Community Workforce Agreement

Adopted for the

SMUD

HEADQUARTERS BUILDING

AND SITE REHABILITATION

Sacramento, California

_____ [Date]_____

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SMUD HEADQUARTERS BUILDING AND SITE REHABILITATION

COMMUNITY WORKFORCE AGREEMENT

PREAMBLE

This Community Workforce Agreement ("Agreement") is entered into by and between the _____[Design/Build]_____ contractor and the various subcontractors that have executed this Agreement ("Employers") and the Sacramento-Sierra Building and Construction Trades Council ("Council") and its affiliated local unions that have executed this Agreement (referred to individually as "Union" and collectively as "Unions") with respect to the construction work within the scope of this Agreement contracted by Sacramento Municipal Utility District ("SMUD") for the Headquarters Building and Site Rehabilitation ("Project").

It is understood by the parties to this Agreement that the construction work covered by this Agreement will be contracted exclusively to Employers who agree to execute and be bound by the terms of this Agreement. The Unions agree that this Agreement will be made available to, and will fully apply to, any successful bidder for Project work who becomes a signatory hereto, without regard to whether that successful bidder performs work at other sites on either a union or a non-union basis, and without regard to whether employees of such bidder are or are not members of any union. This Agreement shall not apply to any Employer for work that is performed on any other project or at any location other than the Project site as defined in this Agreement.

Each Employer shall alone be liable and responsible for its own individual acts and conduct and for any breach or alleged breach of this Agreement. Any alleged breach of this Agreement by an Employer or dispute between the signatory Union(s) and an Employer respecting compliance with the terms of this Agreement shall not affect the rights, liabilities, obligations and duties between the signatory Union(s) and each other Employer party to this Agreement.

Furthermore, each Union shall alone be liable and responsible for its own individual acts and conduct and for any breach or alleged breach of this Agreement. Any alleged breach of this Agreement by a signatory Union shall not affect the rights, liabilities, obligations and duties between the signatory Employer and other Unions party to this Agreement.

WHEREAS, the Employers are engaged in the construction and rehabilitation of office, administrative and similar facilities; and

WHEREAS, large numbers of workers of various skills in the building and construction trades will be required in the performance of the construction Work on the Project, including those workers represented by the Unions; and

WHEREAS, each of the Unions is a party to a multi-employer collective bargaining agreement that covers the geographic area of the Project ("Master Agreement"); and

WHEREAS, the Employers and the Unions desire to mutually establish wages, hours and working conditions for the workers employed on this Project by the Employers, and further, to encourage close cooperation between the Employers and the Unions to the end that a satisfactory, continuous and harmonious relationship will exist between the parties to this Agreement.

NOW, THEREFORE, the Employers and the Unions in consideration of the mutual promises and covenants herein contained, mutually agree as follows:

ARTICLE 1

PURPOSE

Section 1.1. The Project is a multi-year, comprehensive construction project to reconstruct and rehabilitate SMUD's corporate headquarters building located at 6201 S Street, Sacramento, CA 95817. The timely and successful completion of this Project is critical to the ability of SMUD to meet its obligations for the delivery of reliable power to its ratepayers. The purpose of this Agreement is to promote efficiency of construction operations on this Project as covered by this Agreement and provide for peaceful settlement of labor disputes without strikes or lockouts thereby promoting the public interest in assuring the timely and economical completion of this work.

Section 1.2. It is also the intent of the parties to set out standard working conditions for the efficient prosecution of said construction work to establish and maintain harmonious relations between all parties to the Agreement, to secure optimum productivity and to eliminate strikes, lockouts, or delays in the prosecution of the work undertaken by the Employers.

Section 1.3. As a public agency and as part of its economic development power, SMUD has a firmly established policy of promoting utilization of Sacramento area businesses through its Supplier Education and Economic Development ("SEED") program. The provisions implementing the SEED program are integrated throughout this Agreement and no portions of this Agreement are severable. SMUD would not require Employers to utilize this Agreement if the Agreement did not implement and support the SEED program as provided in the Agreement. Therefore, by this Agreement the parties pledge to work and cooperate with management of the Project to produce the most efficient utilization of local labor, and to assist SMUD and the Employers in using Project vendors, contractors and subcontractors who qualify under the SEED program (hereinafter referred to as "SEED Employers").

ARTICLE 2

RECOGNITION

Section 2.1. The Employers recognize the Council and its affiliated Unions, as the sole and exclusive bargaining representatives for all craft employees employed on the jobsite covered by this Agreement. The Employers and the Unions acknowledge that the collective bargaining relationship so established is a "pre-hire" relationship permitted by Section 8(f) of the National Labor Relations Act, except that this provision does not change any pre-existing Section 9(a)

collective bargaining relationship that exists between any Employer and Union parties to this Agreement.

ARTICLE 3

SCOPE OF AGREEMENT

Section 3.1.

(a) This Agreement applies and is limited to all demolition, hazardous material remediation, surveying, site preparation, construction, alteration, installation, improvement, painting and repair of buildings, structures and other works and related activities for the Project within the craft jurisdiction of one of the Unions, including, without limitation, the following examples: temporary HVAC, landscaping, temporary fencing and all soils and materials testing and inspection, where such testing and inspection is a classification in which a prevailing wage determination has been published. On-site work includes work done for the Project in temporary yards, laydown or storage areas, dedicated sites, or areas adjacent to the Project, and at any on-site or off-site batch plant constructed solely to supply materials to the Project.

