

PORT of OAKLAND



MARITIME and AVIATION PROJECT LABOR AGREEMENT

PROGRESS REPORT SUMMARY

July 1, 2013 to June 30, 2014

Presented

To the

Oakland Board of Port Commissioners

October 2014

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 adopted a five (5) year extension to the MAPLA and in February 2011, an agreement extending the MAPLA for five (5) years was executed between the Port and Alameda County Building and Construction Trades. Currently, Port staff and Davillier-Sloan, Inc.(DSI) with the Building Trades are working on making some changes in the MAPLA to take effect in 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).

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.

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, 2013 to June 30, 2014.

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. During this reporting period, one labor relations issue was referred to arbitration, with the arbitrator ruling in favor of the grieving union.
- 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. During the reporting period, an award of \$37,300 was made to the West Oakland Jobs Resource Center to support pre-apprentice preparation, training, placement and in apprentice retention.
- Starting in April 2014, DSI has been conducting site visits on MAPLA projects, interviewing workers and comparing information to the certified payroll reports. On site visits, no issues of wage underpayment have been discovered.

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 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 243,520 construction work hours were compiled. This represented a decrease of 94,027 work hours over the prior reporting period.

Even with this decrease in the number of project hours, there was a significant increase in LIA and local apprentice participation during the report period.

- The percentage of total LIA work hours in this reporting period is 32.57%, an increase from last reporting period of 19.33%.
- The percentage of total LIA/LBA work hours during this reporting period is 63.79%, an increase from last reporting period of 54.11%.
- During this reporting period, LIA Apprentice work hours is 10.35%, an increase from last reporting period of 3.92%
- During this reporting period LIA/LBA Apprentice work hours is 14.64%, an increase from last reporting period of 8.8%.
- During this reporting period total Apprentice utilization is 18.06%, an increase from last reporting period of 13.93%

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

- Increased monitoring efforts and close coordination with the Building Trades,, workforce development partners and community partners.
- The Bay Area Rapid Transit District (BART) Oakland Airport Connector (OAC) project, which contains an aggressive local hiring program similar to the MAPLA was winding down.

Table 1 sets out the totals and percentages of hours – cumulative through June, 2013 (the last period) and then cumulatively through the end of June 2014.

Table 1: MAPLA Local-Hire Performance Summary

MAPLA	Cumulative Results Thru June 2013		July 2013 Through June 2014			Cumulative Results Thru June 2014		
	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	4,132,388		243,520		234,706	4,375,908		
LIA Residents	1,234,019	29.86%	79,310	32.57%		1,313,329	30.01%	50%
LIA/LBA Residents	2,422,779	58.63%	155,332	63.79%		2,578,111	58.92%	50%
Total Apprentices	516,067	12.49%	43,984	18.06%	18.74%	560,051	12.80%	20%
LIA Apprentices	237,973	5.76%	25,213	10.35%	10.74%	263,186	6.01%	20%
LIA/LBA Apprentices	379,093	9.17%	35,648	14.64%	15.19%	414,741	9.48%	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.)

During the reporting period the combined LIA/LBA participation level was 63.79% compared to a cumulative participation level of 58.92% through June 2014.

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 the success achieved during the “boom” years of MAPLA construction activity and to, indeed, increase the level of utilization.

Table 2 shows apprenticeship utilization over the last nine years.

Table 2: Total Employment Hours vs. MAPLA Apprentice Utilization (Annual by Hours & Percentage) from July 2005 – June 2014

MAPLA Period	Total Employment Hours	Apprentice Employment Hours	Apprentice Percentage Hours
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 \$4,302,195
- LIA/LBA residents estimated earnings of \$8,842,762
- LIA apprentices estimated earnings of \$1,167,803
- LIA/LBA Apprentices estimated earnings of \$1,695,598

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 2013 to June 2014 period.

