

DEPARTMENT OF PUBLIC WORKS

BUREAU OF CONTRACT ADMINISTRATION

Report No. 1

April 14, 2010

CD Nos.: All

REQUEST FOR AUTHORIZATION TO NEGOTIATE A DEPARTMENT OF PUBLIC WORKS PROJECT LABOR AGREEMENT

RECOMMENDATIONS

1. Authorize the Bureau of Contract Administration (BCA) to finalize negotiations related to a Department of Public Works (DPW) Project Labor Agreement (PLA).
2. Authorize for negotiation purposes the PLA criteria as directed by the DPW Board such as: (i) term (ii) local and disadvantaged worker participation (iii) workforce referral and development (iv) apprenticeship participation and (v) other criteria as the DPW Board directs.
3. Report to the Board of Public Works at the conclusion of negotiations with a draft text of the Department of Public Works PLA and a draft copy of the Public Works Infrastructure Stabilization Policy.
4. Request the Board of Public Works to submit the attached draft Ordinance to the City Council for their review.

TRANSMITTALS

1. Communication from the Office of the City Attorney to the Board of Public Works dated January 18, 2007, referred to the Director of the Bureau of Contract Administration.
2. Power Point: Are PLAs Fair and Beneficial?
3. Council Action dated March 14, 2006 (Council File 03-0708).
4. Council Action dated June 22, 2007 (Council File 06-1774).
5. Council Motion dated April 28, 2009 (Council File 09-0963).
6. Council Action dated July 31, 2009 to develop a Public Infrastructure Stabilization Ordinance (Council File 09-0963).
7. Workforce Referral Flowchart.
8. Draft of the Public Infrastructure Stabilization Ordinance.

FISCAL IMPACT

Establishing a single DPW-PLA that covers all applicable projects will decrease staff time spent on drafting and negotiating project by project agreements.

The depth and frequency of reporting required by the DPW Board along with the number of projects that qualify under the PLA will determine if the BCA will require additional resources.

The BCA is also working on an Online Certified Payroll System (OCPS) that, if successfully implemented, will better leverage BCA resources.

DISCUSSION

Background

Project labor agreements have been used on federally-funded projects and private sector construction for nearly a century. In a landmark case for a court-ordered clean up of Boston Harbor, the US Supreme Court in 1993 ruled that a non-federal entity could enter into a PLA and make this an enforceable part of the bid specifications. The Court also discussed the historic use and benefits of PLAs (for stability and productivity) and extended those benefits to states and municipalities.

In a March 2009 paper entitled "Project Labor Agreements in New York State: In the Public Interest," author Fred B. Kotler, J.D. (Associate Director for Cornell University's Construction Industry Program) addressed the cost benefits of having a PLA. His paper reports that "A PLA is an instrument to predict and control labor costs. PLA labor cost savings are both direct and indirect and can be substantiated over the life of the project." Some examples of direct cost savings are (i) Alternative dispute resolution; and (ii) Increased utilization of apprentices. Samples of indirect cost savings are (i) No strike provisions; (ii) Expedited dispute resolution procedures as outlined in the PLA; and (iii) Contractors having immediate access to a pool of skilled labor.

On January 30, 2001, the Board of Public Works awarded the \$240 million North Outfall Sewer (NOS) – East Central Interceptor Sewer (ECIS) sewer project. The project specifications had a "Cease and Desist Order" which mandated a completion date and included the Department's first PLA. The NOS-ECIS PLA provided for an orderly settlement of labor disputes and grievances without strikes, work stoppage, or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the projects. The NOS-ECIS project finished both on time and on budget. The NOS-ECIS PLA also included provisions "for first source hiring of local residents living within a three-mile radius of the project." This provision promoted employment opportunities for local residents and provided apprenticeship training opportunities during the construction of the project.

The Department of Public Works has now negotiated 9 PLAs for 14 separate projects. Negotiating individual PLAs can be very time consuming due to the need to involve key staff

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members from many organizations and City departments to draft, review, revise, and finalize the document.

In a letter dated January 18, 2007 (Transmittal No. 1), the City Attorney requested that the Board consider a single PLA for all applicable Public Works projects. The creation of a department-wide PLA would greatly increase efficiency by eliminating the need to negotiate and approve separate PLAs at the onset of each applicable project. A department-wide PLA would also assure the consistency of the required terms, which would ease the implementation for both contractors and staff.

Since January of 2007, the BCA, along with Commissioner Julie Gutman, have met with various stakeholders such as contractors, Work Source Center representatives, community and faith based organizations, the Housing, Community and Economic Development Council committee, and the Ad hoc Gang and Youth Development council committee to receive feedback in regards to establishing a fair and comprehensive PLA. The BCA initiated meetings with various trades to provide Work Source professionals opportunities to build relationships and become acquainted with the various prerequisites of apprenticeship with each trade. In addition, the BCA and Commissioner Gutman attended several meetings with various building contractor associations (Associated Building Contractors, Engineers Contractors Association, Building Industry Association, and National Association of Minority Contractors). During these meetings, issues brought up about the PLA were discussed and additional information gathered in order to determine the merit of the concerns. The "Are PLAs Fair and Beneficial?" handout (Transmittal No. 2) responds to many of the concerns expressed by the contracting community. Staff also participated in the 2008 UCLA Community Scholars Program in an effort to examine PLAs. The program's report reviewed the benefits of PLAs implemented by Los Angeles Unified School District, Los Angeles Community College District, and the City. One of the more significant conclusions of the report was that PLAs with local hiring provisions significantly increased the number of local hires.

"In recent years, the City Council has made several efforts to reinvest the City's dollars back into its own neighborhoods, either through direct hiring of its residents, or the direct contracting and/or procurement through local businesses." In February 2008 the Economic Roundtable released a study on Concentrated Poverty in Los Angeles stating that "the City of Los Angeles has higher rates of concentrated poverty than the nation and the greater Los Angeles region." Concentrated Poverty Neighborhood (CPN) was defined as a census tract with 40% or more households below the federal poverty threshold in 2000. The study further indicated that 238,000 of the 1.3 million households in the City of Los Angeles were living below the poverty threshold and a quarter of the census tracts in the City (216 tracts) had poverty rates of at least 30%. Grimly, poverty rates of at least 40% or higher were identified in 8% of the City's census tracts which are home to over 270,000 residents.

On February 6, 2009, President Barack Obama revoked Executive Orders 13202 and 13208 which prohibited the use of Project Labor Agreements on federally-funded projects. The current White House administration acknowledged PLAs by stating that they “are a mechanism to achieving economy and efficiency in Federal procurement...PLAs produce labor-management stability and ensure compliance with laws and regulations governing safety, health, equal employment opportunity, labor, employment standards, and other matters.”

On July 29, 2009, the City Council adopted the actions under CF 09-0963 directing the DPW, with the assistance of the Office of the City Attorney, to develop a Public Infrastructure Stabilization Ordinance (Transmittal No. 8). The core of this motion (Transmittal No. 5) was to address unemployment and underemployment in concentrated poverty neighborhoods and to advance the skills of the local labor pool, especially the youth. Through this action, the Los Angeles City Council reinstated its commitment to fighting poverty directly by increasing access to employment opportunities in public works construction projects, in addition to advancing the skills of the local labor pool.

The DPW embraces this same commitment through their overarching mission “...to improve the quality of life for City residents through responsive, efficient, and effective delivery of services to every neighborhood...”

The DPW seeks to accomplish this mission through its strategic Capital Improvement Program (CIP) by transforming or building the City’s infrastructure into high-quality, cost-efficient, and environmentally smart edifices. Because of the critical nature of these projects, the DPW endeavors to maintain a fair and consistent contracting environment that will ensure safety, timely project delivery, quality construction, and opportunities for all stakeholders involved in the process.

Safety

Cumulative effects associated with construction activities may adversely impact the public right of way for pedestrians, vehicular, and especially emergency responders. Adverse impacts may include possible lane closures on street segments due to trucks delivering or removing materials and other construction related processes. Minimizing the time a construction project is in the public right of way is of utmost importance for safety and convenience reasons.

The DPW already implements default mitigation measures that address and minimize these potential impacts. The PLA further strengthens these measures (as part of the construction contract) by requiring that all parties to the PLA constantly maintain a safe work site, safe environment, and a project that is free of any form of labor action (i.e. strikes, work slow downs, picketing etc.) that may delay and further impact the public right of way.

Timely

The DPW will establish for negotiation purposes, terms that would include a no strike, no work slow down clause, standardizing dispute resolution to resolve worker or contractor disputes. These contractual requirements would enable the delivery of the project within schedule.

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Work slow downs or strikes affect all the parties involved, causing lost income for workers, liquidated damages for contractors, and delayed projects which can unnecessarily prolong impacts on businesses and residents in the city.

Quality

Aside from providing for a safe work environment in all of its construction projects, the DPW wishes to ensure, through the PLA, that technically efficient and experienced contractors as well as highly skilled workers will be attracted to work on its construction projects by (i) establishing fair and uniform standard working conditions, (ii) maintaining harmonious relations between all parties for the efficient prosecution of covered projects and (iii) through a referral system which ensures a continuous source of skilled workers. Proper construction management coupled with the availability of a skilled workforce increases the quality assurance of a project.

Apprenticeship Participation

The DPW Board will establish, for negotiation purposes, the local apprenticeship participation level that the Board feels will maximize the work hour opportunities for these local apprentices.

Public work projects have a State mandated 20% apprentice utilization (in terms of total worker hours). As of December 2009, of the total apprenticeship hours worked on current DPW PLA projects, average local apprentice participation was at 42.18%.

Summary Of Active Public Works Projects With A Local Hire Component

No. of Public Works Projects with Local Hire	Total Local Residents Hired*	Local Apprentices	Non-Local Apprentices	Approximate Wages & Benefits Paid to Local Residents
14	2,821	849	1,510	\$34,697,250

*Total Local Residents Hired is inclusive of the Local Apprentices

Council Actions and Motions (Transmittal Nos. 3 - 6) express the City's desire to provide local residents with apprenticeship opportunities in its Public Works construction projects. Thus in its partnership with the Building Trades, the City's Work Source Centers, Contractors, Faith and Community Based Organizations, the DPW sees the PLA as a mechanism to provide these apprentices access to the training and supportive services needed to advance them into the journeyman level. This effort also contributes to ensuring well trained individuals work on these projects and provide safe quality construction delivered in a timely manner.

Local Hire and Disadvantaged Worker

The DPW Board will establish, for negotiation purposes, the local and disadvantaged targeted hiring procedure with which contractors will be required to comply.

The DPW's current PLA agreements have existing local hire goals of at least 30% and 10% disadvantaged hiring respectively. This means that at least 30% of all worker hours associated with the project should be performed by Los Angeles residents. The Contractor should also employ (inclusive of the 30%) 10% of their workforce hours from those local residents that meet at least one of the following criteria for disadvantaged worker: household income falls below 50% of the median, homeless, welfare recipient, history of involvement with the justice system, unemployed, or a single parent.

Workforce Referral and Development

The building trades will serve as the referral agent for all projects and be responsible for supplying the contractors with qualified local hires within 48 hours of request. In the event that the building trades are not able to provide the qualified local and disadvantaged worker, the contractor (of any tier) is still responsible for complying with the targeted hiring procedure to achieve specific hiring opportunities for local residents, apprentices, and disadvantaged workers. Therefore, the building trades and contractors will partner with Community Based Organizations (CBOs) and Faith Based Organizations (FBOs) to identify and provide opportunities for local and disadvantaged workers. (Transmittal No. 7 - Workforce Referral Flowchart)

Core Work Force

The DPW Board, for negotiation purposes, will establish the maximum core work force number allowed for the department-wide PLA.

Contractors generally have key workers that contribute to their efficiency and success in completing a project. The Core Work Force provision language in the PLA acknowledges this reality and establishes a process for their participation.

The DPW's current PLAs define a core employee/worker as one whose name appears on the contractor's active payroll for 60 of 100 working days before award of the construction contract. The contractor may employ 10 such core employees/workers governed by the following procedure: one core employee/worker shall be selected and one local worker through the building trades and this process will repeat until such contractor's requirements are met or until such contractor has hired 10 core employees/workers.

