

Construction Jobs Policy

Oakland Army Base Project

Vertical Construction

I. Purpose. This Construction Jobs Policy sets forth certain requirements regarding hiring and employment related to Vertical Construction, as defined below, on portions of the Oakland Army Base to be leased and developed pursuant to that certain Lease Development and Disposition Agreement between the City of Oakland and Prologis CCIG Oakland Global, LLC dated _____. Contractors participating in Vertical Construction will agree to comply with terms of this Policy as a condition of construction, as more particularly set forth herein.

II. Definitions. As used herein, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

“**Apprentice**” shall mean an individual who is enrolled in a Registered Apprenticeship Program.

“**Apprentice Work Hours**” shall mean Project Work Hours performed by Apprentices.

“**Background Exceptions**” shall mean: (i) law, regulation or policy of any applicable governmental or quasi-governmental body (including, but not limited to, those established under the Transportation Worker Identification Credential program and the Customs Trade Partnership Against Terrorism); (ii) the Contractor’s good faith determination that the position is of such sensitivity that individuals with particular types of criminal convictions or histories are ineligible; and (iii) the Contractor’s hiring policies that are uniformly applied on a national basis with respect to prospective workers’ history of involvement with the criminal justice system. A Contractor’s hiring policies with respect to prospective workers’ history of involvement with the criminal justice system that are uniformly applied in the State of California, rather than on a national basis, may also be considered a Background Exception pursuant to written approval of the City Administrator. The City Administrator shall reasonably consider any request for such approval by Developer or the applicable Contractor if Developer or such Contractor reasonably demonstrates that a Background Exception is reasonably necessary in order to avoid significant economic or operational hardship for Developer or the Contractor.

“**Billboard Agreement**” shall mean that certain agreement between the City and Prologis CCIG Oakland Global, LLC, to construct and operate up to five (5) billboards on the Oakland Army Base, as authorized under the LDDA, as may be amended from time to time.

“**Billboard Tenant**” shall mean the sublessee and any successors and assigns under the Billboard Agreement.

“**Contractor**” shall mean any entity employing individuals to perform Project Construction Work, including Prime Contractors and subcontractors of any tier.

“**City**” shall mean the City of Oakland.

“Developer” shall mean Prologis CCIG Oakland Global, LLC and its approved successors, assigns and transferees, under the LDDA.

“Ground Lease” shall mean, as applicable, (a) that certain Army Base Gateway Redevelopment Project Ground Lease for the East Gateway, by and between the City of Oakland and Prologis CCIG Oakland Global, LLC, or its permitted designee, (b) that certain Army Base Gateway Redevelopment Project Ground Lease for the Central Gateway, by and between the City of Oakland and Prologis CCIG Oakland Global, LLC, or its permitted designee; or (c) that certain Army Base Gateway Redevelopment Project Ground Lease for the West Gateway, by and between the City of Oakland and Prologis CCIG Oakland Global, LLC, or its permitted designee; each agreement as amended from time to time.

“Jobs Center” shall mean a referral center to be designated by the City as such for purposes of implementation of this Policy.

“LDDA” shall mean that Lease Disposition and Development Agreement described in Section I, above, and entered into by the City and Developer respecting the development activities at the Oakland Army Base, as may be amended from time to time.

“LDDA Execution Date” shall mean the date the LDDA is signed by all parties as set forth in Section I, above.

“New Apprentice” shall mean a Resident who is newly enrolled (less than 3 months) as an Apprentice.

“Policy” shall mean this Construction Jobs Policy for Vertical Construction.

“Prime Contractor” shall mean a Contractor awarded a contract directly by Developer, any Tenant, Billboard Tenant, or a construction manager to one of those parties, for performance of Project Construction Work.

“Project” shall mean the redevelopment activities occurring on the Project Site.

“Project Construction Work” shall mean Vertical Construction performed on the Project Site.

“Project Site” shall mean the portions of the former Oakland Army Base that may be leased to Developer or its affiliates, successors or assigns pursuant to the LDDA.

“Project Work Hours” shall mean hours of Project Construction Work.

“Registered Apprenticeship Program” shall mean a labor-management apprenticeship program that is currently registered with the State of California’s Division of Apprenticeship Standards.

