

**APPROVED**  
BY THE CITY COUNCIL

**JAN 20 1998**

OFFICE OF THE  
CITY CLERK  
**TO**

**CONTINUED**

**1-13-98**

**1-20-98**



**44-B**

DEPARTMENT OF  
UTILITIES  
  
ENGINEERING SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

5770 FREEPORT BLVD.  
SUITE 100  
SACRAMENTO, CA  
95822-2911

PH 916-433-6318  
FAX 916-433-6652

January 7, 1998

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: SUMP 2 IMPROVEMENTS PROJECT: (PN XM24): POTENTIAL UTILIZATION OF A PROJECT LABOR AGREEMENT FOR THE CONSTRUCTION CONTRACT**

**LOCATION AND COUNCIL DISTRICT:**

The project is located at Sump 2, 3500 Riverside Boulevard in District 4 (see attached map).

**RECOMMENDATION:**

Staff recommends that the City Council adopt the attached resolution which approves the proposed procedures regarding a Project Labor Agreement for the Sump 2 Improvements project.

**CONTACT PERSON:** Gary A. Reents, Engineering Services Manager, 433-6633  
Rick Batha, Senior Engineer, 433-6625

**FOR COUNCIL MEETING OF:** January 13, 1998

**SUMMARY**

Staff is proposing an addendum to the Sump 2 Improvements project specifications which will preserve the opportunity to implement a Project Labor Agreement (PLA) in the construction contract. If the PLA cannot be executed prior to bid award, staff recommends that the project proceed without the PLA.

**COMMITTEE/COMMISSION ACTION:**

None.

City Council

January 7, 1998

Sump 2 Improvements Project: Utilization of Project Labor Agreement (PN: XM24)

## **BACKGROUND INFORMATION**

The Sump 2 Improvements project is a cornerstone of the City's Combined System Improvement Program which resulted in the rescission of the Cease and Desist Order in the Combined Sewer System. Over the past two years and with City Council approval, staff has taken steps to select a design consultant and obtain a low interest loan through the State Revolving Fund in order to implement this project. The design is complete; plans and specifications have been issued for bidding; and a loan commitment for the project costs has been secured.

On December 16, 1997, staff presented a staff report to approve the suspension of competitive bidding and prequalification of bidders for the project. At this time, the City Council has asked staff whether this action would preclude the use of a Project Labor Agreement (PLA) for this project. The City Council was told that it did not. However, the execution of a PLA requires the writing of an agreement and negotiations and signatures with each trade union whose work will be required in the construction of the project, which could number as many as 20 to 30. Negotiations are expected to be complex and require substantial time to complete.

Staff proposes the following actions with respect to the utilization of a PLA for this project:

- Issue an addendum which outlines the requirements of the PLA and requires the Contractor to become a signatory to the PLA once it is executed.
- Include in the Bid Proposal a bid item that incorporates the terms of the PLA, which would be deleted if needed with no penalty to the City.
- Depending upon City Council direction, work with the City Attorney to complete the PLA prior to award of bid.

The project schedule and the contract documents indicate bid opening on February 18, 1998 with a potential award sometime in March.

Delay of the bidding and award of the Sump 2 construction contract is not advisable for the following reasons:

- The City's NPDES permit, which rescinded the combined system's Cease and Desist Order, requires completion of the construction of the new Sump 2A project by October 1999. This will not be feasible with delays and subjects the City to violations and financial penalties.
- The SRF loan commitment for the Sump 2 construction may be jeopardized if the award of contract is delayed; future success of a new loan commitment is not assured.

Because of these concerns, staff recommends that if for any reason a PLA was not completed by the time of contract award the PLA requirement would be dropped from the contract.

City Council  
January 7, 1998

Sump 2 Improvements Project: Utilization of Project Labor Agreement (PN: XM24)

**ENVIRONMENTAL CONSIDERATIONS**

Not applicable to this item. California Environmental Quality Act requirements have been completed and the City Council certified an Environmental Impact Report (EIR) for the Sump 2 project.

**FINANCIAL CONSIDERATIONS**

The financial impacts are not known at this time.

**POLICY CONSIDERATIONS**

The actions proposed by staff preserve flexibility until the City Council determines its policy regarding the use of a PLA on this project.

**MBE/WBE**

The impacts on the procurement of MBE/WBE subcontractors is not known at this time.

