

PORT of OAKLAND



MARITIME and AVIATION PROJECT LABOR AGREEMENT

PROGRESS REPORT

January 1 to December 31, 2009

Presented
to the
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Administration Committee
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Executive Summary

Update

The Board of Port Commissioners adopted the Maritime and Aviation Project Labor Agreement (MAPLA) in 2000. It was designed to ensure project labor stability, to provide employment opportunities for Port Local Impact Area (LIA) residents, and to support Port policies for the utilization of Port-recognized local, small businesses. MAPLA continues to be extended on a month-by-month basis until such time as either the Port or the Unions provide 90 days notice of their desire to cease further extensions, providing coverage of new, qualifying Port and tenant projects.

- MAPLA continues to be a catalyst for Local Impact Area (LIA) employment opportunities and sound labor relations on Port projects.
- 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 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 ensured the dispatch of 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 in their work crews.
- The jointly administered employer-union apprenticeship programs 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.

Where are we now?

Since inception over 3.6 million craft hours have been worked under the MAPLA, resulting in over 1.1 million LIA craft hours of employment – or 31% of the total. When LIA and Local Business Area (LBA) resident craft hours are combined, over 2.1 million – over 59% – of the total craft hours were performed by LIA/LBA workers, well over the 50% goal established in MAPLA. Of these, nearly 340,000 hours were worked by LIA/LBA apprentices – well over 200 years of employment for LIA/LBA apprentices.

During the last half of the year (July through December 2009), apprentice utilization and Local Impact Area/Local Business Area utilization improved from the

first half of the year due to strong volunteer coordination among the community groups, labor unions and contractors.

As we manage through the current situation of reduced Port CIP activities and the transfer of development and construction activities to tenants, including Public Private Partnerships, MAPLA continues to be relevant to achieving the objectives of the Board – local employment and business utilization on the one hand and labor stability/skilled work force application on Port projects on the other.

As this report shows, the reduced construction activity and the current, significant economic downturn continue to reduce the work hours performed on MAPLA projects. Nonetheless, the MAPLA team has developed an effective process for engaging the community-labor-contractor communities to support their efforts to best achieve these goals as they deploy smaller crews on fewer and smaller projects. We believe that it is the view of each of these three sectors that the Port's commitment to local hire has both been a success in its own terms and has positively influenced developments in the larger community, while continuing to provide the Port and its tenants with access to the entire, national marketplace for obtaining its construction services.

As the Port seeks to acquire important federal infrastructure and economic revitalization funds for its capital requirements, positively resolving the current question of MAPLA's applicability to Department of Transportation funded projects is a key strategic goal. Continuing engagement with the US Department of Transportation to resolve the issue has yet to yield a final outcome, but progress is being made. The MAPLA stands as a proven vehicle to use the Port's capital investment – including support from its federal partners -- to bring about workforce and community economic development in line with federal program goals. All stakeholder communities are interested in MAPLA's resumed application to federal projects.

This 2009 program year report is once again organized to ensure that you receive current, relevant information on MAPLA in an accessible and concise format. The MAPLA team remains available to answer any questions you may have on the continued success of the program.

PROGRESS REPORT LABOR RELATIONS

The MAPLA Team is again pleased to report that no work stoppages occurred on projects working under the MAPLA during calendar year 2009. This is another outstanding achievement of sound labor relations under MAPLA.

A key Labor official retired at the end of 2009 who had been instrumental in the negotiation of MAPLA and its extensions, and who had proven to be a very reliable and committed partner in the administration of the MAPLA's labor relations and social justice elements. Barry Luboviski, Secretary-Treasurer of the County of Alameda Building & Construction Trades Department, AFL-CIO will be missed, as he proved to have the interests of Labor, the Community and the Port's economic vitality at heart. He was a staunch advocate of recruiting and retaining individuals from the Port's Local Impact Area into the construction industry. His replacement, Andreas Cluver is well versed in the MAPLA and appears equally committed to MAPLA's broad mandate. We can expect little deviation from Barry's commitments, although Andreas will surely be on a steep learning curve as he masters all of the elements of his new job.

2009 proved to be a difficult year for both Port Contractors and their Unions. Due to the severe downturn in the economy, Contractors were forced to reduce their core craft worker employees drastically. Many construction labor-management apprentice programs did not open their programs to new recruits due to the unemployment levels of their existing apprentices.

Due to lack of construction work, there was increased Labor attention to craft jurisdiction. Disputes rose over work allocations, but on the Port projects all were handled in accordance with resolution procedures without any work disruption.

At the National level, the Laborers International Union rejoined the National Building & Construction Trades Department, AFL-CIO. The Carpenters and Operating Engineers remain independent. This has caused consternation for Owners and Contractors seeking new project labor agreements. The National Building & Construction Trades Department issued mandatory contract language requirements to its local affiliates for any new PLAs. This language, focusing upon jurisdictional dispute resolution remains objectionable to both the Carpenters and Operating Engineers unions.

MAPLA Local Hire Performance

The MAPLA Local Hire Program continues to be an important element of the Social Justice program. 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 efforts to achieve those goals.

The Social Justice Committee and the Local Hire Subcommittee regularly review the MAPLA local-hire performance. The committees provide excellent venues to review local hiring 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. During this reporting period, the Local Hire Sub Committee was expanded to include representation from other, local agencies with their own local-hire programs. The objective is to expand the informational flow concerning the nature of other local-hire efforts and to explore common problem areas in securing qualified local residents for dispatch 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 period are displayed in Table 1. 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 shows Apprentice participation as a percentage of the total available Apprentice Hours (i.e., the "apprenticeable hours") worked for the period.

Table 1: MAPLA Performance Summary

MAPLA	<i>Cumulative Results Thru December 2008</i>		<i>January through December 2009</i>			<i>Cumulative Results Thru December 2009</i>		<i>Goal</i>
	<i>MAPLA Hours</i>	<i>% of Total</i>	<i>MAPLA hours for last six months</i>	<i>% of last six months</i>	<i>Apprentice trades hours only</i>	<i>MAPLA Hours</i>	<i>% of Total</i>	
Total Hours Worked	3,597,741		57,611		55,506	3,655,352		
LIA Residents	1,107,683	30.79%	16,325	28.34%		1,124,008	30.75%	50%
LIA/LBA Residents	2,128,783	59.17%	28,648	49.73%		2,157,431	59.02%	50%
Total Apprentices	451,394	12.55%	3,739	6.49%	6.74%	455,137	12.45%	20%
LIA Apprentices	216,117	6.01%	1,970	3.42%	3.55%	218,087	5.97%	20%
LIA/LBA Apprentices	336,822	9.36%	3,012	5.23%	5.43%	339,834	9.30%	20%

As Table 2 displays below, the continuing effect of the Port's reduced CIP investments has resulted in sustained, dramatic reductions in worker utilization on Port projects, and a correlating reduction in the use of apprentices. Because apprentice utilization has played such a key part in the strategy of LIA employment, this reduction of apprentices (attributable to reduced crew sizes scattered over smaller and less sustained projects) has also lowered LIA resident utilization. Under the apprentice-utilization rules for training and safety of workers, a sufficiently sized

workforce is required to generate the apprentice utilization numbers that were seen on MAPLA projects through the end of 2007.

And, in the past two report periods, the truly dramatic reduction in work (a 90% reduction from the four-year high in the first half of 2006) has often forced contractors to employ only their most long-standing workers, as they try to preserve their company's core capabilities over these very lean times.

**Table 2: MAPLA Total/Apprentice Employment;
(Percent Apprentice Utilization 07/2005 – 12/2009)**

MAPLA Period	Total Employment Hours	Apprentice Employment Hours	Apprentice Percentage Hours
July – Dec 2009	25,307	2,063	8.15%
Jan – June 2009	32,304	1,676	5.19%
July – Dec 2008	54,635	4,395	8.04%
Jan – June 2008	165,854	14,190	9.13%
July – Dec 2007	226,850	27,573	12.24%
Jan – June 2007	271,770	35,753	14.23%
July – Dec 2006	221,398	28,132	12.71%
Jan – June 2006	346,304	50,961	14.7%
July – Dec 2005	193,880	31,1353	17.21%

