

***** MAPLA *****



MARITIME and AVIATION PROJECT LABOR AGREEMENT

PROGRESS REPORT SUMMARY

January 1, 2010 to June 30, 2011

Presented

to the

Oakland Board of Port Commissioners

November 17, 2011

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 direction in support of multiple Port policies, the MAPLA was designed to ensure project labor stability and the availability of a highly skilled workforce, access to construction opportunities by both Union and non-Union Contractors, employment of Port Local residents, especially as apprentices, and the utilization of Port-recognized small, local businesses.

Initially adopted for five (5) years through December 2004, MAPLA was extended for two years as a result of the settlement of an arbitrator's award extending coverage of MAPLA to Port tenants' construction activities. This extension was through December 2006 and was 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 and the Building Trades agreed to extend MAPLA for a five year term 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.

Apprentices are to be utilized, as allowable by law, to perform 20% of all project hours. This is to be applied on a craft-by-craft basis so that apprentice opportunities are enhanced in all crafts. The goal is that all of these apprentice hours will be performed by LIA resident apprentices, with LBA resident apprentices as an allowable back up. In the interest of assuring the greatest potential use of LIA apprentices in contracting opportunities, Contractors may receive credit for using LIA residents on non-Port construction.

This report contains an update covering the 18 month period from January 1, 2010 through June 30, 2011. It is intended to align the annual report to the Port's fiscal year, which runs from July 1 through June 30 of each year. As such, the Progress Report covers highlights of the Port's MAPLA during calendar year 2010 and the first half of 2011.

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

SUMMARY UPDATE

(January 1, 2010—June 30, 2011)

HIGHLIGHTS

Highlights of the reporting period include:

- Management support of MAPLA passed in 2011 from the Parsons Constructors, Inc. led team to a Davillier-Sloan, Inc. led team that included elements of the long-term MAPLA support team in this new configuration. The transition has been seamless.
- MAPLA continues to be a catalyst for enhancing Port efforts to secure Local Impact Area (LIA) employment opportunities and sound labor relations on Port projects and trends continued well during the reporting period.
- 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 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 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.
- 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. It has built an effective contractor-community-Port-Union collaboration that enhances the buy-in of the Port's three critical partner sectors. 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

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.

reasonable and good faith efforts to achieve those goals. The collaboration among the Port, Contractors, the Unions and community groups occurs in the forums identified below, and this achievement relies on the voluntary efforts of the Contractors. While enforcement mechanisms are available to promote good faith efforts to achieve the goals (except on US Department of Transportation projects) the effectiveness of the local hire program is through voluntary efforts that are well matured after nearly a dozen years of MAPLA implementation. Resorting to enforcement mechanisms available under MAPLA has been rare, and every resort has been resolved through mutual agreement of the parties rather than an arbitration award.

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 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 reporting period are displayed in **Table 1** (below). In the 2010-11 period reported here, construction projects remained sluggish, with only 82,059 hours of work performed under MAPLA. (A full-time equivalent (FTE) work year is rated at 2,080 hours. In the construction industry, a lesser number is typical. Assuming 1,800 hours represents a “full-time” worker, the total hours worked represent only 46 FTEs – or 30 on an annualized basis.)

Despite this continuing challenge, MAPLA local-hire – and importantly local apprentice hire – numbers for the period improved from 2009:

- Total LIA hires jumped from 28.34% in 2009 to 37.77%
- Total LIA/LBA hires jumped from 49.73% in 2009 to 62.76%
- LIA Apprentice hires jumped from 3.42% in 2009 to 6.20% LIA/LBA Apprentice hires jumped from 5.23% in 2009 to 8.79%

Total Apprentice utilization jumped from 6.49% in 2009 to 11.48%

The MAPLA Team is very proud of this increase in local hiring without a truly significant uptick in construction activity. These numbers, while not fully meeting the LIA goals, still represent significant increases above pre-MAPLA LIA hire and apprentice utilization

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.

rates. Much credit goes to the Contractors who continue to work collaboratively to structure their teams to meet the MAPLA goals.