Respectfully submitted,



Gary A. Reents  
Engineering Services Manager

RECOMMENDATION APPROVED:

APPROVED:

  
\_\_\_\_\_  
William H. Edgar  
City Manager

*for*   
\_\_\_\_\_  
James G. Sequeira  
Director of Utilities

**APPROVED**  
BY THE CITY COUNCIL

**JAN 20 1998**

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 98-020**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION TO APPROVE PROCEDURES REGARDING  
THE POTENTIAL UTILIZATION OF A PROJECT LABOR AGREEMENT  
FOR THE CONSTRUCTION CONTRACT FOR THE SUMP 2  
IMPROVEMENTS PROJECT: (PN:XM24)**

**BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:**

1. Other agencies in California have required the use of Project Labor Agreements (PLAs) on large public works construction projects where the presence of multiple contractors on the job site over an extended period of time create the potential for work disruption and delay. PLAs can reduce this potential by promoting greater labor stability and cooperation during performance of the work, and providing for peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in the timely and economical completion of such projects.
2. There may be a significant potential for work disruption and delay on the City's Sump 2 Improvements Project, due to the size and proposed duration of the Project, and the number of different labor trades likely to be employed to complete the Project. It is in the public interest to minimize any potential work disruptions or delays on the Project, due to the need to complete the Project within the time period required under the City's NPDES permit. The City Council may decide to require the use of a PLA on the Project, if the City Council determines that doing so will serve the public interest by reducing the potential for work delay and disruption, and if a PLA can be executed prior to award of the contract for construction of the Project.
3. In order to preserve the City's ability to require the use of a PLA, City staff is directed to issue an addendum to the bid documents for the contract that advises bidders that the City Council may decide to require the use of a PLA on the Project, if the City Council determines that doing so will serve the public interest by reducing the potential for work delay and disruption, and that the successful bidder will be required to execute and abide by the terms of the PLA, if required by the City

**FOR CITY CLERK USE ONLY**

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

4

Council. Such addendum shall provide a brief summary of the terms likely to be included in a PLA, if a PLA is approved by the City Council. At the same time, City staff shall enter into negotiations with the applicable unions in an effort to agree upon the terms of a PLA for the Project.

4. The Project schedule will be considered paramount with respect to the inclusion of a PLA requirement in the contract. A PLA will only be required for the Project if it can be approved by the City Council prior to contract award.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

