

# Project Labor Agreement (PLA) Cumulative Report through February 2019

April 16, 2019

# A partnership between the City and the Trades Council

- Five-year agreement starting May 22, 2015
- Applies to covered construction projects over \$500,000
- Provides labor peace, training by unions, and preference to local residents
- Requires contractors to hire new employees through union halls
- Provides local and disadvantaged/veteran hiring goals

# PLA provisions applicable to contractors

- Must use labor from union groups within Trades Council
- “Core employee” requirements
  - Can utilize up to five existing non-union employees
  - Employees must pay temporary dues to the union
  - Are employed in a 1:1 ratio with union hall referrals

# Union requirements

- Best efforts to refer, recruit and/or utilize local residents
- Integrate referral mechanisms from Pacific Gateway and Long Beach City College to accept disadvantaged and veteran workers into apprenticeship programs
- Refer local, disadvantaged, and veteran workers regardless of their place in the unions' hiring list and their normal referral procedures

# 25 projects

- 17 completed, 5 active, 3 in bidding
- \$146 million in construction value
- 13 more projects currently anticipated over next three years
- Administrative costs are 0.8% of construction costs, below the 1% estimate

# Exceeding its 40% local hire goal

- The local hire goal is that 40% of hours be from workers in Los Angeles and Orange counties
  - > Achieved Local: 77%
- No specific goal for Long Beach residents, but Long Beach residents must be referred first by the unions
  - > Achieved Long Beach: 19%

# Exceeding its 10% disadvantaged/ veteran hire goal

- The disadvantaged/veteran goal is 10%
  - > Achieved disadvantaged/veteran: 12%
- A difficult goal because of strict definitions for disadvantaged
- Attainment varies greatly by project and depends on the availability of apprenticeships and requirements for specialized trades

# Bidding challenges on smaller projects

- Projects with a construction value of \$500,000 to \$900,000 are seeing few bid submittals
- Some contractors have cited the PLA requirements as their reason for not submitting a bid
- Staff will continue to monitor this issue



# PLA management is transferring to Pacific Gateway

- During this fiscal year, PLA management will transfer to Pacific Gateway in Economic Development Department
- This change is expected to better integrate PLA compliance monitoring with Pacific Gateway activities to develop and support the local workforce

# Strengthening the PLA

- Shifting PLA Administration from Financial Management to Economic Development Department to enhance focus on Jobs & Workforce Development goals in the Blueprint
- Hiring a full-time City PLA Administrator to strengthen partnership between the Building Trades Council and Long Beach City College
- Proactively working with Building Trades Council job coordinators to boost Tier One, veteran and disadvantaged worker recruitment
- Leveraging in-house administrative capacity to reduce use of outside contractors for payroll certification and audit functions

# Pacific Gateway PLA Administrator

- Implement strategies to boost results against established PLA program goals for recruitment, training, and placement of Long Beach (Tier One) veteran and disadvantaged workers
- Document and communicate performance of PLA program
- Coordinate pre-bid and pre-construction meetings with contractors to promote compliance
- Provide ongoing PLA program documentation and compliance
- Conduct outreach and develop relationships with community-based organizations to market and promote construction job opportunities to available local workers

# Pacific Gateway PLA Administrator

- Communicate with Building Trades Council job coordinators to recruit more Tier One veteran and disadvantaged workers
- Develop more “Multi-Craft Core Curriculum” (MC3) Pre-Apprenticeship training programs and partnerships
- Identify and secure funding to increase local workforce training programs to support PLA project hiring needs
- Connect workers with ongoing wrap-around services at Pacific Gateway to promote ongoing successful employment
- Transition workers to job opportunities in other sectors during slowdown in construction or PLA projects

# Supplemental Services Program

- Conduct a request for proposals (RFP)
- Identify and develop a pool of firms to be available as needed
- Provide supplemental local job coordination services for large projects
- Fund within current budget of 1% of project costs