

# PORT of OAKLAND



## MARITIME and AVIATION PROJECT LABOR AGREEMENT

### PROGRESS REPORT SUMMARY

July 1, 2015 to June 30, 2016

Presented  
To the  
Oakland Board of Port Commissioners  
December 2016

## HISTORICAL OVERVIEW TO MAPLA

The Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) was adopted by the Board of Port Commissioners (Board) 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 with the concurrence of the Building and Construction Trades Council of Alameda County (Council) on a month-by-month basis. In June 2010, the Board adopted a five (5) year extension to the MAPLA. In February 2011, the Port and the Council extended the MAPLA for an additional five (5) years, through June 30, 2015. While the Port and Council negotiated a successor MAPLA, MAPLA was further extended three times through November 29, 2015.

During the reporting period, a new MAPLA was negotiated and became effective February 1, 2016 with several key changes.<sup>1</sup> Highlights of these changes include additional work coverage, additional local hire requirements, revamping of the MAPLA Small Business Enterprise Program, increase in hourly contribution to the Social Justice Trust Fund, updating of the administration structure and grievance procedures, and other streamlining edits. MAPLA 2016 was adopted for a 5-year term and, subject to Board approval, may roll over for an additional 5 years.

The aim of the enhancements to the MAPLA Local Hire Program is to advance the Port's policy for the increased employment and construction career opportunities for residents from the Port's Local Impact Area (LIA) and Local Business Area (LBA). Currently, the goal is that LIA residents will 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. With MAPLA 2016, two apprentice goals were added. The first is a goal that 25% of the apprentice's hours shall be worked by disadvantaged workers, if available. The second is a goal based on individual employment versus hours. The goal of one new hire LIA resident shall be employed for the first one million dollars (\$1 million) of construction bid value and for each additional five million dollars (\$5 million), one additional new hire LIA

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<sup>1</sup> The provisions relating to New Hire Apprentices, MAPLA Small Business Enterprise Program, and Construction Trucking Work became effective August 1, 2016.

resident shall be employed for a minimum of 500 hours.

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, 2015 to June 30, 2016.

## HIGHLIGHTS

Highlights of **this 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. 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.

## 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 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 regularly reviews the MAPLA local-hire performance and works with Contractors to help them achieve these goals. The committee provides an excellent venue 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 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 179,000 construction work hours were compiled which is a modest increase of work hours over the prior reporting period.

There were increases in LIA journey and apprentice participation during the report period but a decrease in LBA apprentice participation.

- The percentage of total LIA work hours in this reporting period is 37.28%, an increase from last reporting period of 3.54%.
- The percentage of total LIA/LBA work hours during this reporting period is 60.61%, a decrease from last reporting period of 3.24%.
- During this reporting period, LIA Apprentice work hours is 12.88%, an increase from last reporting period of 1.74%
- During this reporting period LIA/LBA Apprentice work hours is 14.08%, an increase from last reporting period of 0.75%.
- During this reporting period total Apprentice utilization is 17.60%, an increase from last reporting period of 2.54%

Table 1 sets out the totals and percentages of hours – cumulative through July, 2015 (the last period) and then cumulatively through the end of June 2016.

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

MAPLA	Cumulative Results Thru June 2015		July 2015 Through June 2016			Cumulative Results Thru June 2016		
	MAPLA Hours	% of Total	MAPLA hours for last twelve months	% for last twelve months	Apprentice Trades hours only	MAPLA Hours	% of Total	MAPLA Goal
<b>Total Hours Worked</b>	4,553,670		179,000		162,860	4,732,670		
<b>LIA Residents</b>	1,373,301	30.16%	66,734	37.28%		1,440,035	30.43%	50%
<b>LIA/LBA Residents</b>	2,691,616	59.11%	108,490	60.61%		2,800,106	59.17%	50%
<b>Total Apprentices</b>	586,829	12.89%	31,504	17.60%	19.34%	618,333	13.07%	20%
<b>LIA Apprentices</b>	282,991	6.21%	23,049	12.88%	14.15%	306,040	6.47%	20%
<b>LIA/LBA Apprentices</b>	438,441	9.63%	25,209	14.08%	15.48%	463,650	9.80%	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.)*

In the area of apprenticeship utilization, the program has been increasing its apprentice utilization and is close to reaching the 20% goal, as Table 2 displays below. The MAPLA Team continues to work with community groups, contractors and labor through the Social Justice Committee to increase local resident utilization to a level more in line with and beyond 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 2016**