- 2 -

FOR CITY CLERK USE ONLY

RESOLUTION NO. \_\_\_\_\_

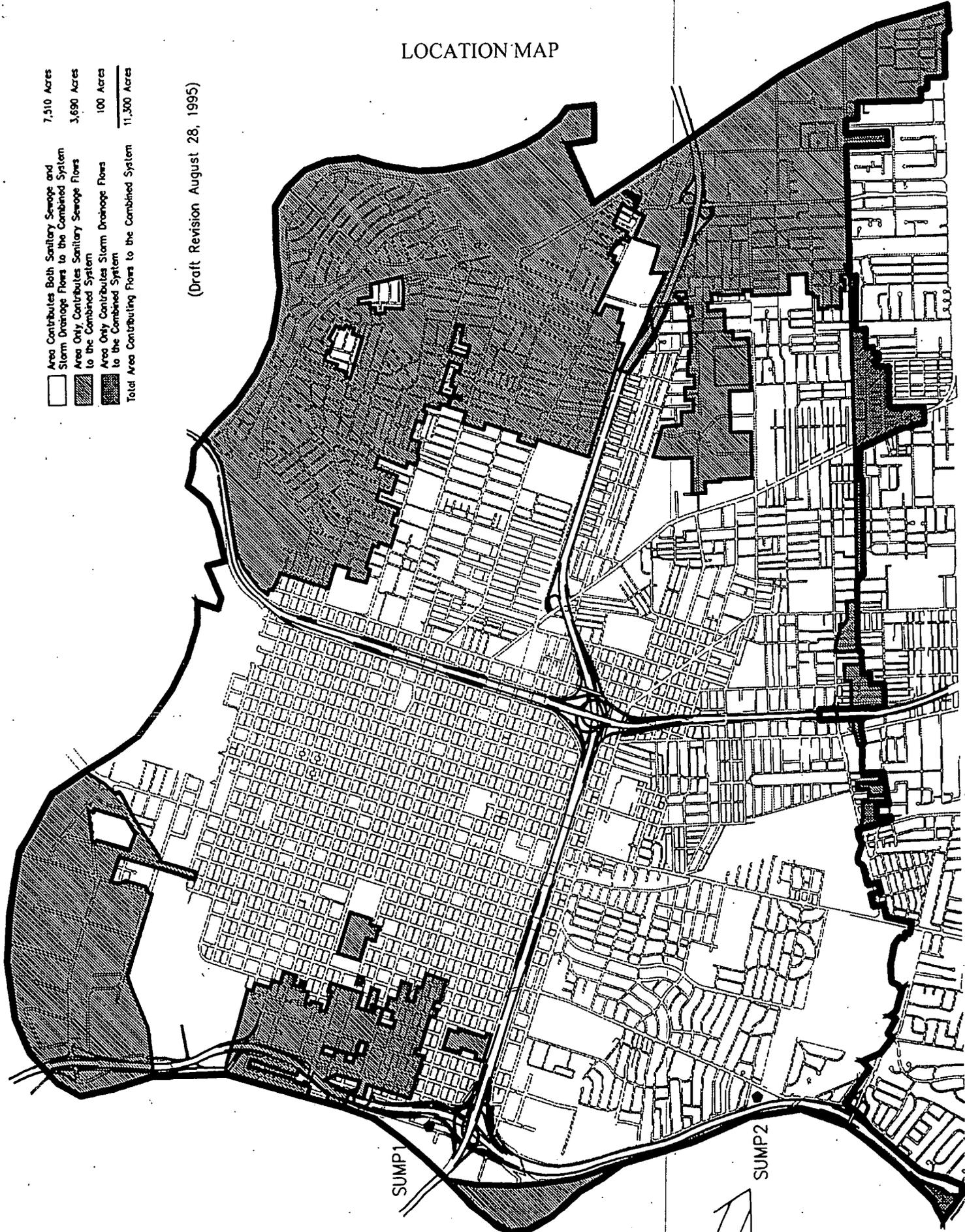
DATE ADOPTED: \_\_\_\_\_

5

# LOCATION MAP

(Draft Revision August 28, 1995)

- Area Contributes Both Sanitary Sewage and Storm Drainage Flows to the Combined System 7,510 Acres
- ▨ Area Only Contributes Sanitary Sewage Flows to the Combined System 3,690 Acres
- ▩ Area Only Contributes Storm Drainage Flows to the Combined System 100 Acres
- ▧ Total Area Contributing Flows to the Combined System 11,300 Acres



old 41B

**RESOLUTION NO.**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION TO APPROVE PROCEDURES REGARDING THE POTENTIAL UTILIZATION OF A PROJECT LABOR AGREEMENT FOR THE CONSTRUCTION CONTRACT FOR THE SUMP 2 IMPROVEMENTS PROJECT. (PN: XM24)**

**BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:**

1. An addendum to the contract will be issued that summarizes the terms and conditions of a proposed Project Labor Agreement (PLA) between the City and the Contractor. At the same time, the City will enter into negotiations with applicable unions to obtain an executed PLA.
2. The project schedule will be considered paramount with respect to the inclusion of a PLA. If the PLA cannot be executed prior to contract award, the terms and conditions of the PLA incorporated by addendum will be deleted.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_



44-B

CONTINUED  
FROM 1-13-98  
TO 1-20-98

DEPARTMENT OF  
UTILITIES  
  
ENGINEERING SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

5770 FREEPORT BLVD.  
SUITE 100  
SACRAMENTO, CA  
95822-2911

PH 916-433-6318  
FAX 916-433-6652

January 7, 1998

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: SUMP 2 IMPROVEMENTS PROJECT: (PN XM24): POTENTIAL UTILIZATION OF A PROJECT LABOR AGREEMENT FOR THE CONSTRUCTION CONTRACT**

**LOCATION AND COUNCIL DISTRICT:**

The project is located at Sump 2, 3500 Riverside Boulevard in District 4 (see attached map).

**RECOMMENDATION:**

Staff recommends that the City Council adopt the attached resolution which approves the proposed procedures regarding a Project Labor Agreement for the Sump 2 Improvements project.

**CONTACT PERSON:** Gary A. Reents, Engineering Services Manager, 433-6633  
Rick Batha, Senior Engineer, 433-6625

**FOR COUNCIL MEETING OF:** January 13, 1998

**SUMMARY**

Staff is proposing an addendum to the Sump 2 Improvements project specifications which will preserve the opportunity to implement a Project Labor Agreement (PLA) in the construction contract. If the PLA cannot be executed prior to bid award, staff recommends that the project proceed without the PLA.

**COMMITTEE/COMMISSION ACTION:**

None.

City Council

January 7, 1998

Sump 2 Improvements Project: Utilization of Project Labor Agreement (PN: XM24)

## BACKGROUND INFORMATION

The Sump 2 Improvements project is a cornerstone of the City's Combined System Improvement Program which resulted in the rescission of the Cease and Desist Order in the Combined Sewer System. Over the past two years and with City Council approval, staff has taken steps to select a design consultant and obtain a low interest loan through the State Revolving Fund in order to implement this project. The design is complete; plans and specifications have been issued for bidding; and a loan commitment for the project costs has been secured.