Table 1 sets out the totals and percentages of hours – cumulative through 2009 (the last period), for the January 2010 – June 2011 reporting period, and then cumulatively through the end of June 2011 for your ready reference. You will notice that the 2010 – 2011 total for LIA utilization is substantially above the long-term trend. LIA apprentice utilization is also above the long term trend, as is overall LIA/LBA employment. These successes derived from the vigorous collaboration among the parties.

The only categories that were below the long-term trend was in overall apprenticeship utilization and total LIA/LBA apprentice utilization – which is a direct function of the relatively small work crews on many projects and the relatively small number of hours for the MAPLA covered work, especially in the January – June 2011 period when only 9,473 hours of work were performed – less than 260 weeks, or five workers years, of work during the 18 month period.

Table 1: MAPLA Local-Hire Performance Summary

MAPLA	Cumulative Results Thru December 2009		January 2010 through June 2011			Cumulative Results Thru June 2011		
	MAPLA Hours	% of Total	MAPLA hours for	% of Total	Apprentice Trades hours only	MAPLA Hours	% of Total	MAPLA Goal
Total Hours Worked	3,655,352		82,059		80,006	3,737,411		
LIA Residents	1,124,008	30.75%	30,994	37.77%		1,155,002	30.90%	50%
LIA/LBA Residents	2,157,431	59.02%	51,500	62.76%		2,208,931	59.10%	50%
Total Apprentices	455,137	12.45%	9,418	11.48%	11.77%	464,555	12.43%	20%
LIA Apprentices	218,087	5.97%	5,087	6.20%	6.36%	223,174	5.97%	20%
LIA/LBA Apprentices	339,834	9.30%	7,432	9.06%	9.29%	347,266	9.29%	20%

(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.)

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 was able 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 2011

MAPLA Period	Total Employment Hours	Apprentice Employment Hours	Apprentice Percentage Hours
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%

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 (with Over 500 Hours) Meeting One or More LIA/LBA Journey and Apprentice Dispatch Goals (January 2010 – June 2011)

Craft	% LIA	% LIA/LBA	% LIA Apprentice	% LIA/LBA Apprentice
Electricians	29.21%	68.48%	7.75%	9.15%
Carpenters	29.14%	93.34%	2.18%	7.43%
Laborers	43.79%	70.87%	2.38%	2.38%
Plumbers	19.58%	52.96%		24.03%
Roofer	47.01%	91.48%	8.81%	12.89%

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 **Tables 4 and 5** achieved significant measures of the LIA/LBA hiring and LIA/LBA apprentice utilization levels that benefit the MAPLA local-hire goals as shown below. In addition to this achievement, MAPLA Contractors reported utilization of apprentices on non-MAPLA work (which counts towards achievement) of over 2,000 hours in the reporting period – a full fifty (50) weeks of apprentice employment achieved through the incentives provided in the MAPLA local-hire program.

Table 4: Contractors Within 85% of or Meeting One or More LIA/LBA Journey and Apprentice Dispatch Goals 2010 Work