Terms and Parameters

The DPW Board will establish the terms of the PLA to be negotiated. The DPW Board is authorized to enter into contractual terms not to exceed five (5) years and has negotiated contracts with 5-year terms (e.g. On-Call Projects) when it has been shown to maximize efficiencies for all stakeholders.

The DPW Board will give staff instructions to negotiate criteria that will subject future projects to DPW Board application of the PLA. Once the PLA negotiations are complete and the DPW Board approves the form and content of the document, the PLA will be included as a contractual requirement for all projects the DPW Board has determined will promote the public

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interest in assuring completion of the project in a safe and cost-effective manner while minimizing or negating any adverse impact to the public welfare.

Since 2001, BCA staff has administered and monitored DPW PLA-covered projects with construction values from \$4 million to \$240 million. This cost-benefit threshold allowed staff to effectively provide outreach, monitor, and enforce compliance, while balancing the interests of all stakeholders, which includes, but is not limited to, the City efforts to facilitate small local business participation.

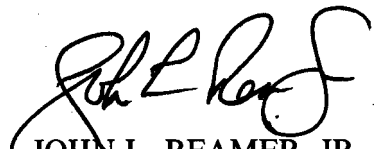
The PLA will remain in effect for the period negotiated from implementation.

Monitoring and Reporting

The BCA will actively monitor and report on the local hire progress for each covered project. This reporting process will include a quarterly report before the Board regarding progress and success.

Report prepared by:
J. Ramirez / L. Chu

Respectfully submitted,



JOHN L. REAMER, JR.
Inspector of Public Works

Office of Contract Compliance
Hannah Choi, Program Manager
213-847-2677

JLR:bes
req for auth to neg dpw pla
T,C,OCC,L,Clerical,File



OFFICE OF THE CITY ATTORNEY

ROCKARD J. DELGADILLO

CITY ATTORNEY

January 18, 2007

APPROVED BY THE BOARD OF PUBLIC WORKS OF THE CITY OF LOS ANGELES CALIFORNIA

AND REFERRED TO THE DIRECTOR OF THE BUREAU OF CONTRACT ADMINISTRATION TO WORK WITH THE BUREAU OF ENGINEERING AND OTHER BUREAUS TO DEVELOP AND SUBMIT A PROPOSED POLICY FOR THE USE OF THE PROJECT LABOR AGREEMENT ON PUBLIC WORKS PROJECTS.

APR - 6 2007

James J. Delgadillo
Secretary

James Gibson, Executive Officer
Board of Public Works
City of Los Angeles
City Hall, Room 355
200 N. Spring Street
Los Angeles, California 90012

Dear Mr. Gibson:

We request that the Board of Public Works consider pursuing a Project Labor Agreement (PLA) that would cover all capital improvement projects under the Board's jurisdiction that meet certain specified criteria, including monetary thresholds.

PLAs are critical tools to achieve labor peace and harmony on capital improvement projects for the City, enabling those projects to be completed in a timely and efficient manner with minimal delay and reduced cost overruns. PLAs also increase worker safety and provide a platform for the City to address other important goals including local hiring and training programs that target at-risk youth and at-risk adults. In addition, PLAs assist the City in obtaining apprentices that meet the requirements of the State's Department of Industrial Relations' Division of Apprenticeship Standards.

The current practice of employing PLAs on a project by project basis is slow and burdensome to all parties, necessitating repetitive actions and signatures on duplicative documents. By establishing a department-wide PLA that includes specified criteria, including monetary thresholds, the Board can assure the application of the PLA to all applicable projects and thereby maximize the benefits to both the City and its residents.

A department-wide PLA can incorporate a local hiring component that will advance the City's goal of increasing employment opportunities for City residents. Placing this requirement in the PLA is the legally effective way to ensure that the signatory trade union can participate in this important goal. Not addressing local hire in the PLA makes it more difficult to accomplish this goal because individual trade unions are otherwise bound by existing labor agreements between the trade unions and contractors which include rigid and specific hiring and assignment procedures that might not align with the City's local hiring goals. Incorporating a local hiring requirement in the PLA will subject

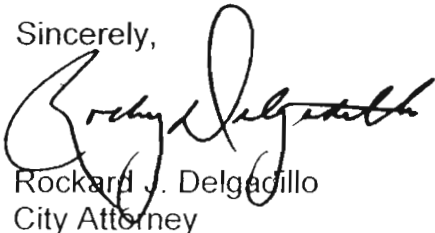


James Gibson, Executive Officer
Board of Public Works
January 18, 2007
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all signatories to the local hiring goals because the PLA will supersede the local labor agreements. Incorporating at-risk youth and at-risk adult hiring programs in the PLA will also provide access to job training and employment on department capital projects.

When this important issue comes before the Board of Public Works, we will be pleased to participate in the discussion and answer the Board's questions. In the interim, please contact us if you or your staff have any questions.

Sincerely,



Rockard J. Delgado
City Attorney

RJD:lee

cc: Board of Public Works Commissioners

PROJECT LABOR AGREEMENTS (PLAs)

Are They Fair and Beneficial?

Presentation Done By City of Los Angeles
Department of Public Works
Bureau of Contract Administration February 2010



**City of Los Angeles Department Of Public Works
PLA Projects (As of November 2009)**

Award Date	Project	Prime Contractor	Contract Amount	Percent Completion
1/5/2001	North Outfall Sewer – East Central Interceptor Sewer	Kenny Shea Traylor Frontier-Kemp JV	\$240,350,000	100%
6/5/2002	Northeast Interceptor Sewer	Traylor Shea Frontier-Kemper Kenny JV	\$162,158,760	100%
6/29/2005	Harbor Replacement Station and Jail	Pinner Construction	\$34,758,000	100%
12/23/2005	Metro Detention Center	Bernard Brothers	\$73,889,000	99.9%
3/29/2006	Hollenbeck Police Station	FTR International	\$31,100,000	100%
9/27/2006	Police Administration Building	Tutor Saliba	\$231,377,246	99.9%
10/2/2006	Fire Station 64	USS CalBuilders	\$11,985,000	99%
6/27/2007	Ave 45 and Arroyo Drive Relief Sewer	Buntich/Pacific, A Joint Venture	\$43,359,945	72%
11/7/2007	PAB Main Street Parking/Motor Transportation Division and AISO	S.J. Amoroso Construction	\$65,877,000	99.9%
4/28/2008	ATSAC North Hollywood Phase 1	Moore Electric	\$5,597,321	90%
5/2/2008	ATSAC Hyde Park East	Terno, Inc.	\$5,195,090	95%
9/10/2008	ATSAC Harbor Gateway Phase 1	J. Fletcher Creamer & Sons, Inc.	\$9,220,500	75%
9/15/2008	ATSAC North Hollywood Phase 2	KDC, Dynalectric	\$8,703,779	88%
12/8/2008	ATSAC Reseda Phase 1	J. Fletcher Creamer & Sons, Inc.	\$8,267,000	64%
8/19/2009	San Pedro ATSAC System	KDC, Dynalectric	\$7,333,027	0%
8/19/2009	ATSAC Coastal / West LA Transportation Improvement	CSI Electrical Contractors, Inc.	\$987,013	0%
10/9/2009	Platt Ranch ATSAC System	C.T.&F.	\$3,620,636	0%

• All Projects: \$943,779,317

Will PLAs Cost The City More?

ANSWER: No

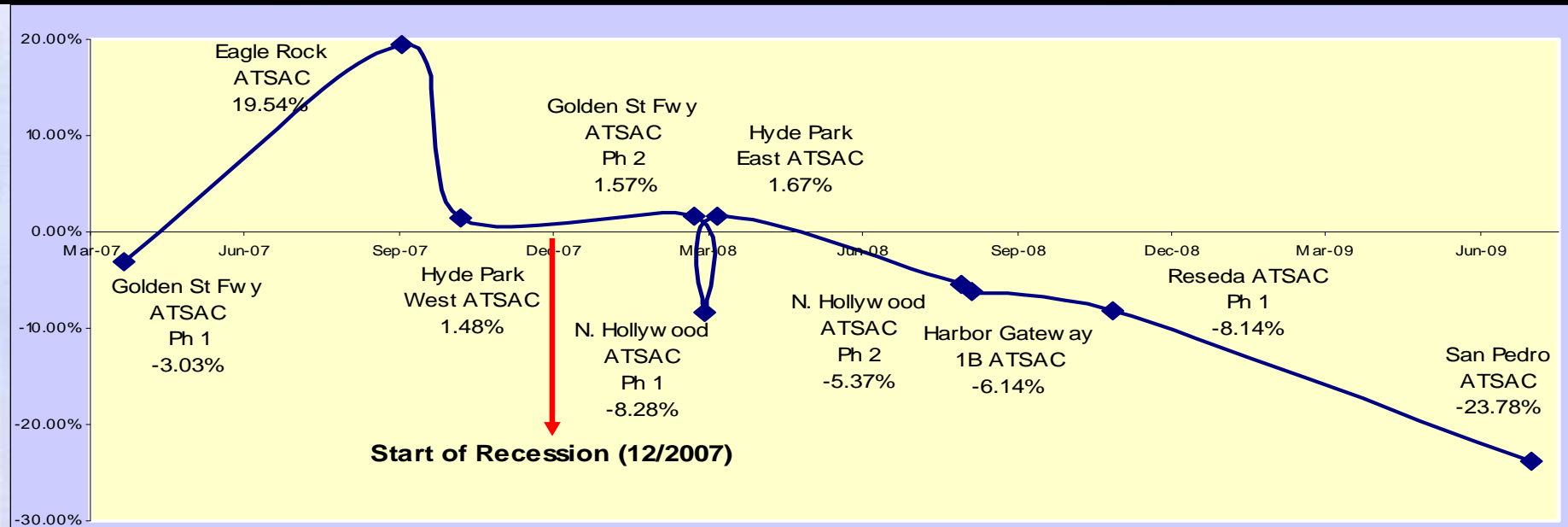
REASON

PLAs provide for orderly settlements of labor disputes and grievances without **STRIKES, LOCKOUTS or SLOWDOWNS** which assures for the efficient and timely completion of the public works project.

PLA Agreement



DO PLAs Cost More?



Bid Dates	PLA Project	Project Name	City Engineer's Bid Estimate	Awarded Contractor's Bid	% Difference Between Bid Estimate and Contractor's Bid
3/21/2007		Golden State Fwy Corridor ATSC Incl ATCS - Phase 1	\$6,682,400.00	\$6,479,900.00	-3.03%
9/5/2007		Eagle Rock ATSC	\$4,972,600.00	\$5,944,000.00	19.54%
10/10/2007		Hyde Park West ATSC	\$5,832,800.00	\$5,918,900.00	1.48%
2/27/2008		Golden State Freeway Corridor ATSC Including ATCS - Phase 2	\$9,962,500.00	\$10,119,300.00	1.57%
3/5/2008	✓	North Hollywood ATSC Phase 1	\$6,102,600.00	\$5,597,321.00	-8.28%
3/12/2008	✓	Hyde Park East ATSC	\$5,109,600.00	\$5,195,090.00	1.67%
8/6/2008	✓	North Hollywood ATSC Phase 2	\$9,197,500.00	\$8,703,779.00	-5.37%
8/13/2008	✓	Harbor Gateway 1B ATSC System	\$9,823,500.00	\$9,220,500.00	-6.14%
11/5/2008	✓	Reseda ATSC Phase 1	\$9,000,000.00	\$8,267,000.00	-8.14%
7/15/2009	✓	San Pedro ATSC	\$9,621,200.00	\$7,333,027.00	-23.78%


This table lists the various ATSC PLA projects that have been awarded during the past 2 fiscal years. The trend shows that after the PLA was implemented, the bids were for the most part awarded lower than the engineers' estimate. And on average, all bids submitted after the PLA were either closer or lower than the engineer's estimate compared to those prior to PLA. The bid amounts appear to be more of a function of the state of the industry.

Will PLAs Help Level The Playing Field For All Contractors?

ANSWER: Yes

REASON

All contractors are required to pay prevailing wage rates on all Public Works projects. **HOWEVER**, PLAs also require all contractors to sign a Letter of Assent which formally binds them to adhere to all the requirements and conditions of the PLA Agreement. Thus, Union and Non-Union contractors all abide by the same PLA rules and requirements.



