

MOTION NO. M2012-06
Adding ST2 Light Rail Construction Projects to the Scope of Sound Transit's Project Labor Agreement

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Board	02/23/12	Final Action	Joni Earl, CEO Leslie Jones, Diversity Director	206-398-4540 206-398-5047

PROPOSED ACTION

Authorizes the chief executive officer to add ST2 light rail construction projects to the scope of Sound Transit's Project Labor Agreement.

KEY FEATURES

- In October 2010, Sound Transit executed a contract with Agreement Dynamics to conduct an independent study of the Project Labor Agreement (PLA). Agreement Dynamics found that provisions and performance of Sound Transit's PLA have supported the Board's objectives as set forth in Board Resolution 99-21 to use a PLA.
- Sound Transit's existing PLA applies to Sound Move light rail construction and certain commuter rail station construction projects.
- This action adds ST2 light rail construction projects to the PLA.
- This action allows for continued and uninterrupted application of the PLA, consistent with Board policy.
- Procurement for the first North Link construction contract is scheduled to begin in the 2nd Quarter of 2012. The North Link construction project is funded under ST2, and is not within the current scope of the existing PLA.
- PLAs do not bind non-union businesses to labor agreements outside of the PLA.

PROJECT DESCRIPTION

A Project Labor Agreement is a project-specific, collectively-bargained labor agreement used in the construction industry to set and standardize wages, benefits, hours of work and other conditions of employment. Sound Transit's PLA has been used on light rail construction contracts and commuter rail station construction contracts funded under *Sound Move*. This action would extend the PLA to light rail construction contracts funded under ST2.

FISCAL INFORMATION

Not applicable to this action.

SMALL BUSINESS PARTICIPATION

The specific provisions in Sound Transit's PLA call on the building and construction trades unions and contractors to assist Sound Transit in meeting its program goals and objectives for the participation of Disadvantaged Business Enterprises (DBEs) and other small businesses. One of the key purposes of PLAs is to establish an agreement through which non-union businesses, many of which are DBEs and other Small Businesses, may fairly compete for work on Sound Transit construction projects.

Sound Transit has met its DBE and Small Business contract participation goals on Sound Move PLA construction projects. More than \$269 million contracting dollars (out of \$1.007 billion on the Link initial segment construction contracts, or, 27%) went to small businesses, and Nearly \$198 million contracting dollars (out of \$1.007 billion, or, 19%) went to minority- and women-owned businesses.

APPRENTICE UTILIZATION COMMITMENT

Consistent with Board policy, the PLA includes Apprenticeship provisions and commits the parties (Sound Transit, the building and construction trades unions and the contractors with whom Sound Transit executes a construction contract) to develop and implement an apprenticeship program to increase the skill of the Puget Sound region workforce, and sets a project-wide goal of 20% for the utilization of Washington State Apprenticeship Council (SAC) approved apprentices. There is also a goal of 33% percent of the apprenticeship hours for people of color and women. The consultant's study found that of approximately 5.7 million construction workforce hours, 14% were worked by apprentices. In addition, 50% of the apprentice hours were worked by women and by people of color (14% women; 36% people of color).

EQUAL EMPLOYMENT WORKFORCE PROFILE

As a recipient of federal funds for use on construction projects, the federal government sets EEO goals of 7% people of color and 6.9% women. EEO goals in the PLA are 21% people of color and 12% women. People of color represented 26% of the total construction workforce on PLA contracts, and 7% women. Sound Transit continues to work with contractors, unions and communities to increase the number of women in the construction trades.

BACKGROUND

Sound Transit's PLA includes provisions prohibiting strikes and lockouts, settling jurisdictional disputes, prohibiting work stoppages, requiring union and non-union contractors to sign a stand-alone agreement with uniform work rules, EEO and apprenticeship goals, and contracting and employment opportunities for people of color, women and other disadvantaged persons. This contrasts with typical collectively bargained labor agreements where individual craft unions bargain with contractor associations about wages and working conditions. Traditional collective bargaining has no specific construction project in mind, and no one at the table controls upcoming work. In PLA bargaining, unions bargain as a group with those who control upcoming work. PLAs have been used in the United States for decades, with the first PLAs being executed for the construction of the Hoover Dam in Nevada and the Grand Coulee Dam in Washington State.

The Sound Transit Board authorized a Project Labor Agreement in 1999 for all Link light rail construction contracts, and all Sounder commuter rail station construction contracts with certain limitations (if feasible to negotiate and incorporate a PLA in time for bidding, not delaying schedule, or being let or managed by another agency). The vast majority of the Contractors for the major contracts let for the Central Link Initial Segment Project and Airport Link Project were performed under the PLA. In addition, in one case on a contract outside of the scope of the PLA, the Contractor requested to have the PLA used on that project (commuter rail track work).

In October 2010, Sound Transit executed a contract with Agreement Dynamics to conduct an independent study of its PLA. The consultant received input from 141 stakeholders including contractors, subcontractors, labor, community and other groups and reviewed documents, and analyzed data from Sound Transit and other sources. The study found that the provisions and

performance of the PLA have supported the Board's objectives as set forth in Resolution No. 99-21.

At its February 2, 2012 meeting, the Executive Committee received a briefing on the PLA Study, and options were presented to the Committee. Among the options was Sound Transit's ability, "at its sole discretion", to add to the list of the projects to be covered under the PLA (PLA Article 2.1). The Committee asked the chief executive officer to prepare an action for consideration by the Board consistent with the Committee's discussion.

ENVIRONMENTAL COMPLIANCE

Not applicable to this action.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2009-04: Authorized the chief executive officer to support an amendment to the Project Labor Agreement (PLA) at the Joint Administrative Committee, which would include in the scope of the PLA a framework to allow recognition of applicable local, area or national collective bargaining agreements.

Motion No. M99-80: Authorized the Executive Director to execute and implement a project labor agreement for light rail and commuter rail construction projects.

Resolution No. R99-2: Established Sound Transit's intent to use project labor agreements for a portion of Sound Transit construction contracts, to include community participation in the formation, monitoring and oversight of such project labor agreements, and to include apprenticeship requirements on construction contracts of a certain dollar amount where project labor agreements are not used.

TIME CONSTRAINTS

North Link contracts are projected to go out for bid in the 2nd Quarter of 2012.

PUBLIC INVOLVEMENT

In addition to stakeholder input in the consultant's study, individuals representing the various interest groups were presented with the study results and a copy of the study is on the Sound Transit website. These stakeholders, representing diverse interests of contractors, labor unions, small businesses, and community were briefed on Sound Transit's consideration of extending the PLA to projects funded under ST2.

LEGAL REVIEW

DB 2-16-12

MOTION NO. M2012-06

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to add ST2 light rail construction projects to the scope of Sound Transit's Project Labor Agreement.

BACKGROUND:

Sound Transit's PLA includes provisions prohibiting strikes and lockouts, settling jurisdictional disputes, prohibiting work stoppages, requiring union and non-union contractors to sign a stand-alone agreement with uniform work rules, EEO and apprenticeship goals, and contracting and employment opportunities for people of color, women and other disadvantaged persons. This contrasts with typical collectively bargained labor agreements where individual craft unions bargain with contractor associations about wages and working conditions. Traditional collective bargaining has no specific construction project in mind, and no one at the table controls upcoming work. In PLA bargaining, unions bargain as a group with those who control upcoming work. PLAs have been used in the United States for decades, with the first PLAs being executed for the construction of the Hoover Dam in Nevada and the Grand Coulee Dam in Washington State.

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MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to add ST2 light rail construction projects to the scope of Sound Transit's Project Labor Agreement.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 23, 2012.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator