



Project Labor Agreements

Engineering & Operations Committee

Item 6a

April 12, 2021

Today's Agenda

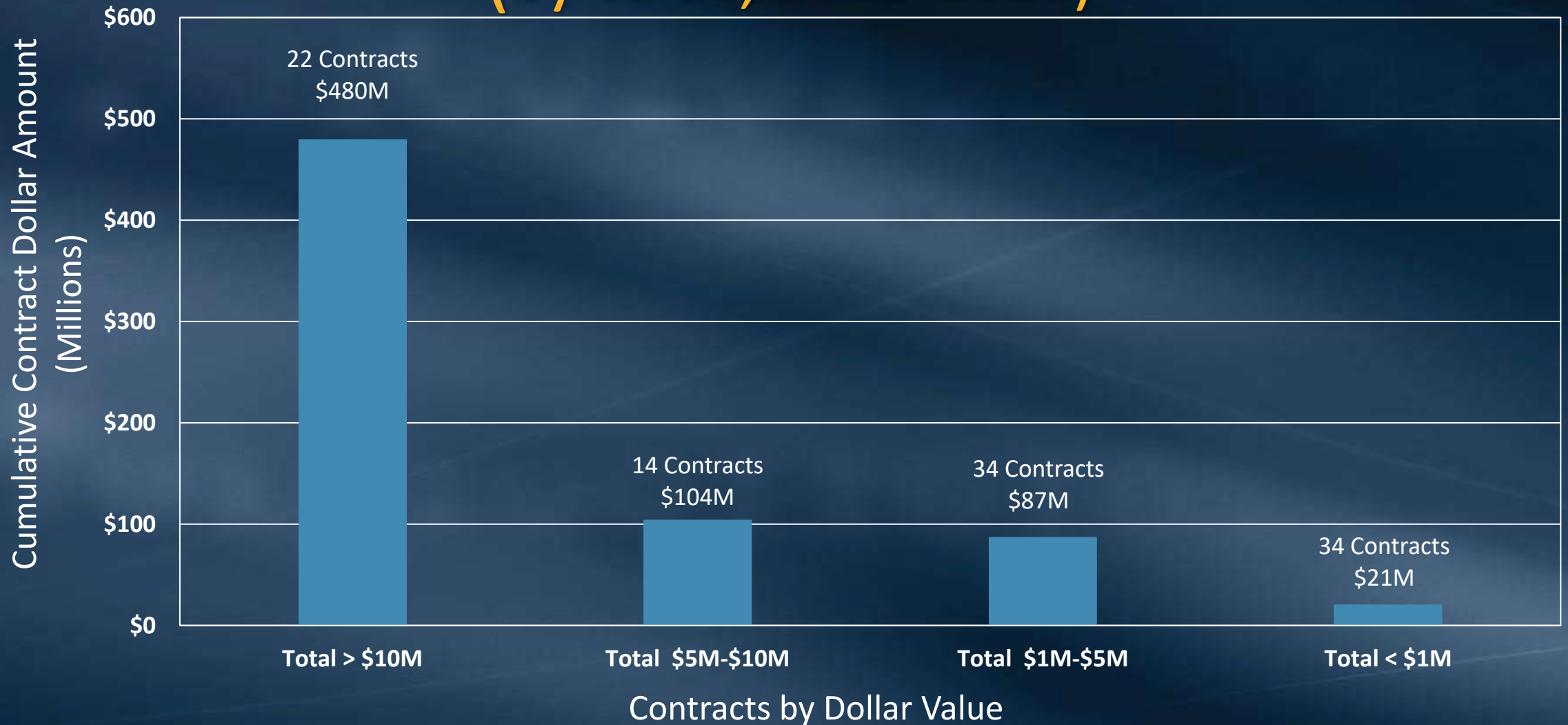
- Metropolitan's Current Contracting Environment
- Overview of Project Labor Agreements (PLAs)
- Potential Benefits, Costs, and Challenges of PLAs
- Discussion