MAPLA Period	Total Employment Hours	Apprentice Employment Hours	Apprentice Percentage Hours
<b>July 2015 – June 2016</b>	<b>179,000</b>	<b>31,504</b>	<b>17.60%</b>
July 2014 – June 2015	177,762	26,778	15.06%
July 2013 – June 2014	243,520	43,984	18.06%
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 this period local area employment on MAPLA Projects point to the following estimated wage earnings:

- LIA residents estimated earnings of \$3,904,578
- LIA/LBA residents estimated earnings of \$6,695,884
- LIA apprentices estimated earnings of \$1,141,703
- LIA/LBA Apprentices estimated earnings of \$1,273,212

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 2015 to June 2016 period.**

Craft	% LIA Journey (50% goal)	% LIA/ LBA Journey (50% goal)	% LIA Apprentice (20% goal)	% LIA/LBA Apprentice (20% goal)
<b>Roofers</b>	70.2%	81.1%	13.2%	14.5%
<b>Laborers</b>	52.0%	69.8%	13.2%	14.5%
<b>Telecommunications</b>	43.2%	43.2%	n/a	n/a

Craft	% LIA Journey (50% goal)	% LIA/ LBA Journey (50% goal)	% LIA Apprentice (20% goal)	% LIA/LBA Apprentice (20% goal)
Technician				
Plasterers	42.4%	88.5%	0.0%	0.0%
Carpenters & Related Trades	34.8%	87.6%	26.9%	27.1%
Electricians	31.8%	60.4%	18.0%	23.0%
Iron Workers	30.8%	48.6%	11.1%	11.1%
Plumbers	25.4%	71.2%	18.3%	28.0%
Teamsters	24.7%	40.1%	n/a	n/a
Operating Engineers	21.9%	43.8%	12.7%	12.9%
Painters	18.9%	56.6%	0.0%	2.6%
Drywall Installers/ Lathers (Carpenter)	17.5%	81.0%	15.3%	26.0%

### 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 this period.**

**Table 4: Contractors Meeting or Close to One or More LIA/LBA Journey and/or Apprentice Dispatch Goals during the July 2015 to June 2016 period.**

Crafts	% LIA Journey	% LIA/ LBA Journey	% LIA Apprentice	% LIA/LBA Apprentice
Turner Construction Company - Laborers	96.00%	100.00%	36.60%	36.60%
Industrial Railways Company - Laborers & Operating Engineers	70.80%	73.40%	10.10%	10.10%
Silverado Contractors, Inc. - Electricians & Laborers	60.30%	77.50%	7.20%	7.20%
DMZ Builders - Carpenters, Electricians, Laborers & Operating Engineers	57.40%	66.70%	24.90%	24.90%
Evans Brothers Inc - Laborers & Operating Engineers	52.30%	75.00%	21.60%	21.60%
Beci Electric, Inc - Electricians & Laborers	46.20%	77.30%	12.00%	12.00%
Berkeley Cement, Inc. - Carpenters, Cement Masons, Laborers & Operating Engineers	44.00%	78.00%	17.50%	17.60%
OLSON STEEL - Ironworkers	39.50%	56.00%	14.30%	14.30%
Vellutini Corp - Electricians, Laborers & Operating Engineers	38.90%	46.10%	12.80%	12.80%