(b) This Agreement shall apply to any start-up, calibration, commissioning, performance testing, repair, and operational revisions to systems and/or subsystems performed by an Employer under a construction contract for the Project unless it is performed by SMUD employees.

(c) This Agreement also covers all on-site fabrication work over which Employer(s) possess the right of control (including work done for the Project in any temporary yard or area established for the Project). Additionally, this Agreement covers any off-site work, including fabrication necessary for the Project defined herein, that is covered by a current Master Agreement or local addenda to a National Agreement of the applicable Union(s) that is in effect as of the execution date of this Agreement and over which the Employer possesses the right of control. Nothing in this paragraph shall be interpreted to limit or restrict coverage of off-site fabrication work that is otherwise covered by an applicable Master Agreement.

(d) Construction trucking work, including the delivery of construction materials, including, but not limited to, ready-mix concrete, asphalt, aggregate, sand or soil or other fill or similar material that are directly incorporated into a work process, and the off-hauling or removal of construction materials from the Project site, including, but not limited to, soil, sand, gravel, rocks, concrete, asphalt, excavation materials and construction debris, shall be covered by the terms and conditions of this Agreement to the fullest extent provided by law.

(e) For the purposes of the Agreement, "Covered Work" shall be defined as all the work described in subsections 3.1(a) through (d) above.

Section 3.2. Items specifically excluded from the scope of this Agreement include the following:

(a) Work of any employees not covered by a classification in the applicable prevailing wage determination or local collective bargaining agreement and work of all non-manual employees, including but not limited to, superintendents, supervisors, staff engineers, timekeepers, mail carriers, clerks, office workers, including messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, administrative, supervisory and management employees hired by the Employer.

(b) All work by employees of SMUD.

(c) All employees of design, engineering and construction management teams hired by SMUD, or any other consultants hired by SMUD not performing construction craft labor within the scope of this Agreement.

(d) Any work performed on or near or leading to or onto the site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their contractors; or by public utilities or their contractors.

(e) Work by a manufacturer or vendor to install the manufacturer's or vendor's products where performance of the work is expressly stated in the manufacturer's or vendor's written warranty or guarantee to be a condition for the warranty or guarantee for such products; provided the manufacturer or vendor possesses any license required for the performance of the work. For any work performed pursuant to this provision, the Employer shall provide copies of the written warranty requirement to the affected Union and SMUD prior to the commencement of work by the manufacturer or vendor. This exclusion does not apply to any on-site construction work subcontracted by such manufacturer or vendor.

(f) Non-construction operation, maintenance, repair or replacement of facilities and support services contracted by SMUD, or any of its related entities or its designee in connection with this Project.

Section 3.3.

(a) SMUD has the absolute right to award contracts or subcontracts on this Project notwithstanding the existence or non-existence of any agreements between such Employer and any Union party provided only that such Employer is willing, ready and able to execute and comply with this Agreement, should such Employer be awarded work covered by this Agreement.

(b) It is agreed that all subcontractors of an Employer, of whatever tier, who have been awarded contracts for work covered by this Agreement on or after the effective date of this Agreement shall be required to execute and to be bound by the terms and conditions of this Agreement.

Section 3.4. Work performed under this Agreement within the applicable craft jurisdictions of the following Unions shall be performed under the terms of their National Agreements as follows: the NTL Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, and the National Agreement of Elevator Constructors, and any instrument calibration work and loop checking shall be performed under

the terms of the UA/IBEW Joint National Agreement for Instrument and Control Technicians, with the exception that Articles 8,10 and 11 of this Agreement shall apply to all such work.

Section 3.5. This Agreement shall only be binding on the signatory parties hereto and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party. Each Employer will be required to execute the attached Employer Agreement to be Bound, incorporated herein as Attachment A. Each Union shall sign this Agreement no later than seven (7) calendar days after it is signed by the Council.

Section 3.6. This Agreement shall be limited to the construction work for which bids have been received on or after the effective date of this Agreement. Nothing contained herein shall be construed to prohibit, restrict, or interfere with the performance of any other operation work or function awarded to any contractor before the effective date of this Agreement or which may be performed or contracted by SMUD for its own account on the property or in and around the construction site.

Section 3.7. It is understood that the liability of the Employer and the liability of the separate Unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among SMUD and/or any Employer.

Section 3.8 None of the provisions of this Agreement shall be construed to prohibit or restrict SMUD or its employees from performing any work on or around the construction site.

Section 3.9 It is understood that SMUD, at its sole option, may terminate, delay and/or suspend any and all portions of the work at any time.

ARTICLE 4

SUBCONTRACTING

Section 4.1. The Employer agrees that neither it nor any of its subcontractors will subcontract any work to be done on the Project except to a person, firm or corporation that is or becomes signatory to this Agreement. Any contractor or subcontractor working on this Project shall be required to accept and to be bound by the terms and conditions of this Agreement prior to the commencement of any work.