Metropolitan's Current Contracting Environment

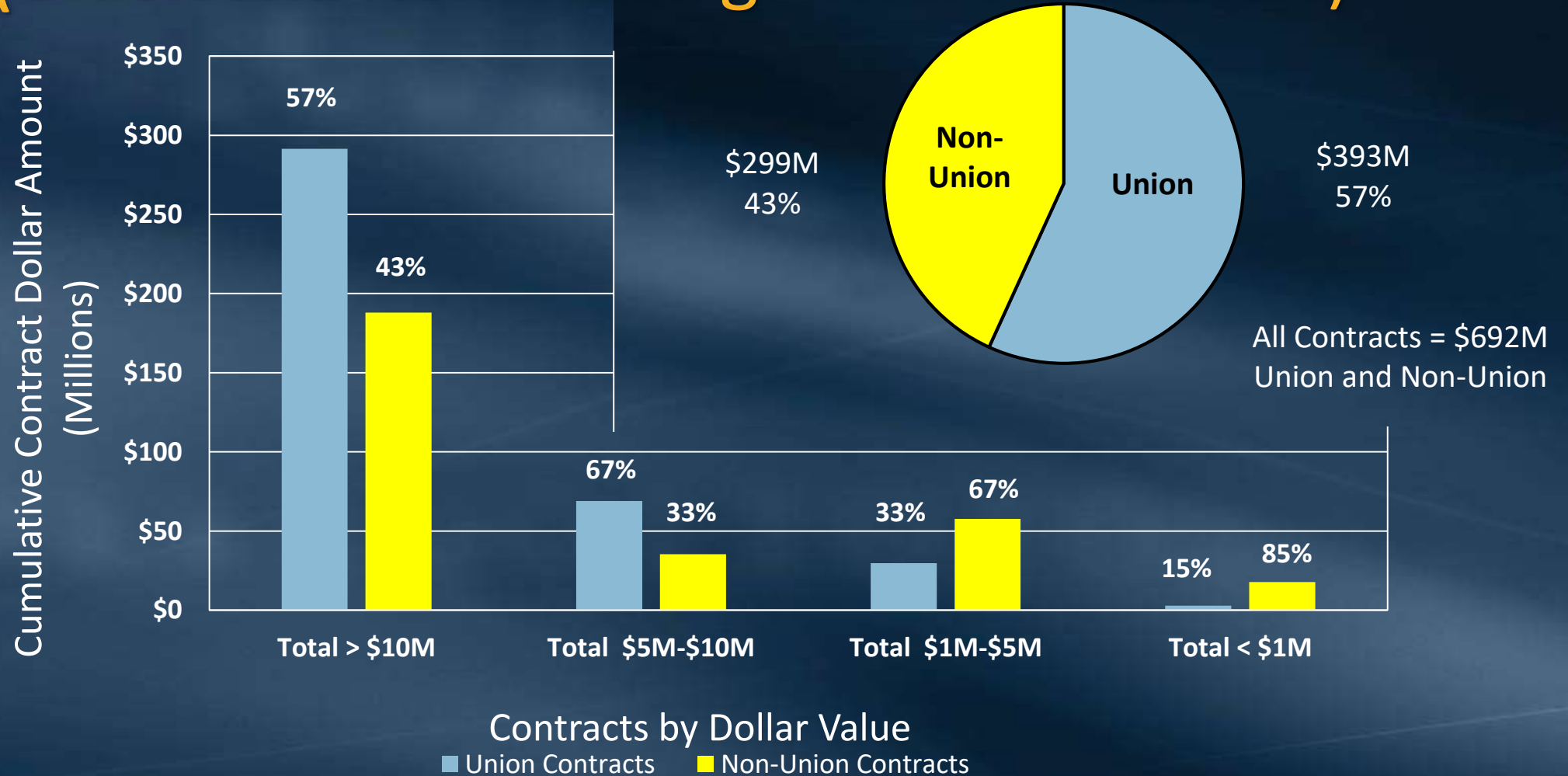
Current Metropolitan Contracting Practices

- No PLAs currently in place
- Metropolitan's construction contracts performed by a mix of union and non-union contractors
- All contractors are required to comply with California Labor Code
 - Payment of prevailing wages
 - Eligibility for apprentice employment

Distribution of Construction Contracts (by value, 2015-2021)



Distribution of Construction Contracts (Union and Non-Union general contractors)



Overview of PLAs

Existing Metropolitan Contracts

- Applies to both union and non-union contractors
- Anti-discrimination and harassment provisions
- Safety and substance abuse policies
- Compliance with all applicable federal & state labor and employment laws
 - Prevailing wage requirements
 - Apprenticeship requirements
- Contract compliance

