

PORT of OAKLAND



MARITIME and AVIATION PROJECT LABOR AGREEMENT

PROGRESS REPORT SUMMARY

July 1, 2011 to June 30, 2012

**Presented
To the
Oakland Board of Port Commissioners
September 20, 2012**

HISTORICAL OVERVIEW TO MAPLA

The Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) was adopted by the Board of Port Commissioners in 2000. It was intended to cover the capital projects in the Port's Aviation and Maritime areas. In response to Board policies, the MAPLA was designed to ensure project labor stability, employment of Port Local residents, and utilization of Port-recognized small businesses.

Initially adopted for five (5) years (through December 2004), MAPLA was extended for two (2) years as a result of the settlement of an arbitrator's award extending coverage of MAPLA to Port tenants' construction activities (through December 2006) and has been further extended three times by Board action and the concurrence of the Building Trades Unions on a month-by-month basis. In June 2010, the Board extended MAPLA for five (5) years and an agreement between the Port and Alameda County Building and Construction Trades Council was executed February 2011 and will run through June 30, 2015.

The MAPLA Local Hire Program continues to advance the Port's local-hire goals. MAPLA sets specific goals for the hiring of residents from the Port's LIA and LBA.¹

LIA residents are to perform 50% of all hours worked, on a craft-by-craft basis to ensure local resident utilization in all crafts. If LIA residents are not available, capable or willing to work, LBA residents may count for compliance purposes.

Apprentice utilization, as allowable by law, are to perform 20% of all project hours performed on a craft-by-craft basis and the goal is that all of these hours will be performed by LIA resident apprentices, with LBA resident apprentices as an allowable back up.

This report contains a summary update that serves as a progress report covering highlights of the Port's MAPLA during the period of July 1, 2011 to June 30, 2012.

SUMMARY UPDATE

(July 1, 2011 to June 30, 2012)

HIGHLIGHTS

Highlights of the fiscal year include:

- MAPLA as a catalyst for enhancing Port efforts to secure Local Impact Area (LIA) employment opportunities and sound labor relations on Port projects.

¹ LIA = Local Impact Area (Cities of Oakland, Alameda, Emeryville and San Leandro); LBA = Local Business Area (Counties of Alameda and Contra Costa)

- Despite pressures noted below, Port projects have not been subject to labor disruption and all disputes have been resolved using MAPLA's agreed-to dispute resolution provisions. There were no major labor relations issues on Port projects that developed over the reporting period.
- Craft jurisdiction remains a key interest of labor, but disputes are resolved away from the construction projects and with the jurisdictional disputes resolution mechanisms, thereby insuring no disruptions.
- The Unions have worked to dispatch the skilled workforce that the Port sought as part of its effort to ensure sound, on-budget and on-time construction of its projects. Unions continue to work successfully with non-Union Contractors working under the MAPLA to ensure that those Contractors are able to use both their "core" employees and skilled Union members from the hiring halls on their work crews.
- The jointly administered Employer-Union Joint Apprenticeship Committees (JATC) have provided key opportunities for LIA/LBA residents to receive on-the-job training on the MAPLA construction projects and the start of many careers in the construction Trades.
- The MAPLA Social Justice Trust² continues to provide financial support to local workforce development efforts that support the LIA employment goals of MAPLA, especially with regard to utilization of LIA apprentices.

Local Workforce Utilization

The MAPLA Local-Hire Program continues to be an important element of the Port's Social Justice Program and a key Port priority. The MAPLA sets goals for the hiring of residents from the Port's Local Impact Area (LIA) and the Local Business Area (LBA) and asks Contractors to use reasonable and good faith efforts to achieve those goals. Collaboration among the Port, Contractors, the Unions and community groups occurs in the forums identified below, and this achievement is entirely through the voluntary efforts of the Contractors and not through use of any enforcement mechanisms available under MAPLA.

The Social Justice Committee³ and its Local Hire Subcommittee⁴ regularly review the MAPLA local-hire performance and work with Contractors to help them achieve these goals. The committees provide excellent venues to review local-hire outcomes and to engage Contractors and Unions in constructive dialogue to see how this important Port goal can be best accomplished, consistent with all other requirements. The Local Hire Subcommittee also serves as a forum for other, local agencies with their own local-hire programs; improving information flow concerning the nature of other local-hire efforts and exploring common problem areas in securing qualified local residents for dispatch

² See Attachment A: MAPLA Committee Structure for visual structure. Social Justice Trust Committee established by Joint Administrative Committee (JAC) as a forum to manage trust funds for community grants; and makes fiscal grant decisions. 7 Labor and 7 Management (Appointed) and meets quarterly.