On December 16, 1997, staff presented a staff report to approve the suspension of competitive bidding and prequalification of bidders for the project. At this time, the City Council has asked staff whether this action would preclude the use of a Project Labor Agreement (PLA) for this project. The City Council was told that it did not. However, the execution of a PLA requires the writing of an agreement and negotiations and signatures with each trade union whose work will be required in the construction of the project, which could number as many as 20 to 30. Negotiations are expected to be complex and require substantial time to complete.

Staff proposes the following actions with respect to the utilization of a PLA for this project:

- Issue an addendum which outlines the requirements of the PLA and requires the Contractor to become a signatory to the PLA once it is executed.
- Include in the Bid Proposal a bid item that incorporates the terms of the PLA, which would be deleted if needed with no penalty to the City.
- Depending upon City Council direction, work with the City Attorney to complete the PLA prior to award of bid.

The project schedule and the contract documents indicate bid opening on February 18, 1998 with a potential award sometime in March.

Delay of the bidding and award of the Sump 2 construction contract is not advisable for the following reasons:

- The City's NPDES permit, which rescinded the combined system's Cease and Desist Order, requires completion of the construction of the new Sump 2A project by October 1999. This will not be feasible with delays and subjects the City to violations and financial penalties.
- The SRF loan commitment for the Sump 2 construction may be jeopardized if the award of contract is delayed; future success of a new loan commitment is not assured.

Because of these concerns, staff recommends that if for any reason a PLA was not completed by the time of contract award the PLA requirement would be dropped from the contract.

City Council  
January 7, 1998

Sump 2 Improvements Project: Utilization of Project Labor Agreement (PN: XM24)

**ENVIRONMENTAL CONSIDERATIONS**

Not applicable to this item. California Environmental Quality Act requirements have been completed and the City Council certified an Environmental Impact Report (EIR) for the Sump 2 project.

**FINANCIAL CONSIDERATIONS**

The financial impacts are not known at this time.

**POLICY CONSIDERATIONS**

The actions proposed by staff preserve flexibility until the City Council determines its policy regarding the use of a PLA on this project.

**MBE/WBE**

The impacts on the procurement of MBE/WBE subcontractors is not known at this time.

Respectfully submitted,



\_\_\_\_\_  
Gary A. Reents  
Engineering Services Manager

RECOMMENDATION APPROVED:

  
\_\_\_\_\_  
William H. Edgar  
City Manager

APPROVED:

  
\_\_\_\_\_  
for James G. Sequeira  
Director of Utilities

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

## RESOLUTION TO APPROVE PROCEDURES REGARDING THE POTENTIAL UTILIZATION OF A PROJECT LABOR AGREEMENT FOR THE CONSTRUCTION CONTRACT FOR THE SUMP 2 IMPROVEMENTS PROJECT: (PN:XM24)

### BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

1. Other agencies in California have required the use of Project Labor Agreements (PLAs) on large public works construction projects where the presence of multiple contractors on the job site over an extended period of time create the potential for work disruption and delay. PLAs can reduce this potential by promoting greater labor stability and cooperation during performance of the work, and providing for peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in the timely and economical completion of such projects.
2. There may be a significant potential for work disruption and delay on the City's Sump 2 Improvements Project, due to the size and proposed duration of the Project, and the number of different labor trades likely to be employed to complete the Project. It is in the public interest to minimize any potential work disruptions or delays on the Project, due to the need to complete the Project within the time period required under the City's NPDES permit. The City Council may decide to require the use of a PLA on the Project, if the City Council determines that doing so will serve the public interest by reducing the potential for work delay and disruption, and if a PLA can be executed prior to award of the contract for construction of the Project.
3. In order to preserve the City's ability to require the use of a PLA, City staff is directed to issue an addendum to the bid documents for the contract that advises bidders that the City Council may decide to require the use of a PLA on the Project, if the City Council determines that doing so will serve the public interest by reducing the potential for work delay and disruption, and that the successful bidder will be required to execute and abide by the terms of the PLA, if required by the City

- 1 -

FOR CITY CLERK USE ONLY

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

H

Council. Such addendum shall provide a brief summary of the terms likely to be included in a PLA, if a PLA is approved by the City Council. At the same time, City staff shall enter into negotiations with the applicable unions in an effort to agree upon the terms of a PLA for the Project.

