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PORT of OAKLAND

MARITIME and AVIATION PROJECT LABOR AGREEMENT

PROGRESS REPORT SUMMARY

July 1, 2012 to June 30, 2013

Presented

To the

Oakland Board of Port Commissioners

October 2013

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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 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 extended MAPLA for five (5) years and an agreement between the Port and Alameda County Building and Construction Trades 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 with specific goals for the hiring of residents from the Port's Local Impact Area (LIA) and Local Business Area (LBA).

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, as allowable by law, are to perform 20% of all project hours performed on a craft-by-craft basis, with a goal that all of these hours will be performed by LIA resident apprentices, with LBA resident apprentices as an allowable back up. This goal applies if local apprentices are available, capable and willing to work on PLA covered projects.

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, 2012 to June 30, 2013.

HIGHLIGHTS

Highlights of **the fiscal** year include:

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

- 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 Training Committees (JATCs) have provided key opportunities for LIA/LBA residents to receive on-the-job training on the MAPLA construction projects and to start careers in the construction Trades.
- The MAPLA Social Justice Trust Fund continues to provide an opportunity for financial support in local workforce development efforts that support the LIA employment goals of the MAPLA, especially with regard to the 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 LIA and the LBA and requires 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, 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 Committee and its Local Hire Subcommittee 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, Division of Contracts and Compliance

The overall results of the local-hire program and the results in this fiscal year period are displayed in Table 1 (below). During the report period a total of 337,547 construction work hours were compiled. This represented an increase of 280,117 work hours over the prior reporting period.

This increase in the number of project hours had the following effects upon available LIA and local apprentice participation during the report period.

- Percentage of total LIA work hours in this reporting period was 19.33%
- Percentage of total LIA/LBA work hours during this reporting period was 54.11%
- During this reporting period LIA Apprentice work hours increased from 2.70% to 3.92%
- During this reporting period LIA/LBA Apprentice work hours increased from 3.72% to 8.80%
- During this reporting period total Apprentice utilization increased from 7.80% to 13.93%

The decrease in the overall participation levels for LIA residents on a **percentage** basis in large measure may be attributed to the following:

- There are now multiple PLA imbedded local hiring programs in the area. This leads to the potential that there will be times when there are not enough local workers available to meet the goals of the MAPLA. The Peralta Community College District, the Oakland Unified School District, and BART all have PLA imbedded local hiring programs. The City of Oakland has a non-PLA local hiring program. All these programs draw from the same limited pool of local residents.
- For part of this reporting period, specifically, the Oakland Airport Connector (OAC) project, which contains an aggressive local hiring program similar to those found in the MAPLA, may have had an impact on the MAPLA results. Close to 100,000 hours on the OAC were worked by local residents, which could have negatively impacted the ability of MAPLA contractors to meet the established goals for local hiring.

However, it should be noted that in this reporting period, in terms of total **hours** worked, LIA residents worked a total 65,146 hours as opposed to 13,768 hours for the last reporting period, a significant increase of 473%.

Table 1 sets out the totals and percentages of hours – cumulative through June, 2012 (the last period)- and then cumulatively through the end of June 2013.

Table 1: **MAPLA Local-Hire Performance Summary**

MAPLA	Cumulative Results Thru June 2012		July 2012 Through June 2013			Cumulative Results Thru June 2013		
	MAPLA Hours	% of Total	MAPLA hours for last twelve months	% for last twelve months	Apprentice Trades hours only	MAPLA Hours	% of Total	MAPLA Goal
Total Hours Worked	3,794,841		337,547		331,557	4,132,388		
LIA Residents	1,168,770	30.80%	65,249	19.33%		1,234,019	29.86%	50%
LIA/LBA Residents	2,240,135	59.03%	182,644	54.11%		2,422,779	58.63%	50%
Total Apprentices	469,033	12.36%	47,034	13.93%	14.19%	516,067	12.49%	20%
LIA Apprentices	224,726	5.92%	13,247	3.92%	4.00%	237,973	5.76%	20%
LIA/LBA Apprentices	349,401	9.21%	29,692	8.80%	8.96%	379,093	9.17%	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 show 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 54.11% compared to a cumulative participation level of 58.63% through June 2013.

