

Appendix 4

**Model Delegate/Sub-Delegate
Contract Rider
Agreeing to be Bound by Neutrality Requirement**

**RIDER # _____
TO CONTRACT DATED _____
BETWEEN _____ AND
_____ (CONTRACTOR)
REQUIRING LABOR NEUTRALITY**

Services under the contract identified above (Contract) will be provided with respect to real estate beneficially owned by the California Public Employees’ Retirement System (CalPERS). CalPERS has established a Neutrality Requirement in connection with its Responsible Contractor Policy, requiring employer neutrality as to union or employee organizing efforts. By signing below, Contractor will be agreeing to be bound by the Neutrality Requirement. The provisions of the Neutrality Requirement that apply to Contractor are as follows:

1. Obligation to Remain Neutral

If a labor organization lawfully attempts to organize Contractor’s or its subcontractor’s employees providing maintenance, operation, or property-related services at CalPERS-owned real estate listed below (Responsible Contractor Program, or “RCP,” Investments), or if such employees themselves attempt to organize, [Name of entity retaining Contractor] and all parties to any such subcontract shall remain “neutral,” as explained in the next paragraph. Neutrality only is required as to employees who service an RCP Investment.

To remain “neutral” means not to take any action or make any statement that will directly or indirectly state or imply any support for or opposition to the selection by employees of a collective bargaining agent, or preference or opposition to any particular union as a bargaining agent. Nothing in this rider obligates Contractor to or prohibits Contractor from entering into private neutrality, labor peace or other lawful agreements with a labor organization seeking to represent or who currently represents workers at an RCP Investment.

Contractor shall notify employees with respect to whom it is to remain neutral that it has agreed to be neutral by providing the following notice to such employees in writing in any reasonable manner: "As required by our contract to provide [type of service] at [name of building], [name of contractor] has agreed to remain neutral if our employees who provide such services choose to join or form a union. This means that [name of contractor] will not do or say anything that either supports or opposes employee selection of a union."

Resolution of any inter-jurisdictional trade disputes shall be the responsibility of the unions (e.g., trades and the various state and national building trades councils). Subcontractor is not required to become involved in inter-jurisdictional trade disputes.

2. Obligation to Require Subcontractors to Agree to Similar Rider

If Contractor subcontracts any part of the Contract after signing this Rider, the subcontractor must agree to a rider similar to this one if the subcontract is worth at least \$100,000. Contact [name of Manager representative] at ___ for assistance in preparing an appropriate rider. If Contractor has already subcontracted part of this Contract and the subcontract is worth at least \$100,000, Subcontractor must promptly encourage its existing subcontractors to agree to such a rider. Contact [name of Manager representative] at ___ if Contractor believes that insisting on such a rider or enforcing such a rider will have adverse consequences.

3. RCP Investments

The RCP Investments at which Contractor will or may be performing services are:

- [Insert list]
- Any other investment [Name of entity retaining Contractor] designates in writing

4. Obligation to Provide Information

Contractor must provide information about the effects of requiring neutrality, as requested by [Name of entity retaining Contractor].

Agreed to this ___ day of _____, _____.

[NAME OF ENTITY RETAINING CONTRACTOR]

CONTRACTOR