³ Social Justice Committee: Labor-Management-Community (Open Membership); MAPLA, Article III, Section 1; Meets quarterly

⁴ Local Hire Subcommittee: Labor-Management-Community (Open Membership); established by Social Justice Committee and meets monthly.

to Contractors. Agencies regularly participating as members of the Local Hire Subcommittee include:

- County of Alameda, Department of Public Works
- County of Alameda, Social Services Agency
- City of Oakland, Contract Compliance Department

The overall results of the local-hire program and the results in this fiscal year period are displayed in **Table 1a** (below). During the report period a total of 57,430 construction work hours were compiled. This represented an increase of 34,875 work hours over the reporting period from July 2010 to June 2011.

This increase in the number of project hours had the following effect upon LIA and Apprentice participation during the report period.

- Total LIA work hours increased by 8,126 or 144% during the current reporting period
- Total LIA/LBA work hours increased by 17,276 or 124% during the current reporting period
- Total Apprentice utilization increased by 2,281 hours or 104% during the current reporting period
- LIA Apprentice work increased by 946 hours or 156% during the current reporting period
- LIA/LBA Apprentice work increased by 522 hours or 32% during the current reporting period

The overall participation levels for LIA residents and apprentices were impacted by the following conditions:

- Reduced number of hours for MAPLA project work during the report period
- Construction industry downturn during the reporting period causing contractors to look more toward preserving employment for their core workers

Table 1 sets out the totals and percentages of hours – cumulative through 2011 (the last period), and then cumulatively through the end of June 2012 for your ready reference.

Table 1: MAPLA Local-Hire Performance Summary

MAPLA	Cumulative Results January 2000 Thru June 2011		Cumulative Results January 2000 Thru June 2012			Difference	
	MAPLA Hours	% of Total	MAPLA Hours	% of Total	MAPLA Goals	MAPLA Hours	% Increase
Total Hours Worked	3,737,411		3,794,841			57,430	
LIA Residents	1,155,002	30.90%	1,168,770	30.88%	50%	13,768	1.18%
LIA/LBA Residents	2,208,931	59.10%	2,240,135	59.03%	50%	31,204	1.39%
Total Apprentices	464,555	12.43%	469,033	12.36%	20%	4,478	0.95%
LIA Apprentices	223,174	5.97%	224,726	5.92%	20%	1,552	0.69%
LIA/LBA Apprentices	347,266	9.29%	349,401	9.21%	20%	2,135	0.61%

Table 1a: MAPLA Local-Hire Performance Summary

MAPLA	July 2010 Through June 2011			July 2011 Through June 2012				Difference	
	MAPLA hours for 12 months	% of total hours in 2011	Apprentice Trades hours only	MAPLA hours for 12 months	% of total hours in 2012	Apprentice Trades hours	MAPLA Goals	MAPLA hours	% Increase
Total Hours Worked	22,555		22,309	57,430		56,661		34,874	
LIA Residents	5,642	25.01%		13,768	23.97%		50%	8,126	144%
LIA/LBA Residents	13,928	61.75%		31,204	54.33%		50%	17,276	124%
Total Apprentices	2,197	9.74%	9.85%	4,478	7.80%	7.90%	20%	2,281	104%
LIA Apprentices	606	2.69%	2.75%	1,552	2.70%	2.74%	20%	946	156%
LIA/LBA Apprentices	1,613	7.15%	7.23%	2,135	3.72%	3.77%	20%	522	32%

(Please note that under prevailing wage and other rules, certain craftwork is not eligible for placement of apprentice workers, notably the work of Teamsters, Laborers working in Asbestos Abatement, and some dredging and barge work. In order to more accurately reflect apprenticeship participation as a percentage of MAPLA craft hours worked during this reporting period, the shaded column above shows Apprentice participation as a percentage of the total available Apprentice Hours (i.e., the "apprenticeable hours") worked for the period.)

During the reporting period the combined LIA/LBA participation level was 54.33% with a cumulative participation level of 59.03% through June 2012.

Economic Impact of MAPLA during Report Period

During this reporting period local area employment on MAPLA Projects point to the following estimated wage earnings:

- LIA residents estimated earnings of \$708,305.55
- LIA/LBA residents estimated earnings of \$1,817,312.76
- Apprentice estimated earnings of \$191,261.05
- LIA apprentices estimated earnings of \$58,899.27
- LIA/LBA Apprentices estimated earnings of \$86,886.46

While the program had been subject to a historic trend of reduced apprentice utilization during the downturn, as **Table 2** displays below, the MAPLA Team continues to work with community groups, contractors and labor through the Local Hire Subcommittee to return apprentice utilization to a level more in line with the success achieved during the “boom” years of MAPLA construction activity.

