

PORT of OAKLAND



MARITIME and AVIATION PROJECT LABOR AGREEMENT

PROGRESS REPORT

January 1, 2008 through June 30, 2008

Presentation to the
Board of Port Commissioners
Administrative Committee
November 25, 2008

Acknowledgements

This report was compiled by the following:

- Davillier-Sloan, Inc.
- Parsons Constructors, Inc.
- Marstel-Day, LLC
- Port of Oakland Engineering Division
 Social Responsibility Division

Further thanks to Social Justice partners for their contribution to this report:

- Tradeswomen, Inc.
- Workforce Collaborative

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Executive Summary Update

The Maritime and Aviation Project Labor Agreement (MAPLA) was adopted by the Board of Port Commissioners in 2000. It was intended to cover the Capital Improvement Program (CIP) for the Port's Aviation and Maritime areas. In response to Board policies, the MAPLA was designed to ensure project labor stability, the employment of Port Local Impact Area (LIA) residents, and the utilization of Port-recognized small businesses, the Port's significant maritime and aviation modernization programs – Vision 2000 and the Airport Terminal Expansion Project respectively. MAPLA also covered other CIP projects in the Maritime and Aviation areas, and major maintenance.

Initially, adopted for five 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 tenant's construction activities (through December 2006) and has been further extended three times by Board action and the concurrence of the Building Trades Unions. Under the current extension, MAPLA will 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.

MAPLA continues its cornerstone position as a catalyst for Local Impact Area (LIA) employment opportunities and sound labor relations.

- The Board should continue to be pleased that its MAPLA projects have enjoyed a solid labor relation's environment over the past seven years. Port projects have not been subject to labor disruption. Given the large number of contractors with differing labor relations approaches, this is a remarkable feat. There were no major labor relations' issues that developed over the reporting period.
- Local unions continue to process grievances through the MAPLA's established and standardized dispute resolution procedures. Craft jurisdiction remains a key interest of Labor but disputes are resolved away from the construction projects thereby insuring no disruptions.
- The Unions have ensured the dispatch of the skilled workforce that the Port sought to ensure sound and on-time construction of its projects, and they have worked successfully with non-union contractors working under the MAPLA to ensure that those contractors could use both their "core" employees and integrated skill union members into their work crews.
- The employer-union joint apprenticeship programs have provided key opportunities for LIA/LBA residents to receive on-the-job training on the MAPLA construction projects. Since inception over 3.5 million craft hours have been worked under the MAPLA resulting in 1.1 million LIA craft hours of employment – or 31%. When LIA and Local Business Area (LBA) resident craft hours are combined, over 2.1 million – 59.5% – of the total craft hours were performed by LIA/LBA workers, well over the 50% goal established in MAPLA.



Where are we Now?

As we move forward into the future of continued reductions in the Port's own CIP activities and the transfer of development and construction activities to tenants and Public Private Partnerships, MAPLA can continue 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.

The reduced construction activity and the economic downturn have both created new challenges for the program, as contractors retrench to their core crews. Nonetheless, the MAPLA team has developed a strong process for engaging the community-labor-contractor communities to achieve these goals. 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.