California
Labor Code

Article 3.3 of
PLA
Agreement

PLAs and Prevailing Wage

- **Sample Union Carpenter Wage**
 - Basic Rate \$31.71/hr
 - Health/Welfare \$3.95/hr
 - Pension \$1.11/hr
 - Vac/Holiday \$3.01/hr
 - Training \$0.40/hr
 - Carpenter Co-op \$0.21
 - Industry Advancement \$0.06
 - Management/Labor Trust \$0.06
 - Total \$40.51/hr
- **State Carpenter Prevailing Wage**
 - Basic Rate \$31.71
 - Health/Welfare \$3.95/hr
 - Pension \$1.11/hr
 - Vac/Holiday \$3.01/hr
 - Training \$0.40/hr
 - Other \$0.29/hr
 - Total \$40.47/hr

Hour for hour, a non-signatory contractor is only required to pay the State's Prevailing Wage rate. In the event the Union rate for the same craft is higher, a non-signatory contractor is not required to pay the higher Union rate.

Will PLAs Prevent Non-Union Contractors From Using Their Own Work Crews?

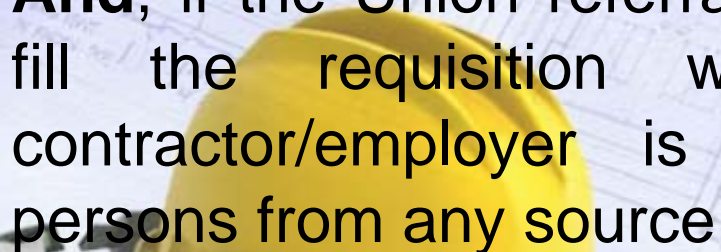
ANSWER: No...And

REASON

Currently contractors can employ one 'core' employee to one hiring hall employee of the affected craft until ten such 'core' employees have been hired. Thereafter all additional employees shall be hired from the hiring hall list.

Article 7.1.1

And, if the Union referral facilities are unable to fill the requisition within 48 hours, the contractor/employer is free to obtain work persons from any source.



Article 7.1.1

Will PLAs Cost More For Non-Union Contractors?

ANSWER: Possibly...But...However	REASON
<p>Possibly in instances when the Non-Union contractor provides benefits to workers. All contractors are required to comply with paying all fringe benefits to the Unions' 3rd party trust and in some instances, the craft unions may require monthly working dues and any non-initiation fees as it applies to their signatory members.</p>	Article 4 of PLA
<p>But: 1) All workers become “members” of the Union’s bargaining unit and enjoy the same benefits (when they become eligible) and protection as union workers while on the project; 2) Non-union contractors have access to the Union’s skilled workforce as well as their apprentices.</p>	Article 4 of PLA

However...

Random Survey of 13 Public Works Construction Projects

Benefits Provided By Contractors and/or Subcontractors

Summary

13 Various Public Works projects ranging from Police Building, Animal Shelter, Street & Road Widening, Sewer Projects, Treatment Plant Battery Modifications, Library, Fire Station, Street Lighting, and Automated Traffic System.

Only 9 of 73 non-union contractors (prime or sub) offered some form of benefit(s) (i.e. health, vacation or pension).

***Information based on submitted Fringe Benefit Statements (FBS). FBS are submitted by contractors with their certified payrolls. The statement provides an itemization of the benefits, amount, and organization to whom benefits are paid.**

Union and Non-Union Subcontractors***

Street Widening \$26,803,069.00

Union		Benefits Offered	Non-Union		Benefits Offered
1	Prime	<input checked="" type="checkbox"/>	1	Subcontractor 12	<input type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>	2	Subcontractor 13*	<input checked="" type="checkbox"/>
3	Subcontractor 2	<input checked="" type="checkbox"/>	3		<input type="checkbox"/>
4	Subcontractor 3	<input checked="" type="checkbox"/>	4		<input type="checkbox"/>
5	Subcontractor 4	<input checked="" type="checkbox"/>	5		<input type="checkbox"/>
6	Subcontractor 5	<input checked="" type="checkbox"/>	6		<input type="checkbox"/>
7	Subcontractor 6	<input checked="" type="checkbox"/>	7		<input type="checkbox"/>
8	Subcontractor 7	<input checked="" type="checkbox"/>	8		<input type="checkbox"/>
9	Subcontractor 8	<input checked="" type="checkbox"/>	9		<input type="checkbox"/>
10	Subcontractor 9	<input checked="" type="checkbox"/>	10		<input type="checkbox"/>
11	Subcontractor 10	<input checked="" type="checkbox"/>	11		<input type="checkbox"/>
			*	H& W Blue Shield; Pension- 401K-Franklin Templeton	<input type="checkbox"/>

AIR TREATMENT FACILITY \$13,385,862.06

Union		Benefits Offered	Non-Union		Benefits Offered
1	Prime*	<input checked="" type="checkbox"/>	1	Subcontractor 7	<input type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>	2	Subcontractor 8	<input type="checkbox"/>
3	Subcontractor 2	<input checked="" type="checkbox"/>	3	Subcontractor 9*	<input type="checkbox"/>
4	Subcontractor 3	<input checked="" type="checkbox"/>			<input type="checkbox"/>
5	Subcontractor 4	<input checked="" type="checkbox"/>			
6	Subcontractor 5	<input checked="" type="checkbox"/>			
7	Subcontractor 6	<input checked="" type="checkbox"/>			
8		<input type="checkbox"/>			
9		<input type="checkbox"/>			
10		<input type="checkbox"/>			
11		<input type="checkbox"/>			
12		<input type="checkbox"/>			
13		<input type="checkbox"/>			
14		<input type="checkbox"/>			
*	Benefits paid to Carpenters, Laborers		*	Benefits paid in cash to electricians	

Union and Non-Union Subcontractors***

Neighborhood City Hall \$9,994,000.00					
Union		Benefits Offered	Non-Union		Benefits Offered
1	Prime	<input checked="" type="checkbox"/>	1	Subcontractor 18	<input type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>			<input type="checkbox"/>
3	Subcontractor 2	<input checked="" type="checkbox"/>			<input type="checkbox"/>
4	Subcontractor 3	<input checked="" type="checkbox"/>			<input type="checkbox"/>
5	Subcontractor 4	<input checked="" type="checkbox"/>			<input type="checkbox"/>
6	Subcontractor 5	<input checked="" type="checkbox"/>			<input type="checkbox"/>
7	Subcontractor 6	<input checked="" type="checkbox"/>			<input type="checkbox"/>
8	Subcontractor 7	<input checked="" type="checkbox"/>			<input type="checkbox"/>
9	Subcontractor 8	<input checked="" type="checkbox"/>			<input type="checkbox"/>
10	Subcontractor 9	<input checked="" type="checkbox"/>			<input type="checkbox"/>
11	Subcontractor 10	<input checked="" type="checkbox"/>			<input type="checkbox"/>
12	Subcontractor 11	<input checked="" type="checkbox"/>			<input type="checkbox"/>
13	Subcontractor 12	<input checked="" type="checkbox"/>			<input type="checkbox"/>
14	Subcontractor 13	<input checked="" type="checkbox"/>			<input type="checkbox"/>
15	Subcontractor 14	<input checked="" type="checkbox"/>			<input type="checkbox"/>
16	Subcontractor 15	<input checked="" type="checkbox"/>			<input type="checkbox"/>
17	Subcontractor 16	<input checked="" type="checkbox"/>			<input type="checkbox"/>
18	Subcontractor 17	<input checked="" type="checkbox"/>			<input type="checkbox"/>

PRIMARY BATTERY MODIFICATIONS \$31,171,000.00					
Union		Benefits Offered	Non-Union		Benefits Offered
1	Prime	<input checked="" type="checkbox"/>	1	Subcontractor 8	<input type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>	2	Subcontractor 9*	<input checked="" type="checkbox"/>
3	Subcontractor 2	<input checked="" type="checkbox"/>	3		<input type="checkbox"/>
4	Subcontractor 3	<input checked="" type="checkbox"/>	4		<input type="checkbox"/>
5	Subcontractor 4	<input checked="" type="checkbox"/>	5		<input type="checkbox"/>
6	Subcontractor 5	<input checked="" type="checkbox"/>	6		<input type="checkbox"/>
7	Subcontractor 6	<input checked="" type="checkbox"/>	7		<input type="checkbox"/>
8	Subcontractor 7	<input checked="" type="checkbox"/>	8		<input type="checkbox"/>
		<input type="checkbox"/>		*HW \$4.16 Anthem Blue Cross	<input type="checkbox"/>
				*Vacation \$1.99 Paid to worker	<input type="checkbox"/>
				*Pension \$5.25 Great Western	<input type="checkbox"/>

Union and Non-Union Subcontractors***

Branch Library \$11,276,000.00					
Union		Benefits Offered	Non-Union		Benefits Offered
1	Subcontractor 1	<input checked="" type="checkbox"/>		Prime	<input type="checkbox"/>
2	Subcontractor 2	<input checked="" type="checkbox"/>		Subcontractor 18	<input type="checkbox"/>
3	Subcontractor 3	<input checked="" type="checkbox"/>		Subcontractor 19	<input type="checkbox"/>
4	Subcontractor 4	<input checked="" type="checkbox"/>		Subcontractor 20	<input type="checkbox"/>
5	Subcontractor 5	<input checked="" type="checkbox"/>		Subcontractor 21	<input type="checkbox"/>
6	Subcontractor 6	<input checked="" type="checkbox"/>		Subcontractor 22	<input type="checkbox"/>
7	Subcontractor 7	<input checked="" type="checkbox"/>		Subcontractor 23	<input type="checkbox"/>
8	Subcontractor 8	<input checked="" type="checkbox"/>		Subcontractor 24	<input type="checkbox"/>
9	Subcontractor 9	<input checked="" type="checkbox"/>		Subcontractor 25	<input type="checkbox"/>
10	Subcontractor 10	<input checked="" type="checkbox"/>		Subcontractor 26*	<input checked="" type="checkbox"/>
11	Subcontractor 11	<input checked="" type="checkbox"/>		Subcontractor 27	<input type="checkbox"/>
12	Subcontractor 12	<input checked="" type="checkbox"/>			<input type="checkbox"/>
13	Subcontractor 13	<input checked="" type="checkbox"/>			<input type="checkbox"/>
14	Subcontractor 14	<input checked="" type="checkbox"/>			<input type="checkbox"/>
15	Subcontractor 15	<input checked="" type="checkbox"/>			<input type="checkbox"/>
16	Subcontractor 16	<input checked="" type="checkbox"/>			<input type="checkbox"/>
17	Subcontractor 17	<input checked="" type="checkbox"/>			<input type="checkbox"/>
				* Health - Pacific Care	<input type="checkbox"/>

Refurbishment of Building and Grounds \$1,696,155.00

Union		Benefits Offered	Non-Union		Benefits Offered
1		<input type="checkbox"/>	1	Prime	<input type="checkbox"/>
2		<input type="checkbox"/>	2	Subcontractor 1	<input type="checkbox"/>
3		<input type="checkbox"/>	3	Subcontractor 2	<input type="checkbox"/>
4		<input type="checkbox"/>	4	Subcontractor 3	<input type="checkbox"/>
5		<input type="checkbox"/>	5	Subcontractor 4	<input type="checkbox"/>
6		<input type="checkbox"/>	6	Subcontractor 5	<input type="checkbox"/>
7		<input type="checkbox"/>	7		<input type="checkbox"/>