Contractor	% LIA	% LIA/LBA	% LIA Apprentice	% LIA/LBA Apprentice
Abel Construction (Operating Engineer – OE))	--	80%	--	--
Albay Construction (Carpenter and OE)	--	100%	--	--
Aquamatic Fire Protection (Plumber)	--	50%	--	--
Bay Line Cutting & Coring (Laborer)	--	55%	--	--
Blue Iron Inc (OE)	--	100%	--	--
CFE&T Concrete Pumping (OE)	--	97%	--	--
CJC Trucking (Teamster)	61%	100%	--	--
Collins Electric (Electrician)	--	--	22%	22%
Comack Plumbing (Plumber)	100%	100%	--	--
Delta Grinding CO (OE)	--	50%	--	--
Earth Shelter Developers (OE)	100%	100%	100%	100%
F. Rodgers Corp (Carpenter)	--	--	25%	38%
Fine Line Sawing (Laborer)	--	50%	--	--
Gallagher & Burk (Laborer)	50%	62%	--	--
GK Construction (Laborer)	100%	100%	--	--
Harris Salinas (Iron Worker)	--	89%	--	20%
MAG Trucking (Teamster)	--	96%	--	--
Marble West (Tile finisher)	--	48%	--	--
Marina Mechanical (Sheet Metal)	--	62%	--	--
McGuire & Hester (Carpenter)	73%	93%	28%	28%
McGuire & Hester (Cement Mason)	84%	87%	71%	71%
McGuire & Hester (Laborer)	63%	93%	19%	19%
McGuire & Hester (OE)	89%	99%	22%	22%
McGuire & Hester (Plumber)	--	56%	--	19%
McGuire & Hester (Teamster)	74%	88%	N/A	N/A
Metalset (Iron Worker)	--	54%	--	--
MMI Tank (Boilermaker)	100%	100%	--	--
North American Fence (Laborer)	--	100%	--	--
OC Jones & Sons (Laborer)	64%	86%	--	--
OC Jones & Sons (Teamster)	54%	100%	N/A	N/A
Olson & Co Steel (Iron Worker)	--	--	39%	39%
Pacific States Environmental (Laborer)	65%	91%	--	--
Pacific States Environmental (OE)	--	84%	--	--
Performance Mechanical (Carpenter/Laborer)	--	100%	--	--
Progress Glass Co (Glazier)	64%	100%	30%	42%
Rosendin Electric (Electrician)	56%	96%	--	18%
Sample Port Contractor (Laborer)	100%	100%	--	--
St. Francis Electric (Laborer)	--	89%	--	--

Contractor	% LIA	% LIA/ LBA	% LIA Apprentice	% LIA/LBA Apprentice
St. Francis Electric (OE)	--	85%	--	--
T&D Communications (Electrician)	--	84%	--	--
TDW Construction Inc (Cement Mason)	--	91%	--	--
TDW Construction Inc (Laborer)	--	100%	--	--
Thompson Const. Group (Cement Mason/ Laborer)	100%	100%	--	--
Thomas Eychner Co (OE)	76%	100%	--	--
Thompson Fence Co.	--	88%	--	--
Turner Construction Co (Laborer)	100%	100%	--	--
Universal Bldg Services (OE)	--	62%	--	--
Want Construction (Cement Mason)	--	50%	--	--
Want Construction (Iron Worker)	52%	52%	52%	52%
Wayne Swisher Cement (Cement Mason)	--	69%	--	--
Wayne Swisher Cement (Laborer)	--	100%	--	--
Williams Trucking (Teamster)	100%	100%	N/A	N/A

Table 5: Contractors Within 85% of or Meeting One or More LIA/LBA Journey and Apprentice Dispatch Goals 2011 Work

Contractor	% LIA	% LIA/ LBA	% LIA Apprentice	% LIA/LBA Apprentice
St. Francis Electric (Electrician)		55.40%		
St. Francis Electric (Operating Engineers)		55.30%		
McGuire and Hester (Carpenter)		100.00%		
McGuire and Hester (Laborer)	72.10%	99.00%		
McGuire and Hester (Operating Engineers)		56.10%		
McGuire and Hester (Teamster)		100%		
McGuire and Hester (Plumber)				20.30%
Gallagher and Burke (Laborer)		72.30%		
Gallagher and Burke (Operating Engineer)		46.60%		
Rosendin Electric (Electrician)	45.00%	64.60%		
ACCO Engineered Systems (Plumber)		100.00%		
Industrial Railways Company (Laborer)		82.20%		
Milestone Contractors, Inc. (Sheet Metal Worker)		86.10%		
Precision Traffic (Painter)		47.5%		
Williams Trucking (Teamster)		100.00%		
Beci Electric, Inc.		66.90%	30.30%	30.30%