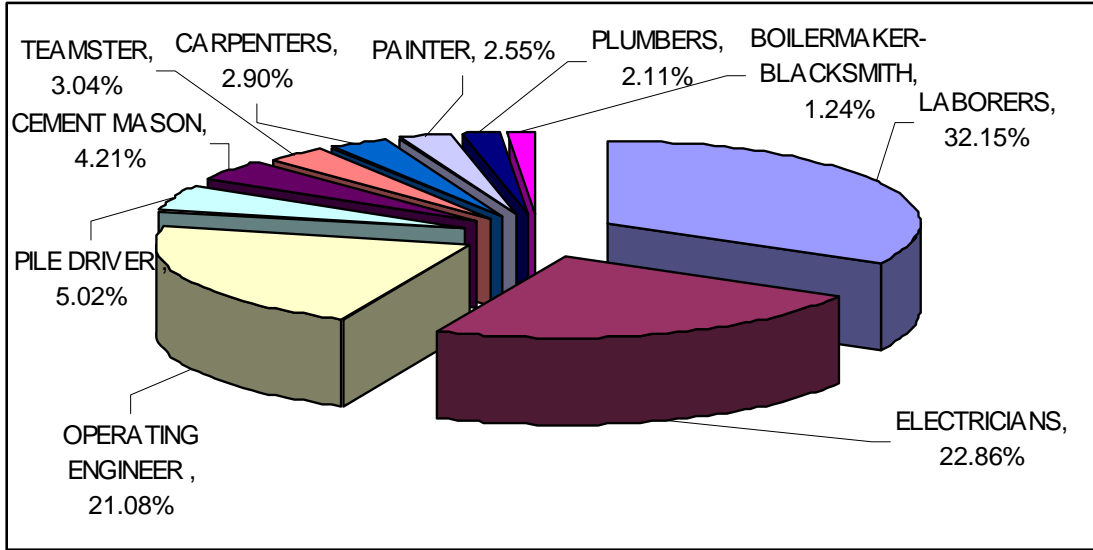
The crafts that have historically performed the bulk of construction work on the MAPLA continued to dominate the total hours worked during the report period. In descending order of total hours worked, the following Trades recorded the largest number of hours (of those working approximately 1,000 hours and more than 2% of the total project activity). Table 3 below provides a very clear illustration of the “crew size” problem associated both with apprentice and journey worker utilization.

Table 3: 2009 Craft Hours by Percentage and Worker Hours/Week

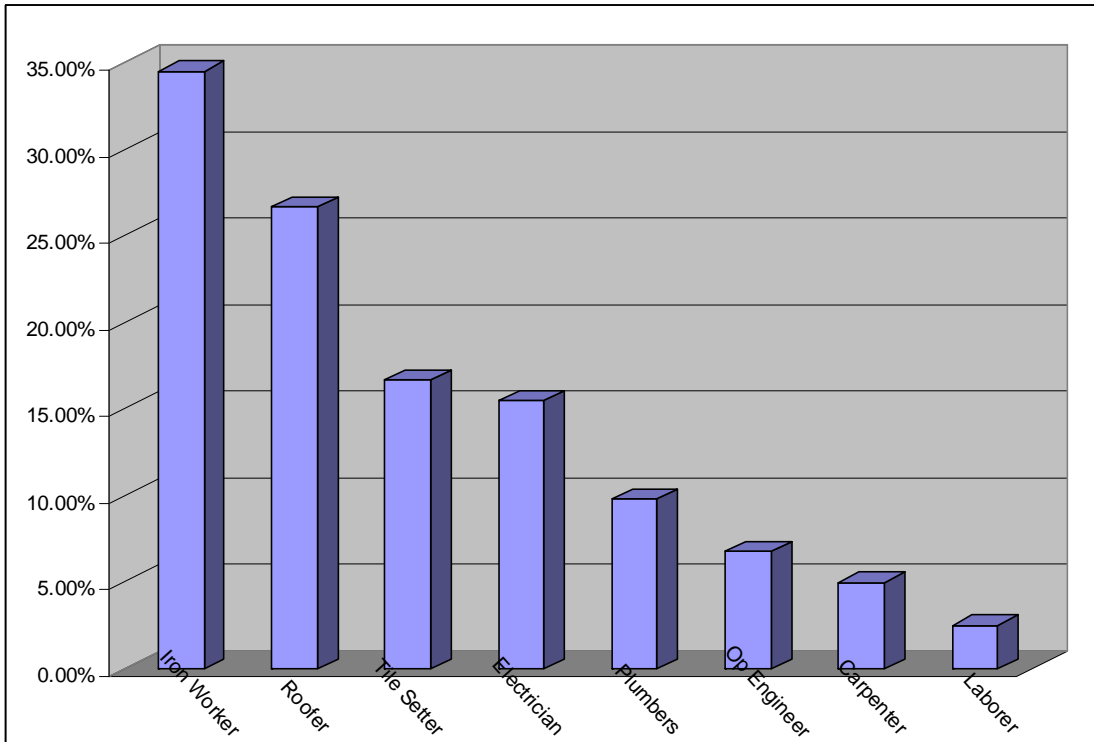
Craft	Number of Hours	Percentage of Hours	Weekly Number of Full Time Employees (52 weeks/40 hour week)
Laborer	18,638	32.15%	9.0
Electrician	13,254	22.86%	6.4
Operating Engineer	12,217	21.08%	5.9
Pile Driver	2,908	5.02%	1.4
Cement Mason	2,348	4.21%	1.2
Teamster	1,762	3.04%	0.8
Carpenter	1,680	2.90%	0.8
Painter	1,481	2.55%	0.7
Plumber	1,226	2.11%	0.6