Union and Non-Union Subcontractors***

FIRE STATION \$11,940,000.00					
Union		Benefits Offered	Non-Union		Benefits Offered
1	Subcontractor 1	<input checked="" type="checkbox"/>	1	Subcontractor 13	<input type="checkbox"/>
2	Subcontractor 2	<input checked="" type="checkbox"/>	2	Subcontractor 14	<input type="checkbox"/>
3	Subcontractor 3	<input checked="" type="checkbox"/>	3	Subcontractor 15	<input checked="" type="checkbox"/>
4	Subcontractor 4	<input checked="" type="checkbox"/>	4	Subcontractor 16	<input type="checkbox"/>
5	Subcontractor 5	<input checked="" type="checkbox"/>	5	Subcontractor 17	<input type="checkbox"/>
6	Subcontractor 6	<input checked="" type="checkbox"/>	6	Subcontractor 18	<input type="checkbox"/>
7	Subcontractor 7	<input checked="" type="checkbox"/>	7	Subcontractor 19	<input type="checkbox"/>
8	Subcontractor 8	<input checked="" type="checkbox"/>	8	Subcontractor 20	<input type="checkbox"/>
9	Subcontractor 9	<input checked="" type="checkbox"/>	9	Subcontractor 21	<input type="checkbox"/>
10	Subcontractor 10	<input checked="" type="checkbox"/>	10	Subcontractor 22	<input type="checkbox"/>
11	Subcontractor 11	<input checked="" type="checkbox"/>	11	**Prime	<input checked="" type="checkbox"/>
12	Subcontractor 12	<input checked="" type="checkbox"/>	12	Subcontractor 23	<input type="checkbox"/>
			13	Subcontractor 24	<input type="checkbox"/>
			14	Subcontractor 25	<input checked="" type="checkbox"/>
				* operating engineers pd to trust;others -cash	
				** option to join 401 K and medical	

Street Sewer Repair \$4,822,887					
Union		Benefits Offered	Non-Union		Benefits Offered
1	Prime	<input checked="" type="checkbox"/>	1	Subcontractor 5	<input checked="" type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>	2	Subcontractor 6	<input checked="" type="checkbox"/>
3	Subcontractor 2	<input checked="" type="checkbox"/>	3	Subcontractor 7	<input type="checkbox"/>
4	Subcontractor 3	<input checked="" type="checkbox"/>			<input type="checkbox"/>
5	Subcontractor 4	<input checked="" type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>

Union and Non-Union Subcontractors***

Street Lighting Project \$2,740,099.22					
Union		Benefits Offered <input type="checkbox"/>	Non-Union		Benefits Offered <input type="checkbox"/>
1	Prime	<input checked="" type="checkbox"/>	1		<input type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>	2		<input type="checkbox"/>
3	Subcontractor 2	<input checked="" type="checkbox"/>	3		<input type="checkbox"/>
4	Subcontractor 3	<input checked="" type="checkbox"/>	4		<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>

Street Sewer Repair Project 2 \$1,839,849.00					
Union		Benefits Offered	Non-Union		Benefits Offered
1	Prime	<input checked="" type="checkbox"/>	1	Subcontractor 3	<input checked="" type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>	2	Subcontractor 4	<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>

ATSAC Project \$10,119,300					
Union		Benefits Offered	Non-Union		Benefits Offered
1	Prime	<input checked="" type="checkbox"/>	1	Subcontractor 8	<input type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>			<input type="checkbox"/>
3	Subcontractor 2	<input checked="" type="checkbox"/>			<input type="checkbox"/>
4	Subcontractor 3	<input checked="" type="checkbox"/>			<input type="checkbox"/>
5	Subcontractor 4	<input checked="" type="checkbox"/>			
6	Subcontractor 5	<input checked="" type="checkbox"/>			
7	Subcontractor 6	<input checked="" type="checkbox"/>			
8	Subcontractor 7	<input checked="" type="checkbox"/>			

Union and Non-Union Subcontractors***

Animal Services Center \$11,805,000

	Union	Benefits Offered		Non-Union	Benefits Offered
1	Subcontractor 1	<input checked="" type="checkbox"/>		Prime	<input type="checkbox"/>
2	Subcontractor 2	<input checked="" type="checkbox"/>		Subcontractor 18	<input type="checkbox"/>
3	Subcontractor 3	<input checked="" type="checkbox"/>		Subcontractor 19	<input type="checkbox"/>
4	Subcontractor 4	<input checked="" type="checkbox"/>		Subcontractor 20	<input type="checkbox"/>
5	Subcontractor 5	<input checked="" type="checkbox"/>		Subcontractor 21	<input type="checkbox"/>
6	Subcontractor 6	<input checked="" type="checkbox"/>		Subcontractor 22	<input type="checkbox"/>
7	Subcontractor 7	<input checked="" type="checkbox"/>		Subcontractor 23	<input type="checkbox"/>
8	Subcontractor 8	<input checked="" type="checkbox"/>		Subcontractor 24	<input type="checkbox"/>
9	Subcontractor 9	<input checked="" type="checkbox"/>		Subcontractor 25	<input type="checkbox"/>
10	Subcontractor 10	<input checked="" type="checkbox"/>		Subcontractor 26	<input type="checkbox"/>
11	Subcontractor 11	<input checked="" type="checkbox"/>		Subcontractor 27	<input type="checkbox"/>
12	Subcontractor 12	<input checked="" type="checkbox"/>		Subcontractor 28	<input type="checkbox"/>
13	Subcontractor 13	<input checked="" type="checkbox"/>		Subcontractor 29	<input type="checkbox"/>
14	Subcontractor 14	<input checked="" type="checkbox"/>		Subcontractor 30	<input type="checkbox"/>
15	Subcontractor 15	<input checked="" type="checkbox"/>		Subcontractor 31	<input type="checkbox"/>
16	Subcontractor 16	<input checked="" type="checkbox"/>		Subcontractor 32	<input type="checkbox"/>
17	Subcontractor 17	<input checked="" type="checkbox"/>		Subcontractor 33	<input type="checkbox"/>
				Subcontractor 34	<input type="checkbox"/>
				Subcontractor 35	<input type="checkbox"/>
				Subcontractor 36	<input type="checkbox"/>
				Subcontractor 37	<input type="checkbox"/>
				Subcontractor 38	<input type="checkbox"/>
				Subcontractor 39	<input type="checkbox"/>



Union and Non-Union Subcontractors***

Los Angeles Police Station \$28,887,000

Union		Benefits Offered	Non-Union	Benefits Offered
1	Prime	<input checked="" type="checkbox"/>	Subcontractor 16.*	<input checked="" type="checkbox"/>
2	Subcontractor 1	<input checked="" type="checkbox"/>	Subcontractor 17	<input type="checkbox"/>
3	Subcontractor 2	<input checked="" type="checkbox"/>	Subcontractor 18	<input type="checkbox"/>
4	Subcontractor 3	<input checked="" type="checkbox"/>	Subcontractor 19	<input type="checkbox"/>
5	Subcontractor 4	<input checked="" type="checkbox"/>		<input type="checkbox"/>
6	Subcontractor 5	<input checked="" type="checkbox"/>		<input type="checkbox"/>
7	Subcontractor 6	<input checked="" type="checkbox"/>		<input type="checkbox"/>
8	Subcontractor 7	<input checked="" type="checkbox"/>		<input type="checkbox"/>
9	Subcontractor 8	<input checked="" type="checkbox"/>		<input type="checkbox"/>
10	Subcontractor 9	<input checked="" type="checkbox"/>		<input type="checkbox"/>
11	Subcontractor 10	<input checked="" type="checkbox"/>		<input type="checkbox"/>
12	Subcontractor 11	<input checked="" type="checkbox"/>		<input type="checkbox"/>
13	Subcontractor 12	<input checked="" type="checkbox"/>		<input type="checkbox"/>
14	Subcontractor 13	<input checked="" type="checkbox"/>		<input type="checkbox"/>
15	Subcontractor 14	<input checked="" type="checkbox"/>		<input type="checkbox"/>
16	Subcontractor 15	<input checked="" type="checkbox"/>	*Health Benefit Provided	<input type="checkbox"/>

***NOTE: Based on Fringe Benefit Statements submitted by the contractor at the time of submission of Certified Payrolls.

Will PLAs Help The City's Local Hire Goals?

ANSWER: Yes

REASON

The Unions, as the referral agent of record pledged, to exert their best efforts to recruit, identify and assist individuals, particularly residents of the City as well as those referred by the City's Job Coordinator or City Work Source System for entrance into a joint labor/management apprenticeship program which can lead to a well-paying career in the construction industry.

Article 7.4



Will The City of Los Angeles PLAs Be Fair?

- 1. The City does not distinguish whether a contractor is Union or Non-Union in awarding projects with PLA requirements nor for that matter any other City construction project.**
- 2. The City awards contracts based on bids submitted and the qualification of the prime bidder.**



Will PLAs Benefit the City in Other Ways?

ANSWER: Yes

REASON

All contractors are subscribed to a craft union for the time they are working on a covered PLA project. These subscription agreements make it more difficult for any contractor to not pay at least the prevailing wage rate. The craft unions assist in the monitoring of PLA projects for proper fringe benefit contributions to their 3rd party trust fund.

Article 4 of
PLA

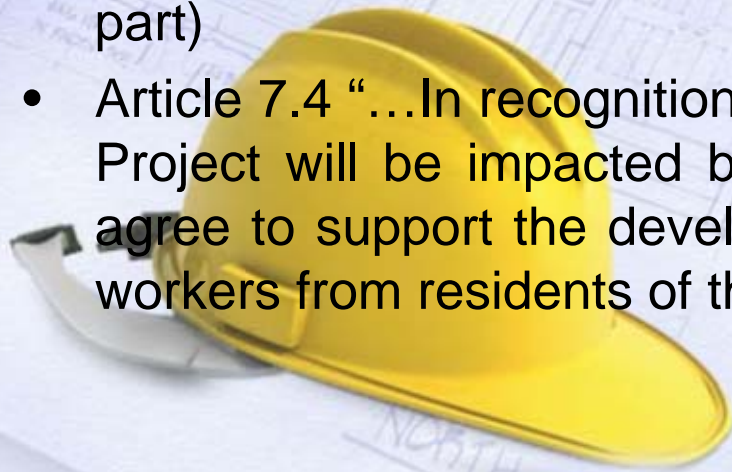


City of Los Angeles Department of Public Works PLA Cited Language

- Article 3.3 “At the time that any Contractor/Employer/Owner Operator enters into a subcontract providing for the performance of a construction contract, the Contractor/Employer/Owner Operator shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor as part of accepting the award of a construction subcontract to agree in writing in the form of a Letter of Assent to be bound by each and every provision of this Agreement prior to commencement of work.”
- Article 4.1 “During the existence of this Agreement, there shall be no strike, sympathy strike, picketing, hand billing, slowdown, withholding of work, refusal to work, lockout, sickout, walk-off, sit-down, stand-in, wobble, boycott, or other work stoppage, disruption, advising the public that a labor dispute exists, or other impairment of any kind for any reason by the Unions or employees employed on the Project, at the job site of the Project, or at any other facility of the City because of a dispute on this Project.”

City of Los Angeles Department of Public Works PLA Cited Language

- Article 7.1 “The Union(s) shall be the primary source of all craft labor employed on the Project. However, in the event that a Contractor/Employer has his/her own core workforce, and wishes to employ such core employees to perform covered work, the Contractor shall employ such core workers in accord with the provisions of this Article VII (in part)
- Article 7.1.1 “...The number of core employees on this Project shall be governed by the following procedure: one “core” employee shall be selected and one employee from the hiring hall of the affected trade or craft and this process shall repeat until such Contractor/Employer has hired ten such core employees for that craft, whichever occurs first.” (in part)
- Article 7.4 “...In recognition of the fact that the communities closest to the Project will be impacted by the construction of the Project, the parties agree to support the development of increased numbers of construction workers from residents of these communities.” (in part)



TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your AD HOC COMMITTEE ON GANG VIOLENCE AND YOUTH DEVELOPMENT

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

AD HOC COMMITTEE ON GANG VIOLENCE AND YOUTH DEVELOPMENT REPORT relative to the creation of a Young Adult Apprenticeship Program.