Section 4.2. Any Employer, including Employers awarded any single contract in excess of $250,000.00 under the SEED program on this Project, or an aggregate total of contracts under the SEED program on this Project the total value of which is in excess of $300,000.00, including the value of any and all change orders associated with such contracts, may perform work covered by this Agreement on the Project provided that, as a condition to working on the Project, it becomes signatory to and performs all work under the terms of this Agreement. Before being authorized to perform work covered by this Agreement, such contractors and subcontractors shall become a party to this Agreement by signing the attached Employer Agreement to be Bound. Every such Employer shall notify the Council in writing within three (3) business days after it has signed an Employer Agreement to be Bound and shall at the same time provide to the Council a copy of the executed Employer Agreement to be Bound. SEED Employers awarded

any single contract at or below $250,000.00, or an aggregate total of contracts on this Project the total value of which is at or below $300,000.00, including the value of any and all change orders associated with such contracts, shall not be required to become signatory to or bound by the terms of this Agreement as a condition to working on the Project.

Section 4.3. Nothing in this Agreement shall in any manner whatsoever limit the rights of any Employer to subcontract work or to select its subcontractors, provided, however, that all Employers, at all tiers, performing work covered by this Agreement shall comply with the provisions of this Agreement. Every Employer shall notify each of its subcontractors of the provisions of this Agreement, and require as a condition precedent to the award of any construction contract or subcontract for work covered by this Agreement or allowing any subcontracted work covered by this Agreement to be performed, that all covered subcontractors at all tiers become signatory to this Agreement. If any Employer fails to provide Council with the Employer Agreement to be Bound executed by its subcontractor, that Employer shall be liable for any contributions to any trust fund that the subcontractor, or any subcontractor to that subcontractor, fails to make.

ARTICLE 5

WAGE SCALES AND BENEFITS

Section 5.1.

(a) The hourly wage and benefit contribution rates paid employees on this Project shall be those rates (including increases) contained in the recognized local collective bargaining agreements as of the effective date of this Agreement; provided, however, in no event shall the wage be less than the applicable prevailing wage determination.

(b) Future newly negotiated wage provisions shall apply to Project contracts on their effective dates, provided, however, that any provisions negotiated in said collective bargaining agreements will not apply to work covered by this Agreement if such provisions are less favorable to the Employer for work covered by this Agreement than those uniformly required of Employers for construction work normally covered by those agreements; nor shall any provision be recognized or applied if it may be construed to apply exclusively or predominantly to work covered by this Agreement. Any disagreement between the parties over the incorporation of any such provision agreed upon in the negotiation of the local collective bargaining agreement shall be resolved under the procedures established in this Agreement. As part of this understanding, where applicable, the Employer agrees and consents to pay the increased contributions to the relevant jointly administered trust funds pursuant to the provisions of the local collective bargaining agreements as negotiated by the Unions during the performance of work on the Project provided, however, if the provisions of any such new collective bargaining agreement provide that said increases shall not become effective until a later date, then that later date shall prevail.

Section 5.2.

(a) The Employers agree to accept, as its representatives in the administration of trust funds, the Employer Trustees serving such funds. The Employers required to comply with this Agreement shall be obligated to make trust fund contributions in accordance with requirements of the applicable local collective bargaining agreement, but shall not be required to otherwise sign trust participation agreements unless legally required by the local trust documents. Any signing of trust documents will apply to this Project only and shall not increase the Employer's obligations in any way beyond those established by this Agreement.

Section 5.3. Employers who intentionally fail to pay contributions or other payments required by this Article shall be liable for all costs of collection by the affected party, including attorneys' fees and court costs. The Unions or any affected party shall notify SMUD of any alleged violations of this Article and, pending resolution of the violation, progress payments to such Employer may be withheld in an amount sufficient to cover the Employer's potential liability including but not limited to its obligation to reimburse the trust funds for all applicable costs.

ARTICLE 6

UNION RECOGNITION

Section 6.1. The Employers recognize the Unions signatory to this Agreement as the sole and exclusive collective bargaining representative of the employees performing Covered Work for this Project and further recognize the traditional and customary craft jurisdiction of each Union.

Section 6.2. The Union(s) shall be the primary source of all craft labor employed on the Project. However, in the event that an Employer has its own core workforce, the Employer may request by name, and the local shall honor, referral of persons who have applied to the Union for the Project work and who demonstrate the following qualifications:

(a) Possess any license required by state and federal law for the Project work to be performed;

(b) Have worked a total of at least one thousand (1,000) hours in the construction craft during the prior three (3) years;

(c) Were on the Employer's active payroll for at least forty-five (45) out of the one hundred (100) calendar days prior to the contract award; and

(d) Have the ability to perform safely the basic functions of the applicable trade.

Section 6.3. The Union will refer to such Employer one journeyperson employee from the hiring hall out-of-work list for the affected trade or craft, and then will refer one of such Employer's "core" employees as a journeyperson and shall repeat the process, one and one, until such Employer's crew requirements are met or until such Employer has hired five (5) core

employees on this Project. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list(s). For duration of the Employer's work, the ratio shall be maintained and when the Employer's workforce is reduced, employees shall be reduced in the same ratio of core employees to hiring hall referrals as was applied in the initial hiring. Employers signatory to a local, regional, and/or national collective bargaining agreement with Union(s) signatory hereto shall be bound to use the hiring hall provisions contained in the Master Agreement of the applicable Union(s), and nothing in the referral provisions of this Agreement shall be construed to supersede the local hiring hall provisions of the Master Agreement(s) as they relate to such Employers.