The workforce utilization is depicted somewhat differently in the charts that follow, focusing on the relative percentage of hours by craft (Chart 1) and apprentice utilization by craft (Chart 2).

**Chart 1: MAPLA Construction Hours by Craft
(Crafts with more than 1% of Craft Hours)**



**Chart 2: Local Apprentice Utilization by Craft
(Crafts with more than 1% Apprentice Utilization)**



MAPLA Pace Setters-Contractors

The Local Impact Area (LIA) hiring goal is the strength of the MAPLA program. With the other jurisdictions in the local area having local-hire programs local residents may not be readily available for dispatch to contractors working under the MAPLA.

The high, craft unemployment being experienced during the current recession has also negatively impacted getting new workers onto construction jobs. Craft unemployment is so high that the Operating Engineers have closed down their Rancho Murrieta Apprentice Training facility near Sacramento for the next two months. Other crafts similarly affected have also reduced intake and enrollment in their jointly managed apprentice programs.

During the reporting period, several contractors compiled noteworthy local-hire participation levels. Additionally, several projects initiated during the reporting period included partial federal funding. Current deliberations underway with the federal government on the ability of the Port to apply MAPLA to such federally funded projects seek to resolve both the issue of applicability and the allowability of the current local hiring provisions. As a result, several projects that would otherwise have been covered under MAPLA have been constructed without MAPLA as a bid specification. Our hope is that these issues of applicability and the parameters of an allowable local hire program on Department of Transportation funded projects will shortly be resolved.

Despite all of these constraints, some contractors achieve notable outcomes in relation to the MAPLA's articulated goals. Those whose best efforts met or exceed one of more of the MAPLA goals are set out in Table 4 below. As we discussed before, the small crew sizes really prevented any significant use of apprentices during the period so most of the accomplishments were with journey-level workers.

**Table 4: Contractor LIA/LBA and Apprentice Utilization
(Contractors Performing 80 Hours or More)**

Contractor	Craft	% LIA	% LIA/ LBA	% LIA Apprentice	% LIA/LBA Apprentice
McGuire and Hester	Operating Engineer	4.26%	54.94%		8.5%
	Teamster	67.20%	100%		
	Roofer	39.16%	100%		
Focon	Operating Engineer	54.49%	100%		
	Laborer	41.43%	71.44%		
OC Jones & Sons	Laborer	42.16%	78.74%		
RMT Landscape	Laborer	79.74%	88.82%		
Asbestos Management of CA	Asbestos	4.66%	100%		

Contractor	Craft	% LIA	% LIA/LBA	% LIA Apprentice	% LIA/LBA Apprentice
Pacific States Enviro.	Laborer	21.34%	97.72%		
	Operating Engineer	33.83%	85.54%		
Rosendin Electric	Electrician	98.12%	98.12%		
MPC Plumbing	Plumber		100%		
Vitton Construction	Carpenter	79.90%	100%		
Marble West	Tile Finisher		68.18%		
	Marble Refinisher	57.71%			
GK Construction	Laborer	100%	100%		
CJC Trucking	Teamster	10.79%	83.59%		
Paul's Plumbing	Plumber	29.00%	100%		
Point One Electric	Electrician		100%		
Williams Trucking	Teamster	100%	100%		
Columbia Electric	Electrician	41.44%	100%		77.64%
	Laborer		100%		
Monroe Trucking	Teamster	100%	100%		
Salinas Valley Steel	Iron Worker		56.86%		56.86%
Fine Line Sawing	Laborer		53.13%		
Fairbanks Scales	Laborer		85.15%		
Contra Costa Electric	Electrician		98.15%		
Creative Masonry	Brick Tender	28.57%	100%		
	Brick Layer		74.77%		
Jack Harris Drywall	Drywall Installer	100%	100%		
Bayline Cutting	Laborer	55.00%	85.00%		

