



CITY OF LONG BEACH

DEPARTMENT OF ECONOMIC DEVELOPMENT

R-38

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June 11, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to hire an Independent Jobs Coordinator to work with contractors for all eligible projects under the remaining term of the Project Labor Agreement (PLA) and provide any recommendations to the Joint Administrative Committee (JAC); and,

Increase appropriations in the General Fund Group in the Economic Development Department by \$20,000, offset by revenue from qualified PLA projects. (Citywide)

DISCUSSION

On April 7, 2015, the City Council authorized the City Manager to execute a Citywide Project Labor Agreement (PLA) between the City of Long Beach (City), the Los Angeles/Orange Counties Building and Construction Trades Council (Building Trades Council), and the signatory Craft Councils and Local Unions, for all covered projects over \$500,000, for a period of five years. The PLA was fully executed as of May 22, 2015 and will conclude in May 2020.

On April 16, 2019, the City Council directed the City Manager to return to City Council within 30 days with options for having an Independent Jobs Coordinator on all eligible PLA projects and costs associated; and, to provide information, via memorandum, about additional services that can be provided and what those costs would be (Exhibit A). The motion also directed the City Manager to return to the City Council with proposed solutions so that the City Council can then make recommendations to the PLA Joint Administrative Committee (JAC), for consideration.

On May 7, 2019, the City Manager's Office met with the Chairs of the JAC to review the City Council motion, review current efforts by the Building Trades Council, identify options for having an Independent Jobs Coordinator on all eligible projects, discuss best practice models, review potential impacts to the PLA, identify potential funding sources, and to suggest next steps. The meeting also included representatives from the Building Trades Council, Pacific Gateway, and City staff. While the JAC does not recommend

any revisions to the current PLA at this time, a number of options were identified and discussed to meet the stated goals of the City Council. These options include:

- Option 1: Requires contractors to hire an Independent Jobs Coordinator for all eligible projects as a condition of the PLA.
- Option 2: Requires contractors to hire an Independent Jobs Coordinator for all projects as part of a Request for Proposals (RFP) process.
- Option 3: City hires Independent Jobs Coordinator to work with contractors for all PLA-eligible projects under \$10 million.

After reviewing and discussing the options described above, members of the JAC recommend to the City Council a pilot project of Option 3 in the remaining year of the current PLA. This option would require the City to conduct a Request for Interest and Statement of Qualifications (RFIQ) process to identify and contract with one qualified Independent Jobs Coordinator.

There are a number of benefits associated with hiring one City-funded contractor to work across all eligible PLA projects regardless of size or term including: continuity of services across projects, familiarity with local workforce and community-based partners, ability to move workers across projects as they are completed, limited start-up time and costs for new projects, and consistent communication with City staff for reporting on goals and objectives of the PLA. In contrast with the other two options where each Independent Jobs Coordinator is hired by the individual contractor, Option 3 creates a simpler more consistent approach.

The Independent Jobs Coordinator would be funded by the contractors as part of their project costs on a prorated basis and would work directly with the construction contractor for eligible projects. These costs would be part of their bid, which is ultimately paid for by the City. As part of the project construction bid process, the contractor would also agree to work with the City and its Independent Jobs Coordinator to promote the local hiring goals and objectives of the PLA. This approach would provide continuity across projects and provide familiarity between the Independent Jobs Coordinator, Pacific Gateway, workers, and the community-based service partners.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 23, 2019 and by Budget Management Officer Rhutu Amin Gharib on May 24, 2019.

TIMING CONSIDERATIONS

City Council action is requested on June 11, 2019, to allow City staff to immediately move forward with the pilot program in the remaining 12 months of the current PLA, and to use results of the pilot program to inform changes to the PLA when it expires next year and is open for renegotiation.

FISCAL IMPACT

There are two remaining eligible projects in the final 12 months of the current PLA. These projects, the Irrigation Controllers Upgrade and Belmont Veterans Memorial Pier Aqualink, were included in the "Citywide PLA Report through February 2019" presented to the City Council on April 16, 2019, and total \$2 million. The estimated cost for the Independent Jobs Coordinator for the two remaining eligible projects is \$20,000 (or 1 percent of the total project costs). Costs for this pilot project are not currently budgeted and will be charged to contractors and included as an eligible cost of their project budgets (charged to the City for eligible projects). Current PLA administration costs are approximately 1 percent, so future projects would have approximately 2 percent in PLA administration costs. Therefore, an appropriation increase in the amount of \$20,000, is requested in the General Fund Group in the Economic Development Department, offset by revenue from charges to qualified PLA projects. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There are positive local job impacts anticipated from this recommendation, but specific numbers are unknown at this time.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

