



Legislation Details (With Text)

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Title: BILL - (For introduction) - Repealing and adding Section 4-111 of the Fresno Municipal Code relating to Project Labor Agreements

Sponsors: City Attorney's Office

Indexes:

Code sections:

Attachments: 1. Ordinance PLA.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|--------------------------|--------|
| 8/28/2014 | 1 | City Council | introduced and laid over | Pass |

REPORT TO THE CITY COUNCIL

August 28, 2014

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City Attorney's Office

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SUBJECT

BILL - (For introduction) - Repealing and adding Section 4-111 of the Fresno Municipal Code relating to Project Labor Agreements

RECOMMENDATION

We recommend that City Council approve the ordinance repealing and adding Section 4-111 of the Fresno Municipal Code (FMC) relating to Project Labor Agreements, if the City wants to remain eligible to receive state funding or financial assistance for construction projects after December 31, 2014.

EXECUTIVE SUMMARY

The ordinance repeals FMC section 4-111 prohibiting project labor agreements, and adds FMC section 4-111 allowing City Council by majority vote to use, enter into or require contractors to enter into a project labor agreement for construction projects on a project specific basis. The ordinance is

intended to comply with state law so that the City will remain eligible for state funding or financial assistance on construction projects after December 31, 2014.

BACKGROUND

In March 2000, the City Council adopted FMC section 4-111 (formerly 3-109.2) prohibiting the City from requiring a project labor agreement for any City public works project.

California Senate Bills 922 and 829 (“Senate Bills”) were signed into law in 2011 and 2012, adding sections 2500-2503 to the Public Contract Code. Sections 2502 and 2503 require charter cities to allow their governing boards to have the authority to consider the use of project labor agreements on a project by project basis. Also, charter cities may not have a charter provision, ordinance or initiative that prohibits, limits or constrains their governing board from adopting, requiring or utilizing a project labor agreement for some or all construction projects awarded by the city. Charter cities have until January 1, 2015, to comply with Public Contract Code sections 2500 et seq. (“Section 2500”). If the City does not repeal section 4-111 prohibiting project labor agreements and add section 4-111 that complies with Section 2500, the City risks losing all state funding and financial assistance for construction projects. The Senate Bills only require that a city’s governing board have the authority to consider whether to use a project labor agreement on a project specific basis. On February 20, 2014, a lawsuit was filed challenging the constitutionality of the Senate Bills that is pending in the trial court.

ENVIRONMENTAL FINDINGS

This is not a “project” for the purposes of CEQA pursuant to CEQA Guidelines, section 15378(b)(5), as it is an administrative activity that will not result in direct or indirect physical changes to the environment.

LOCAL PREFERENCE

Local preference was not considered because this ordinance does not include a bid or award of a construction or services contract.

FISCAL IMPACT

There may be a fiscal impact to the City, depending on the number of project labor agreements that may be required by the Council and the cost increases or decreases associated with project labor agreements.

Attachment: Ordinance