered and excluded work
- Prohibitions on work stoppages, strikes, sympathy strikes, and lockouts
- Pre-Construction Conference with county labor council, project owner, and contractors
- Union security statement and referral process for craft roles
- Apprenticeship programs and Community Workforce Agreement (CWA) provisions
- Joint Administrative Committee structure
- Grievance and dispute resolution procedure

Caltrain PLA Policy – Structure

Caltrain staff have developed a PLA Policy for JPB consideration. It includes:

- Definition of applicable Caltrain projects
- \$10 million policy threshold
- Federal and state guidance and regulations
- Process for ensuring that Caltrain DBE and SBE goals are met
- Process for incorporating CWAs into individual PLAs
- Process for PLA adoption by Caltrain staff, waiver option with JPB approval
- Definitions of “Excluded Work”
- Process for administering individual PLAs

Caltrain PLA – Recommended Initial Threshold

Caltrain staff solicited feedback on PLA Policy thresholds, with a recommendation of **\$10 million**.

- **\$239.7 million** value for FY2023 Caltrain capital program; average project **\$11.98 million**.

Caltrain Staff
Recommendation:
PLA Policy
anticipates future
adjustments

<u>Threshold</u>	<u>% of Program Value</u>	<u>% of Total Projects</u>
\$2 million	99%	99%
\$5 million	86%	86%
\$10 million	73%	10%
\$35 million	61%	5%

Caltrain PLA – Administration

Management of individual PLAs requires internal capacity and/or external resources. Caltrain staff interviewed Bay Area peers, who provided a range of administrative burden statistics:

- **BART:** 1,300 hours per project per year under the Major Project Stabilization Policy, which covers nine projects totaling roughly \$750 million.
- **VTA:** 60 hours per project, plus staff augmentation for CWA administration through a community non-profit (**work2future**) and the building trades council.

Caltrain's Office of Civil Rights (**OCR**) is currently hiring an FTE whose responsibilities will include, in part, labor compliance and PLAs. \$100k – 150k estimated annual salary.

- Necessary expertise for PLA administration include experience with contract compliance, construction project management, labor relations, and law.

External PLA support may include a community non-profit or consulting firm with PLA expertise.

Caltrain PLA Policy – Standard Exclusions

Most individual PLAs have an **excluded work** section. The following are **standard**:

- Work related to any contract (or contract extension) awarded prior to policy approval
- Non-construction craft employees, including but not limited to executives, engineering and planning employees, supervisors, and administrative employees
- Work performed by state, city, county or other governmental entities, or their contractors, or by public or private utilities or their contractors
- Off-site maintenance of leased equipment
- Work performed by Caltrain employees

Caltrain PLA Policy – Other Exclusions

To limit the scope of the PLA Policy further, and to ensure that the policy reflects the complexities of Caltrain's operation, the following exclusions are proposed:

- **TASI:** Operations, maintenance, repair, and safety work performed by the Caltrain rail service contractor under the Rail Operations Agreement. **11 unions represent TASI workers.**
- **Railroad Technology:** “Calibration, programming, testing and operation of computerized systems including but not limited to switches, signals, grade crossing equipment, track circuits, voice communications, radio, supervisory control systems, visual messaging systems, public address systems, wayside signal equipment, and communications equipment.”
- **Union Pacific (UP):** Work performed on the Caltrain corridor between San Francisco and San Jose that is undertaken by UP pursuant to the Trackage Rights Agreement. **14 unions.**

Caltrain PLA Policy – Process

- May 22:** JPB Finance Committee – Informational
- May – July:** JPB briefings, draft PLA Policy refinement, internal stakeholder meetings
- August 28:** JPB Finance Committee – Informational Item
- September 7:** JPB Meeting – Informational Item
- September 25:** JPB Finance Committee – Recommendation for Action
- October 5:** JPB Meeting – Recommendation for Action