Exhibit A: Memo re Update on the City of Long Beach Project Labor Agreement

APPROVED:


PATRICK H. WEST
CITY MANAGER



Date: May 22, 2019

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager *P.H.W.*

Subject: **Update on the City of Long Beach Project Labor Agreement**

At its April 16, 2019 meeting, the City Council directed the City Manager to return to City Council within 30 days with options for having an independent jobs coordinator on all eligible project and associated costs; and, to provide information, via memorandum, regarding additional services that could be provided and what those costs would be. The City Manager was also directed to return to the City Council with proposed solutions in order that it could then make recommendations to the Project Labor Agreement (PLA) Joint Administrative Committee (JAC) for consideration. This memorandum provides an update regarding activities to date and a status report of initial findings per City Council direction.

BACKGROUND

On April 7, 2015, the City Council authorized the City Manager to execute a Citywide PLA between the City of Long Beach, the Los Angeles/Orange Counties Building and Construction Trades Council (Building Trades Council), and the signatory Craft Councils and Local Unions signing the Agreement for all covered projects over \$500,000, for a period of five years. The PLA was fully executed on May 22, 2015 and will conclude in May 2020.

The current PLA includes the following fundamental provisions:

- Applies to all covered projects over the threshold amount of \$500,000, subject to State and Federal or other funding restrictions;
- A local hiring provision with a goal of 40 percent, calculated based on total hours worked;
- The local hiring provision includes a subset that focuses on hiring disadvantaged (following Federal guidelines for defining "disadvantaged" as being below 70 percent of the lower living standard income level) and veteran residents with a goal of 10 percent, calculated based on hours worked;
- The local hire provision requires the Building Trades Council to exert their best efforts to refer, recruit and/or utilize "Local Residents," which is defined as a qualified worker residing in Tier One zip codes (which include all of Long Beach), then in Tier Two zip codes (which reflect the Gateway Cities), and finally in Los Angeles and Orange Counties;
- Does not apply to projects in the City rights-of-way (gas pipeline work and traffic signal work performed by outside contractors will be included), nor would it apply to projects typically performed by City employees;

- Long Beach City College, in partnership with the Building Trades Council and the Pacific Gateway Workforce Investment Network (Pacific Gateway), will provide pre-apprentice training support for Long Beach residents;
- A prohibition on work stoppages and lock-out provisions to ensure covered projects are completed without disruption;
- No worker covered under the PLA is required to join any union;
- The City will utilize a contract PLA Administrator who will work with the contractors, residents, Long Beach City College, Pacific Gateway, and the Building Trades Council to oversee the provisions of the Agreement. Additionally, for large projects (over \$10 million), the general contractor will be required to hire a PLA Coordinator to provide additional outreach efforts connecting Long Beach residents to job opportunities; and,
- A provision for a Joint Administrative Committee with representatives from the City and Building Trades Council to review the PLA's progress, address grievances, and make program modifications, as necessary.

CURRENT EFFORTS

There are several efforts currently underway to meet and exceed the local hiring goals of the current PLA. These efforts are described below.

Transferring Project Labor Administration to Economic Development

Consistent with the goals and objectives of the Blueprint for Economic Development (Blueprint), the City Manager has already begun the process of transferring PLA administration from the Financial Management Department (FM) to Pacific Gateway in the Economic Development Department (Pacific Gateway) to better integrate PLA compliance monitoring with Pacific Gateway activities that develop and support the local workforce. Shifting PLA administration to Pacific Gateway will enhance focus on jobs and workforce development goals in the Blueprint, strengthen partnership between the Building Trades Council and Long Beach City College, and boost Tier One, veteran, and disadvantaged worker recruitment.

Full-Time Project Labor Agreement Administrator

In addition to transferring PLA administration to Pacific Gateway, the City Manager has approved the hiring of a full-time PLA Administrator to enhance the oversight, performance, and coordination of PLA activities. The new full-time PLA Administrator will be funded by a reallocation of the 1 percent project cost that is set-aside for eligible projects. To accommodate for this enhancement, the City will reduce its use of outside contractors for payroll certification and audit functions. Other job duties and benefits of this position include:

- Documenting and communicating performance of PLA program;
- Coordinating pre-bid and pre-construction meetings with contractors to promote compliance;
- Providing ongoing PLA program documentation and compliance;

- Conducting outreach and developing relationships with community-based organizations to market and promote construction job opportunities to available local workers;
- Communicating with Building Trades Council job coordinators to recruit more Tier One, veteran, and disadvantaged workers;
- Developing more "Multi-Craft Core Curriculum" (MC3) Pre-Apprenticeship training programs and partnerships;
- Identifying and securing funding to increase local workforce training programs to support PLA project hiring needs;
- Connecting workers with ongoing wrap-around services at Pacific Gateway to promote ongoing successful employment; and,
- Transitioning workers to job opportunities in other sectors during slowdown in construction or PLA projects.

