



Frequently Asked Questions

City of San Luis Obispo Community Workforce Agreements

Background

With the adoption of the 2021-23 Financial Plan, the [Major City Goal](#) of Economic Recovery, Resiliency & Fiscal Sustainability was formalized. The objective of this Goal is to continue supporting economic recovery for all from the COVID-19 pandemic and support a thriving local economy by supporting local businesses, arts, and culture; downtown vitality; practicing fiscal responsibility; paying down unfunded pension liabilities; and investing in critical infrastructure.

To help achieve this goal, a work program has been included in the Financial Plan which is aimed at maximizing the benefit of City expenditures to the local economy by supporting local businesses and workers. The work program will evaluate several potential alternatives including community workforce agreements, local purchasing policies, and alternative project delivery methods. This document provides background and responses to frequently asked questions regarding community workforce agreements.

What is a community workforce agreement?

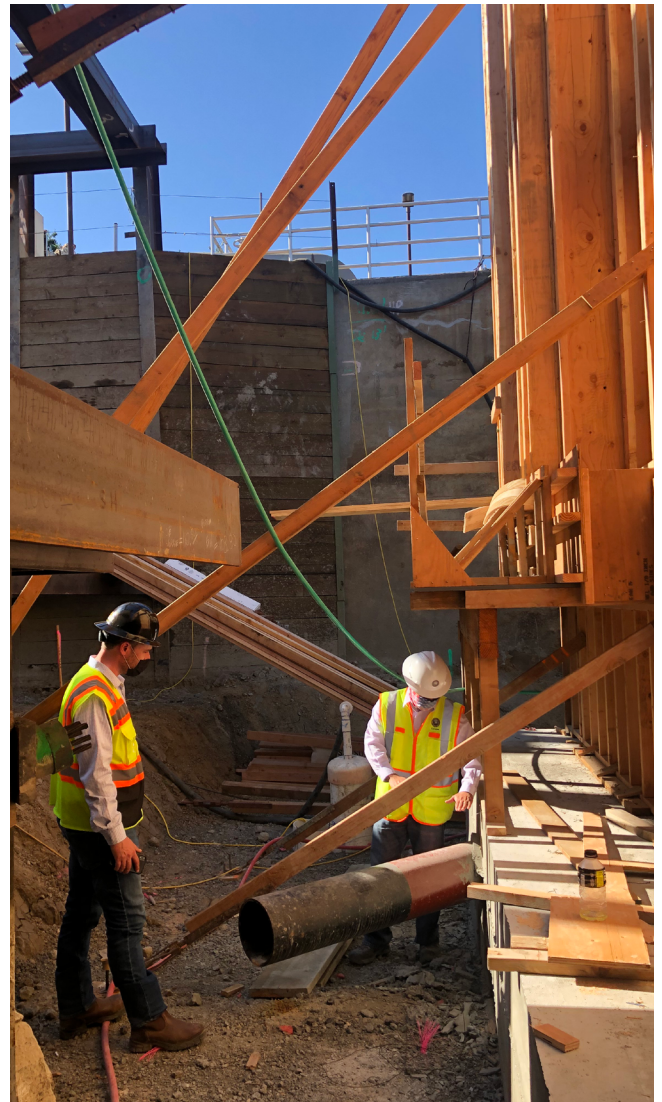
A community workforce agreement, or CWA, is a collective bargaining agreement between a project owner (in this case, the City of San Luis Obispo) and construction trade unions. The agreement establishes standard terms and conditions of employment for the covered construction project(s) including work conditions, hiring procedures, wages and benefits, management rights, dispute resolution procedures, and procedures to prevent work stoppages. CWAs are also known as project labor agreements or community stabilization agreements.

How would a CWA benefit the local economy?

CWAs can be crafted to include provisions aimed at promoting participation in covered projects by targeted demographics such as local residents. Including local hiring goals in the City's public works contracts with a CWA could increase participation in City projects by local workers, creating job opportunities and keeping construction dollars in the local economy.

What are potential disadvantages of a CWA?

CWAs designate construction unions as the sole source of labor on covered projects. Union referral of workers to employers can be a significant change to the normal business practices of non-union contractors and consultants. The City would also be required to hire a third-party CWA administrator to oversee and implement the agreement, which would increase project costs.



How could the City increase participation in its public projects by local workers without a CWA?

Potential alternatives to a CWA include local hiring mandates, local worker participation goals with good faith efforts, and bonus/incentive payments for local worker participation.

Has a CWA ever been used on a City project?

A CWA with a local hiring goal of 30% is currently being used on the City's Water Resource Recovery Facility (WRRF) Project. To date, 77% of all labor hours on the project have been performed by local workers.

How would a CWA affect my business?

If your business provides prevailing wage labor on City projects (contractors and consultants), you would be subject to the terms and conditions of the CWA including the requirement that workers be referred from the union hiring hall. Non-union employers can use their core employees (i.e., long standing workers) on a one-to-one ratio with workers referred by the union hiring hall up to a maximum number of core employees (typically 3-5). After the core employee limit is reached, all workers must be referred by the union hiring hall. In addition, employers must pay fringe benefits to the union trust fund on behalf of their employees rather than providing employer benefit packages or paying fringe benefits to employees as additional wages. If your business provides goods or professional services (non-prevailing wage), you would not be affected by a CWA.

Is there a difference in hourly pay rates on projects with CWAs?

No. California law requires that craft workers on public projects be paid prevailing wage rates established by the California Department of Industrial Relations, regardless of whether a CWA is in place.

Do I have to become a union signatory contractor/consultant to work on a CWA-covered project?

No. All companies, regardless of union affiliation, can work on CWA-covered projects although you must agree to the terms and conditions of the CWA prior to performing any work. You and your employees may also be required to pay dues and fees to a union while working on a CWA-covered project.

What is the schedule for the potential implementation of a CWA?

City staff are currently compiling background information and performing stakeholder outreach. A staff report detailing the findings and considerations related to CWAs will be presented to City Council in Spring 2022.

How can I provide feedback or ask additional questions?

Contact the Acting City Engineer, Brian Nelson, at bnelson@slocity.org.