Section 6.4. Employers shall be bound by and utilize the registration facilities and referral systems established or authorized by the signatory Unions.

Section 6.5. In the event the referral facilities maintained by the Unions are unable, despite good faith efforts, to fill the requisition of an Employer for employees within a forty-eight (48) hour period after such requisition is made by the Employer (Saturdays, Sundays and holidays excepted), the Employer shall be free to obtain work persons from any source ("Alternative Employee"). Upon hiring employees from an alternative source pursuant to this section, the Employer shall immediately notify the appropriate Union of the name and address of the Alternative Employee hired, which Alternate Employee shall be bound by the provisions of this Article.

Section 6.6. The parties to this Agreement support the development of minorities and women to become skilled construction workers. To this end, the Unions will actively recruit and train minorities and women to be journey-level workers and apprentices to work on this Project and assist them in participating in apprenticeship and training programs operated by the Unions to the fullest extent permitted by law.

Section 6.7. The Unions will exert their utmost efforts to recruit sufficient numbers of skilled employees to fulfill the manpower requirements of the Employers. The parties to this Agreement support the development of increased numbers of skilled construction workers from the residents of the greater Sacramento area to meet the needs of the Project and the requirements of the industry generally. The Unions acknowledge that it is SMUD's desire to maximize the use of employees residing in its service area (Sacramento County and a small portion of Placer County) and the adjacent counties of Sutter, Placer, El Dorado, San Joaquin and Yolo) on the Project. To the extent allowed by law, and consistent with the applicable Union's hiring hall provisions, and as long as they possess the requisite skills and qualifications, residents within SMUD's service area and these counties shall be first referred to the Project work. The parties will use best efforts to maximize the hiring of local residents; however, failure to hire any particular percentage of local residents shall not be considered a breach of this Agreement.

ARTICLE 7

NO DISCRIMINATION

Section 7.1 The Employers and the Unions agree to comply with all anti-discrimination provisions of federal, state and local law, and to not discriminate based on race, national origin,

religion, sex, sexual orientation, political affiliation, or membership in any labor organization in hiring and dispatching workers for the Project in accordance with the provisions of this Agreement.

ARTICLE 8

WORK STOPPAGES AND LOCKOUTS

Section 8.1. During the term of this Agreement, there shall be no strikes, sympathy strikes, picketing, work stoppages, slow downs, interference with the work or other disruptive activity for any reason by the Unions or by any employee, and there shall be no lockout by the Employer affecting the Project site. Failure of any Union or employee to cross any picket line established at the Employer's Project site is a violation of this Article.

Section 8.2. During the term of this Agreement, no Union, its agents, employees, representatives, officers, and/or members shall incite, condone, sanction, aid or abet, encourage, participate in, or continue any work stoppage, strike, picketing or other disruptive activity at the Employer's Project site and shall undertake all reasonable means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge, and if justifiably discharged for the above reasons, shall not be eligible for rehire on the Project.

Section 8.3. Any Union which initiates or participates in a work stoppage in violation of this Article 8, or which recognizes or supports the work stoppage of another Union which is in violation of this Article 8, agrees as a remedy for said violation, to pay liquidated damages in accordance with this Agreement. Any Employer which initiates or participates in a lockout in violation of this Article 8, or which recognizes or supports the lockout of another Employer which is in violation of this Article 8, agrees as a remedy for said violation, to pay liquidated damages in accordance with this Agreement.

Section 8.4. The Unions agree that if any Union or any other persons, whether parties to the Agreement or otherwise, engage in any picketing or work stoppage, the signatory Unions shall consider such work stoppage or picketing to be illegal, and refuse to honor such picket line or work stoppage.

Section 8.5. The following procedure must be instituted by a party to this Agreement prior to or in lieu of any other action at law or equity, when a breach of Section 8.1, above, is alleged.

Section 8.5.1. The party invoking this procedure shall notify John Kagel, whom the parties agree shall be the permanent arbitrator under this procedure. In the event that the permanent arbitrator is unavailable at any time, Robert Hirsch shall be appointed the alternate, or, if he is unavailable, he shall appoint an alternate. Notice to the arbitrator shall be by the most expeditious means available, with notices to the party or parties alleged to be in violation and to the Council if it is a Union alleged to be in violation. For purposes of this Article, written notice may be given by electronic mail, facsimile, hand delivery, or overnight mail and will be deemed effective upon receipt.

Section 8.5.2. Upon receipt of said notice, the arbitrator named above or his alternate shall sit and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists.

Section 8.5.3. The arbitrator shall notify the parties of the place and time chosen for this hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all parties. A failure of any party or parties to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

Section 8.5.4. The sole issue at the hearing shall be whether or not a violation of Section 8.1, above has in fact occurred. The arbitrator shall have no authority to consider any matter in justification, explanation, or mitigation of such violation. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an opinion. If any party desires a written opinion, one shall be issued within fifteen (15) calendar days, but its issuance shall not delay compliance with, or enforcement of, the award. The arbitrator may order cessation of the violation of this Article and other appropriate relief, and such award shall be served on all parties by hand or registered mail upon issuance.