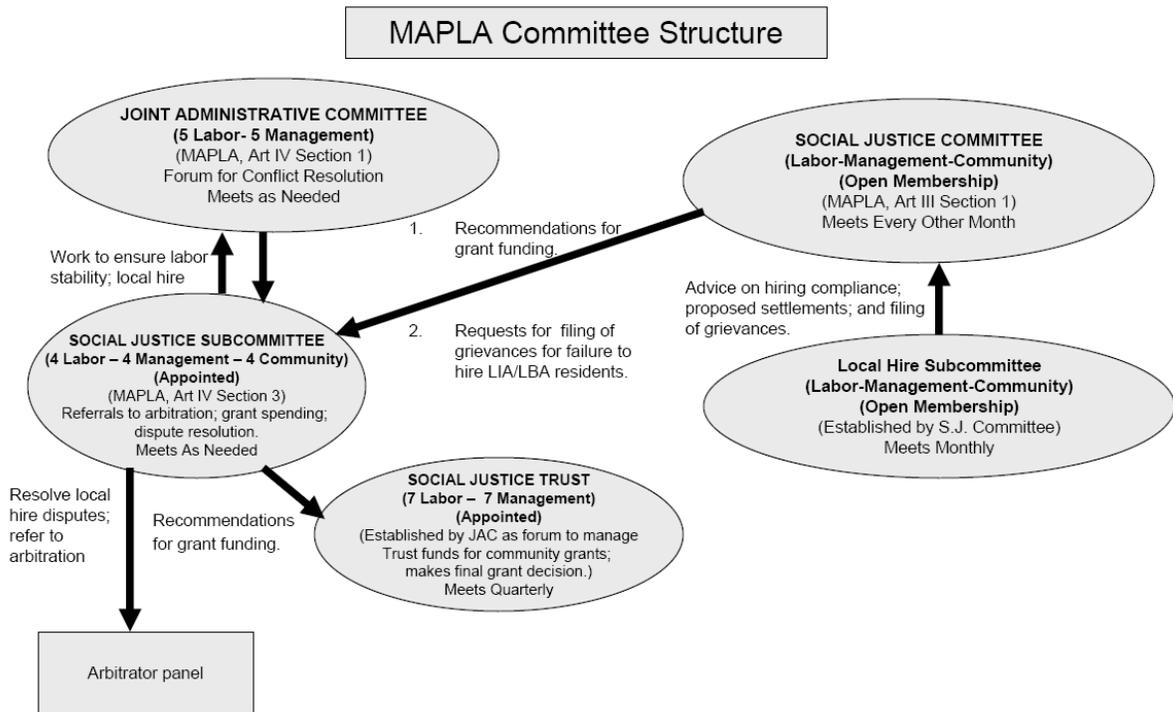
What follows is our semi-annual report, which has been modified in form to ensure that you receive all of the relevant information in the most accessible and concise format available. We remain available to answer any questions you may have on the continued success of the program.



PROGRESS REPORT

MAPLA Committee Structure

A number of committees work to ensure that the MAPLA labor stability and local hire provisions work effectively. We have depicted them and their working relationship in the table below.



Labor Relations

MAPLA projects enjoyed labor stability during the reporting period, this despite tensions in the industry of craft jurisdiction. No work stoppages occurred on Port projects during the period and now for more than seven years. Minor grievances were resolved at the project level with no dispute requiring arbitration.

It should be noted that stable labor relations were maintained during a period of instability at the national level. Fortunately, internal disputes among the Trades did not flow-down to project disputes.

The MAPLA process of requiring pre-job conferences between the General Contractor/subcontractors and the Unions continued to prove its merit. Disputes are surfaced early and receive the required attention to insure smooth project operations.

MAPLA Local Hire Program Goals

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 Local Impact Area (LIA) and the Local Business Area (LBA). The LIA is the cities of Alameda, Emeryville, Oakland, and San Leandro. The LBA is the remaining cities in Alameda County and all of Contra Costa counties. To achieve the MAPLA goal that local residents receive jobs on Port projects, the agreement provides that when the workforce is available, capable and willing to work, each Contractor and subcontractor must satisfy the following requirements over the course of the project.

- 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.
- In relation to apprentice utilization, subject to any restrictions by law, apprentices 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.