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 5 cooperated with contractors through hiring hall dispatch in achieving the LIA hiring and LIA apprentice utilization levels that benefit the MAPLA local-hire goals as shown below.

Table 5: Crafts Meeting One or More LIA/LBA and Apprentice Dispatch Goals

Craft	% LIA	% LIA/LBA	% LIA Apprentice	% LIA/LBA Apprentice
Roofer	26.67%	66.67%	26.67%	26.67%
Electrician	27.72%	51.64%	12.18%	15.49%
Teamster	29.08%	56.16%		
Drywall	100%	100%		
Iron Worker	3.23%	41.67%		34.52%
Plumber		65.91%	14.14%	14.14%

Craft	% LIA	% LIA/ LBA	% LIA Apprentice	% LIA/LBA Apprentice
Laborer	48.59%	58.72%	1.82%	2.33%
Carpenter	28.45%	94.43%		5.00%
Brick Tender	28.57%	100%		
Sheet Metal Worker		76.61%		
Terrazzo Worker		77.78%		
Bricklayer	3.09%	65.96%		
Boilermakers	100%			

Social Justice Trust Fund

To date the Social Justice Trust and the Trustees have granted over \$375,000 to community-based organizations to help prepare and enable local residents to enter the building trades. During the past year the Trustees have continued to focus the use of the Social Justice Trust fund on retention of apprentices and local workers.

The low work levels under MAPLA during the year that adversely affect the numbers of local and apprentice workers also adversely affects the amount of funds available for the Trustees to grant to community agencies. For example, only approximately \$8,600 was generated during 2009 by the 57,611 hours at the contribution rate of 15-cents/craft hour.

Local Business Utilization

As a 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. Table 6 below shows the value of prime contracts issued to LIA and LBA businesses. There has been very little activity during the year-long reporting period.

Table 6: Cumulative Value of MAPLA Contracts Awarded to Local Businesses

MAPLA Contracts Awarded to Local Businesses		
Cumulative thru December 2009	Total Contracts	Percent
Total Local Impact (LIA) Prime Contractors	\$653,017,254	74.37%
Total Local Business Area (LBA) Prime Contractors	\$160,492,003	18.28%
Total Non Local Prime Contractors	\$64,576,110	7.35%
Total MAPLA awards since inception	\$878,085,367	100%

LIA = Cities of Oakland, Alameda, Emeryville, and San Leandro

LIA+LBA = Counties of Alameda and Contra Costa including LIA cities

Although there was little construction activity initiated during July through December, during the entire twelve-month period *the* Port awarded \$3,543,755 in new MAPLA contracts, of which over 91% were contracted with LIA Primes under on-call contracts. In addition, 78.3% of the awarded contracts went to LIA small or very small business enterprises.

Table 7: Dollar Value of MAPLA Contracts Awarded to Local Businesses

MAPLA Contracts Awarded to Local Businesses		
January 1 to December 31, 2009		
Total Local Impact (LIA) Prime Contractors	\$3,239,417	91.41%
Total Local Business Area (LBA) Prime Contractors	\$0	0%
Total Non Local Prime Contractors	\$304,483	8.59%
Total MAPLA awards	\$3,543,755	100%
Total LIA Small/Very Small Business Contractors	\$2,775,177	78.31%

*LIA = Cities of Oakland, Alameda, Emeryville, and San Leandro
LIA+LBA = Counties of Alameda and Contra Costa including LIA cities*

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:

- Securing the US Department of Transportation’s concurrence that MAPLA may again be utilized on DOT-funded projects.
- Securing DOT concurrence on an allowable path forward to retaining and managing the MAPLA’s social justice goals.
- Continuing to socialize MAPLA with the Port’s private partners and tenants.
- Building upon the already successful community group-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.

We are proud of MAPLA’s achievements to date and stand ready to answer any questions the Commission may have regarding its management and implementation.