

**SOUND TRANSIT**

**MOTION NO. M99-80**

**Policies and Guidelines for the Use of  
Project Labor Agreements on Sound Transit Construction Contracts**

**BACKGROUND AND COMMENTS**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Executive Committee	11/5/99	Recommend Board Approval	Alec Stephens	206-398-5019
Board of Directors	11/18/99	Approval	Desmond Brown	206-398-5017

**ACTION:**

Authorize the Executive Director to execute and implement the project labor agreement negotiated pursuant to Resolution No. R99-21 and summarized in this motion.

**BACKGROUND:**

The Sound Transit Board considered whether to require the use of project labor agreements ("PLA") on Sound Move construction projects at five public meetings and workshops held on April 16, May 27, June 4, June 18 and July 8, 1999. After considering the public testimony, staff reports, the Tucker-Alan PLA Study and the Bechtel Cost Study, the Board authorized the Executive Director to negotiate one or more project labor agreements in accordance with the objectives identified in Resolution No. R99-21. After consultations with numerous interested groups and contractors, negotiations were conducted over a two-month period with representatives of the Washington State Building and Construction Trades Council, AFL-CIO and its affiliate unions (collectively "Union"), the Fair Access to Sound Transit Jobs Coalition ("FAST"), the Associated General Contractors ("AGC"), and the Associated Builders & Contractors ("ABC").

The parties have reached sufficient consensus to enable the agreement to be implemented in accordance with Resolution R99-21 if the Board of Directors approves the agreement.

**PLA NEGOTIATED PROPOSAL:**

The following table summarizes the objectives established in Resolution R99-21 and the results of the negotiated terms on which the parties reached agreement. The Board was briefed on these proposed terms at the October 28, 1999 board meeting.

## SUMMARY OF NEGOTIATIONS

### RESOLUTION R99-21

### NEGOTIATED PROPOSAL

- PLA applies to Link Light Rail Project and Sounder Commuter Rail stations.      Yes: PLA applies to Link Light Rail construction projects and the construction of Sounder Commuter Rail stations.
  
- Ensure stable and adequate supply of skilled labor.      Yes: (a) Union commitment to supply Journeyman and apprentice, (b) development and funding of community run FAST jobs pre-apprenticeship program, and (c) access to both AGC/ABC apprenticeship programs.
  
- Maximize use of apprentices on project.      Yes: (a) PLA sets overall project goal of 20% apprentice utilization, (b) union and non-union apprenticeship programs can supply labor to project.
  
- Work with community groups to develop apprenticeship programs to maximize local job training, apprenticeship opportunities, and WMBE participation.      Yes: (a) FAST jobs apprenticeship training program supported by contributions from union industry funds to pay for job training, and (b) Establishment of job referral procedure requiring employee recruitment from FAST jobs, (c) Unions will work to remove unnecessary barriers to entry to state apprenticeship programs such as drivers license requirements.
  
- No-strike clause – swift resolution of management/labor disputes.      Yes: (a) No-strike clause, (b) disputes decided within 27 hours of grievance, (c) remedies include choice of actual damages/injunctive relief or industry standard liquidated damages of \$10,000/work shift (\$20,000-30,000/day), (d) contractor right to replace striking employees.
  
- Exclude coverage of Sound Transit employees and/or consultants.      Yes: Sound Transit employees and consultants are not covered by the PLA.
  
- Exclude coverage of off-site fabrication, equipment manufacture, delivery of material, etc.      Yes: Off-site fabrication, manufacture and delivery of material and equipment is not covered by the PLA. However, local prevailing wage rates shall apply to work in order to protect Puget Sound workers.
  
- Permits non-union contractors to participate without signing local agreements.      Yes: Non-union contractors are not required to sign local union agreements.
  
- Increase opportunities to low income people, plus identify training and hiring goals.      Yes: Development of pre-apprenticeship training program for unemployed workers.

- Non-discriminatory employee referral procedure; permits use of use of non-union core employees.

Yes: (a) Three-part core employee referral procedure ensures retention of up to five core employees per craft, (b) relief to protect permanent employees from layoff, (c) employee referral not contingent on union membership.

- Elimination of double benefits.

No: However, issue resolved to satisfaction of all groups by agreement that non-union contractors will not be penalized in bid process if contractor already has an existing benefits program.

- Realize cost savings identified in labor cost studies

Yes: Estimated savings of approximately \$9 million.