Recommendations for Council action, as initiated by Motion (Reyes - Perry - Garcetti):

1. EXPAND the utilization of Vocational Workers and Office Trainees hiring by City Departments.
2. ESTABLISH a policy to include a "First Source Hiring Program" for its major economic and capital development projects.
3. INSTRUCT the Board of Public Works to include a Young Adult Hiring Preference in its Request For Proposals. *** and all contracts (*Reyes - Cardenas)**
4. EXPLORE the development of other dedicated funding streams for youth employment program; and, DIRECT the Community Development Department (CDD) to identify and report back within 45 days on possible funding sources that can be used to underwrite this effort.
5. REQUIRE City Departments to report annually on the number of young adults hired in full or part-time positions, including a detailed description of what job duties those positions are performing; and, ESTABLISH a Performance Standard for General Managers which addresses said hiring of young adults.
6. INSTRUCT the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) and REQUEST the Mayor's Office to lead a working group comprised of representatives from the CDD, proprietary departments, Workforce Investment Board, Commission on Children, Youth and Families, Los Angeles Unified School District, LA Business Team, the Los Angeles Chamber of Commerce, and the Los Angeles Community College District.
7. INSTRUCT the Personnel Department to convene a working group of all relevant unions and employee organizations to develop a City Jobs/SNAP/Young Adult Apprenticeship implementation policy for use by all City departments, agencies, contractors and partners.

Fiscal Impact Statement: The CDD reports that the fiscal impact on the General Fund to implement the above recommendations would be minimal. Hiring of Vocational Workers and Office Trainees would be in-lieu of regularly funded positions and could potentially be a cost savings. Since these positions are at a lower cost than the regular classifications, there could be a cost savings to the departments. The departments would utilize its current hiring and supervision mechanisms and thus not incur any additional costs. The First Source Hiring Agreements would have a minimal cost to the participating contractors; however, there would be a minimal staff cost to administer the First Source Hiring Agreements. Implementing annual reporting process on young adult hires for City departments would have a minimal fiscal impact on the General Fund.

Summary:

On April 9, 2003, Council referred Motion (Reyes - Perry - Garcetti), relative to creating a Young Adult Apprenticeship Program as part of the City's Capital Projects Program, to the Ad Hoc Committee on Gang Violence and Youth Development and the Public Works Committee for consideration. The subject Motion reports that the City has a variety of ongoing and future capital projects in various departments including Public Works, Library, Community Redevelopment Agency, etc. slated to begin construction as part of the City's overall Capital Improvement Projects Program.

Adopted as amended by Council action on 3-8-06

The City also has residents, especially young adults, that are looking for opportunities to train and find employment. Consistent with the Mayor's Executive Directive No. PE-6, Hiring of At-Risk Young Adults and Local Hiring in City Projects, the Council along with the Workforce Investment Board and Board of Public Works and other appropriate departments, and in consultation with the labor unions, should take the opportunity to develop a program to establish a young adult (ages 18-24) apprenticeship program or job training program as part of capital projects initiated by the City. Additionally, the Board of Public Works should be requested to include youth apprenticeship programs and job training as a requirement for contract compliance similar to WBE / MBE.

The Motion further reports that, in order for the City to actively assist in creating opportunities for young adults and creating full-access to City jobs, the City Council should instruct the Board of Public Works, the Workforce Investment Board, and other appropriate departments, and Unions, with the assistance of the CAO, CLA, and City Attorney to report to Council on the feasibility of creating a Young Adult Apprenticeship Program as part of the City's Capital Improvement Projects Program.

In its transmittal dated November 14, 2005, the CDD reports that, as the City struggles with the issues of increased gang violence and high school dropout rates, the City must identify new strategies and revenue streams to connect young adults to the workplace and educational institutions. The Los Angeles Police Department's reported numbers of 36,000 gang members; LAUSD's nearly 50 percent high school drop-out rate; and the 2000 Census data of Los Angeles' that reports 93,000 16-24 year olds not in school and not at work are daunting.

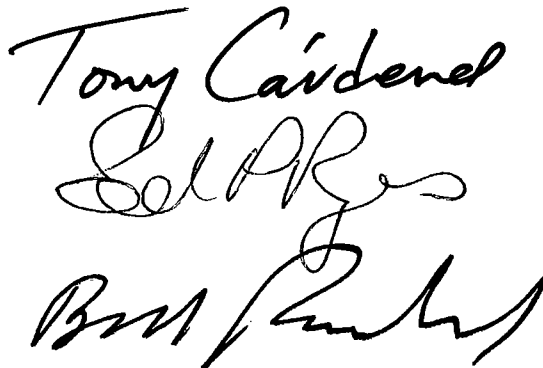
The CDD reports that the City must continue its national leadership in providing employment opportunities for this young adult population. The City must also seek new and innovative strategies to address the magnitude of the challenges presented. As such, the recommendations enumerated above will expand opportunities for both the City and its private sector contractors to increase the total number of employment opportunities in the future.

The CDD reports that by developing policies that encourage the hiring of local young adults and by expanding the number of apprentice positions within the City workforce, the City will be connecting young people to the social and economic institutions that will contribute to their success and the City's economic vitality in the future.

At a special meeting held February 24, 2006, the Ad Hoc Committee on Gang Violence and Youth Development discussed this matter with City staff. At that time the Ad Hoc Committee approved the recommendations of the CDD, substantially as submitted in its report dated November 14, 2005 and as amended in Committee. This matter is now submitted to Council for its consideration.

Respectfully submitted,

AD HOC COMMITTEE ON GANG VIOLENCE AND YOUTH DEVELOPMENT



<u>MEMBER</u>	<u>VOTE</u>
CARDENAS	YES
WESSON	ABSENT
HAHN	ABSENT
ROSENDAHL	YES
REYES	YES
AA	
02/27/06	
#042621.2.wpd	

REF
ADOPTED
* AS AMENDED
MAR 08 2006

LOS ANGELES CITY COUNCIL

Reyes

Adopted as amended by Council action 3-8-06

TO THE COUNCIL OF THE CITY OF LOS ANGELES

Your

PUBLIC WORKS

Committee

reports as follows:

Public Comments: Yes No
XX —

PUBLIC WORKS COMMITTEE REPORT relative to the creation of a Young Adult Apprenticeship Program.

Recommendations for Council action, as initiated to Motion (Reyes - Perry - Garcetti):

1. EXPAND the utilization of Vocational Workers and Office Trainees hiring by City Departments.
2. ESTABLISH a policy to include a "First Source Hiring Program" for its major economic and capital development projects.
3. ***INSTRUCT** ~~REQUEST~~ the Board of Public Works (BPW) to include a Young Adult Hiring Preference in its Request For Proposals (RFP). *** and all contracts (*Reyes - Cardenas)**
4. EXPLORE the development of other dedicated funding streams for the youth employment program and DIRECT the Community Development Department (CDD) to identify and report back within 45 days on possible funding sources that can be used to underwrite this effort.
5. REQUIRE City Departments to report annually on the number of young adults hired in full or part-time positions, including a detailed description of what job duties those positions are performing, and ESTABLISH a Performance Standard for General Managers which addresses said hiring of young adults.
6. INSTRUCT the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) and REQUEST the Mayor's Office to lead a working group comprised of representatives from the CDD, proprietary departments, Workforce Investment Board, Commission on Children, Youth and Families, Los Angeles Unified School District, LA Business Team, the Los Angeles Chamber of Commerce, and the Los Angeles Community College District.
7. INSTRUCT the Personnel Department to convene a working group of all relevant unions and employee organizations to develop a City Jobs/Safe Neighborhood Action Program (SNAP)/Young Adult Apprenticeship implementation policy for use by all City departments, agencies, contractors and partners.

Fiscal Impact Statement: The CDD reports that the fiscal impact on the General Fund to implement the above recommendations would be minimal. Hiring of Vocational Workers and Office Trainees would be in-lieu of regularly funded positions and could potentially be a cost savings. Since these positions are at a lower cost than the regular classifications, there could be a cost savings to the departments. The departments would utilize its current hiring and supervision mechanisms and thus not incur any additional costs. The First Source Hiring Agreements would have a minimal cost

to the participating contractors; however, there would be a minimal staff cost to administer the First Source Hiring Agreements. Implementing annual reporting process on young adult hires for City departments would have a minimal fiscal impact on the General Fund.

(This matter has also been referred to the Ad Hoc Committee on Gang Violence and Youth Development for consideration)

SUMMARY

On April 9, 2003, Council initiated a Motion (Reyes - Perry - Garcetti) relative to creating a Young Adult Apprenticeship Program as part of the City's Capital Projects Program. The subject Motion reports that the City has a variety of ongoing and future capital projects in various departments including Public Works, Library, Community Redevelopment Agency, etc. slated to begin construction as part of the City's overall Capital Improvement Projects Program.

The City also has residents, especially young adults, that are looking for opportunities to train and find employment. Consistent with the Mayor's Executive Directive No. PE-6, Hiring of At-Risk Young Adults and Local Hiring in City Projects, the Council along with the Workforce Investment Board and Board of Public Works and other appropriate departments, and in consultation with the labor unions, should take the opportunity to develop a program to establish a young adult (ages 18-24) apprenticeship program or job training program as part of capital projects initiated by the City. Additionally, the Board of Public Works should be requested to include youth apprenticeship programs and job training as a requirement for contract compliance similar to WBE / MBE.

The Motion further reports that, in order for the City to actively assist in creating opportunities for young adults and creating full-access to City jobs, the Council should instruct the Board of Public Works, the Workforce Investment Board, and other appropriate departments, and Unions, with the assistance of the CAO, CLA, and City Attorney, to report to Council on the feasibility of creating a Young Adult Apprenticeship Program as part of the City's Capital Improvement Projects Program.

On February 24, 2006, the Ad Hoc Committee on Gang Violence and Youth Development considered the above Motion along with a November 14, 2005 CDD report. After consideration, the Ad Hoc Committee moved to recommend approval of the recommendations as contained in said CDD report, with some modifications and the Committee report is attached to the Council file.

At its meeting on March 1, 2006, Public Works Committee considered a November 14, 2005 report from CDD in response to the above Motion along with the February 24, 2006 Ad Hoc Committee on Gang Violence and Youth Development report. According to the CDD, as the City struggles with the issues of increased gang violence and high school dropout rates, the City must identify new strategies and revenue streams to connect young adults to the workplace and educational institutions. Furthermore, less than a decade ago, the City received over \$20 million in Federal grants to provide over 14,000 summer youth employment internships and received a greater amount in Job Training Partnership Act funds. Today, the Federal Summer Youth Employment and Training Program and the Youth Opportunity Grant funding have been eliminated. While the City continues to implement innovative youth employment programs, its resources and especially Federal Workforce Investment Act Funds, have been reduced substantially.

Additionally, young adults in the City ages 16 - 24 have an unemployment rate of over 25%, nearly five percentage points higher than the State's average young adult unemployment rates. In the City, over 93,000 young adults in the 16 - 24 age range are both unemployed and out-of-school; this

represents one out of five young adults in the City. With future earnings heavily correlated with both early work experience and higher educational levels, a significant number of the City's residents will not benefit from greater economic prosperity if new avenues of work and education are not created.

Additionally, the CDD stated that the City has a strong history of being a municipal leader in youth employment and that it must continue its national leadership in providing employment opportunities for this young adult population. The City must also seek new and innovative strategies to address the magnitude of the challenges presented and as such, the recommendations enumerated above will expand opportunities for both the City and its private sector contractors to increase the total number of employment opportunities in the future.

Finally, the CDD indicated that by developing policies that encourage the hiring of local young adults and by expanding the number of apprentice positions within the City workforce, the City will be connecting young people to the social and economic institutions that will contribute to their success and the City's economic vitality in the future.

The Bureau of Engineering (BOE) then stated that they have some concerns in respect to Recommendation No. 3 in the February 24, 2006 Ad Hoc Committee on Gang Violence and Youth Development report which states "Instruct the Board of Public Works to include a Young Adult Hiring Preference in its Request for Proposals." Specifically, the BOE noted that if the BPW is instructed to include a Young Adult Hiring Preference in its Request for Proposals, it may jeopardize Federal funding for some projects.

In response to the BOE's concerns, the City Attorney stated that there may be a technical issue with whether the Council can instruct an operating department to take an action by virtue of the executive versus legislative branches. The City Attorney further stated it may be better to "request" and "report back", as opposed to "instruct", the DPW in respect to including a Young Adult Hiring Preference in its Request for Proposals in those cases in which it is appropriate. The Committee then stated that it would like the City Attorney to work with the appropriate staff in the Department of Public Works in regard to the devising recommendations that will satisfy legal/technical requirements and not jeopardize Federal funding for Public Works projects.