Section 8.5.5. Such award shall be final and binding on all parties and may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to herein above in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the other party. In any judicial proceeding to obtain a temporary order enforcing the arbitrator's award as issued under Section 8.5.4 of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or by delivery to their address as shown on this Agreement or in the applicable Master Agreement (for a Union), as shown on their business contract for work under this Agreement (for an Employer), and to the representing Union (for an employee), by certified mail by the party(ies) first alleging the violation.

Section 8.5.6. Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance hereto are hereby waived by the parties to whom they accrue.

Section 8.5.7. The fees and expenses of the arbitrator shall be paid by the losing party.

Section 8.6. SMUD is a party in interest in all proceedings arising under this Article and its designated representative shall be sent contemporaneous copies of all notifications required by this Article.

Section 8.7. If the arbitrator determines in accordance with 8.5.4 above that a work stoppage has occurred, the respondent Union shall, within three (3) hours of receipt of the award, direct all the employees it represents on the Project to return immediately to work. If the craftworkers involved do not return to work by the beginning of the next regularly scheduled

shift following such three (3) hour period after receipt of the arbitrator's award, or the respondent Union has not complied with its obligation immediately to instruct, order, and use its best efforts to cause a cessation of the violation and a return to work of the employees it represents, then the respondent Union shall pay liquidated damages in accordance with Section 8.8. Similarly, if the arbitrator determines in accordance with Section 8.5.4 above that a lockout has occurred, the respondent Employer shall, within three (3) hours of receipt of the award, return all of the affected employees to work on the Project, or otherwise correct the violation as found by the arbitrator by the beginning of the next regularly scheduled shift following such three (3) hour period after receipt of the arbitrator's award. If the respondent Employer does not take such action by the beginning of the next regularly scheduled shift following the three (3) hour period, the respondent Employer shall pay liquidated damages to the affected Union(s) (to be apportioned among the affected employees and the benefit funds to which contributions are made on their behalf, as appropriate and designated by the arbitrator) and shall pay an additional sum per shift thereafter in which compliance by the respondent Employer has not been completed.

Section 8.8. The party or parties found to be in violation pursuant to Sections 8.5.4 and 8.7 shall pay as liquidated damages the following amounts: for the first shift in which the violation occurred, $5,000; for the second shift, $10,000; for the third shift, $15,000; for each shift thereafter on which the craft has not returned to work or a lockout continues, $15,000 per shift. The Arbitrator shall retain jurisdiction to determine compliance with this section and this Article.

Section 8.9. In the event that any applicable labor agreement expires and the parties to that agreement fail to reach agreement on a new contract by the date of the expiration, a union shall continue to provide employees to the Employers working on the Project under all the terms of the expired agreement until a new agreement is negotiated at which time all terms and conditions of the new agreement shall be applied to the work at the Project, except to the extent they conflict with any provision of this Agreement. In addition, if the new labor agreement provides for retroactive wage or benefit increases, then any Employer shall pay to its employees who performed the work at the Project during the hiatus between the effective dates of such labor agreements, an amount equal to any such wage and benefit increase established by the new labor agreement for such work performed.

Section 8.10. Withholding employees, but not picketing, for failure of an Employer to tender trust fund contributions as required in Article 5 and/or for failure to meet its weekly payroll is not a violation of this Article; provided the applicable Union provides written notice to the affected Employer, the prime contractor and SMUD three (3) business days prior to exercising its rights under this provision and an opportunity to cure the delinquency by rendering payment to the applicable employees or Trust Funds.

Section 8.11. The procedures contained in Section 8.5 shall be applicable only to alleged violations of this Article. Discharge or discipline of employees for violation of this Article shall be subject to the grievance and arbitration procedures of Article 10 of this Agreement.

ARTICLE 9

HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

Section 9.1. The standard work day shall be in accordance with the applicable Master Agreements. Common start times may be established by the Employer during the standard work day established by the applicable Master Agreements. The standard work week shall be five (5) consecutive days of work commencing on Monday. Nothing herein shall be construed as guaranteeing any employee eight (8) hours of work per day or forty (40) hours of work per week.

Section 9.2. It is recognized by the parties to this Agreement that the standard work week may not be desirable or cost effective for some parts of the Project, and other arrangements for hours of work will be considered. Such proposed modifications to the standard work week shall be worked out between the Employer, and the Unions. Project schedule, manpower requirements, sequence of work for the Project and other appropriate factors, will be taken into consideration by the parties in reaching an understanding on work schedules.

Section 9.3. Hours performed in excess of the standard work day Monday through Friday, shall be paid at the rate of time and one-half. All work performed on Saturdays and Sundays shall be paid the overtime rate[s] as stated in the applicable Master Agreement, but not to exceed double the straight time rate of pay.

Section 9.4. It will not be a violation of this Agreement when the Employer considers it necessary to shut down to avoid the possible loss of human life because of an emergency situation that could endanger the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked. In the case of a situation described above whereby the Employer requests employees to wait in a designated area available for work the employees will be compensated for the waiting time.

Section 9.5. Shifts may be established when considered necessary by the Employer.

(a) Shifts shall be established and continued for a minimum of three (3) consecutive work days and shift pay (if applicable) shall be governed by the applicable Master Agreement.

