SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Jeff Stone

SUBMITTAL DATE: March 10, 2010



SUBJECT: Ordinance 895, Prohibiting the County From Requiring Project Labor Agreements on County Construction Projects

RECOMMENDED MOTION: That the Board "Introduce and Adopt on Successive Weeks Ordinance No. 895, An Ordinance of the County of Riverside Prohibiting the County From Requiring Project Labor Agreements on County Construction Projects."

BACKGROUND:

The County of Riverside has consistently been a leader in creating efficient government by using innovation to deliver services, build public projects, and improve infrastructure in a responsible manner that protects taxpayers. By utilizing core competencies of government and the strengths of the private sector, the County has remained fiscally sound during economic crisis. The use of project labor agreements ("PLA") by some local governments represents a dangerous trend that may be a costly threat to taxpayers.

A PLA is a pre-hire collective bargaining agreement requiring the use of union labor on a project. When required, it eliminates the ability for non-union companies and workers to compete for and work on, government projects. Though sometimes required for projects funded by the State or Federal governments, a PLA is usually a requirement imposed at the discretion of a local government. On July 10, 2009 a Presidential Executive Order was issued encouraging federal departments and agencies to use publically funded PLAs for construction projects. This represents a threat to taxpayers as the competitive bidding process for government projects is being closed to all but union companies.

This recent trend is occurring because the PLA is discriminatory by design, and meant to reduce competition to those contractors that use union labor. Preferential treatment and narrowed competition often cause bids to come in higher, which drives up the cost of public projects.

This ordinance will ensure that all qualified contractors receive a fair opportunity to bid on County projects will save precious taxpayer dollars and resources for years to come.

Jeff Stone, Supervisor Third District

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ORDINANCE NO. 895

AN ORDINANCE OF THE COUNTY OF RIVERSIDE PROHIBITING THE COUNTY FROM REQUIRING PROJECT LABOR AGREEMENTS ON COUNTY CONSTRUCTION PROJECTS

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. FINDINGS. To promote competition in contracting and reduce the risk of cost increases to the taxpayer, the Board of Supervisors finds that it is in the public interest to prohibit the County from requiring a contractor on a County construction project to execute a project labor agreement.

Section 2. DEFINITIONS. As used in this ordinance, the following terms shall have the following meanings:

<u>Contractor.</u> Contractor, subcontractor, material supplier, carrier or other person or firm bidding on, negotiating or performing a contract on a County construction project.

- a. <u>County Construction Project</u>. Any project to construct, rehabilitate, alter, convert, extend, maintain, repair or improve a structure or real property that is undertaken by the County or any other governmental entity for which the Board of Supervisors is the governing body.
- b. <u>Project Labor Agreement</u>. Any pre-hire, collective bargaining or similar type of agreement entered into with one or more labor organizations, employees or employee representatives that establishes the terms and conditions of employment on a County construction project.
- Section 3. PROJECT LABOR AGREEMENT PROHIBITION. Except as otherwise required by State or Federal law or as a condition of the receipt of State or Federal funds, the County shall not require a contractor on a County construction project to execute or otherwise become a party to a project labor agreement as a condition of the bid, negotiation or performance processes. Nothing in this ordinance shall be construed to prohibit a contractor from voluntarily entering into a project labor agreement or engaging in activities protected by law.

1	Section 4. This ordinance shall take effect thirty (30) days after its adoption.
2	BOARD OF SUPERVISORS OF THE COUNTY
3	OF RIVERSIDE, STATE OF CALIFORNIA
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5	By:Chairman
6	Chairman
7	ATTEST:
8	CLERK OF THE BOARD
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10	By: Deputy
11	Deputy
12	(SEAL)
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14	APPROVED AS TO FORM
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16	, 2010
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18	By:
19	Deputy County Counsel
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