



DATE: JUNE 21, 2018

FROM: EXECUTIVE OFFICE

**SUBJECT: RESOLUTION NO. _____
APPROVAL OF CITY OF LOS ANGELES HARBOR DEPARTMENT
CONSTRUCTION CAREERS POLICY - REVISION 1**

SUMMARY:

Staff requests the Board of Harbor Commissioners adopt this resolution to approve Revision 1 to the Harbor Department Construction Careers Policy (Policy). The Policy determines stakeholder roles and responsibilities, and it also includes an enforcement section that assesses Liquidated Damages on the Prime Contractor for non-compliance with the 2017-2027 Port-wide Project Labor Agreement (2017-2027 POLA-PLA) requirements. The changes in this resolution are being proposed to Section VII-Compliance and Section VIII-Enforcement of the Policy in order to be consistent with the State of California guidelines for apprentices. Administration of the Policy is the financial responsibility of the Harbor Department.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines;
2. Approve Resolution No. _____ adopting the Harbor Department Construction Careers Policy - Revision 1;
3. Direct staff to apply the revisions to the Policy to all active construction contracts as well as future contracts covered under the 2017-2027 POLA-PLA; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background / Context – On September 9, 2017, the Board approved the 2017-2027 POLA-PLA under Agreement 17-3526 and accompanying Construction Careers Policy Resolution 17-8166. The Los Angeles City Council adopted the 2017-2027 POLA-PLA on December 5, 2017. The creation of the 2017-2027 POLA-PLA increased efficiency by eliminating the need to negotiate and approve separate project labor agreements at the onset of each applicable project. The proposed Policy revisions, together with the 2017-2027 POLA-PLA will perform the same function, but will further increase efficiency by more closely aligning with the state requirements.

The purpose of the Policy is to determine the stakeholders' roles and responsibilities on construction projects covered under the 2017-2027 POLA-PLA, to promote efficiency of construction operations and provide for orderly settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of projects, and elimination of construction labor-related disruptions to Port operations. The revisions to Sections VII-Compliance and VIII-Enforcement of the Policy will clarify how Liquidated Damages (as defined within the Policy) will be assessed on the Prime Contractor and subcontractors for non-compliance with the 2017-2027 POLA-PLA requirements, and the appeal process.

The current version of the Policy calculates apprenticeship hours based on the total work hours for the project. However, some crafts do not have apprentices which skew the results. Therefore, the revision bases the percentage of apprentices utilized on the total apprenticeable hours rather than the total project hours. The proposed revision is in line with the State of California requirements for apprenticeship utilization. In addition, the proposed revisions modify the assessments to closely match the state guidelines for apprenticeship violations.

The Harbor Department staff has been working to modify the Policy to create a fair and equitable enforcement section resulting in the revisions to the Policy being presented herein for approval (Transmittal 1). These revisions to the Policy will apply to all active construction contracts as well as future contracts covered under the 2017-2027 POLA-PLA.

Harbor Department Construction Careers Policy- The Harbor Department Construction Careers Policy (Transmittal 2) determines stakeholder roles and responsibilities as they apply to the 2017-2027 POLA-PLA. The Policy requires that the Harbor Department actively monitor and report on the targeted hiring progress for each Project. This monthly report includes the number of Local Residents, Transitional Workers, and apprentices hired for each Project under the 2017-2027 POLA-PLA.

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The 2017-2027 POLA-PLA requires the Los Angeles/Orange Counties Building and Construction Trades Council to actively recruit, develop and hire local workers that reside within the Tier 1 and Tier 2 zip codes. As a measure of enforcement, Liquidated Damages may be assessed for non-compliance with the 2017-2027 POLA-PLA. Currently, the Harbor Department utilizes the assistance of the Department of Public Works Bureau of Contract Administration (BCA) for PLA administration as deemed necessary by Harbor Department staff.

PROPOSED REVISIONS:

The proposed revisions to the Policy are as follows:

- Under Section VII – The proposed addition of the second paragraph will modify the Policy to utilize the total apprentice-able hours rather than the total project hours in the calculation of the apprentice percentage.
- Under Section VIII 4 (a) - The amount of liquidated damages to be assessed will be reduced from \$500 per day to \$200 per day, and the liquidated damages will be assessed on the highest violation only if more than one targeted hiring requirement is not in compliance.
- Under Section VIII 5 - The appeal process for liquidated damages is modified to authorize the Engineer to evaluate the appeal's supporting documentation and render a final decision.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a revision to the Harbor Department Construction Careers Policy, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Currently, Harbor Department Construction Division staff (Staff) works with the BCA to administer the 2017-2027 POLA-PLA and the Policy. Staff salary and the BCA administration costs to implement the Policy will be covered under the administration cost for the 2017-2027 POLA-PLA. Because existing Staff will continue to be used to administer the 2017-2027 POLA-PLA, the Policy and the proposed revision, no additional funding is required at this time.

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CITY ATTORNEY:

The Office of the City Attorney Harbor Department reviewed the Policy document.

TRANSMITTAL:

1. Construction Careers Policy - Revision 1
2. Construction Careers Policy - Resolution No. 17-8166

FIS Approval: MB

CA Approval: JML



ANTONIO V. GIOIELLO, P.E
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APPROVED:



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Executive Director

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