

## **INITIATIVE MEASURE TO PROHIBIT THE CITY OF SACRAMENTO FROM REQUIRING ITS CONSTRUCTION CONTRACTORS TO ENTER INTO LABOR ORGANIZATION AGREEMENTS**

The chief purpose of this initiative measure, identified as the "Fair and Open Competition Reform Measure," is to prohibit the City of Sacramento from entering into contracts for construction, alteration, demolition, installation, or repair of a work of improvement ("construction contracts") that include requirements concerning the relationship of employers and employees to labor organizations. As used in the proposed measure, "City of Sacramento" is defined to include the City, its agencies, corporations, boards, commissions, subdivisions, partnerships, offices, and any other entity in which the City holds an interest or to which the City appoints a representative to the governing body.

To achieve this purpose, the measure, if adopted, would amend Article XIV ("Public Contracts and Supplies") of the Sacramento City Charter. Specifically, it would add a new section stating the City shall not enter into construction contracts containing a requirement that the other contracting party: (i) be bound in any way to an agreement with a labor organization covering employees in the building and construction industry; (ii) contribute, either in cash or as payment for employee benefits, to a trust fund managed by a labor organization; or (iii) require its employees to join or be represented by a labor organization, or make any type of payment to a labor organization. The City would be prohibited from imposing any of these requirements as a bid specification, contract prerequisite, condition on the receipt of public funds, contract term, or otherwise.

The prohibitions imposed by the proposed measure would not apply if the foregoing requirements are required by state or federal law, or if the requirements are required as a condition of the receipt of state or federal funding. The prohibitions would not be applicable to work done by the City with its own employees. And contractors and their employees would not be prohibited from voluntarily entering into an agreement with a labor organization or adhering to an existing agreement with a labor organization.

Another purpose of the proposed measure is to ensure the public's ability to evaluate the City's contracting. To achieve this purpose, the proposed measure would require the City Manager to post on the City's website the following: the text of all construction contracts subject to the new Charter section valued at more than \$25,000, allowing for redaction of privileged or confidential information; the total number of bidders for each contract; and a written justification for any deviation from the City's construction contract competitive bidding process.