The recruitment is underway and candidates are being interviewed. It is expected the hiring process for the new full-time PLA Administrator will be completed in Summer 2019, with a roll-out of the new programming by Fall 2019.

Building Trades Council Apprenticeship Readiness Program

Another successful effort to boost the quality and success of local workers on construction sites is the Building Trades Council Apprenticeship Readiness Program. The local program provided in partnership with Long Beach City College was originally created to provide a pipeline of skilled workers capable of working on PLA projects but has also resulted in creating a skilled local workforce for construction beyond City-funded projects. The goal of the Apprenticeship Readiness Fund of the Building Trades Council is to expand the MC3 training programs throughout the Los Angeles and Orange Counties. MC3 is a pre-apprenticeship curriculum developed by the North American Building Trades Union designed to meet the high union standards that are recognized on a national basis.

The MC3 training program is a pathway to an apprenticeship with one of many union trades (carpentry, cement masonry, green technologies, plumbing, HVAC, surveying, weatherization) and can provide a livable wage. Between 2016 to 2019, the Building Trades Council partnered with Pacific Gateway to provide the MC3 Apprenticeship Readiness Program at Long Beach City College. Program results include:

- 310 total program graduates;
- 74 percent qualified as disadvantaged per the PLA;
- 67 percent were Long Beach residents;
- 80 graduates, or 26 percent, were placed in union construction careers; and,
- 143 graduates, or 46 percent, were placed in employment outside of union construction careers.

One of the great benefits of Building Trades Council partnering with Pacific Gateway and Long Beach City College is that, although the MC3 Apprenticeship Readiness Program focuses on the construction industry, many of the students find they may be suited for additional education or careers in other industries and sectors. Additionally, training program partners such as Pacific Gateway and Long Beach City College help meet targeted recruitment goals including the recruitment of local workers and ex-offenders. Bringing ex-offenders into the building trades provides them with a second chance at work and life, believing this is good for people, the economy, and our communities.

Full-time Jobs Coordinator

Recently, the Building Trades Council also hired its own full-time Jobs Coordinator to work with the trades, community-based organizations, and local colleges to identify disconnected workers that may be interested in a construction career. While the Jobs Coordinator provides recruitment, training, job placement, and follow-up services on a regional - Los Angeles and Orange counties - this additional investment will allow the Building Trades Council to partner with the City and local contractors to identify workforce, as well as to help place qualified local workers into jobs throughout the region.

Los Angeles County Metropolitan Jobs Coordinator Program

The City Council requested the City Manager to review the Los Angeles County Metropolitan Transportation Authority (Metro) Jobs Coordinator Program, called for by the Project Labor Agreement (Agreement) between the Building Trades Council and Metro. The stated purpose of the Agreement is to facilitate careers in the construction industry and to promote employment opportunities during the construction of the Capital Improvement Projects including, but not limited to, Measure R Transit Projects and Highway Projects awarded by Metro, and to provide for the orderly settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring timely and economical completion of the covered projects.

The specific terms of the Agreement, and the associated Metro Construction Careers Policy, can be found in Attachment A. Although there are major differences in the size, scope, and timeline for Metro projects - the smallest project is over \$5 million, and will take at least two years to complete - and given Metro has two policies in place - both the Project Labor Agreement and the Construction Career Policy -- staff has begun the process of comparing similarities and differences to the size, scope, and nature of projected Long Beach projects.

JOINT ADVISORY COMMITTEE RECOMMENDATIONS

On May 7, 2019, representatives of the City Manager's Office met with the Chairs of the JAC to review the City Council motion, review current efforts by the Building and Construction Trades Council, identify options for having an independent jobs coordinator on all eligible projects, discuss best practice models, review potential impacts to the PLA, identify potential funding sources, and to suggest next steps. The meeting included JAC representatives from the Building and Construction Trades Council, Pacific Gateway, and City staff. While the JAC does not recommend any revisions to the current PLA at this time, a number of options were identified and discussed to meet the stated goals of the City Council. These options include:

- **Option 1: Requires contractors to hire an Independent Jobs Coordinator for all eligible projects as a condition of the PLA**

This option would require contractors to procure the services of an Independent Jobs Coordinator for all eligible projects regardless of their size, cost or duration. The selection and cost of providing the Independent Jobs Coordinator would be the responsibility of each contractor and passed-on to the City as part of the project budget. This option would require an amendment to the PLA to lower the current threshold for the Jobs Coordinator from \$10 million to a lower amount. Given the potential upfront costs for identifying, selecting, and onboarding a different Independent Jobs Coordinator for each project, it was determined by the JAC that this requirement would be regressive - placing higher relative cost on projects with a smaller budget and shorter duration - and that it could serve as a disincentive for contractors to bid on smaller City projects. As mentioned above, this would require an amendment to the current PLA and was not supported or recommended by the JAC.