4. The Project schedule will be considered paramount with respect to the inclusion of a PLA requirement in the contract. A PLA will only be required for the Project if it can be approved by the City Council prior to contract award.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

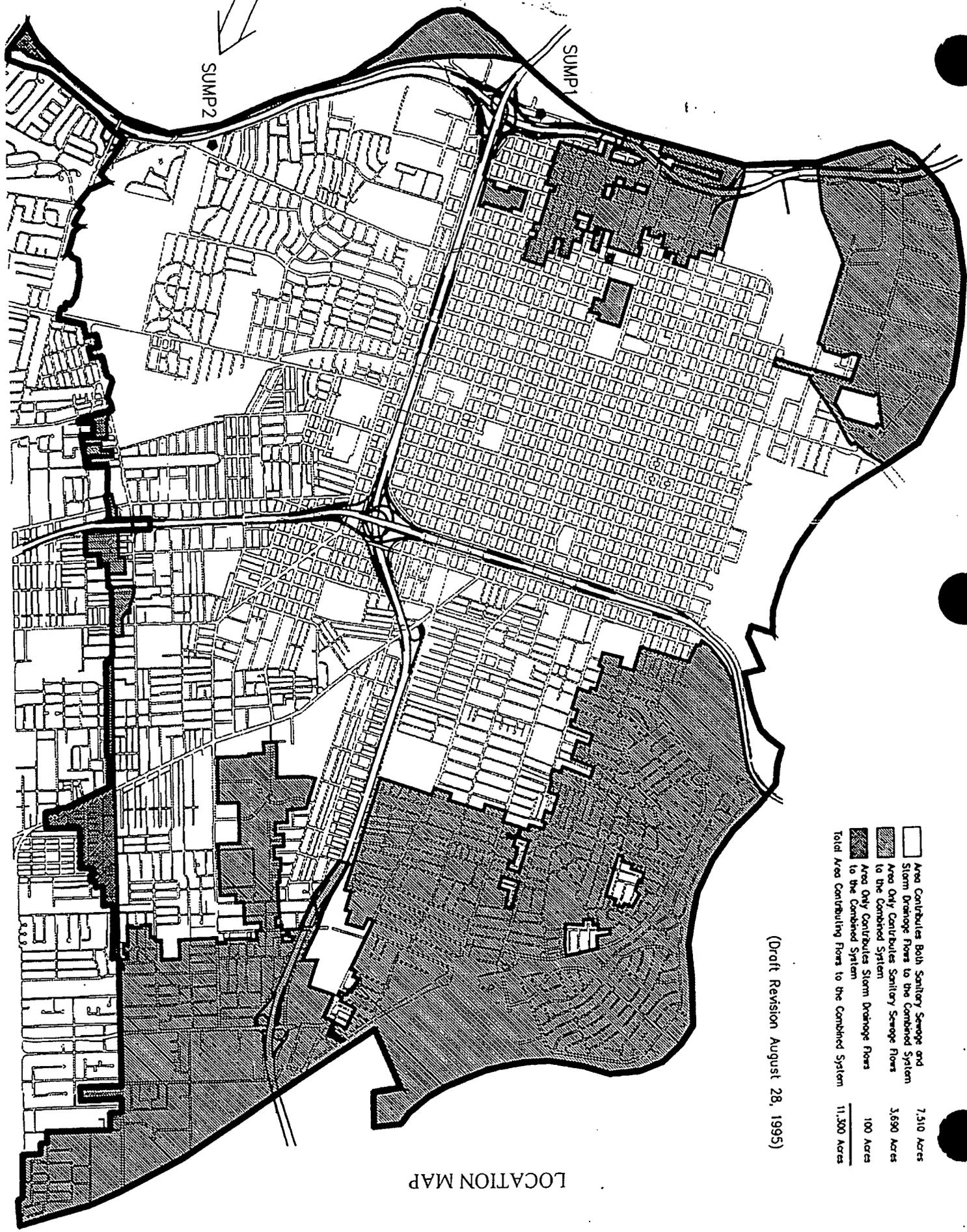
- 2 -

FOR CITY CLERK USE ONLY

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

5



LOCATION MAP

(Draft Revision August 28, 1995)

□	Area Contributes Both Sanitary Sewage and Storm Drainage Flows to the Combined System	7,510 Acres
▨	Area Only Contributes Sanitary Sewage Flows to the Combined System	3,690 Acres
▩	Area Only Contributes Storm Drainage Flows to the Combined System	100 Acres
Total Area Contributing Flows to the Combined System		11,300 Acres