“Resident” shall mean an individual domiciled in the City for at least six months prior to the date that such individual is hired or assigned to perform the applicable work, with “domiciled” as defined by Section 349(b) of the California Election Code, as in effect as of the LDDA Execution Date attached hereto as Schedule 1.

“Tenant” shall mean any entity leasing space in the Project Site.

“Union” shall mean construction trades union(s).

“Vertical Construction” shall mean construction work related to (i) initial construction under the Billboard Agreement; (ii) initial construction of private site improvements and core and shell

building improvements; (iii) subsequent construction or maintenance under the Billboard Agreement for which the contracts with all Prime Contractors responsible for such work are worth, in the aggregate, over one million dollars (\$1,000,000); or (iv) subsequent construction or maintenance of tenant improvements under a Ground Lease or other leasing arrangement between the City and the Developer, or sublease thereof, for which the contracts with all Prime Contractors responsible for such work are worth, in the aggregate, over one million dollars (\$1,000,000); in all events excluding the cost of any furniture, fixtures or equipment.

“**Vertical PLA**” shall mean any project labor agreement governing Vertical Construction and executed by the Alameda County Building Trades Council and Developer and/or Billboard Tenant.

III. EMPLOYMENT REQUIREMENTS.

A. Alternative Approaches. Each Contractor shall either follow the processes set forth in Section III.B, below, or satisfy the percentage requirement set forth in Section III.C, below.

B. Hiring and Referral Processes.

1. Contractor Procedures. Contractors shall undertake the following steps in the following order, in an effort to retain Residents:

a. Step One: Assign to perform Project Construction Work any current employees who are Residents;

b. Step Two: Utilize name call, rehire, or similar procedures in the relevant collective bargaining agreement to request particular individuals who have been identified, in cooperation with the Unions, as Residents;

c. Step Three: Request that the Union hiring hall refer Residents;

d. Step Four: If the above steps have not enabled satisfaction of the percentage requirement of this Policy related to hiring of Residents, request referral of Residents from the Jobs Center.

e. Step Five: Fairly consider workers that have been referred by the Jobs Center within three (3) business days of the request therefor.

C. Percentage Requirement.

1. Residents. The percentage requirement of this Section III.C is satisfied if, for each construction trade in which a Contractor performs Project Construction Work, at least fifty percent (50%) of the Project Work Hours in such construction trade are performed by Residents.

2. Credit for Hours Worked on Other Projects. For purposes of determining the percentage of Project Work Hours performed by Residents under Section

III.C.1., any hours of construction work performed by Residents on other construction projects performed by a Contractor (or, if the Contractor is a joint venture, by the entities that comprise the joint venture) during the term of the Contractor's Project Construction Work (i.e., the period commencing on the Contractor's execution of a contract for the performance of Vertical Construction and expiring on the substantial completion of the work required under such contract) shall be considered Project Work Hours performed by Residents in the applicable construction trade (and shall not increase the total number of Project Work Hours, including those applicable to such construction trade).

3. Bonus for Retention of New Apprentices. For every one thousand (1,000) hours beyond an initial one thousand (1,000) hours that any one New Apprentice works, directly or indirectly, for a Prime Contractor (including for such Prime Contractor's subcontractors of any tier) during the term of the Prime Contractor's Project Construction Work, such Prime Contractor shall be entitled to five hundred (500) "bonus" hours that shall be credited against the requirement for Project Work Hours performed by Residents under Section III.C.1.

D. Apprentices.

1. New Apprentice Sponsorship Requirements for Prime Contractors. In each calendar year, for each twenty thousand (20,000) Project Work Hours performed by a Prime Contractor (for the avoidance of doubt, including its subcontractors of any tier), such Prime Contractor and/or any of its subcontractors of any tier shall sponsor one (1) or more New Apprentice(s) and employ such New Apprentice(s) for an aggregate total of at least one thousand (1,000) hours of Project Construction Work and/or construction work on other projects during the term of the Prime Contractor's Project Construction Work.

2. Twenty Percent Utilization Requirement. For all Project Work Hours in aggregate, performed by any Contractor, Apprentice Work Hours shall constitute at least twenty percent (20%) of Project Work Hours.