- **Option 2: Requires contractors to hire an Independent Jobs Coordinator for all projects as part of a Request for Proposals (RFP) process**

This option would require all bids include a requirement that contractors hire an Independent Jobs Coordinator. Per the JAC, the City has the right to create its own conditions on contractors as part of its procurement process, and this would not be seen as requiring an amendment to the current PLA. JAC was amenable to this recommendation given the City can address this requirement on a project-by-project basis as part of the RFP process. However, this option presents some challenges given the City must train all Independent Jobs Coordinators in the requirements of the PLA and introduce the community to multiple Independent Jobs Coordinators on a project-by-project basis.

Each Independent Jobs Coordinator would need to be pre-screened by the City, resulting in added costs and staff time for training, oversight to ensure quality control, and may create confusion among the Long Beach community. Additionally, eligible projects of short duration may not provide time to create meaningful careers or job opportunities for local workers once the project is complete. As mentioned above, although this option would not require an amendment to the current PLA, it was not supported or recommended by the JAC.

- **Option 3: City hires Independent Jobs Coordinator to work with contractors for all eligible projects under \$10M**

This option would require the City to conduct a Request for Interest and Statement of Qualifications (RFIQ) process to identify and contract with one qualified Independent Jobs Coordinator. There are a number of benefits associated with hiring one City-funded contractor to work across all eligible PLA projects regardless of size or term including: continuity of services across projects, familiarity with local workforce and community-based partners, ability to move workers across projects as they are completed, limited start-up time and costs for new projects, and consistent communication with City staff for reporting on goals and objectives of the PLA. Additionally, the JAC agreed this option would not require amending the current PLA.

In contrast with other options where each Independent Jobs Coordinator is hired by the individual contractor, this option creates a simpler more consistent approach. The Independent Jobs Coordinator would be funded by the contractors as part of their project costs on a prorated basis and include that cost in the bid. The Independent Jobs Coordinator would then work directly with the construction contractor for eligible projects. As part of the project construction bid process, the contractor would agree to work with the City and its Independent Jobs Coordinator to promote the local hiring goals and objectives of the PLA. The estimated cost for this option as part of the two remaining PLA-eligible projects - totaling \$800,000 and \$1.2 million, respectively - is \$20,000 (or 1 percent of the total project costs). This approach would provide continuity across projects and provide familiarity between the Independent Jobs Coordinator, Pacific Gateway, workers, and community-based service partners.

CONCLUSION

After reviewing and discussing the options described above, members of the JAC recommend to the City Council a pilot project of Option 3 in the remaining year of the current PLA. In this pilot project, the City would hire one Independent Jobs Coordinator to work with all contractors for eligible projects under \$10 million. It is expected this pilot will bolster the success of the Building Trades Council Apprenticeship Readiness Program and increase outreach to community-based groups connecting disadvantaged residents with work opportunities. It is estimated this pilot project would cost approximately \$20,000 for one year and would apply to the two remaining eligible projects during that period.

Although additional research is still required, it is anticipated this staff recommendation can be presented for consideration by the City Council in June 2019. If approved by the City Council, staff would immediately proceed with defining the scope of work and issuing an RFIQ to select an Independent Jobs Coordinator. Results from the pilot would be used to inform changes to the PLA when it expires next year and is open for renegotiation with the Building Trades Council. In the interim, staff will continue to work with the Building and Trades Council to review best practices and implement strategies to meet and exceed the goals in the PLA.

Thank you for your consideration of this important program to create economic opportunities for the residents of Long Beach. For any questions regarding these matters, please contact John Keisler, Economic Development Director, at john.keisler@longbeach.gov or (562) 570-5282.