Performance

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	Cumulative Results Thru December 07		January through June 2008			Cumulative Results Thru June 08		
	MAPLA Hours	% of Total	MAPLA hours for last six months	% of last six months	Apprentice trades hours only	MAPLA Hours	% of Total	Goal
Total Hours Worked	3,377,252		165,854		155,388	3,543,106		
LIA Residents	1,052,978	31.18%	41,755	25.18%		1,094,733	30.90	50%
LIA/LBA Residents	2,015,858	59.69%	87,577	52.80%		2,103,435	59.37	50%
Total Apprentices	432,810	12.82%	14,190	8.56%	9.13%	447,000	12.6%	20%
LIA Apprentices	209,001	6.19%	6,153	3.71%	3.96%	215,154	6.07	20%
LIA/LBA Apprentices	332,614	9.55%	11,454	6.91%	7.37%	334,068	9.43	20%

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

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

Given the decline in construction activities in this period mentioned earlier, we have seen a one-third decline in apprentice utilization; this is reflected in the overall LIA/LBA apprentice utilization as well – a decline of 1/3. Harder hit was the LIA apprentice utilization, with about a 40% decline. We have seen this trend before during low construction periods, and we will continue to deploy our targeted strategy of securing LIA apprentice utilization on eligible projects.

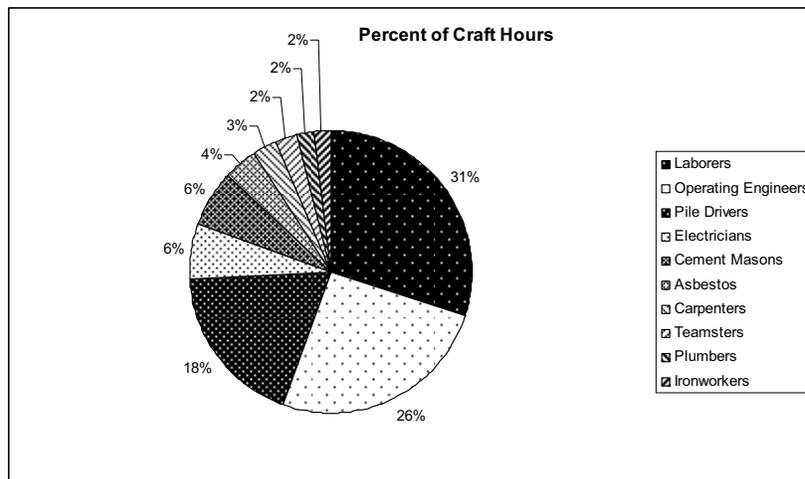
Of overall significance is the fact that over the life of MAPLA we have achieved well over 200,000 hours of LIA apprentice participation, which translates into 5,378 weeks of LIA apprentice employment – or over 100 worker years! Adding LIA and LBA apprentice hours together, MAPLA has generated over 160 worker years of employment for these Port residents. This is precisely the focused social-justice goal of the Commission: building careers in the construction trades for LIA and LBA residents.

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 more than 10,000 hours and more than 5% of the total project activity).

• Laborers	31% of total hours worked	48,584 hours
• Operators	26% of total hours worked	41,344 hours
• Pile Drivers	18% of total hours worked	29,640 hours
• Electricians	6% of total hours worked	10,471 hours
• Cement Masons	6% of total hours worked	10,236 hours

The intense concentration of work – 87% of the total – during this period with these trades makes attainment of our apprentice goals more difficult, given the legal restrictions that exist on apprentice utilization for much of the work these crafts perform.

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



MAPLA Pace Setters-Contractors

LIA hiring is the core of the MAPLA local-hire program. With several other jurisdictions in the local area having local-hire programs under their PLA agreements, local residents may not be readily available for dispatch to contractors working under the MAPLA. An added factor impacting the local-hire goals was the phasing out of construction activity on the Airport Terminal Two and Roadway – Civil Site Work projects and the attendant downsizing that goes with project completion.

Nonetheless, several contractors are to be commended for local hiring accomplishments during the reporting period.

<u>Contractor</u>	<u>Craft</u>	<u>LIA %</u>	<u>Apprentice %</u>	<u>LIA Apprentice%</u>
Dutra Construction	Pile Drivers	58.3%	48.9%	35.8%
Manson	Operators	68.5%	19.8%	19.8%
	Pile Drivers		19.6%	
OC Jones & Sons	Laborers	50%		
St. Francis Electric	Electricians		42.1%	

MAPLA Pace Setters-Craft Unions

The following trade unions compiled local impact area and local impact area apprentice participation levels of note. The work down turn at the Terminal Two and Roadway – Civil Site Work projects and the reductions in crew sizes impacted the local residents' participation levels.

