

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/24/2024

Staff Report No. 24-113

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Local Workforce Engagement Policy

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider the adoption of Board Policy 491 implementing a new District-wide Local Workforce Engagement Policy and authorize the addition of a Compliance Administrator in the District's Fiscal Year 2024-25 budget.

Staff Contact:

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

STRATEGIC IMPORTANCE:

Goal - Strong Public and Policymaker Support

Initiative - Financial Efficiency and Revenue Maximization

A Local Workforce Engagement Policy ("LWEP" or "Policy") would supplement and support the District's goals of diversity, equity, and inclusion by generating greater employment opportunities in implementation of District capital projects. This Policy directs a variety of hiring strategies for individuals experiencing historical barriers to employment.

BUDGETARY/FISCAL IMPACT:

If adopted, the LWEP cannot be implemented without the addition of a Compliance Administrator, who will be responsible for implementing, administering and sustaining this program. The addition of a Compliance Administrator requires a new full-time position estimated to add roughly \$287,000 to the FY 24-25 operating budget. In addition, this Policy is likely to increase the capital cost of District projects due to the additional compliance efforts needed from contractors, and could possibly reduce the pool of potential bidders.

BACKGROUND/RATIONALE:

Staff recommends the adoption of a new, District-wide LWEP, which is intended to:

- Set local hiring and disadvantaged hiring goals
- Require reporting of workforce demographics by contractors (to establish a baseline of what types of workers are used on District projects)
- Enhance benefits and/or training standards, and set apprentice utilization goals (to support quality

career paths for local workers)

- Require contractors to contribute to a workforce development fund (to fund pre-apprenticeship or apprenticeship programs, or other workforce pipeline development efforts)
- Establish stronger monitoring and enforcement systems for discriminatory conduct.

The proposed LWEP is intended to complement, but be independent of, Project Labor Agreements (PLA). The proposed Policy is expected to give the District more flexibility to update and strengthen its small and local business enterprise (S/LBE) programs and its disadvantaged business enterprise (DBE) approach for federally-funded projects.

The proposed LWEP aims to create construction employment and training opportunities that will mitigate the effects of geographically-concentrated low incomes and poverty, chronic underemployment and unemployment, and other barriers to employment. This proposed Policy also aims to provide links to career paths, improve the skills of targeted workers, and enable construction workers to earn “living wages.”

ADVANTAGES/DISADVANTAGES:

The advantage of a LWEP that is independent from a PLA is that it will allow the District to implement its community-based interests on qualifying contracts more quickly and independently. This will create more job-growth opportunities in the community since a greater number of contracts will be subject to the LWEP. The disadvantage of a LWEP that is inextricably linked to a PLA is that the District’s local, community-based interests would only be served on contracts subject to a negotiated district-wide PLA, which are far fewer in number and thus would amount to fewer job growth opportunities in the community. A disadvantage of the proposed LWEP is that it could result in higher project costs and less competition, with fewer willing firms submitting bids.

ALTERNATIVES ANALYSIS:

As an alternative to adopting a free-standing LWEP, such a policy could be packaged with a new District-wide PLA. This would delay implementing the LWEP until PLA negotiations have been finalized. Staff estimates a request to adopt a new District-wide PLA will come to the Board in early 2025. Staff does not recommend this alternative as it would further delay the District’s effort to have more diverse and equitable public works construction contracting.

PRIOR RELEVANT BOARD ACTION/POLICIES:

22-274 Progress Report on District-Wide Project Labor Agreement (2022)

22-274a Progress Report on District-Wide Project Labor Agreement (2023)

23-172 Repeal of Board Policy 410

ATTACHMENTS:

1. Board Policy 491 - Local Workforce Engagement Policy

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