(b) If only two shifts are to be worked, the Employer may regulate starting times of the two shift operations to permit the maximum utilization of daylight hours.

Section 9.6. Recognized holidays shall be as determined by the applicable Master Agreement. Under no circumstances shall any work be performed on Labor Day except in cases of emergency involving life or property. In the event a holiday falls on Sunday, the following day, Monday, shall be observed as such holiday. If employees are required to work on a holiday, they shall receive the appropriate rate; but in no case shall such overtime rate be more than double the straight time rate.

ARTICLE 10

GRIEVANCE ADJUDICATION PROCEDURE

Section 10.1.

(a) It is mutually agreed that any question arising out of and during the term of this Agreement involving its interpretation and application (other than jurisdictional disputes) shall be considered a grievance. Questions between or among parties signatory to a Master Agreement arising out of or involving the interpretation of a Master Agreement shall be resolved under the grievance procedure provided in that Master Agreement.

(b) No such grievance shall be recognized unless called to the attention of the Employer by the Union or to the attention of the Union by the Employer within five (5) calendar days after the alleged violation was committed, or if the violation was not ascertainable within five (5) calendar days the aggrieved party knew or reasonably should have known of the facts giving rise to the grievance.

(c) Grievances shall be settled according to the following procedure:

Step 1: The dispute shall be referred to the Business Representative of the Union involved or his designated representative and the Project Superintendent and/or the Employer's representative at the construction Project.

Step 2: In the event that the Business Representative of the Union and the Project Superintendent and/or the Employer representative at the construction site cannot reach agreement within five (5) calendar days after a meeting is arranged and held, within five (5) working days thereafter, the matter shall be referred to the Labor Relations Representative of the responsible Employer.

Step 3: If the dispute is not resolved within ten (10) calendar days after completion of Step 2, the Employer and the Union may then refer to the Business Manager of the Union and the Manager of Labor Relations of the Employer or the Manager's designated representative for discussion and resolution. A copy of the written grievance shall also be mailed/faxed/emailed, to the primary employer.

Step 4: If the grievance is not settled in Step 3 within five (5) working days, within five (5) working days thereafter, either party may request the dispute be submitted to an Arbitrator for final and binding arbitration. The request for arbitration must be in writing with a copy to prime contractor. Should the parties be unable to mutually agree on the selection of an Arbitrator, selection for that given arbitration shall be made by seeking a list of seven (7) labor arbitrators with construction experience from the Federal Mediation and Conciliation Service and alternately striking names from the list of names on the list until the parties agree on an Arbitrator or until one name remains. The first party to strike a name from the list shall alternate between the party bringing forth the grievance and the party defending the grievance. Prime contractor shall keep a record of the sequence and shall notify the parties to the grievance as to which party has the right to strike a name first. The decision of the Arbitrator shall be binding upon all parties. The Arbitrator shall have no authority to change, amend, add to, or detract from

any of the provisions of this Agreement. The expense of the impartial Arbitrator shall be borne equally by the Employer and the involved Union.

Section 10.2. The time limits specified in any step of the Grievance Procedure may be extended by mutual agreement of the parties initiated by the written request of one party to the other, at the appropriate Step of the Grievance Procedure. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without a request for an extension of time, shall be deemed a waiver of such grievance to the other without prejudice, or without precedent to the processing of and/or resolution of like or similar grievances or disputes.

Section 10.3. In order to encourage the resolution of disputes and grievances at Steps 1, 2 and 3 of this Grievance Procedure, the parties agree that such settlements shall not be precedent-setting.

Section 10.4. The parties to any dispute or grievance shall keep SMUD fully apprised of actions at all steps of the procedures set forth in Section 10.1.

ARTICLE 11

JURISDICTIONAL DISPUTES

Section 11.1. The assignment of work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for Settlement of Jurisdictional Disputes in the Construction industry (the "Plan") or any successor Plan.

Section 11.2. All jurisdictional disputes between or among the Building and Construction Trades Unions and their employees, parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

Section 11.3. If a dispute arising under this Article involves the Northern California Carpenters Regional Council or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5 of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the California State Building and Construction Trades Council in Sacramento within fourteen (14) calendar days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

Section 11.4. All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature and the Employer's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge. Each Employer will conduct a pre-job conference with the Council prior to commencing work. The Primary Employer and SMUD will be advised in advance of all such conferences and may participate if they wish. Pre-job conferences for different Employers may be held together.

ARTICLE 12

MONTHLY LABOR/MANAGEMENT MEETINGS

Section 12.1. The parties to this Agreement recognize the necessity for cooperation and communication between the Unions and the Employers, the elimination of disputes and misunderstandings and the resolution of unfair practices on the part of any party. To this end, a representative of SMUD and the Employer will meet monthly at the Project site with the representatives of the signatory Unions to promote harmonious and stable labor/management relations on this Project, and to ensure effective and constructive communications between the Union and Employer parties. The date and time of this meeting will be determined by the parties and will be open to all representatives of Employers signatory to this Agreement.

Section 12.2. At this meeting, the SMUD and Employer representative will give a report on the safety and progress of on-going contracts and any outstanding issues pertaining to this Project, and will entertain questions and discuss labor relations matters of mutual interest affecting the work and administration of the Agreement.