E. Hiring Discretion. Nothing in this Policy shall require that any Contractor hire any particular individual; each Contractor shall have the sole discretion to make hiring decisions with regard to any individual referred by the Jobs Center or any other person or entity.

F. Funding Restrictions. For any portion of the Project Construction Work on which, based on use of federal or state funds, a federal or state agency prohibits application of the requirements described above, the City will, after consultation with Developer, work collaboratively with the funding agency to adapt the above requirements to the restrictions imposed by the funding agency, advancing the goals of this Policy to the greatest extent permitted by the funding agency. In such cases, Developer and the City shall meet and confer with regard to the adapted requirements agreed to by the City and the funding agency, and such requirements shall be applied to portions of the Project Construction Work in question for the period required by such agency, and shall automatically become terms of this Policy with respect to such Project Construction Work.

G. Contact Person. At least two (2) weeks prior to performance of Project Construction Work, or within two (2) business days after execution of a contract for performance

of Project Construction Work, whichever is later, each Contractor shall provide to the City contact information for a contact person for purposes of implementation of this Policy.

H. Employment Needs Projections.

1. Prime Contractor. Within one (1) month of being awarded a prime contract for Project Construction Work, any Prime Contractor shall project employment needs for performance of the contract, and provide such projection to the Jobs Center and the City. Such projection shall indicate number of workers and apprentices needed by trade, at different stages of performance of the Project Construction Work.

2. Contractors. Each Contractor shall, at least one (1) month before commencing performance of Project Construction Work, or within two (2) business days after execution of a contract for performance of Project Construction Work, whichever is later, project employment needs for performance of the Project Construction Work, and provide such projection to the Jobs Center and the City. Such projection shall indicate number of workers and Apprentices needed by trade to complete the Project Construction Work.

3. Compliance Plan. Prior to commencement of construction, Prime Contractors may request participation from the City in negotiation of a proactive compliance plan with regard to requirements of this Policy. The City shall negotiate in good faith in an attempt to reach agreement on such a plan. Negotiated compliance plans may streamline and clarify responsibilities under this Policy, but may not conflict with this Policy. If such a plan is agreed to by Prime Contractor and the City, then compliance with the plan shall be compliance with this Policy.

I. Worker Qualifications. Unless a criminal background check is required by any of the Background Exceptions, a Contractor shall neither request from prospective workers, nor independently research prospective workers' history of involvement with the criminal justice system. Where a criminal background check is required by any Background Exception, subject to the requirements of such Background Exception the Contractor shall: (a) include the following statement in the position description: "This position is subject to a background check for any convictions related to its responsibilities and requirements. Only criminal histories (i) related to job requirements and responsibilities or (ii) related to violent acts will be considered and will not automatically disqualify a finalist candidate."; (b) undertake the background check only after the initial interview (or, if no interview is undertaken, after a candidate has received a conditional offer of employment for the position in question); (c) consider only criminal histories (i) related to job requirements and responsibilities or (ii) related to violent acts; and (d) take into account the age of the individual at the time of the offense, the time that has passed since the offense, the nature and seriousness of the offense, and any evidence of the individual's rehabilitation. Unless a credit history is required by any of the Background Exceptions or Contractor's good faith determination that the position is of such sensitivity that individuals with particular types of credit histories are ineligible, a Contractor shall neither request from prospective workers, nor independently research prospective workers' credit histories.

J. Project Labor Agreement. As more particularly set forth in the applicable Ground Lease or the Billboard Agreement, Developer and Billboard Tenant, respectively, will have entered into a Vertical PLA with the Alameda County Building and Construction Trades Council covering the Project Construction Work, with all contractors and subcontractors to perform work under terms of such Vertical PLA, and such Vertical PLA to be consistent with and facilitate compliance with this Policy.

IV. MISCELLANEOUS.

A. Contracts/Subcontracts. Developer and each Tenant or Billboard Tenant shall include compliance with this Policy as a material term of any contract under which Project Construction Work will be performed (including any applicable construction management agreement). If Developer, Tenant or Billboard Tenant complies with this Section IV.A, such entity shall not be liable for any breach of this Policy by any Contractor. Each Contractor shall include compliance with this Policy as a material term of any subcontract under which Project Construction Work will be performed (including any applicable construction management agreement), with such subcontractor having all rights and responsibilities of a Contractor under this Policy. If a Contractor enters into a subcontract in violation of this Section IV.A, then such Contractor shall be liable for any breach of this Policy with respect to Project Construction Work performed by such subcontractor. If a Contractor complies with this Section IV.A, such Contractor shall not be liable for any breach of this Policy at any sub-tier level.