Craft	% LIA Journey (50% goal)	% LIA/ LBA Journey (50% goal)	% LIA Apprentice (20% goal)	% LIA/LBA Apprentice (20% goal)
Sheet Metal Worker	48.7%	86.4%	24.1%	27.4%
Glazier	47.2%	74.8%	20.6%	20.6%
Elevator Constructor	37.9%	43.3%	37.3%	37.3%
Field Surveyor	23.4%	54.1%	23.4%	31.2%
Asbestos Removal Workers (Laborer)	62.5%	95.7%	n/a	n/a
Roofers	55.8%	71.8%	11.2%	12.8%
Laborers	48.8%	72.1%	14.5%	17.4%
Painter	46.3%	66.3%	5.0%	5.0%
Operating Engineer	37.9%	54.3%	4.2%	12.10%
Electricians	30.0%	75.6%	12.6%	19.2%
Teamsters	29.9%	62.3%	n/a	n/a
Operating Engineer (Heavy & Highway)	29.9%	57.8%	11.0%	11.9%
Carpenters & Related Trades	18.2%	48.9%	4.3%	10.3%
Drywall Installer/Lather (Carpenter)	17.3%	58.8%	7.6%	16.0%
Plumbers	14.5%	48.9%	9.4%	19.9%

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 2013 to June 2014 period.

Crafts	% LIA Journey	% LIA/ LBA Journey	% LIA Apprentice	% LIA/LBA Apprentice
Turner Construction Co. –	98.6%	98.6%	25.8%	25.8%

Crafts	% LIA Journey	% LIA/LBA Journey	% LIA Apprentice	% LIA/LBA Apprentice
Carpenters & Laborers				
Downrite Corporation – Laborers & Operating Engineers	93.3%	100%	13.9%	14.5%
Sterling Environmental Corp. – Asbestos Removal Worker	83.1%	88.6%	-	-
Corbin Building, Inc. – Carpenters	66.4%	68.9%	16.3%	16.3%
AJW Construction – Carpenters, Laborers and Operating Engineers	56.1%	87%	6.2%	6.2%
Bay City Mechanical – Plumbers & Sheet Metal Workers	56%	96.2%	27.7%	28.1%
PAC CON Glazing, Inc. – Glaziers	53.9%	85.4%	23.5%	23.5%
Best Contracting Services – Roofers, Sheet Metal Workers	51%	68.5%	10.1%	10.1%
Balfour Beatty/Gallagher & Burk, JV – Laborers & Operating Engineers	49.2%	68.9%	23.9%	24.6%
TDW Construction – Laborers & Operating Engineers	40.8%	67.3%	9.5%	9.5%
Gallagher & Burk – Laborers & Operating Engineers	39.9%	70.4%	16%	16%
D.W. Nicholson – Carpenters, Electricians and Iron Workers	38.9%	82.9%	12.5%	25.7%
ThyssenKrupp Elevator – Elevator Constructors	37.3%	43.3%	37.3%	37.3%
Williams Trucking – Teamsters	33.4%	58.9%	-	-
McGuire and Hester – Carpenters, Cement Masons, Laborers, Operating Engineers and Teamsters	33.2%	84.4%	13.5%	26.2%
Sprig Electric – Electricians	32.7%	84.4%	13.5%	26.2%
Bay Cities Paving & Grading – Laborers & Operating Engineers	31%	75.9%	12%	23.3%
Red Top Electric – Electricians & Laborers	29%	75.9%	28.7%	28.7%
Vellutini Corp – Electricians, Laborers & Operating Engineers	28.7%	57.5%	8.7%	16.8%
Cunha Engineering – Field Surveyor	23.8%	54.2%	23.8%	31.7%
Boyett Construction – Drywall Installer, Laborer, Painter & Plasterer	20%	58%	7.9%	13.6%
Westates Mechanical – Plumbers & Sheet Metal Workers	13.9%	58.3%	10.3%	20.8%

MAPLA Extension

There is currently a MAPLA extension in place that allows the Port to achieve its objectives as established by Board policy through December, 2015. Specifically, those policies are 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. However, during the reporting period, a grant of \$37,300 was issued to West Oakland Job Resource Center for pre-apprentice preparation and apprentice retention. This grant supports 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 Alameda County Building Trades 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	\$37,400	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	\$420,169	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, 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 Small Business Exemption Program (SBEP). 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 \$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.

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 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.

Acknowledgements

This report was prepared with information compiled by the following:

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