ATTACHMENT

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
TOM MODICA, ASSISTANT CITY MANAGER
KEVIN JACKSON, DEPUTY CITY MANAGER
REBECCA GARNER, ADMINISTRATIVE DEPUTY TO THE CITY MANAGER
DEPARTMENT HEADS
MONIQUE DE LA GARZA, CITY CLERK (REF FILES #19-0320, #15-0300)

Los Angeles County Metropolitan Jobs Coordinator Program & Metro Construction Careers Policy

Los Angeles County Metropolitan Jobs Coordinator Program

The Los Angeles County Metropolitan Transportation Authority (Metro) Jobs Coordinator Program, called for by the Project Labor Agreement (Agreement) between the Building Trades Council and Metro. The stated purpose of the Agreement is to facilitate careers in the construction industry and to promote employment opportunities during the construction of the Capital Improvement Projects, including, but not limited to, Measure R Transit Projects and Highway Projects, awarded by Metro, and to provide for the orderly settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring timely and economical completion of the covered projects.

The Agreement:

- Shall continue for 5 years from the date of execution;
- Applies to all construction projects with a life-of-project budget greater than \$2.5 million and awarded by Metro including but not limited to, all Measure R Transit and Highway projects;
- Identifies 17 projects valued at \$6.265 billion to be completed by 2022;
- Defines a "Disadvantaged Worker" means an individual who, prior to commencing work on the project, resides in an Economically Disadvantaged Area or Extremely Economically Disadvantaged Area, and faces at least two of the following barriers to employment: (1) being homeless; (2) being a custodial single parent; (3) receiving public assistance; (4) lacking a GED or high school diploma; (5) having a criminal record or other involvement with the criminal justice system (as more specifically described in Section 3.8 of the Construction Careers Policy); (6) suffering from chronic unemployment (as more specifically described in Section 3.28 of the Construction Careers Policy); (7) emancipated from the foster care system; (8) being a veteran of the Iraq/Afghanistan war; or (9) being an apprentice with less than 15 percent of the apprenticeship hours required to graduate to journey level in a program; and,
- Provides a definition for an independent "Jobs Coordinator."

As defined by the Agreement, the "Jobs Coordinator" is an independent third-party individual, entity or employee with whom the Prime Contractor or Metro enters into a contract or employs to facilitate implementation of the Targeted Hiring Requirements of the Agreement and the Policy. The Jobs Coordinator must be able to demonstrate or document to Metro the requisite qualifications and/or experience to fulfill the duties and responsibilities as outlined in the Construction Careers Policy.

Los Angeles County Metropolitan Jobs Coordinator Program & Metro Construction Careers Policy

Metro Construction Careers Policy (Policy)

Metro has adopted a Policy, which encourages construction employment and training opportunities in ways calculated to mitigate the harms caused by geographically concentrated poverty, unemployment and underemployment in economically disadvantaged and extremely economically disadvantaged areas, and among disadvantaged workers throughout the United States. The Policy:

- Applies to all construction projects with a life-of-project budget greater than \$2.5 million and awarded by Metro including but not limited to, all Measure R Transit and Highway projects;
- Requires all Requests for Proposal/Invitations for Bid (RFP/IFB) specifications shall require all contractors submitting bids or proposals to agree to the terms of the Metro Agreement and Policy; and,
- Requires all construction project prime contracts shall include a provision obligating the Prime Contractor and all its Contractors/Subcontractors/Employers to comply with the terms of the Metro Agreement and Policy through a Letter of Assent.

In the Policy, the Jobs Coordinator shall perform the following responsibilities:

- Play an integral part in the success of its partners in obtaining the targeted hiring percentages. It is the responsibility of the Prime Contractor to designate a Jobs Coordinator who will effectively perform the following;
- Develop, create, design and market specific programs to attract Targeted Workers and/or Disadvantaged Workers for construction opportunities at the project (e.g. handouts and fliers for "walk-ins" demonstrating program entrance procedures);
- Coordinate services for contractors to use in the recruitment of Targeted Workers;
- Educate and assist contractors on incentives provided by state or federal programs for on-the-job training and employer tax credits;
- Conduct orientations, job fairs, and community outreach meetings in the local community;
- Screen and certify the disadvantaged status of workers;
- Establish a referral and retention tracking mechanism for placed local and/or disadvantaged workers and apprentices;
- Network with the various work source centers, community and faith-based organizations, and other non-profit entities that provide qualified local workers and/or disadvantaged workers;

**Los Angeles County Metropolitan Jobs Coordinator Program &
Metro Construction Careers Policy**

- Coordinate with the various building trades crafts for referral and placement of Targeted Workers;
- Maintain a database of pre-qualified Targeted Workers for referral to work on a project and/or indentureship into a bona fide labor/management apprenticeship program;
- Be the point of contact to provide information about available job opportunities on projects;
- Assist the C/S/Es with their documentation effort and other reports as it relates to their Targeted Worker hiring requirements; and,
- Work closely with Metro staff, the building trades and C/S/Es in achieving the targeted hiring goals.