



Project Labor Agreement Study Session

October 13, 2020

What is a Project Labor Agreement (PLA)?

- A pre-hire collective bargaining agreement with one or more labor organizations used on both public and private projects.
- Establishes the terms and conditions of employment for a specific construction project or number of projects over a defined period of time.
- Requires that workers hired for the project are referred through union hiring halls or other agreed sources.
- Prevents strikes, lockout, or other work stoppages.
- Authorized under the National Labor Relations Act (NLRA).

City of Long Beach Project Labor Agreement (PLA)

On April 7, 2015, the City Council authorized the City Manager to execute a Citywide PLA with the Los Angeles/Orange Counties Building & Construction Trades Council, including:

- ✓ City-funded projects over \$500,000;
- ✓ 5-year Agreement;
- ✓ Executed May 2015;
- ✓ Expired May 2020; and
- ✓ Job Coordinator required for all projects over \$10 million.

Extended by City Council thru December 31st on September 1, 2020.

Original Project Labor Agreement

- Local Hire: required Trades Unions to exert best efforts to refer, recruit and/or utilize qualified workers residing in Long Beach, Gateway Cities, and Los Angeles and Orange counties.
- Pre-Apprentice Programs: provided training programs through Long Beach City College (LBCC) for Long Beach residents.
- Labor Peace: prohibited work stoppages to ensure covered projects were completed without disruption.
- Membership: no worker required to join any union.

Original Project Labor Agreement continued...

- PLA Administrator: established Administrator to work with contractors, residents, LBCC, Pacific Gateway, and Trades to oversee the PLA.
- Joint Administrative Committee (JAC): representatives from City and Trades to review progress, address grievances, and make modifications.
- Annual Reports: City staff provided annual reports to City Council detailing progress in meeting the stated goals of the PLA.

Additional Programs:

- First Source Hiring Program
- Independent Jobs Coordinator Pilot Program

Targeted Outreach to Local Workers

Goal 1: 40% of the total work hours shall be from workers residing in:

- ✓ Tier One: Long Beach City Boundary Zip Codes
- ✓ Tier Two: Gateway Cities
- ✓ Tier Three: Los Angeles and Orange County Residents

Goal 2: 10% of the total work hours shall be from:

- ✓ Disadvantaged Workers: residents and veterans whose income as an unrelated individual or whose family income is below 70% of the Lower Living Standard Income Level.

Has met or exceeded goals and requirements to date including:

- Submitting letters of assent;
- Conducting pre-job conferences;
- Requesting union workers:
- Paying dues appropriately;
- Abiding by lock-out provisions;
- Referring local, disadvantaged, and veteran workers;
- No work stoppage activities; and
- Dual notification.

Local Hire Attainment Goals

Local Hire Attainment:

Goal: 40%

- Projects*: 17
- Total Hours: 235,015
- Tier One Hours: 44,296 (19%)
- Tier Two Hours: 47,155 (20%)
- Tier Three Hours**: 180,972 (77%)

**Includes projects completed through February 2019*

***Tier Three Hours are inclusive of Tier One and Tier Two*

Disadvantaged/Veteran Hire:

Goal: 10%

- Projects: 17
- Total Hours: 235,015
- Disadvantaged/
Veteran Hours: 28,565 (12%)

Cost Goals

Administrative Costs:

Goal: 0.8% of award

- Projects: 17
- Contract Costs: \$49.05M
- PLA Admin Costs: \$409K
- Percent of Award: 0.8%

Proposed New PLA Agreement

Opportunities:

- Extend term to provide stability, continuity, and certainty.
- Increase hiring goals for Tier One (Long Beach) hiring.
- Expand participation to include all City departments (including utilities).
- Cover more projects.
- Require a Jobs Coordinator for all projects.
- Raise threshold to ensure competitive bids, stable jobs, cost recovery.
- Include preferential local hiring regardless place on Unions' hiring list.
- Incorporate goals from Framework for Racial Reconciliation Report to include local hiring and job coordination, and include an economic development component in the report back to the City Council on the status of the PLA.

Proposed New PLA Agreement

Challenges:

- City costs for projects will continue to increase with requirements.
- Competitive bids are difficult to secure for smaller projects.
- Regulatory requirements for some projects (utility departments).
- Lawsuits require the City to execute some projects quickly.
- Liabilities for City and contractors.
- Quality jobs require stability and quality contractors to bid.

Proposed New PLA Agreement

Major Components:

- Create a new multi-year agreement.
- Increase hiring goals for Tier One Long Beach residents and strategies to enhance local hiring.
- Increase local jobs coordination to City projects.
- Expand participation in the PLA to other departments and additional projects.
- Raise threshold to ensure competitive bids and keep administrative costs low.
- Return to City Council by end of the year with a formal agreement to consider.
- Include Framework for Racial Reconciliation Report for job coordination and local hire.

Next Steps

Anticipated Costs & Funding Sources

- | | |
|---------------------------------------|------------------------|
| • Study Session | October 2020 |
| • Complete 5-Year Final Report | November 2020 |
| • Negotiate Final Agreement | November 2020 |
| • Return to City Council for Approval | November/December 2020 |
| • Execute Agreement | December 30, 2020 |
| • Begin new contract period | January 1, 2021 |
| • Annual reports | January (annually) |
| • Modifications as needed | Ongoing |

City Council Feedback

- Questions
- Priorities
- Goals
- Community Feedback

Thank you