Contractor	% LIA	% LIA/ LBA	% LIA Apprentice	% LIA/LBA Apprentice
Albay Construction Co (Carpenter)	50.00%	100.00%	50.00%	50.00%
Guarantee Glass Co		57.10%		
Advanced Office Services & Installations (Carpenter)	51.10%	100.00%		
O.C. Jones & Sons, Inc. (Laborer)		50.00%		
United Fence Contractors (Laborer)	73.50%	73.50%		
Metalset, Inc. (Iron Worker – 50 % non-LIA/LBA Apprentice Utilization)				
CF&T Concrete Pumping Inc. (Operating Engineer)		100.00%		
Universal Building Services (Operating Engineer)		50.00%		
Comack Plumbing (Plumber)		100.00%		

MAPLA Extension

During 2010, 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 certain time, 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 levels under MAPLA during the year continue to adversely affect the amount of funds available for the Trustees of the MAPLA Social Justice Trust to grant to community agencies. For example, under \$12,500 was generated for the fund during the reporting period. This was based on approximately 82,000 work hours at the contribution rate of 15-cents per craft hour.

During 2010, the Trustees reviewed the issue closely in coordination with the MAPLA Social Justice Subcommittee. In early 2011, the Trustees made a grant of \$10,000 for continued support of a multi-community based organization program to support retention of apprentices and local workers (which grant was made in January 2011). As a result of this grant award, the total contributions to community based organizations, since the inception of the MAPLA Trust in 2000, is approximately \$385,000. The

Trustees deferred at their September 2011 meeting any decision on whether to make a grant in calendar year 2011.

Labor Relations

The MAPLA team is again pleased to report that no work stoppages occurred on projects working under the MAPLA in the reporting period. This is another outstanding achievement of sound labor relations under MAPLA. During the year, Andreas Cluver, the new Executive Secretary-Treasurer of the Building and Construction Trades Council of Alameda County, AFL-CIO, proved himself a committed and able partner in achieving MAPLA's labor harmony and social justice goals in the tradition of his predecessor, Barry Luboviski (who retired in 2009).

The largest MAPLA project in the period was the Aviation Project OFCC-2009-1 Tank Farm C Improvements with McGuire Hester as General Contractor. Issues did arise on this project reflecting the continuing tension on jurisdictional disputes among the Trades – aggravated by the continued sluggishness in the construction industry. The issues on this project centered on craft jurisdiction disputes between the Laborers and Pipefitters and were addressed with the assistance of the MAPLA team. They were successfully resolved in accordance with MAPLA dispute resolution procedures without incident.

The Transportation Security Administration (TSA) has tightened requirements for access to Airport facilities, which required action to facilitate a new process for Union unescorted access to Airport facilities. The MAPLA team worked with Executive Secretary-Treasurer Cluver to resolve obtaining unescorted access for six Union representatives at Oakland International Airport. This access is necessary (and procedures are established under MAPLA) to insure worker representation on airport projects by Union representatives qualified to receive the unescorted badging access through required background checks.

In related news, the San Francisco Board of Supervisors passed a Local Hire Ordinance requiring construction contractors on projects in excess of \$400k to have 25% of their construction crew to consist of San Francisco residents. The percentage increases over time to 50%. The Ordinance replaces goals and good-faith hiring with mandatory requirements. Contractors failing to achieve are subject to financial penalties. The Ordinance was opposed by both industry associations and the San Francisco Building Trades Council.

And, finally, the Northern California Carpenters have reached formal agreement with both the national and California Building Trades councils to participate in project labor agreement negotiations. The Carpenters International is not a member of either the AFL-CIO or the National Building & Construction Trades Department.

Local and Small 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. 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 allow such Contractors to enjoy the benefits of MAPLA without having to subscribe to MAPLA. Over two-thirds of the \$15 million in this program has been awarded.

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:

- With 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 MAPLA team is proud of MAPLA’s achievements to date and is available to answer any questions the Board may have regarding its management and implementation.

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