Contracts Under a PLA

- Special union collective bargaining agreement between unions and contractors, and approved by owner
 - Includes wage and benefit requirements
 - Provides for labor harmony (no strikes or craft disputes)
 - Includes diversity, equity, and inclusion provisions
 - Open to both union and non-union contractors
 - Supports existing anti-discrimination and harassment contract provisions
 - Unions agree to provide qualified and trained craft labor
 - Efficient contract dispute resolution procedures
 - Complements safety programs and drug/alcohol testing policies

Typical PLAs

- Scope

- Applicable to on-site construction craft labor only
- Applies to prime contractor and all subcontractors

- Types

- Project Specific PLAs

- Only those projects selected by an agency

- Minimum Contract Value PLAs

- Only those projects over a pre-determined contract value

PLA Administrative Requirements

- Public Agency Requirements
 - Provide PLA oversight and administration
 - Include PLA provisions in construction bid documents
 - Conduct pre-job conferences
- Contractor Requirements
 - Sign Letter of Assent (both for union and non-union contractors)
 - Identify “core employees”
 - Assign work to appropriate crafts
 - Pay into union benefit fund

Workforce Opportunities

- Development of construction career opportunities
 - Targets local skilled workforce development
 - Encourages use of apprentices
 - Specific employment objectives
 - Reflective of the population surrounding each project
 - Opportunities for transitional worker employment
- Model for outreach, recruitment, career placement, and retention

Training and Support Services

- MC3 Apprenticeship Readiness programs
- Helmets to Hardhats programs
- Minimum participation requirements for apprentices
- State-approved union apprenticeship program requirements
- Labor support services

Potential Benefits, Costs, and Challenges

Potential Benefits

- No work disruptions via strikes
- No craft disputes stemming from work assignments
- Uniform approaches to safety plans and drug testing
- Uniform approach to management rights
- Additional opportunity for separate MOU provisions that link to Metropolitan's apprenticeship and hiring programs
 - Potential to leverage trades union pre-apprenticeship outreach and diversity programs

Metropolitan's PLA Experience

- Project-specific applications
 - Diamond Valley Lake (1994-1999)
 - Inland Feeder Program (1996-2005)
 - San Diego Pipeline No. 6 (2003-2007)
 - Skinner Oxidation Retrofit Program (2003-2007)

Examples of Agencies with PLA Experience

- Project-specific
 - Sanitation Districts of Los Angeles County Clearwater Project
 - City of San Diego Pure Water Program Phase I Projects
 - Los Angeles Department of Water and Power
 - San Diego County Water Authority
 - Los Angeles County Public Works
 - City of Anaheim
- Minimum construction contract value
 - Long Beach Water Department
 - West Basin Municipal Water District

Potential Challenges

- Multi-county agreement required with labor unions
- Administrative costs to administer PLA
- Engagement with Metropolitan's current non-union contractors
- Ensure continued success of Metropolitan's SBE Program
- Additional Metropolitan staff potentially required to:
 - Provide oversight for grievance resolution
 - Ensure documentation of PLA performance/goals
 - Perform contractor outreach
 - Manage PLA Administrator agreement

Metropolitan's Successful SBE Program

- In-place since 2001
 - Highly successful track record
- Small Business Enterprises
 - Board established goal of 25 percent
- Disabled Veteran-Owned Business Enterprises
 - Established goal of 3 percent
- Regional Business Enterprise
 - 80-85 percent are regional businesses
- Contract Compliance & Accountability Program
 - Track monthly payments to subcontractors

Ensure Continued SBE Program Success

- SBE Program to remain unchanged
- PLA will need to coordinate with SBE program
- Extensive outreach and education would be necessary to prospective prime and subcontractors to maintain success of Metropolitan's SBE program
 - For prospective prime and subcontractors
 - To maintain success of Metropolitan's SBE program

Discussion

Discussion

- Staff seeking feedback regarding PLAs going forward
- New PLA approaches appear more collaborative, and diversity focused
- Positive workforce development opportunities
- Slight increase in administrative costs for capital projects
- Other major agencies have implemented PLAs in recent years
 - Los Angeles Metro (project specific)
 - Los Angeles World Airports (project specific)
 - Port of Los Angeles (project specific)
 - City of San Jose (minimum contract value)