In the area of apprenticeship utilization, the program had been subject to an historic trend of reduced apprentice utilization during the economic downturn, as Table 2 displays below. However, the MAPLA Team **continued** 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. As the table indicates, the recent upsurge in the overall hours worked is reflected in the increased number of hours worked by apprentices.

Table 2: **Total Employment Hours vs. MAPLA Apprentice Utilization (Annual by Hours & Percentage) from July 2005 – June 2013**

MAPLA Period	Total Employment Hours	Apprentice Employment Hours	Apprentice Percentage Hours
July 2012 – June 2013	**337,547**	**47,034**	**13.93%**
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%**

Economic Impact of MAPLA During This Report Period

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

- LIA residents estimated earnings of $4,063,688
- LIA/LBA residents estimated earnings of $11,766,749
- LIA apprentices estimated earnings of $689,372
- LIA/LBA Apprentices estimated earnings of $1,581,056

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 or Close to One or More LIA/LBA Journey and/or Apprentice Dispatch Goals during the July 2012 to June 2013 period.**

Craft	% LIA Journey	% LIA/ LBA Journey	% LIA Apprentice	% LIA/LBA Apprentice
Asbestos Worker	-	87.8%	-	29.2%
Plumbers	-	52.1%		*15.6%*
Electricians	-	70.9%	-	*15.4%*
Roofers	*44.3%*	61.4%	-	-
Brick Tender	-	73.2%	-	-
Asbestos Removal Workers	-	71.4%	-	-
Laborers	-	67.9%	-	-
Teamsters	-	64.8%	-	-
Field Surveyor	-	61.4%	-	-
Bricklayer, Blocklayer	-	55.8%	-	-
Glaziers	-	55.1%	-	-

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 or Close to One or More LIA/LBA Journey and/or Apprentice Dispatch Goals during the July 2012 to June 2013 period.**

Craft	% LIA Journey	% LIA/ LBA Journey	% LIA Apprentice	% LIA/LBA Apprentice
Turner Construction – Laborers	99.9%	100%	-	-
Rosendin Electric – Electricians	60.6%	100%	-	-
BME Construction – Electricians	*41.6%*	100%	-	-
D.W. Nicholson – Iron Workers	-	100%	-	-

Craft	% LIA Journey	% LIA/ LBA Journey	% LIA Apprentice	% LIA/LBA Apprentice
Columbia Electric – Electricians	-	100%	-	-
McGuire & Hester – Laborers	*48%*	98.3%	-	-
Columbia Electric – Laborers	*44.9%*	93.9%	*17.7%*	*18.8%*
Bay Cities Paving & Grading – Laborers	*48%*	92%	-	-
McNely Construction – Carpenters	-	92.1%	-	-
Arrow Acoustics – Carpenters	*44.6%*	87.7%	38.3%	38.3%
St. Francis Electric – Laborers	-	86.6%	-	23.4%
D.W. Nicholson – Electricians	-	85.5%	-	20.7%
Red Top Electric – Electricians	-	85.1%	-	*17.5%*
Beliveau Engineering – Laborer	63.2%	82.5%	*19.3%*	*19.3%*
Glazier Iron Works – Iron Workers	-	79.5%	-	*19.1%*
Shimmick – Electricians	-	73.7%	-	20.9%
Beci Electric – Electricians	64.6%	72.2%	-	-
Whiteside Construction – Cement Mason	-	69.5%	-	-
Alamillo Rebar – Iron Workers	43.2%	69.1%	-	*15.8%*
Shimmick – Laborers	-	68.6%	-	-
Stoer & Graff – Pile Driver (Carpenters)	-	66.5%	-	-
Epic Contracting – Laborers	-	66%	*14.7%*	*15.7%*
D.W. Nicholson – Carpenters	-	64.4%	-	
Shimmick – Carpenters	-	61%	-	-
St. Francis Electric – Operating Engineers	-	59.7%	-	-
Sprig Electric – Electricians	-	58.9%	20.2%	31.3%
Allied Environmental – Asbestos Removal Workers	-	53.8%	-	-
Bay City Mechanical – Sheet Metal Workers	-	53.7%	21.8%	21.8%
O.C. McDonald – Plumbers	-	53.5%	-	-
Gallagher & Burk – Operating Engineers	-	53.1%	-	-
Milestone Contractors – Plumbers	-	52.7%	-	22.3%
Jerry Thompson – Painter	-	52.4%	-	-
Cupertino Electric – Electricians	-	50.2%	-	-
Westates – Plumbers	-	50.1%	-	-
KBI Painting – Painters	-	-	29.8%	29.8%
Allied Fire Protection	-	-	29.7%	29.7%