B. Assurance Regarding Preexisting Contracts. Each Contractor warrants and represents that as of the date that a contract incorporating this Policy became effective, it has executed no contract pertaining to the Project or the Project Site that would have violated this Policy had it been executed after that date, or would interfere with fulfillment of or conflict with terms of this Policy. If, despite this assurance, an entity that has agreed to comply with this Policy has entered into such contract, then upon request from the City it shall either amend that contract to include the provisions required by this Policy, or terminate that contract.

C. Third Party Beneficiaries. The City is an intended third-party beneficiary of any contract that incorporates this Policy, but only for the purposes of enforcing the terms of this Policy. There shall be no other third party beneficiaries of this Policy. The City shall not delegate any of its responsibilities to any other third party, require the consent of any third party or act solely upon the direction of any third party in performing its obligations or exercising its rights under this Policy.

D. Reporting Requirements. Contractors shall submit monthly certified payroll records to the City, with an indication as to which Project Work Hours were worked by Residents and New Apprentices. Each Contractor shall also provide other records or information requested by the City regarding fulfillment of responsibilities under this Policy. All such records and information shall be considered public documents. Prior to such documents being released to the public, the City will redact identifying information from such documents to protect privacy of individuals.

E. Determination of Status. A Contractor's determination of whether any individual is a Resident or New Apprentice shall be binding in determining whether the requirements of this Policy have been satisfied, including the requirements of Sections III.B and III.C, provided that such Contractor obtains reasonable written documentation demonstrating that such individual is a Resident or New Apprentice at the time that such individual is assigned or hired and such Contractor retains such documentation and makes it available to City for inspection at reasonable times.

F. Remedies.

1. Liquidated Damages for Percentage Requirement. If a Contractor fails to satisfy at least one of the alternative approaches required by Section III.A of this Policy, then as the sole and exclusive remedy therefor, such Contractor shall pay to the City liquidated damages in an amount equal to twenty dollars (\$20) for each hour short of the percentage requirement. For example, if there are one thousand (1,000) Project Work Hours, with four hundred fifty (450) Project Work Hours performed by Residents, then the liquidated damages shall be in an amount equal to $\$20 \times 50 = \$1,000$. A Contractor shall not owe liquidated damages if it negotiates a compliance plan with the City pursuant to Section III.H.3, and complies with such negotiated compliance plan. Any liquidated damages collected by the City shall be used solely to support training, referral, monitoring, or technical assistance to advance the purposes of this Policy.

2. Specific Performance. Except with respect to Contractor's failure to satisfy at least one of the alternative approaches required by Section III.A (for which the sole and exclusive remedy is set forth in Section IV.F.1), the City may bring an action for specific performance to ensure compliance with this Policy.

3. No Breach of Certain Agreements. So long as Developer and Billboard Tenant have included compliance with this Policy as a material term of any contract under which Project Construction Work will be performed, a Contractor's noncompliance with this Policy shall not constitute a breach of the LDDA or its related agreements (ground leases and Billboard Agreement, as applicable).

G. Exemptions.

1. For Core Workers. The requirements of Sections III.B and III.C shall not apply to hours of Project Construction Work performed by members of a Contractor's core workforce (and such hours shall not be considered Project Work Hours for purposes of determining satisfaction of the percentage requirements of Section III.C.1). For a Contractor that is certified by the City of Oakland as a Very Small Local Business Enterprise, a Small Local Business Enterprise, or a Local Business Enterprise, a member of the core workforce is a worker who has appeared on payroll records for at least seven hundred fifty (750) hours of work in the one hundred eighty (180) days prior to that Contractor's commencement of the applicable Project Construction Work. For any other Contractor, a member of the core workforce is a worker who has appeared on payroll records for at least one thousand five hundred (1,500) hours

of work in the three hundred sixty five (365) days prior to that Contractor's commencement of the applicable Project Construction Work.