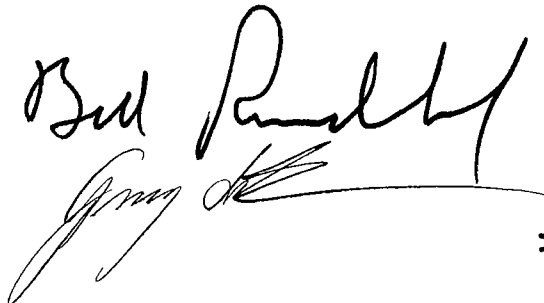
After further consideration and having provided an opportunity for public comment, the Public Works Committee moved to recommend approval of the recommendations contained in the November 14, 2005 CDD report as amended in Committee and detailed above in Recommendation Nos. 1 through 7. This matter is now submitted to Council for its consideration.

Respectfully submitted,

PUBLIC WORKS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
ROSENDAHL:	YES
LABONGE:	ABSENT
SMITH:	YES

ARL
3/2/06
#030708a.wpd



RPT.
ADOPTED
*** AS AMENDED**
MAR 08 2006

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

06-1774

June 22, 2007

Chief Legislative Analyst
City Administrative Officer
City Attorney
Board of Public Works
Workforce Investment Board
Community Development Department,
General Manager

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

CLAUDIA M. DUNN
Chief, Council and Public Services Division
www.cityclerk.lacity.org

RE: STRATEGIES TO REQUIRE CITY CONTRACTORS TO HIRE TARGETED CITY RESIDENTS

At the meeting of the Council held June 20, 2007, the following action was taken:

Attached report adopted	_____ X _____
Attached motion (-) adopted	_____
Attached resolution adopted	_____
FORTHWITH	_____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Motion adopted to approve communication recommendation(s)	_____
Motion adopted to approve committee report recommendation(s)	_____
Ordinance adopted	_____
Ordinance number	_____
Publication date.....	_____
Categorically exempt.....	_____
Generally exempt.....	_____

City Clerk
cr

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to strategies to require City contractors to hire targeted City residents.

Recommendations for Council action:

1. INSTRUCT the Community Development Department (CDD), with the assistance of the Department of Public Works, Bureau of Contract Administration (BCA), and the Economic Roundtable, to:
 - a. Prepare a study within 90 days of the unemployed and underemployed City residents in order to establish the necessary findings to justify imposing a local hiring requirement, including but not limited to:
 - i. Evidence of the number of out of state workers and non-City residents performing work on City contracts.
 - ii. A review of poverty zip codes, local resident need skills, where businesses are located, and where businesses are currently hiring from.
 - b. Report all findings and recommendations to the Local Hiring Task Force.
2. INSTRUCT the Department of Public Works, BCA, to report within 90 days relative to the personnel requirements to monitor local hiring compliance as discussed in this report, including, but not limited to project labor agreements (PLAs) and an ordinance to cover contracts that cannot be covered by PLAs.
3. INSTRUCT the CDD to report within 90 days relative to the personnel that may be required to perform the job coordinator responsibilities related to the implementation of local hiring strategies included in this report including, but not limited to, establishing a single point of contact for employers and targeted residents (potential employees).

Fiscal Impact Statement: None submitted by the Chief Legislative Analyst (CLA) nor has the City Administrative Officer (CAO) completed a financial analysis of this report.

Summary:

At a joint meeting held March 16, 2007, the Housing, Community and Economic Development Committee and the Ad Hoc Committee on Gang Violence and Youth Development instructed the CLA, with the assistance of the City Attorney, CAO, BCA, and CDD, to report on strategies to require City contractors to hire targeted City residents. In its transmittal dated June 1, 2007, the CLA, on behalf of the Local Hiring Task Force (Task Force), sets forth options available to Council to accomplish local hiring goals and to seek additional guidance in the development of an ordinance or other instruments as may be necessary. Options discussed include PLAs and various models for establishing a local hiring ordinance, which could impose local hiring requirements on City contractors in various ways. Implementation of PLAs is most effective and appropriate to major construction contracts, while an ordinance could be more effective for other types of contracts.

According to the CLA, the City Attorney advises that in order for the City to enact legally defensible local hiring requirements the need or nexus for such requirements must be definitively established. To this end, the CDD has identified a contractor to conduct a geographic study of poverty and employment conditions in the City. The outcome of this study will establish the City's interests that will be addressed by a local hiring requirement. The CDD has procured the Economic Roundtable to conduct the needed research study and zip code analysis of unemployment rates and workforce capacity in the City. Through the authority of the Workforce Investment Act Annual Plan, \$20,000 has been allocated to conduct the study.

The CLA reports that while Council may adopt a policy that implements more than one of the above strategies, the City Attorney advises that any adopted strategy must be targeted and tailored to the different needs established in the recommended study. The strategy must also be fashioned to address the relevant constitutional and City of Los Angeles Charter issues.

The CLA further reports that any adopted strategy must include provisions describing the target population, covered employers, projects or contracts, whether to implement a local hiring goal or a fixed minimum local hiring percentage and any penalties for failure to make a good faith effort or meet the minimum local hiring requirements. The specifics of such provisions will be determined by the results of the study to be conducted by the Economic Roundtable, as well as Council's preferred strategy.

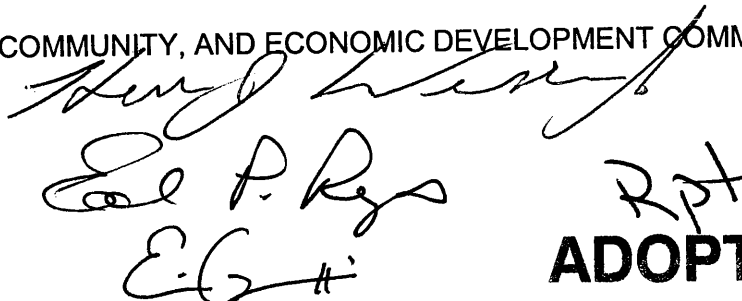
The CLA notes that regardless of the approach approved by Council, additional staff may be required for the CDD and the BCA to implement an adopted strategy. Specifically, the CDD reports that a job coordinator may be required to establish a single point of contact for employers, to maintain a database of the qualified targeted residents (potential employees), to work with unions and contractors to facilitate placement, and to monitor compliance. The BCA may also need additional staff to monitor contractor compliance with PLAs and any adopted local hiring ordinance.

The CLA recommends that the CDD and BCA report relative to staffing requirements associated with the options included in the subject (CLA) report. Upon receipt of the CDD study, the Task Force will continue its review of viable local hiring options and report its recommendations and findings to Council.

At a special meeting held June 5, 2007, the Housing, Community, and Economic Development Committee considered this matter and recommended that Council approve the recommendations of the CLA, as submitted in its report dated June 1, 2007. The Committee further instructed the CDD to include in the proposed study a review of poverty zip codes, local resident need skills, where businesses are located, and where businesses are currently hiring from (Recommendation No. 1(a)(ii) above). This matter is now submitted to Council for its consideration.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
WESSON	YES
REYES	YES
CARDENAS	YES
GARCETTI	YES
PERRY	YES

ADOPTED

JUN 20 2007

LOS ANGELES CITY COUNCIL

CITY OF LOS ANGELES
CALIFORNIA

**BOARD OF PUBLIC WORKS
MEMBERS**

CYNTHIA M. RUIZ
PRESIDENT

VALERIE LYNNE SHAW
VICE PRESIDENT

PAULA A. DANIELS
PRESIDENT PRO-TEMPORE

ERNESTO CÁRDENAS
COMMISSIONER

JULIE B. GUTMAN
COMMISSIONER

JAMES A. GIBSON
EXECUTIVE OFFICER



ANTONIO R. VILLARAIGOSA
MAYOR

JOHN L. REAMER, JR.
Inspector of Public Works
and
Director

**BUREAU OF
CONTRACT ADMINISTRATION**
1149 South Broadway, Suite 300
Los Angeles, CA 90015

(213) 847-1922
<http://bca.lacity.org>

Honorable Members of the Los Angeles City Council
Attention: Alan M. Alietti, Legislative Assistant II
Room 395, City Hall
Los Angeles, CA 90012

October 3, 2007

PERSONNEL REQUIREMENTS FOR MONITORING LOCAL HIRING COMPLIANCE (CF 06-1774)

Provided is the Bureau of Contract Administration's (BCA's) report on the personnel requirements necessary to monitor project labor agreements (PLAs), apprenticeship participation, and/or local hiring compliance on the City's public works construction projects.

PROGRAM SUMMARY

The local hire initiative and the Bureau's Lifting Individuals Giving Hope Today (LIGHT) Program will facilitate and encourage hiring Los Angeles residents to work on City administered public works construction projects. The Bureau of Contract Administration, Office of Contract Compliance (OCC) will enforce this program to accomplish the following:

- Direct, educate and partner with Contractors, Employers, State and Local Agencies, Non-Profit entities, Community Based Organizations (CBOs), Faith Based Organizations (FBOs), Unions, Building Trade Associations and other City Agencies and Departments with a Project Labor Agreement (PLA) or Local Hire requirements.
- Support the City's goal of economic development and work opportunities for City residents, establish a favorable environment that will create work opportunities for the young adults of our City, and encourage hiring City residents (18 years and older) on the City's construction projects.
- Monitor the local hire numbers of all contractors who will work on City construction projects that have a PLA or Local Hire requirement and provide monthly reports that detail the contractor's efforts in achieving a 30% local hire goal in terms of total number of hours worked.
- Encourage, enforce and track the apprenticeship hiring on all City Administered construction projects to ensure compliance with the State mandated 20% requirement as measured in total job hours worked.
- Monitor the contractor's efforts to provide work opportunities that equate to 10% of the job hours for City residents considered "disadvantaged" as defined in the PLA or Local Hire language.

PERSONNEL REQUIREMENTS REQUIRED FOR MONITORING

Ten (10) positions are needed in the Bureau's Office of Contract Compliance to provide staffing to effectively administer the Local Hire Program and/or Apprenticeship Hiring. Staffing needs are projected based on apprenticeship tracking, monitoring and enforcement requirements, or the anticipated number of Project Labor Agreements or local hire requirements in the Community Redevelopment Agency (CRA), Port of Los Angeles Department (POLA) and Los Angeles World Airport (LAWA).

JOBS, BUSINESS GROWTH

& TAX REFORM OCT 09 2007



AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER



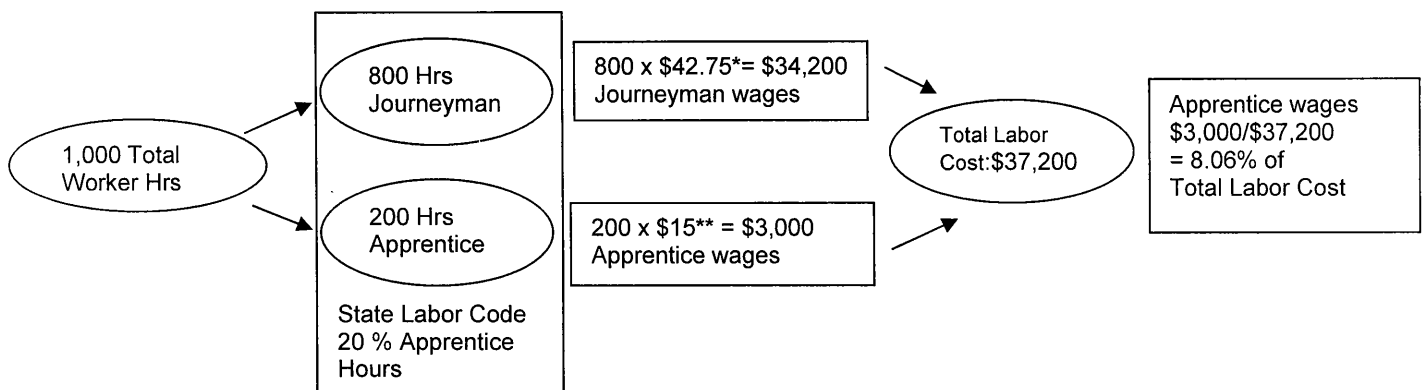
To effectively provide the services required in this program, the OCC staff will be distributed as follows:

- LAWA will be assigned two (2) Management Analyst IIs and one (1) Management Assistant.
- POLA will have one (1) Management Analyst II.
- CRA will have one (1) Sr. Management Analyst I, two (2) Management Analyst IIs and one (1) Management Assistant.
- One (1) Senior Systems Analyst I is requested in order to meet the critical need for implementation of an electronic payroll transmittal system. Currently, the Bureau employed a Senior Systems Analyst I under substitute authority. Due to the crucial need for the systems monitoring and software upgrades, this position needs to be regularized.
- One (1) Contract Compliance Program Manager I to oversee the city-wide program

These positions do not account for local hire monitoring or apprenticeship tracking, monitoring and enforcement for any upcoming Department of Public Works construction projects. The Bureau estimates existing staff will be able to monitor these projects if the Electronic Certified Payroll System is implemented in a timely manner.

