



Council Agenda Correspondence

DATE: July 19, 2022

TO: Mayor and Council

FROM: Matt Horn, Public Works Director
Brian Nelson, Deputy Public Works Director / City Engineer

VIA: Derek Johnson, City Manager

SUBJECT: ITEM 7c – STAFF AGENDA CORRESPONDENCE DIRECTION ON TERMS OF A COMMUNITY WORKFORCE AGREEMENT (CWA)

Staff received the following questions, regarding the subject Council Agenda Report. The questions are listed below with staff's response in *italics*:

- 1) Question: Did staff consult CWAs from other jurisdictions that have been implemented in the last few years when developing the CWA local worker participation goal of 60%? Is there a regional “best practice” or “standard” for the local participation goal?**

CWAs from other jurisdictions were reviewed as part of the CWA evaluation performed between fall 2021 and spring 2022. Local worker participation goals included in CWAs from nearby jurisdictions range from 30% (South San Luis Obispo Community Services District, Goleta, Port Hueneme) to 50% (City of Santa Barbara). There is no regional “best practice,” but the Trades Council typically includes a 30% goal or floor in the initial draft CWA as the starting point for negotiations.

The proposed 60% local worker participation goal is based on historical local worker participation from past City CIP projects and not CWAs from other jurisdictions. As noted in the Council Agenda Report, staff analyzed 14 projects constructed between January 2018 and September 2021, and determined approximately 90% of all labor hours were performed by local workers. The SLO Water Plus CWA established a 30% local worker participation goal and approximately 81% of all labor hours have been performed by local workers through May 2022. The Los Osos Valley Road Overpass Project (LOVR Project) is the second largest CIP project in City history, and it was constructed by a non-local contractor without a CWA in place. Approximately 69% of all labor hours on the LOVR Project were performed by local workers.

Staff believes the 60% local worker participation goal is achievable based on past project performance. Ideally, the CWA local worker participation goal should be in excess of what the City has been able to achieve without a CWA in place. 60% is

the staff recommendation for local participation goal for the CWA as it is in excess other local CWAs, slightly less than the City's historical worker participation rate has been, and less than what has been achieved by the City's SLO Water Plus project to date.

2) Question: Does the CWA contract include any provisions in the event the local work participation threshold isn't reached?

If the local worker participation goal is not met, the CWA includes provisions for the parties to meet and confer regarding potential changes that could be made to the agreement to help achieve the goal (reference Section 3.5.2 of Attachment A to the Council Agenda Report).