During the reporting period the following crafts led the way in relation to LIA and LIA apprentice dispatch to contractors performing MAPLA construction work.

<u>Craft</u>	<u>LIA %</u>	<u>LIA Apprentice %</u>	<u>Combined %</u>
Asbestos Removals			
Laborers	63.16%		
Pile Drivers	29.55%	9.89%	39.44%
Plumbers	21.23%	10.34%	31.57%

Off Site LIA Apprentice Utilization/Non MAPLA Projects

The MAPLA program structure contains a unique program aspect that is intended to further maximize local resident apprentice participation employed by contractors performing MAPLA work. Contractors that participate in MAPLA project activity can receive up to 50% credit towards reaching their local-hire goals by utilizing apprentices from the Local Impact Area (LIA) on their non-MAPLA Projects during the period of their performance on the MAPLA work.

Table 2: NON-MAPLA (Off-Site)Apprentice Utilization

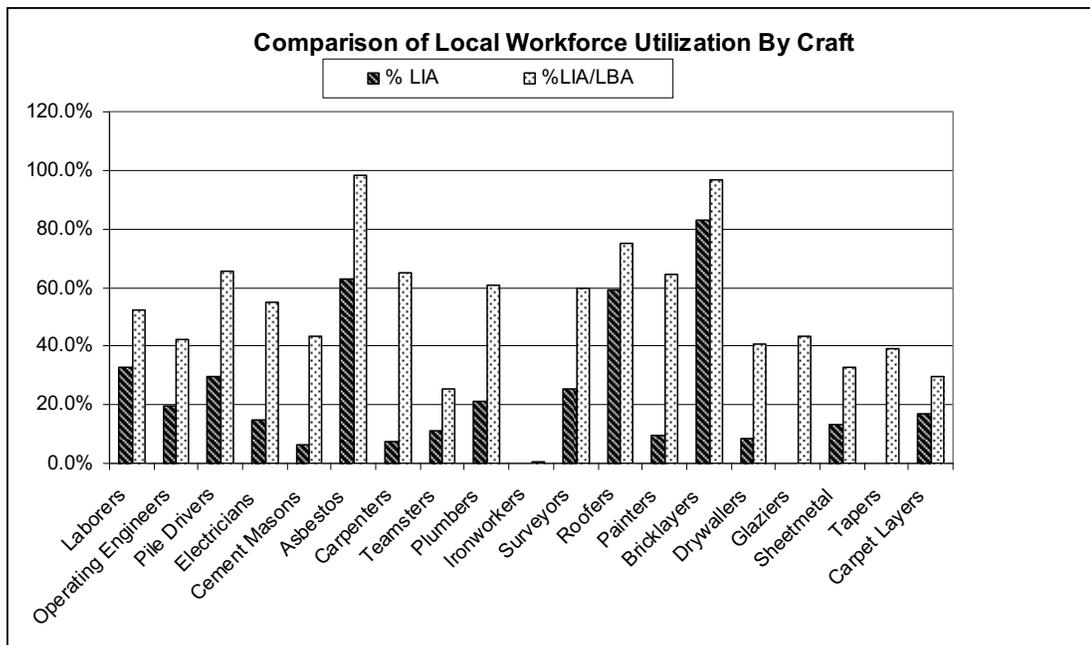
Non-MAPLA (Off-Site) Apprentice Utilization Jan-June 2007		
Company	Trade	Apprentice Hours
Zaccor Companies	Operating Engineers	41
Zaccor Companies	Pile Driver	1,349.5
<i>Zaccor Total</i>		<i>1390.5</i>
Vortex Marine Construction, Inc.	Pile Driver	35
Beliveau Engin. Contractors, Inc.	Laborer	32

Non-MAPLA (Off-Site) Apprentice Utilization Jan-June 2007		
Company	Trade	Apprentice Hours
Beliveau Engin. Contractors, Inc.	Operating Engineers	67
<i>Beliveau Total</i>		99
Gallagher & Burk, Inc.	Laborer	88.5
Gallagher & Burk, Inc.	Operating Engineers	360
<i>Gallagher & Burk Total</i>		448.5
Cunha Engineering, Inc.	Field Surveyor	96
Off-Site Apprentice Utilization	Total	2,069

The net effect of the MAPLA Off-Site LIA Apprentice utilization process continues to result in increased employment opportunities for LIA apprentices on non-Port sponsored projects. It is an important aspect of the Port's MAPLA program.