PLA provides for the establishment of a joint administrative committee with representatives from the FAST Jobs Coalition, the Contractors, Sound Transit and the Union to meet regularly and serve in an advisory capacity to promote harmonious labor relations, ensure compliance with the PLA terms, and to assist in the administration and implementation of the PLA. It is recommended that Sound Transit engage a consultant or employ a labor relations coordinator to oversee implementation and administration of the PLA.

#### **ALTERNATIVES:**

Staff have identified three principal alternatives: 1) the Executive Committee could refer the proposed PLA to the full Board with a “do pass” recommendation, 2) the Executive Committee could require that additional negotiations be conducted to resolve issues of concern to the Committee, or 3) the proposed PLA could also be referred to the full Board with a “do not pass” recommendation.

#### **CONSEQUENCES OF DELAY:**

Resolution R99-21 provides that the PLA shall apply to the construction of commuter rail stations unless the application of the PLA would delay the construction schedule. Significant delay would reduce the amount of commuter rail stations that could be included in the PLA agreement.

#### **LEGAL REVIEW:**

The Legal Department has approved the Background and Comments and Motion as to legal sufficiency.

**SOUND TRANSIT**

**MOTION NO. M99-80**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute and implement a project labor agreement for light-rail and commuter rail construction projects.

**Background:**

The Sound Transit Board considered whether to require the use of project labor agreements ("PLA") on Sound Move construction projects at five public meetings and workshops held on April 16, May 27, June 4, June 18 and July 8, 1999. After considering the public testimony, staff reports, the Tucker-Alan PLA Study and the Bechtel Cost Study, the Board authorized the Executive Director to negotiate one or more proposed project labor agreements in accordance with the objectives identified in Resolution No. R99-21. After consultations with numerous interested groups and contractors, negotiations were conducted over a two-month period with representatives of the Washington State Building and Construction Trades Council, AFL-CIO and its affiliate unions (collectively "Union"), the Fair Access to Sound Transit Jobs Coalition ("FAST"), the Associated General Contractors ("AGC"), and the Associated Builders & Contractors ("ABC"). The parties have reached sufficient consensus to enable the agreement to be implemented in accordance with Resolution R99-21.

The proposed agreement substantially achieves the objectives established in Resolution R99-21 to realize construction cost savings through standardizing work rules, reducing the risk of labor shortages, ensuring a stable supply of skilled labor, ensuring timely completion of construction projects, and increasing job training and apprenticeship opportunities for small, low-income, women and minority businesses and contractors, and providing for community participation in the development, monitoring and oversight of the project labor agreement as summarized in Exhibit A attached hereto.

**Motion:**

It is hereby moved by the Board of Directors of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute one or more project labor agreements in accordance with the terms summarized in Exhibit A attached hereto.

Approved by the Board of Directors of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 18<sup>th</sup> day of November, 1999.

ATTEST:



Marcia Walker  
Board Administrator



Paul E. Miller  
Chair

## EXHIBIT A

### SUMMARY OF PLA TERMS

- PLA shall apply to Link Light Rail construction projects and Sounder Commuter Rail station construction contracts not yet awarded.
- Union commitment to supply Journeyman and apprentices.
- Development and funding of community run FAST jobs pre-apprenticeship program.
- Union and non-union apprenticeship programs can supply labor (access to Union, AGC and ABC apprenticeship programs).
- 20% apprenticeship utilization goal.
- FAST Jobs Coalition apprenticeship training program supported by contributions from union industry funds to pay for job training.
- Establishment of job referral procedure requiring employee recruitment from FAST Jobs Coalition.
- No-strike clause or work interruption clause.
- Labor disputes must be timely decided.
- Labor dispute remedies include choice of actual damages/injunctive relief or industry standard liquidated damages of \$10,000/work shift.
- Union obligated to accept contractor referrals to supply replacement workers if union is unable to provide workers due to illegal strike.
- Sound Transit employees and consultants are not covered by the PLA.
- Off-site fabrication, manufacture and delivery of material and equipment will not be covered by the PLA. However, local prevailing wage rates shall apply to work performed in Puget Sound region.
- Non-union contractors are not required to sign local union agreements.
- Development of pre-apprenticeship training program for unemployed workers
- Core employee provision to reserve the right to utilize a reasonable number of permanent core employee.
- Referral procedure to protect permanent employees from layoff as a result of union referral process.
- Employee referrals must not be contingent on union membership.
- Non-union contractors will not be penalized in bid process if contractor already has an existing benefits program.
- Implement identified work rule standards to achieve approximately \$9 million in savings as outlined in the Bethel Labor Cost Study.