

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 5/24/2023

**Staff Report No.** 22-274a

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager/Chief Executive Officer  
**SUBJECT:** Progress Report on District-Wide Project Labor Agreement

### BRIEFING ITEM

**AGENDA PLANNING REQUEST:** ☐

**RECOMMENDED ACTION(S):**

Consider receiving a progress report on the development of the District-Wide Project Labor Agreement. (PLA)

Staff Contact:  
Ramakrishna Pochiraju, Executive Director of Planning & Engineering

**STRATEGIC IMPORTANCE:**

Goal - Strong Public and Policymaker Support  
Initiative - Financial Efficiency and Revenue Maximization

A project labor agreement would continue to advance the District's primary goals of diversity, equity, inclusion, safety, quality, productivity, and labor harmony. It would also advance its proprietary interests by avoiding labor misunderstandings, grievances and conflicts on public works projects.

**BUDGETARY/FISCAL IMPACT:**

A PLA can sometimes increase project costs, extend schedules and/or reduce the pool of potential bidders. To mitigate this potential budgetary impact, staff recommends the use of a PLA on a tiered basis for high-value contracts identified in the District's Capital Improvement Program. Staff anticipates that there will be operational costs required to implement, administer, and sustain this program.

**BACKGROUND/RATIONALE:**

The District established a PLA Committee to develop the District Wide PLA/Construction Careers Policy (CCP) with both Alameda and Contra Costa Counties comprised of the Executive Directors of Planning & Engineering and External Affairs, Marketing and Communications; Director of Sustainability and BRT; Program Manager of Contracts Compliance, and Director of Capital Projects

**Recent Activity:**

- Finalized an internal draft PLA and shared with external stakeholders

- Initiated PLA negotiations with Alameda and Contra Costa Building & Trades Councils
- Hired outside counsel to assist in PLA Negotiations
- Repealed previous BRT Construction Careers Policy
- Drafted a new stand-alone District-Wide Construction Careers Policy for Board adoption that can be implemented jointly or separately from the PLA.

**Primary Changes in the New PLA/CCP:**

AC Transit typically awards 5 - 6 Public works type contracts per year over \$1 million. Staff has proposed a tiered approach starting at \$3 million and up, and anticipates the largest future contract will be the Training and Education Center Modernization project. The District wide PLA may include contracts in some or all of the service area.

**Timeline to Complete:**

The original timeline presented in staff report 22-274 anticipated a fully executed PLA/CCO by July 2023. Negotiations with the Trade Councils on the draft PLA are taking longer than expected and staff forecasts another year to complete the process.

MILESTONE 1A - FINAL CCP Board Approval - 9/2023

MILESTONE 1B - FINAL PLA Board Approval - 1/2024

MILESTONE 2 - FTA Region 9 and FTA HQ Approval - 1/2024

MILESTONE 3 - Alameda and Contra Costa Counties Building Trades Councils Approval and Trades signatories - 2/2024-7/2024

MILESTONE 4 - Establish Special Limited Purpose Committees for Alameda County and Contra Costa County - 7/2024-9/2024

MILESTONE 5 - AC Transit PLA/CCP fully executed - 8/2024

**ADVANTAGES/DISADVANTAGES:**

The advantage to having a PLA is it will allow AC Transit to advance its proprietary interests by avoiding labor misunderstandings, grievances and conflicts on a public works contract and allow it to effectively manage its capital assets (structures, facilities, systems, platforms, surface parking lots, rights-of-way, etc.) in a state of good repair to support safe, efficient, and reliable transit. A couple of disadvantages are that it may be a barrier to small local contractors trying to bid on contracts and it may increase the cost of bids.

**ALTERNATIVES ANALYSIS:**

This initiative is part of the Strategic Plan and is a central part of the District's effort to have more effective and equitable public works construction contracts. As such, staff did not consider any other alternatives.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 22-274: Update on the development of the District Project Labor Agreement (PLA) and Construction Careers Policy (CCP).

**ATTACHMENTS:**

None.

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**In Collaboration with:**

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**Approved/Reviewed by:**

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Beverly Greene, Executive Director of External Affairs, Marketing & Communications

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