

0150-11017-0000

**TRANSMITTAL**

TO Eugene D. Seroka, Executive Director Harbor Department	DATE <b>NOV 01 2017</b>	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 15	

**PROPOSED PORT-WIDE PROJECT LABOR AGREEMENT BETWEEN  
THE HARBOR DEPARTMENT AND THE BUILDING TRADES**

Transmitted for further processing and Council consideration.  
See the City Administrative Officer report attached.



Ana Guerrero

MAYOR

RHL:ABN:10180030t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: October 30, 2017

CAO File No. 0150-11017-0000

Council File No.

Council District: 15

To: The Mayor

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer *RHL*

Reference: Correspondence from the Harbor Department dated September 14, 2017; referred by the Mayor for report dated September 20, 2017

Subject: **PROPOSED PORT-WIDE PROJECT LABOR AGREEMENT BETWEEN THE HARBOR DEPARTMENT AND THE BUILDING TRADES**

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### RECOMMENDATIONS

That the Mayor:

1. Approve Harbor Department (Port) Resolution No. 17-8164 authorizing proposed Agreement No. 17-3526 with the Los Angeles/Orange Counties Building and Construction Trade Council for a Port-wide Project Labor Agreement; and,
2. Return the document to the Port for further processing, including Council consideration.

### SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) requests approval of Resolution 17-8164 to authorize proposed Agreement No. 17-3526 with the Los Angeles/Orange Counties Building and Construction Trade Council (Building Trades) to continue a Port of Los Angeles (POLA) Project Labor Agreement (PLA) for 10 years. The purpose of the POLA-PLA was to serve as a blanket agreement to hire and expand personnel in Building Trades to work on projects identified in POLA's 10-year Capital Improvement Program (CIP). In 2011, the Port negotiated a Port-wide PLA with the building trade unions for selected large and complex construction projects for five years. The POLA-PLA allowed the Port to take advantage of the benefits of a PLA and save valuable negotiation time by having the five-year agreement apply to a predetermined list of construction projects. The Port states that the proposed POLA-PLA will perform the same function and increase the term of the agreement to ten years. Attached is an overview of the POLA-PLA proposed provisions.

The PLA is a single pre-hire labor contract between a construction owner, contractor and the Building Trades which sets wages and work rules on specific CIP projects. The POLA-PLA provides for orderly settlements of labor disputes and grievances without strikes, lockouts or slowdowns which assure the efficient and timely completion of the approved CIP construction projects. All contractors are required to pay prevailing wage rates, fringe benefits, and adhere to an agreement which formally binds them to requirements and conditions of the POLA-PLA.

Building Trades pledge to exert their best efforts to identify, recruit and assist individuals, particularly local residents and transitional workers, to become qualified and eligible for apprenticeship programs in the POLA-PLA. The POLA-PLA will continue to use Building Trades to promote the hiring of unemployed and under-employed workers and assist in advancing the skills and employability of local residents and transitional workers in the City who are interested in entering areas of construction work. These potential workers include persons from concentrated poverty neighborhoods in the City, particularly local residents who reside near the POLA. Transitional workers can include those City and local residents who meet the following criteria: veterans; homeless, documented history of involvement with the criminal justice system; receiving public assistance; single custodial parent; long-term unemployed; emancipated from the foster care system; and, other criteria identified in the agreement. The POLA-PLA is the effort by the City and Port to initiate a means to reinvest dollars into their own neighborhoods through direct hiring of residents, offering apprenticeships, and direct contracting and procurement through local businesses. The criteria for local and transitional worker participation will include a two-tier approach, as follows:

- Local residents must include a minimum of 30% of total work hours within the targeted areas:
  - 1<sup>st</sup> tier: residents within about 10 miles of the Port;
  - 2<sup>nd</sup> tier: residents of high-unemployment zip codes in the balance of the City;
- Transitional Workers must include a minimum of 10% of total work hours within Tier 1 or Tier 2 zip codes. Prescribed hours may be applied towards the 30% local resident hiring target.

## **BACKGROUND**

In 2010, the Council approved a Department of Public Works (Public Works) PLA to address unemployment and under-employment in certain City communities (C.F. 09-0963). In 2011, the Port worked with staff from the Public Works and City Attorney to develop a POLA-PLA and an associated Construction Careers Policy (Policy) patterned after the Public Works-PLA. The Policy determined the stakeholder roles and responsibilities and included an enforcement section for non-compliance with the POLA-PLA. In 2011, the Port's staff negotiated the parameters of the PLA with the various Building and Construction Trade Unions and reached an agreement that resulted in a POLA-PLA for five-year contract term.

## **CITY COMPLIANCE ISSUES**

The Office of the City Attorney has prepared the POLA-PLA and approved it as to form and legality. The proposed Agreement for a ten-year term is in compliance with all applicable provisions of the City Ordinances and contracting requirements. The requirements include: Equal Benefits; City Living and Service Contract Worker Retention Ordinances; insurance coverages; and Minority, Women, Very/Small Business, and all other Business Enterprises (MBE/WBE/VSBE/SBE/OBE) compliances. The Port Director of Environmental Management has determined that the proposed action is exempt from the applicable requirements of the California Environmental Quality Act (CEQA) and the Los Angeles City CEQA Guidelines. All employees covered by this Agreement will comply and be classified in accordance with the negotiated and agreed upon provisions of the POLA-PLA.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed Agreement between the Harbor Department (Port) and the Los Angeles/Orange Counties Building and Construction Trade Council (Building Trades) will continue the Port of Los Angeles (POLA)-Project Labor Agreement (PLA) for a ten-year term. The previous POLA-PLA was approved for five years. The existing Port's Construction Division staff will work with the Building Trades to administer the POLA-PLA on the Port-approved Capital Improvement Program (CIP) projects within the POLA at a salary and benefit amount of approximately \$212,000 per year. The Port is paying the Public Works' Bureau of Contract Administration approximately \$250,000 to assist in the administration of the POLA-PLA. The Port may need to provide additional funding support because of the local hire and apprenticeship requirements and potential increase in CIP projects in the proposed POLA-PLA. If the Port and Building Trades require additional staff and consultant services, the estimated annual costs to support the POLA-PLA could range from \$350,000 to \$500,000 per fiscal year.

*RHL:ABN:10180030*

Attachment