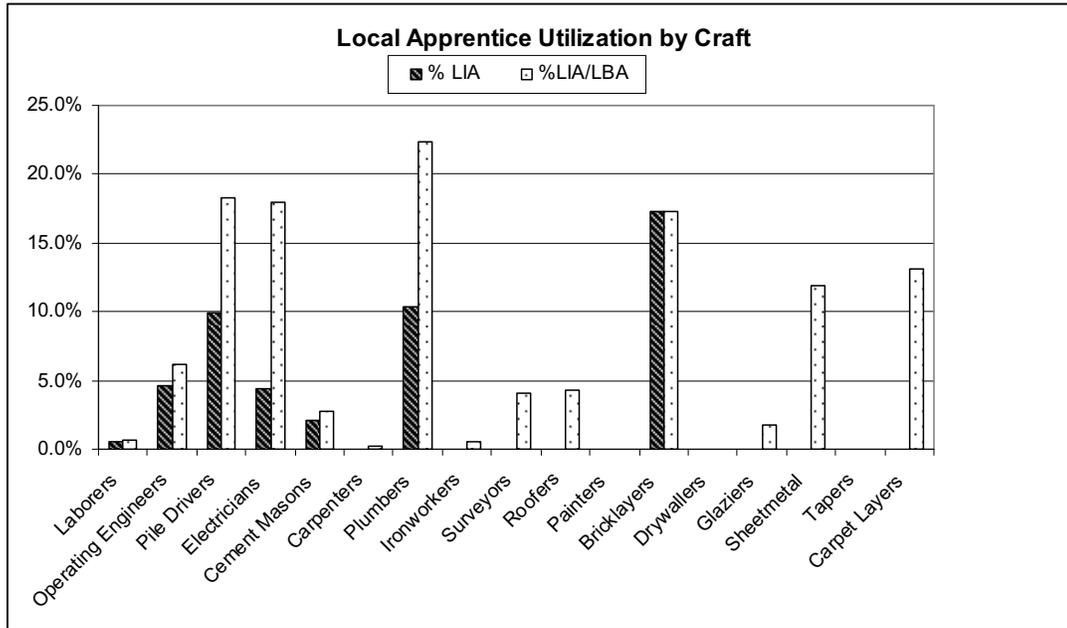
The PLA Progress Team continues its strategic focus on LIA apprentice utilization as a key element of meeting the program objectives of providing careers in the construction trades for LIA residents.

**Chart 2: Comparison of Overall Local Workforce Utilization by Craft
(Trades with 0.1% or more of Total Craft Hours)**



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

**Chart 3: Local Apprentice Utilization by Craft
(Trades with 0.1% or more of Total Craft Hours)**



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

Social Justice Trust Fund

The Port of Oakland Social Justice Labor Management Cooperation Trust Fund (Trust Fund) receives funding through construction contracts awarded under MAPLA. Contractors make a direct contribution of 15 cents per craft hour to the Trust Fund. Grants from the fund are made by the Trustees upon the recommendation of the Social Justice Subcommittee. Over \$375,000 has been raised for distribution to community groups working to achieve the Port's local-hire goals.