2. For Out-of-State Workers. The requirements of Sections III.B and III.C shall not apply to hours of Project Construction Work performed by residents of states other than the State of California (and such hours shall not be considered Project Work Hours for purposes of determining satisfaction of the percentage requirements of Section III.C.1). Notwithstanding the above, if, for any calendar year, the percentage of Project Work Hours worked by residents of states other than the State of California exceeds thirty percent (30%) of all Project Work Hours in such calendar year, then for all subsequent years of work on the Project, the first sentence of this Section IV.G.2 shall not apply, and the requirements of Sections III.B or III.C shall be applicable to all hours of Project Construction Work, including those performed by residents of states other than the State of California.

H. Material Term. This Policy is a material term of any contract into which it is incorporated.

I. Emergency. Developer, Tenant, Billboard Tenant or Contractors may apply to the City Administrator for a waiver of Sections III.B, III. C, III.D(2) and III(H)(1) of this Policy on a temporary basis with regard to a particular portion of the requesting party's work on grounds of a major emergency or risk of serious damage to property, such as natural disaster or fire. The City Administrator may grant such wavier only for a period of time necessary to respond to the emergency or serious property damage and only where the requesting party demonstrates (i) specific evidence of a major emergency or risk of serious property damage, the response to which requires rapid hiring of a significant number of temporary workers, (ii) that application of Sections III.B and III.C of this Policy would necessarily lead to an inability to address the emergency within the necessary timeframe or without substantial risk to safety of workers or serious damage to property, and (iii) that such inability or such risk cannot be avoided through changes to staffing, supervision, or operations in conjunction with application of Sections III.B, III.C, III.D(2) and III(H)(1) of this Policy. If Developer, Tenant, Billboard Tenant or any Contractor reasonably and in good faith believes that such a major emergency or risk of serious damage to property requires, and such entity undertakes, immediate action prior to obtaining any such waiver, then the City shall reasonably consider granting any requested waiver on a retroactive basis with respect to such actions.

J. Severability. If any of the provisions of this Policy are held by a court of competent jurisdiction to be invalid, void, illegal, or unenforceable, that holding shall in no way affect, impair, or invalidate any of the other provisions of this Policy. If this Policy's six (6)-month requirement for qualification as a Resident is deemed invalid by final decision of a court of competent jurisdiction, then "Resident" shall mean an individual domiciled in the City prior to the date that such individual is hired or assigned to perform the applicable work, with "domiciled" as defined by Section 349(b) of the California Election Code, as in effect on the LDDA Execution Date.

K. Applicable Law and Compliance with Law. This Policy shall be governed by and construed in accordance with the laws of the State of California and the United States and

shall be enforced only to the extent that it is consistent with those laws. Parties who have agreed to comply with this Policy agree: (i) that their understanding is that all terms of this Policy are consistent with federal, state, and local law; and (ii) that this Policy shall be reasonably interpreted so as to comply with any conflicting law.

L. Successors and Assigns. This Policy shall be binding upon and inure to the benefit of successors and assigns of any party to a contract incorporating this Policy. References in this Policy to any entity shall be deemed to apply to any successor of that entity.

M. Warranties and Representation. Each party to a contract incorporating this Policy agrees not to either affirmatively or by way of defense seek to invalidate or otherwise avoid application of the terms of this Policy in any judicial action or arbitration proceeding; has had the opportunity to be consult counsel regarding terms of this Policy, and has agreed to such terms voluntarily as a condition of entering into a contract that incorporates this Policy. This Policy shall not be strictly construed against any entity, and any rule of construction that any ambiguities be resolved against the drafting party shall not apply to this Policy.

Schedule 1

Section 349(b) of the California Election Code

§ 349. Residence

- (a) "Residence" for voting purposes means a person's domicile.
- (b) The domicile of a person is that place in which his or her habitation is fixed, wherein the person has the intention of remaining, and to which, whenever he or she is absent, the person has the intention of returning. At a given time, a person may have only one domicile.
- (c) The residence of a person is that place in which the person's habitation is fixed for some period of time, but wherein he or she does not have the intention of remaining. At a given time, a person may have more than one residence.