ARTICLE 13

MANAGEMENT RIGHTS

Section 13.1. The Employer retains and shall exercise full and exclusive authority and responsibility for the management of its operations, except as expressly limited by the terms of this Agreement, and the applicable Master Agreement. The Employer shall have exclusive right to plan and control the work; to determine the number and types of craft employees; to hire and layoff; to discharge, suspend, or discipline employees for just cause; to utilize work methods, procedures, and techniques of their choosing; and to assign, subcontract and schedule work at their discretion.

Section 13.2. The forgoing enumeration of management rights shall not be deemed to exclude other functions not specifically set forth in the Article. The Employer shall at all times retain all management rights which may exist at law or by custom and which are not specifically limited or prohibited by the terms of this Agreement.

ARTICLE 14

SECURITY, PROTECTION OF PERSON AND PROPERTY

Section 14.1. Security – Controlled Substances, Firearms and Explosives. The work covered by this Agreement will occur on SMUD property that is governed by federal, state and local laws. In support of those requirements and in conformity with construction safety requirements generally, the parties agree that the use, sale, transfer, purchase and/or possession of a controlled substance, alcohol, firearms and/or explosives while on SMUD premises are strictly prohibited. All employees and applicants for employment shall adhere to the substance testing policy of the applicable Master Agreement. Accordingly, the parties have agreed to appropriate procedures and safeguards for the testing of employees for prohibited or controlled

substances and for the maintenance of a workplace free from unauthorized firearms, weapons or explosives.

Section 14.2. Security procedures for the site which includes tools, equipment and materials used by the employee shall be solely the responsibility of the Employer. The inspection of incoming shipments of equipment, apparatus, machinery, and construction materials of every kind shall be performed at the discretion of the Employer by individuals of his choice.

ARTICLE 15

GENERAL CONDITIONS

Section 15.1. Employment begins and ends at the Project.

Section 15.2. There shall be no limit on production by employees or restrictions on the full use of tools or equipment. Employees using tools shall perform any of the work of the trade and shall work under the direction of the craft foremen. There shall be no restrictions on efficient use of manpower other than as may be required by safety regulations.

Section 15.3. Employees shall be at their place of work at the starting time and shall remain at their place of work performing their assigned functions under the supervision of the Employer until quitting time, allowing for time to set up for the day's activities or roll up their tools and store away at the end of the work day. The parties reaffirm their policy of a fair day's work for a fair day's wage.

Section 15.4. All equipment assigned to a project shall be under the control of the Employer. The Employer shall have the right to determine how many pieces of equipment an individual employee shall operate. In an emergency, foremen shall operate any equipment assigned by the Employer, and there shall be no restriction on foremen in the use of the tools of his craft in such emergency. The foremen shall be from the craft normally operating the equipment. In accordance with currently recognized craft jurisdiction, the Employer shall determine the assignment of employees to start, stop, and maintain small portable construction equipment. Such work may be assigned to craft employees within a reasonable distance of their primary duties or an employee may be assigned full time to start, stop and maintain the Employer's small, portable equipment on the job site. There shall be no over-manning of this type of equipment. The number of employees assigned to rigging and scaffolding operations shall be at the sole discretion of the Employer.

Section 15.5. Consistent with the terms of this Agreement, the Employer may utilize the most efficient methods or techniques of construction, tools or other labor saving devices to accomplish the work. Practices not a part of the terms and conditions of this Agreement, stand-by crews and feather-bedding practices will not be recognized.

Section 15.6. It is agreed that overtime is undesirable and not in the best interest of the industry or the employees; therefore, except in unusual circumstances, overtime will not be worked. Where unusual circumstances do exist, however, the Employer will have the right to

assign overtime work pursuant to this Agreement and the applicable Master Agreement as is necessary to accomplish the job.

Section 15.7. SMUD, and/or Employer shall establish such reasonable Project rules as is deemed appropriate. These rules will be reviewed at the pre-job conference and posted at the Project site by the Employer, and may be amended thereafter as necessary.

ARTICLE 16

SAFETY

Section 16.1.

(a) Safe Work Practices. It shall be the responsibility of each Employer to ensure safe working conditions and employee compliance with any safety rules contained herein or as may be established by SMUD, or the Employer. It is understood that the employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Employer and SMUD.

(b) Site Rules. Employees shall be bound by the safety, security and visitor rules and environmental compliance requirements established by SMUD and the Employer. These rules will be published and posted in conspicuous places throughout the work site. An employee's failure to satisfy his obligations under this Section will subject him to discipline, including discharge.

Section 16.2. The employees covered by the terms of this Agreement shall at all times while in the employ of the Employer be bound by the safety rules and regulations as established by the Employer in accordance with the Construction Safety Act and OSHA.

Section 16.3. These rules and regulations will be published and posted at conspicuous places throughout the Project.

Section 16.4. In accordance with the requirements of OSHA, it shall be the exclusive responsibility of each Employer on a jobsite to which this Agreement applies, to assure safe working conditions for its employees and compliance by them with any safety rules contained herein or established by the Employer. Nothing in this Agreement will make the Unions liable to any employees or to other persons in the event that injury or accident occurs.