In May of this year, the Trustees authorized a second installment of funding of \$25,000 for the consortium of groups (Acts Full Gospel Men of Valor, Oakland Workforce Collaborative, Tradeswomen, Inc. and Youth Employment Partnership) to fund a placement and retention team to support clients of all four organizations. This effort is administratively managed by the Oakland Workforce Collaborative. As discussed on page 11 of this report, the preliminary results from the placement and retention team have been very encouraging. Based on recommendations from the Trustees, the Social Justice Committee determined that refunding this collaborative effort was what should occur with the 2008 granting cycle.

Joint Labor-Management Committees, representing individual Building Trades Unions and their affiliated contractor associations, continue to seek voluntary contributions to the Trust Fund and the Trust is investigating a grant seeking effort.

Highlighted MAPLA Accomplishments

MAPLA Social Justice Trust Fund Retention Project

In 2007, the MAPLA Social Justice Program awarded, through the Trust, a grant focused upon tracking and retaining clients previously placed in the construction industry through the MAPLA. The Retention Project staff worked with four local community based organizations (CBO) – The Workforce Collaborative, Tradeswomen, Inc., Youth Employment Partnership, and Men of Valor, as well as with local contractors and the local Building Trades union-employer joint apprenticeship training programs.

The Retention Project's work has been to assist CBO clients previously placed into apprenticeships by offering them retention services to help them advance and complete their programs; and to assist CBO clients who are pre-apprentices to prepare for, enter and succeed in trades apprenticeships.

MAPLA Social Justice Trust Fund Retention Project served 109 clients and out of that total there were.

- 40 Apprentices
- 5 Journey Workers
- 19 Pre-Apprentices
- 45 Information & Referrals only
- 150 LIA Apprentices previously placed into programs by CBO
- 71 LIA Apprentices are still active
- 28 Active Apprentices, which 8 have become journey and 7 completed over 50% of the program. Six of the clients changed trades and 2 Apprentices were reinstated with project assistance.

With continued funding from the Trust Fund, this project will carry on the retention efforts to support local apprentices.

Deconstruction Project – Building 802



Building 802 is one of a series of eight temporary warehouses built in 1940 that are now slated for deconstruction. The deconstruction is a unique project with sustainability requirements to maximize the salvage and reuse of building wood as well as to maximize workforce-training opportunities for local residents in the deconstruction process.

The workforce requirements provided the opportunity for contractors to partner with non-profit workforce training programs. Zaccor Companies together with Men of Valor were awarded the contract and began deconstruction of Building 802 on April 1, 2008. Four Men of Valor trainees worked on-site and received classroom training, learning various aspects of deconstruction and construction including safety and hazmat. These trainees, now in the Laborers Union, are on their way in the

construction industry. In addition, over 1400 tons of wood was recovered exceeding the estimates, with nearly all of the wood going into recovery and reuse.

Positive Impacts of Port's Project Labor Agreements

The uniqueness of the Port's Project Labor Agreement's Social Justice component has been documented and cited in publications as example that local hire requirements can and do move low-income communities into jobs.

The California Research Bureau, California State Library cites the Port's PLA as "an innovative approach to community development" and the recent 2008 Executive Summary from the Partnership for Working Families' "Making Development Work for Local Residents" describes the Port's PLA as an "innovative policy vehicle."

Conclusion/Challenges Going Forward

The MAPLA and its effective administration continued to address and fulfill the Board's principles during the first half of 2008. Adverse, industry-wide construction labor relations did not impact the Port's capital improvement projects in the Maritime and Aviation divisions and Local Impact Area (LIA) residents worked over 25% of all craft hours and LIA/LBA residents worked 60% of craft hours.

The Social Justice Program is the leader amongst East Bay public works construction programs in meeting Local Hire objectives and is a nationally recognized program for its significant successes. The goal for employment of craft-workers from the combined Local Impact Area/Local Business Area has been exceeded. Employment of LIA apprentices remained positive with superb results in the electrical and plumbing trades. We will continue our focus on the placement of LIA apprentices, and will place increased attention on the placement of LIA journeypersons.

The MAPLA Team's efforts with both Contractors and Unions showed positive results. The Board can take pride in the fact that its principles for MAPLA continue to provide a sound framework for solid results across the range of interests the Board has established.