POTENTIAL PROJECT OPPORTUNITIES

Based on a review of a number of Public Works Projects' Final Contract Amounts and the actual payrolls received and a review of the 2002 US Census Construction Industry, the Bureau estimates that approximately 20% of a construction project's total cost is for construction labor. In addition, the California Labor Code requires that apprentices perform a minimum of 20% of all worker hours. Using these facts, we can surmise that approximately 8.06% of the total labor cost is available for apprentice wages. Assuming that a project requires 1,000 Total Worker Hours, please see the diagram below for determining the calculation of the 8.06% Apprentice wage percentage:



*The \$42.75 hourly rate was determined using the average hourly rate of the most used classifications, which are Carpenter, Cement Mason, Drywall Finisher, Electrician, Ironworker, Laborer, Operating Engineer, Teamster, Painter, Plumber, Roofer and Sheet Metal Worker.

**The \$15.00 hourly rate is the estimated average starting rate of an apprentice.

The Bureau has identified 205 projects scheduled to start within FY 2008-09 and could be administered through a PLA or Local Hire agreement. These projects, which have an approximate construction value of \$1,486,066,056.00, can potentially generate 1,597,026 apprentice-able hours over the life of these projects based on the assumption that each apprentice-able hour rate is an estimated \$15/hr. (See Chart 1.)

However, these potential employment opportunities can be adversely impacted by certain factors such as:

1. Construction Projects that are cost heavy on specialty equipments;
2. Construction Projects that require a disproportionate amount of specialized trade work;
3. Lack of qualified local residents who can be indentured into an apprenticeship program;
4. Insufficient support from the stakeholders (Unions, Contractors, Communities, City Departments or Agencies, Work Source Centers etc.)
5. City construction projects that are scheduled to begin in a consecutive time frame rather than a parallel time frame.

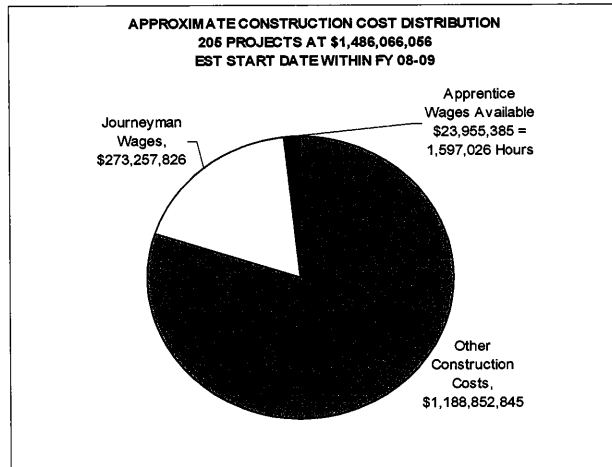


Chart 1

Total Construction Value	Estimated Total Labor Wages	Estimated Apprentice Wages	Potential Apprentice Hours*
\$1,486,066,056	\$297,213,211	\$23,955,385	1,597,026

*THIS COULD POTENTIALLY GENERATE 799 APPRENTICE JOBS BASED ON A 2000 HOUR WORK YEAR.

The Bureau has also identified 132 on-going construction projects initiated in FY 2007-08 and will continue into FY 2008-09. Although these projects do not have a PLA or Local Hire Agreement, they can still provide apprenticeship hiring opportunities. Even if all these projects, with an approximate construction value of \$2,409,286,869.00 are 50% complete, with diligent monitoring, they can still potentially generate an estimated 1,294,590 apprentice-able hours over the remaining construction life of these projects based on the same assumption that each apprentice-able hour rate is an estimated \$15/hr. (See Chart 2.)

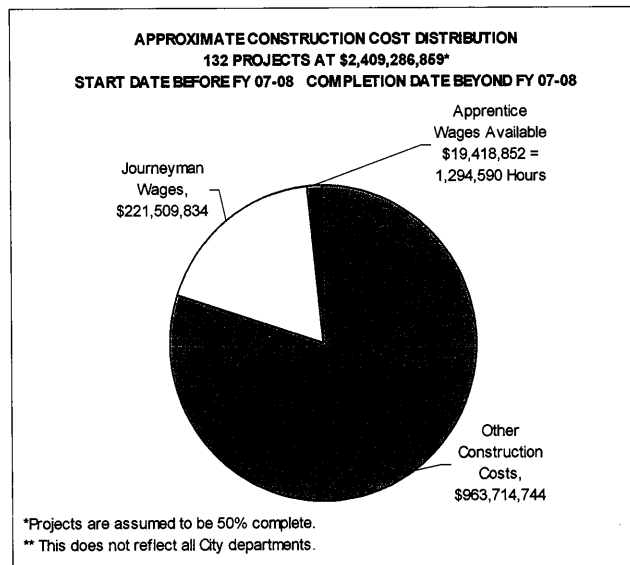


Chart 2

Total Construction Value	Estimated Total Labor Wages	Estimated Apprentice Wages	Potential Apprentice Hours*
\$1,204,643,430	\$240,928,686	\$19,418,852	1,294,590

*THIS COULD POTENTIALLY GENERATE 647 APPRENTICE JOBS BASED ON A 2000 HOUR WORK YEAR.

The State Building and Construction Trades Council estimates that between the years 2004 thru 2014, about 188,200 new skilled workers will be needed to replace an aging workforce and meet the demands of the construction industry. The State's Employment Development Department (EDD) in 2007 stated, "Projections of employment in

October 3, 2007

California for the top 20 construction occupations with the largest growth indicate a gain of more than 119,000 jobs from 2004 through 2014. The top ten of these occupations account for more than 76 percent of this growth.”

The workforce shortage in the building trades affords the City an unprecedented opportunity to positively affect the lives of many of its local residents by properly monitoring, tracking and enforcing the State’s mandated apprenticeship hiring requirements which can create apprenticeship employment opportunities in all City awarded construction projects.

SUMMARY OF PUBLIC WORK PROJECTS WITH A LOCAL HIRE COMPONENT

Number of Public Work Projects with a Local Hire Component (As of September 2007)	Total Local Residents Hired	Local Apprentices	Non-Local Apprentices	Approximate Wages Paid to Local Residents
5	806	192*	448	\$11,335,769.63

*Total Local Residents Hired is inclusive of the Local Apprentices

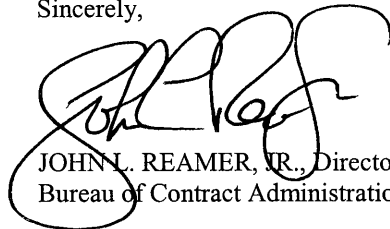
SUMMARY OF LAWA PROJECTS WITH A LOCAL HIRE COMPONENT

Number of LAWA Projects with a Local Hire Component (As of September 2007)	Total Local Residents Hired	Local Apprentices	Non-Local Apprentices	Approximate Wages Paid to Local Residents
1	152	40*	114	\$1,018,604.06

*Total Local Residents Hired is inclusive of the Local Apprentices

If you require additional information, please contact me at (213)-847-2688.

Sincerely,



JOHN L. REAMER, JR., Director
Bureau of Contract Administration

JLR:JR:spr
BCA- Local Hire – LIGHT Program Staffing

APR 28 2009

09-0963

JOBS, BUSINESS GROWTH & TAX REFORM MOTION **PUBLIC WORKS** MAY 13 2009

In February 2008, the Economic Roundtable released a study commissioned by the Community Development Department on *Concentrated Poverty in Los Angeles*. For purposes of the study concentrated poverty was defined as a census tract with 40 percent or more of households below the poverty level in 2000. The study, found that the City of Los Angeles has higher rates of concentrated poverty than the nation and the larger Los Angeles region. In fact, "Nineteen percent or over 238,000 of the 1.3 million households in the City of Los Angeles were living below the federal poverty threshold in 2000. A quarter of the census tracts in the City (216 tracts) have poverty rates of at least 30 percent."

Unemployment of City residents affects the City as a whole; it causes a greater demand for municipal services and adversely affects that social wellbeing of residents. To that end the City of Los Angeles has taken many actions to promote City residents receiving employment opportunities at City-sponsored projects. For example, the City Council and the Mayor have approved Community Benefit Agreements, the First Source Hiring Ordinance, and the Community Redevelopment Agency of Los Angeles Construction Careers Policy to provide employment opportunities to local residents. While each of these actions has been helpful they have also illuminated the need for the City of Los Angeles Board of Public Works to implement and adopt a Public Infrastructure Stabilization Ordinance in order to obtain broad-based success.

The Board of Public Works oversees City-sponsored capital infrastructure improvements and has demonstrated through construction projects covered by a project labor agreement that local hire, apprenticeship participation and timely project delivery are achievable.

Increasing access to employment opportunities with prevailing wage is one way for the City to directly combat poverty and stimulate economic reinvestment. The Public Infrastructure Stabilization Ordinance will target construction employment and training opportunities in ways calculated to mitigate harms caused by geographically concentrated poverty, to address unemployment and underemployment in concentrated poverty neighborhoods and to advance the skills of the local labor pool, especially the youth by maximizing opportunities to earn prevailing wage.

The Public Infrastructure Stabilization Ordinance will also advance the interests of the City of Los Angeles Board of Public Works by avoidance of labor misunderstandings, grievances and conflicts thereby promoting project cost containment and timely project completion.

I THEREFORE MOVE that the Department of Public Works develop a Public Infrastructure Stabilization Ordinance.

I FURTHER MOVE that that the Chief Legislative Analyst, the City Attorney, the Bureau of Contract Administration and the Community Development Department report to the Jobs, Business Growth and Tax Reform Committee on the Public Infrastructure Stabilization Ordinance.

PRESENTED BY: _____

JAN PERRY
Councilmember, Ninth District

SECONDED BY: _____

ORIGINAL

APR 28 2009

CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

JUNE LAGMAY
City Clerk

KAREN E. KALFAYAN
Executive Officer

HOLLY L. WOLCOTT
Executive Officer

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

KONRAD CARTER
Acting Chief, Council and Public Services
Division

www.cityclerk.lacity.org

July 31, 2009

To All Interested Parties:

City Attorney (w/blue slip)

The City Council adopted the action(s), as attached, under
Council file No. 09-0963, at its meeting held July 29, 2009.

City Clerk
srb

39

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 09-0963

FROM: COUNCILMEMBER GREIG SMITH, CHAIR
JOBS, BUSINESS GROWTH, AND TAX REFORM COMMITTEE

COMMUNICATION FROM CHAIR, JOBS, BUSINESS GROWTH, AND TAX REFORM COMMITTEE relative to the development of a Public Infrastructure Stabilization Ordinance.

Recommendations for Council action, as initiated by Motion (Perry - Smith):

1. REQUEST the Department of Public Works, with the assistance of the City Attorney to develop a Public Infrastructure Stabilization Ordinance.
2. REQUEST the CLA, the City Attorney, the Bureau of Contract Administration and the Community Development Department to report to the Jobs, Business Growth and Tax Reform Committee on the Public Infrastructure Stabilization Ordinance.

Fiscal Impact Statement: Neither the Chief Administrative Officer nor the CLA has completed a financial analysis of this report.

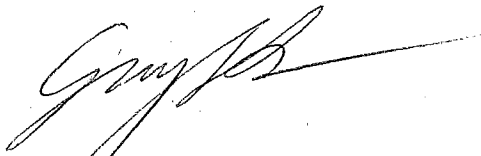
(Public Works Committee waived consideration of this item)

Summary:

During the consideration of this item, Council District Nine and City Attorney staff discussed the recommendations made when this item was taken up by the Jobs, Business Growth, and Tax Reform Committee on July 17, 2009.