Section 16.5. All employees at the Project shall under the terms of this Agreement currently possess a card from the U. S. Department of Labor, certifying successful completion of an OSHA ten-hour construction safety program or attend and successfully complete the ten-hour OSHA construction safety program as offered by the design/build contractor at the Project prior to commencing work on the Project.

ARTICLE 17

HELMETS TO HARDHATS

Section 17.1. The Employers and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans and members of the National Guard and Reserves who are interested in careers in the building and construction industry. The Employers and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center), a joint Labor-Management Cooperation Trust Fund, established under the authority of Section 6(b) of the Labor-Management Cooperation Act of 1978, 29 U.S.C. Section 175(a), and Section 302(c)(9) of the Labor-Management Relations Act, 29 U.S.C. Section 186(c)(9), and a charitable tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

Section 17.2. The Unions and Employers agree to coordinate with the Center to participate in an integrated database of veterans and members of the National Guard and Reserves interested in working on the Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE 18

ENTIRE AGREEMENT

Section 18.1. The parties agree that this Agreement, together with the Union Master Agreements, constitute an integrated, self-contained, stand-alone agreement. The provisions of this Agreement, including the Master Agreements, shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area, and/or national agreement that may conflict with or differ from the terms of this Agreement. Where a subject covered by this Agreement is also covered by a Master Agreement, the provisions of this Agreement shall apply and, to the extent there is any conflict, supersede the Master Agreement. Where a subject is covered by the provisions of a Master Agreement and is not covered by this Agreement, the provisions of the Master Agreement shall prevail.

Section 18.2. Any other agreement or modification of this Agreement must be reduced to writing and signed by the parties.

Section 18.3. This Agreement may be executed in counterparts, such that original signatures may appear on separate pages, and when bound together all necessary signatures shall constitute an original. Facsimile or scanned signature pages transmitted to other parties to this Agreement shall be deemed equivalent to original signatures.

Section 18.4. Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the party indicated and each of the parties by signing this Agreement warrants and represents that such party is legally authorized and entitled to enter into this Agreement.

ARTICLE 19

TERM OF AGREEMENT

Section19.1. This Community Workforce Agreement shall be effective on the date of execution, and shall continue in effect for the duration of the Project construction work described in Article 3 hereof and any additional work subsequently added pursuant to Article 3.

Section 19.2.

(a) Turnover. Construction of any phase, portion, section or segment of this Project shall be deemed complete when such phase, portion, section or segment has been turned over to SMUD by the Employer and SMUD has accepted such phase, portion, section or segment. As areas and systems of the Project are inspected and construction tested and/or approved by SMUD or third parties with the approval of SMUD, the Agreement shall have no further force or effect on such items or areas, except when the Employer is directed by SMUD to engage in repairs, warranty work, modifications, punch list work, or other start-up, calibration, commissioning, performance testing or operational revisions to systems and/or subsystems required by its construction contract(s), or when an Employer performs work under change orders to its construction contract.

(b) Notice. Notice of each final acceptance received by the Employer will be provided to the Union with a description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch list", and in such case, the Agreement will continue to apply to each such item on the list until it is completed to the satisfaction of SMUD and Notice of Completion is given by SMUD to the Employer.

(c) Termination. Final termination of all obligations, rights and liabilities and disagreements shall occur upon receipt by the Union of notice from SMUD saying that no work remains within the scope of the Agreement. Said determination shall be at SMUD's sole discretion.

Section 19.3. This Agreement shall not be amended or supplemented except by mutual consent of the parties hereto, reduced to writing and duly signed by each.

Section 19.4. This Agreement shall remain in full force and effect for the duration of any project where construction work has commenced under the terms of this Agreement.

Signed and subscribed to this _____ of _____, 2016.

[Name of Project Manager]	Sacramento – Sierra Building and Construction Trades Council
_____	_____
	Kevin Ferreira, Chief Executive Officer

UNIONS

Asbestos Workers Local #6	Laborers Local #185
Bricklayers Local #3	Millwrights Local #102
Boilermakers Local #549	Operating Engineers Local #3
Cement Masons Local #400	Plasterers & Cement Masons Local #300
District Council #16 International Union of Painters & Allied Trades	Pile Drivers Local #34
District Council of Plasterers & Cement Masons of Northern California	Plumbers & Pipefitters Local #447
Drywall/Latherers Local #9109	Roofers Local #81
International Brotherhood of Electricians Local #340	Sheet Metal Workers Local #104

_____	_____
Elevator Constructors Local #8	Sprinkler Fitters Local #669
_____	_____
Iron Workers Local #118	Teamsters Local #150

ATTACHMENT A
AGREEMENT TO BE BOUND

COMMUNITY WORKFORCE AGREEMENT

SMUD HEADQUARTERS BUILDING AND SITE REHABILITATION

The undersigned is an Employer on the SMUD Headquarters Building and Site Rehabilitation ("Project") as defined in the Community Workforce Agreement ("Agreement") adopted for the Project. For and in consideration of the award of a contract to perform construction related work for the Project and the promises contained in the Agreement, the undersigned Employer:

1. Accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments thereto.

2. Agrees to secure from any other Employer (as defined in the Agreement) which may become a subcontractor (of any tier) to it, a duly executed Agreement to be Bound in a form identical to this document.

3. Certifies that it has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

Date: _____

Employer: _____

Authorized Signature: _____

Title: _____