Table 2: Total Employment Hours vs. MAPLA Apprentice Utilization (Annual by Hours & Percentage) from July 2005 – June 2012

MAPLA Period	Total Employment Hours	Apprentice Employment Hours	Apprentice Percentage Hours
July 2011-Jun 2012	57,430	4,478	7.80%
Jan 2010 – June 2011*	82,059	9,418	11.48%
Jan – Dec 2009	57,611	3,739	6.49%
Jan – Dec 2008	220,489	18,585	8.43%
Jan – Dec 2007	498,620	63,226	12.68%
Jan – Dec 2006	567,702	79,093	13.93%
July – Dec 2005	193,880	31,353	16.17%

Note: The 2010-2011 represents 18 months of performance activity as compared to 12 months of performance activity delineated in the other time periods.

MAPLA Pace Setters—Craft Unions

The partnership with the various Unions affiliated with the Building and Construction Trades Council of Alameda County (AFL-CIO) plays a crucial role in achieving the local-hire goals of the MAPLA. To this end, the Unions displayed in **Table 3** cooperated with Contractors through hiring hall dispatch in achieving the LIA/LBA hiring and LIA/LBA apprentice utilization levels that benefit the MAPLA local-hire goals as shown below.

Table 3: Crafts Meeting One or More LIA/LIA/LBA Journey Dispatch Goals during the July 2011 to June 2012 period.

Craft	% LIA	% LIA/ LBA
Electricians	-	69.5%
Laborers	58.6%	77.9%
Asbestos Removal Workers	-	77.4%
Operating Engineers	-	58.5%
Iron Workers	-	50.2%
Pile Driver	-	69.8%
Teamsters	-	78.0%

MAPLA Pace Setters—Contractors

The partnership with the various Contractors performing MAPLA-covered work also plays a crucial role in achieving the local-hire goals of the MAPLA. To this end, the lengthy list of Contractors displayed in **Table 4** achieved significant measures of the LIA/LBA hiring and LIA/LBA apprentice utilization levels that benefit the MAPLA local-hire goals as shown below. The listed contractors performed a minimum of 1,000 craft hours of work during the period.

Table 4: Contractors Meeting One or More LIA/LBA Journey and/or Apprentice Dispatch Goals during the July 2011 to June 2012 period.

Craft	% LIA	% LIA/ LBA	% LIA Apprentice	% LIA/LBA Apprentice
Cupertino Electric-Electricians	-	68.1%	--	--
Valentine Construction-Carpenters	53.9%	53.9%	--	--
Turner Construction-Laborers	98.0%	100%	--	--
D.W. Nicholson-Electricians	15.1%	68.8%	11.1%	11.7%
Gallagher & Burk-Laborers-	46.3%	81.7%	--	--
St. Francis Electric-Electricians	--	80.0%	--	--
Columbia Electric-laborers	47.6%	83.8%	--	--
Bay Cities Paving & Grading-Laborers	52.4%	99.5%	14.6%	14.6%
Bay Cities Paving & Grading-Operators	55.4%	84.8%	32.9%	31.9%
Beliveau Engineering-Laborers	47.3%	59.8%	15.0%	15.0%
OC Jones-Laborers	45.3%	54.3%		

MAPLA Extension

The Port and the Building and Construction Trades Unions signatory to the MAPLA negotiated successfully on establishing a five (5) year extension of MAPLA. Prior to this agreement, MAPLA had been in effect under an extension that provided continuation on a month-by-month basis unless, and until such time as, either the Port or the Unions

provide 90-day notice of their desire to cease further extensions, providing coverage of new, qualifying Port and tenant projects. The new agreement (signed in February 2011) provides for a fixed extension period of five years, ending on December 31, 2015, providing coverage of new, qualifying Port and tenant projects.

The extension fixes MAPLA in place for a time certain, and allows the Port to achieve its objectives as established by Board policy. Specifically those policies were to ensure project labor stability, provide employment opportunities for Port Local Impact Area (LIA) residents, and achieve Building Trades support for Port policies for the utilization of Port-recognized local, small businesses.