After additional discussion and offering the opportunity for public comment, approval of the recommendations as reflected above, was recommended. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,



GREIG SMITH, CHAIR
JOBS, BUSINESS GROWTH,
AND TAX REFORM COMMITTEE

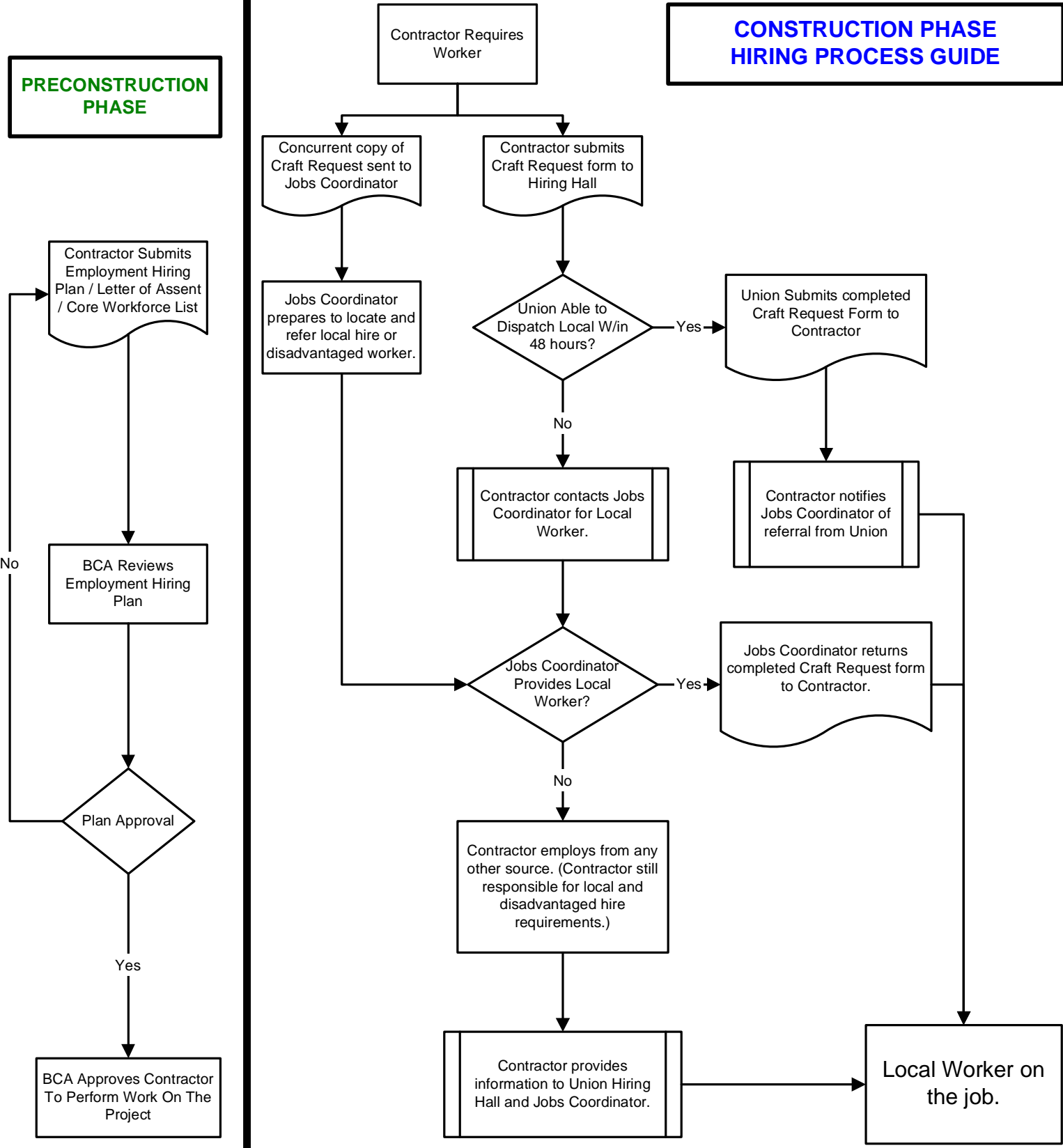
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ADOPTED
JUL 29 2009
LOS ANGELES CITY COUNCIL

PLA CRAFT WORKER REFERRAL PROCESS

PRECONSTRUCTION PHASE

CONSTRUCTION PHASE HIRING PROCESS GUIDE



ORDINANCE NO. _____

An ordinance amending Los Angeles Administrative Code to add a new Division 10, Chapter 1, Article __ to require the Board of Public Works to approve a department-wide project labor agreement for construction of public works of improvement and to include in the agreement provisions to promote the hiring of unemployed and under-employed workers.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Article __ is added to Chapter 1 of Division 10 of the Los Angeles Administrative Code to read:

**CHAPTER 1, ARTICLE __
Public Infrastructure Stabilization Ordinance**

Sec. 10. . Purpose.

The City awards many contracts to private firms to construct public works improvements. The Public Infrastructure Stabilization Ordinance advances the interests of the City by promoting the use of project labor agreements for those public works improvements that meet certain criteria.

Project labor agreements are the preferred tool to ensure that important proprietary goals of the City are achieved, including completion of construction projects on-time and within budget by minimizing labor misunderstandings, grievances and conflict along with emphasizing worker safety.

Project labor agreements also advance the City's interest by ensuring that unemployed and underemployed residents will receive employment opportunities at City public works construction projects. Over the years, project labor agreements have proven to be an excellent mechanism to promote the hiring of unemployed and under-employed City residents. These agreements have proven their effectiveness in targeting construction employment and training opportunities to mitigate the harms caused by geographically-concentrated poverty.

City public works of improvement construction contracts are subject to the State's Prevailing Wages Law or in some instances the Federal Davis Bacon Wage statute, each of which provides covered workers with substantially greater wages and benefits than otherwise required by law. Increasing access to employment opportunities with prevailing wage is one way for the City directly to combat poverty and stimulate economic reinvestment.

In addition, having the opportunity to work on a City contract affords workers valuable experience that can be used to garner future employment. The City has an

interest in expanding the field of competent construction workers to address the problems associated with a significant local unemployed, under-employed and unskilled workforce. The City serves this interest by expanding the opportunities that workers have to be referred for employment by City contractors.

Further, there are many unemployed and under-employed City residents who are interested in getting good work and learning a construction trade. Young people constitute a significant portion of this City's unemployed and under-employed residents. Experience indicates that unemployment and under-employment contribute to devastating social burdens including a sustained, large population of unskilled workers, increased crime and increased need for costly social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In creating a program that helps link Contractors with potential construction workers, the City serves this interest and provides greater opportunities for employment on public improvement construction contracts.

In February 2008, the Economic Roundtable released a study commissioned by the Community Development Department on *Concentrated Poverty in Los Angeles*. For purposes of the study, concentrated poverty was defined as a census tract with 40 percent or more of households below the poverty level in 2000. The study found that the City of Los Angeles has higher rates of concentrated poverty than the nation and the larger Los Angeles region. In fact, "Nineteen percent or over 238,000 of the 1.3 million households in the City of Los Angeles were living below the federal poverty threshold in 2000. A quarter of the census tracts in the City (216 tracts) have poverty rates of at least 30 percent."

The City's areas of concentrated poverty are growing in size and increasing in number. The City desires to address this problem by creating programs that train and employ people living in these areas of concern.

The Public Infrastructure Stabilization Ordinance targets construction employment and training opportunities in ways calculated to mitigate harms caused by geographically concentrated poverty, to address unemployment and underemployment in concentrated poverty neighborhoods and to advance the skills of the local labor pool, especially the youth by maximizing opportunities to earn prevailing wage.

To further serve these interests, the Port of Los Angeles, the Los Angeles World Airports, the Department of Water and Power and the Housing Authority of the City of Los Angeles are encouraged to adopt policies consistent with this article.

Sec. 10. .1. Definitions.

The following definitions shall apply throughout this article:

“Apprentice” means any worker who is indentured in a bona fide construction apprenticeship program registered and approved by the State of California, Division of Apprenticeship Standards.

“Area Media Income” (“AMI”) means the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, as determined annually by the U.S. Department of Housing and Urban Development.

“City” means the City of Los Angeles, a municipal corporation.

“Contract” means a construction contract for a public work of improvement.

“Contractor” means any person or entity that enters into a Contract with the City.

“Designated Administrative Agency” or “DAA” means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article, including rule making.

“Disadvantaged Worker ” means an individual whose primary place of residence is within the City and who, prior to commencing Project Work, either (a) has a household income of less than 50% of the AMI, (b) faces at least one of the following barriers to employment: being homeless, being a custodial single parent, receiving public assistance; lacking a GED or high school diploma, having a criminal record or other involvement with the criminal justice system, or (c) suffers from chronic unemployment.

“Local Resident” means an individual whose primary place of residence is within the City and is within the zip code containing at least part of one census tract with a rate of unemployment in excess of 150% of the Los Angeles County unemployment rate, as reported by the State of California Employment Development Department at the commencement of the Project Work.

“Project Work” means work performed in construction of a public works improvement project subject to the Public Works project labor agreement.

“Public Works” means the City Department of Public Works.

“Subcontractor” means any person that enters into a contract with a Contractor or Subcontractor to assist in performing the work on the Contract.

Sec. 10. .2. Department-Wide Project Labor Agreement.

The Board of Public Works shall approve a department-wide project labor agreement and apply it to future public works improvement projects in accordance with criteria established by the Board.

Sec. 10. .3. Targeted Hiring.

The Public Works project labor agreement shall include provisions that obligate a Contractor to follow targeted hiring procedures to achieve specific hiring opportunities for Local Residents, Apprentices and Disadvantaged Workers:

(a) The Contractor and Subcontractor retain the authority in making individual hiring decisions.

(b) Hours worked by residents of states other than California shall not be included in the calculations of total hours of Project Work for purposes of determining whether the Contractor and Subcontractor achieved the targeted hiring measures set forth in this article.

Sec. 10. .4. Transfer and Promotion.

This article does not prevent a Contractor from filling job vacancies or newly created positions by transfer or promotion of its existing staff.

Sec. 10. .5. Administration.

(a) The DAA shall promulgate rules and regulations to assure efficient implementation and enforcement of this article.

(b) The DAA may delegate duties to other City departments and provide for the manner in which exemptions from this article are approved and documented.

(c) The DAA shall develop the forms to be used toward implementing this article.

(d) The DAA shall investigate alleged violations of this article and monitor compliance with this article.

(e) The DAA shall annually report to the Board of Public Works after the ordinance is adopted, or as otherwise instructed by City Council.

Sec. 10. .6. Enforcement.

If the DAA determines that a Contractor has violated this article, the DAA may recommend that the Board of Public Works take any of the following actions:

- (a). Document the determination in the Contractor Evaluation required under Los Angeles Administrative Code Section 10.39 *et seq.*
- (b) Require that the Contractor document the determination in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 *et seq.*
- (c) Terminate the Contract.
- (d) The City may pursue any rights and remedies available by law.

Sec. 10. 7. Exemptions.

The following Contracts may be exempt from this article under rules and regulations developed by the DAA:

- (a) Contracts where the provisions of this article conflict with federal or state law.
- (b) Contracts with another governmental entity.
- (c) Contracts where the provisions of this article would conflict with federal or state grant funded contracts, or conflict with the terms of the grant or subvention.
- (d) Contracts awarded under urgent or emergency circumstances.

Sec. 10. .8. Application of this Article.

This article is applicable to Contracts entered into after the rules and regulations have been promulgated by the DAA.

Sec. 10. .9. No Third Party Beneficiary.

This article does not create beneficial interests in any person who is not a party to the Contract.

Sec. 10. .11. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit a person’s right to bring legal action for violation of other laws.

Sec. 10. .12. Severability.

If a court of competent jurisdiction finds any provision of this article invalid, the remaining provisions shall remain in full force and effect.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN TRUTANICH, City Attorney

By _____
Deputy City Attorney

Date _____

File No. _____

DRAFT