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 levels under MAPLA for several years adversely affected the amount of funds available for the Trustees of the MAPLA Social Justice Trust to grant to community agencies. Due to this, no 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, one of five made to the Oakland Workforce Collaborative, supported a collaborative effort by multiple community based organizations to identify and retain Oakland-based apprentices through collaboration with contractors and the Alameda County Building Trades affiliate members. With that grant, the sixteenth in the history of the MAPLA Social Justice Trust Fund, the total contributions provided to community based organizations exceeded $382,000. The table below shows the organizations, grant amounts and number of grants since the inception of the Trust Fund.

Grants/Recipient	Total Grants	Number of Grants
Allen Temple Housing and Economic Development Corporation	$45,115	2
East Bay Community Law Center, on behalf of BACSIC	$66,000	3
Oakland Private Industry Council, on behalf of Cypress-Mandela Training Center	$86,654	3
Tradeswomen, Inc.	$15,000	1
The Workforce Collaborative (as the manager in the above mentioned collaboration with four other community based organizations)	$135,000	5
Youth Employment Partnership, Inc.	$35,000	2
Total	$382,769	16

It bears mentioning that administrative costs of the fund total under $18,000, about 4.5% of all funds distributed by the fund manager, the East Bay Community Foundation. These relatively small administrative costs pay for trust insurance, legal services, fund management and, in one case, for an arbitrator to enforce the Social Justice provisions of the MAPLA.

An upturn in work, due to both an improved funding climate and the resolution of issues with the U.S. Department of Transportation that allowed for resumed coverage of Port projects containing DOT grant funding have improved the funding picture. Funds available for grant making as of this writing are approximately $26,500.

The Trustees have also undertaken an audit of contractor compliance with the $0.15 per hour contributions through June 2012 and received a report of that compliance at their last meeting. They asked for additional follow up information and that audit has been completed. Approximately $15,000 in past due contributions are outstanding and efforts are now underway to recoup those contributions and to advise contractors what or that(?) they owe, as well, for the period between July 2012 and June 2013. This will add additional funds to the Trust and may increase the size of the grant available to be made this year. The Trustees will meet in September to determine whether to release an additional grant. Given their policy to place money in the hands of the community groups as quickly as possible, it is likely that a $20,000 - $40,000 grant would be approved at their November meeting, following the receipt by the Trustees of a grant recommendation from the MAPLA Social Justice Subcommittee comprised of 12 community, labor and contractor representatives.

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 the life of the MAPLA, more than 90% of all covered contracts have been issued to LIA/LBA businesses and LIA 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 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:

- Seek ways to maximize the opportunities presented by the upturn in the economy and the number of Port projects covered by the MAPLA.
- Continuing to streamline and make more cost effective the management and oversight of MAPLA in light of the reduced capital program it supports. Of

particular concern is maximizing the effectiveness of the various committees, taking into account that members serve on a voluntary basis.

- Look for collaborative ways to maximize funding for pre-apprenticeship training, apprenticeship entry and retention.
- Continue 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.

The Board can take pride in the fact that its principles for 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.

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