Crafts	% LIA Journey	% LIA/LBA Journey	% LIA Apprentice	% LIA/LBA Apprentice
Gallagher & Burk, Inc. - Laborers & Operating Engineers	38.80%	71.80%	19.60%	20.20%
McGuire and Hester - Laborers, Operating Engineers & Teamsters	38.20%	63.30%	3.00%	3.00%
Red Top Electric Co., Emeryville Inc. - Electricians & Laborers	34.90%	78.00%	23.60%	29.80%
TDW Construction, Inc. - Laborers & Operating Engineers	34.70%	69.80%	4.00%	4.00%
Balfour Beatty Rail / Gallagher & Burk A Joint Venture - Laborers & Operating Engineers	31.70%	43.20%	10.80%	10.80%
OC Jones & Sons, Inc. - Laborers & Operating Engineers	29.70%	40.80%	0.00%	0.00%
Cosco Fire Protection, Inc. - Plumbers	28.60%	68.90%	28.60%	28.60%
Tennyson Electric Inc - Electricians, Laborers & Operating Engineers	27.70%	41.50%	2.80%	10.20%
PERFORMANCE ABATEMENT SERVICES - Laborers	24.70%	100.00%	0.00%	0.00%
F.D. THOMAS, INC. - Laborers	22.30%	22.30%	5.00%	5.00%
North American Fence & Railing - Laborers	17.60%	93.90%	0.00%	0.00%
IRONWOOD COMMERCIAL BUILDERS, INC. - Drywall/Lathers, Painters & Plasterers	16.40%	72.90%	12.30%	21.90%
Milestone Contractors Inc - Plumbers & Sheet Metal Workers	10.50%	66.90%	9.20%	23.00%
Stacy and Witbeck, Inc. - Laborers & Operating Engineers	7.70%	25.90%	7.70%	7.70%
Durham Stabilization, Inc. - Operating Engineers	3.10%	3.10%	0.00%	0.00%

### Social Justice Trust Fund

Due to the negotiations and streamlining of the Trust Fund committee, a grant was not issued during the reporting period. Generally, the Trust Fund grants support a collaborative effort by multiple local agencies to identify and retain Oakland-based workers with a focus on apprentices through collaboration with contractors and the Council's affiliate members. With that grant, the seventeenth in the history of the MAPLA Social Justice Trust Fund, the total contributions provided to community based organizations exceeded \$420,000. 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
West Oakland Job Resource Center	\$37,300 <sup>2</sup>	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	\$420,069	17

It bears mentioning that administrative costs of the fund are approximately 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.

### 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, 90% of the contracts placed in the Small Business Program (i.e., projects whose bidding pool was limited to Port certified small businesses) were successfully awarded to Port certified small local businesses. The SBEP was established to help small local construction firms, many of which are non-union contractors, by providing opportunities to increase their capacity to perform public work through graduated involvement in the Port's construction projects. Participating firms are limited to a total maximum of one million dollars (\$1 million) of contract work under the program and must graduate to work covered by the provisions of the MAPLA. A total of \$15 million of such work is set aside. Over two-thirds of the \$15 million 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 On-Call Furnishing Labor, Materials, and Equipment for General Building Contractor Services for Port of Oakland Facilities. The estimated value of work to be performed under the SBE contract was \$250,000/year.

The new MAPLA 2016 sets forth a MAPLA Small Business Enterprise (SBEP) Program containing similar SBEP terms to the previous Small Business Exemption Program (SBEP): the limit is up to ten million dollars (\$10 million) overall cap over the 5-year term, subject to a possible increase to fifteen million dollars (\$15 million) with a request and

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<sup>2</sup> Covers fiscal year 2014 and 2015



approval of the MAPLA's Joint Administrative and Social Justice Trust Committee (JASTC). There is a 20% per trade cap and the one million (\$1 million) contract award graduation rate per contractor.

### Site Visits

Starting in April 2014, DSI has been conducting site visits on MAPLA projects to assist the Social Responsibility Division in monitoring the proper payment of prevailing wages in the field. During site visits, DSI observes contractors and trade work being performed, interviews workers and compares that information to the certified payroll reports. No issues of prevailing wage underpayments have been discovered.

During the reporting period, DSI has interviewed 17 workers on the following MAPLA covered projects:

1. Design Build of the Outer Harbor Intermodal Terminal (OHIT) Support Yard, Phase 1 under prime contractor Balfour Beatty/Gallagher and Burk Joint Venture
2. Construction of the OHIT Support Yard, under prime contractor Stacy and Witbeck, Inc.
3. Construction of Runway Safety Area Improvements for the North Field under prime contractor Gallagher and Burk
4. Renovation of Building M102 Air Traffic Control Tower and Building M102 Swing Space TSO#14 under prime contractor Turner Construction

### 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:

- To seek ways to maximize the opportunities presented by the upturn in the economy and the number of Port projects covered by the MAPLA, with a particular focus on increasing the entry of local residents in pre-apprenticeship and apprenticeship training programs.
- To look for collaborative ways to maximize funding for pre-apprenticeship training, apprenticeship entry and retention.
- To continue 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.
- To continue to educate the Port's private partners and tenants to ensure application of MAPLA on maritime and aviation projects.

- To build 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.
- To sustain 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. 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 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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