Social Justice Trust Fund

The low work hours under MAPLA during the year adversely affected the amount of funds available for the Trustees of the MAPLA Social Justice Trust to grant to community agencies. Contractors that perform MAPLA project work are required to contribute \$0.15 per craft hour worked to the Social Justice Fund. Grants from the fund are made by the Social Justice Trustees which operates under the direction of the Social Justice Sub Committee. The Social Justice Trust membership consists of equal representation from Labor and Management with the Port also having a seat. No additional grants to community groups have been made since the January 2011 grant of \$10,000 for continued support for pre-apprentice preparation and apprentice retention. This grant, made to the Oakland Workforce Collaborative, supports a multi-community based organization effort to identify and retain Oakland-based apprentices through collaboration with contractors and the Alameda County Building Trades affiliate members. Currently there is approximately \$5,000 in available funds. The Trustees have also requested an audit of contractor compliance with the \$0.15 per hour contribution and will receive that report at their September 5th meeting. Contractor contributions funded to the East Bay Community Foundation are being compared to contractor hour's reports and follow-up contacts will be made to secure any overlooked contributions.

By the time of this report, the grant process for the current year cycle will have begun and the Trustees will have decided at their September 5th meeting whether sufficient funds exist (or are anticipated to exist by year end) to make a grant at their November 2012 meeting.

Application of MAPLA to DOT Funded Projects

The Port has been in extended negotiations with the US. Department of Transportation to resolve the on-going question of MAPLA's applicability to U.S. Department of Transportation (DOT) funded projects. The US DOT, during the negotiations, offered to allow MAPLA requirements to be used on US DOT projects so long as the provisions regarding binding arbitration to enforce the local hiring goals were removed. The Port and the Building & Construction Trades Council of Alameda County agreed to do so in order to secure application of the MAPLA to US DOT funded projects. On September 1,

2011 the Port of Oakland and the Building & Construction Trades Council executed a Letter of Understanding accepting the US DOT's proposal.

The effect of the agreement with US DOT is already being felt. A significant increase in the number of Port projects designated as MAPLA is noted along with some major Tenant Improvement. Some of these projects include:

- Shore Power System Construction, various Berths-\$17,246,655
- Central Utility Plant- Terminal One- \$25,000,000
- Expansion work on Fed Ex Metroplex Center-several projects-estimated at more than \$75,219,431 in total

Other projected major projects anticipated for the 4th quarter of 2012 and into 2013 will assist in providing expanded employment opportunities for LIA residents and increased revenue for the Port's Social Justice Fund. This project activity will be reported upon in upcoming MAPLA Progress Reports.

Labor Relations

The MAPLA team is again pleased to report that no work stoppages occurred on projects working under the MAPLA during the report period. This is another example of outstanding labor relations with the Building and Construction Trades Council of Alameda County, AFL-CIO under the MAPLA.

Local and Small Business Utilization

In relation to the collective bargaining agreement, MAPLA is unique in providing protections and opportunities for Port LIA and LBA businesses to participate in the MAPLA covered contracts issued for Port Maritime and Aviation Construction projects. The MAPLA contains a Small Business Exemption Program (SBE) designed to help small local construction firms to increase their capacity to perform work through involvement in the Port's construction programs. Over 90% of contracts have been issued to LIA/LBA businesses and LIA/LBA small businesses that enjoy a fair share, including contracts set aside for qualifying small businesses under the "exemption" program that allows such Contractors to enjoy the benefits of MAPLA without having to subscribe to MAPLA. Over two-thirds of the \$15 million allocated in this program has been awarded. One project was funded during the reporting period that fell under the Small Business Exemption (SBE) program. That project was the Demolition of Building #833 at the Oakland Army Base, Outer Harbor. Port engineering staff indicated that increased SBE opportunities are planned for the upcoming months. This activity will be reported on in subsequent reports.

Going Forward

The MAPLA team remains committed to the cost-effective management of its social justice and labor-management goals and objectives. Toward this end, the priorities for the next period are:

- Because of MAPLA’s application to tenant projects, continuing to work with the Port’s private partners and tenants to ensure application of MAPLA on maritime and aviation projects
- Building upon the already successful Community-Port-Labor-Contractor forums and working relationships to secure best efforts at achieving the Port’s social justice goals for local residents and businesses
- Sustaining the highly productive and cooperative labor-management relationships that have proven a boon to the efficient execution of MAPLA covered projects
- Continuing to streamline and make more cost effective the management and oversight of MAPLA in light of the reduced capital program it supports

The principles of MAPLA continue to provide a sound framework for attaining solid results based upon performance and the Port’s business model change toward Public Private Partnerships for capital improvements, continues to provide a sound process to attaining positive employment results with its private partners and tenants.

The MAPLA team is available to answer any questions the Board may have regarding its management and implementation.

Acknowledgements

This report was prepared with information compiled by the following:

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