SUBJECT: PROJECT LABOR AGREEMENT/CONSTRUCTION CAREERS POLICY
TARGETED WORKER PROGRAM

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file status report on Project Labor Agreement and Construction Careers Policy Targeted Worker Hiring Requirements as requested at the March 25, 2013, Board meeting.

ISSUE

In January 2012, the Board approved the Project Labor Agreement (PLA) with the Los Angeles/Orange Counties Building and Construction Trades Council and the Construction Careers Policy (CCP). One purpose of the PLA is to encourage construction employment and training opportunities in economically disadvantaged geographic areas throughout the United States.

Consistent with the Board approved PLA, prime contractors are required to provide monthly reports detailing progress towards meeting the targeted worker hiring goals. Additionally, consistent with Metro’s Labor Compliance policy and federal Executive Order 11246, the prime contractors provide Metro with worker utilization data by ethnicity and gender. As requested at the March 25, 2013, Board meeting, Staff will provide updated targeted worker Utilization Data for the Crenshaw Advanced Utilities Relocation Contract at the April 18, 2013, Executive Management and Audit Committee Meeting.

DISCUSSION

Requirements of the PLA and CCP

The Board approved PLA and CCP include an economically disadvantaged targeted worker hiring requirement of 40% with 10% disadvantaged workers. For federally-funded projects, including the Crenshaw Advanced Utilities Relocation Contract, targeted workers are those who reside in economically disadvantaged areas throughout
the United States. These areas are defined as zip codes that have a median income of less than $40,000. Disadvantaged Worker eligibility is defined as economically disadvantaged targeted workers who also meet 2 of the following criteria: 1) being homeless; 2) being a custodial single parent; 3) receiving public assistance; 4) lacking a GED or high school diploma; 5) having a criminal record or other involvement with the criminal justice system; 6) suffering from chronic unemployment; 7) emancipated from the foster care system; 8) being a veteran of the Iraq/Afghanistan war; or 9) being an apprentice with less than 15% of the apprenticeship hours required to graduate to journey level.

For 100% locally funded projects, the targeted workers are those who reside in Los Angeles County economically disadvantaged areas.

**Executive Order 11246**

The Metro PLA and all federally funded construction contracts also include requirements for the contractor to comply with the federal Executive Order 11246. The implementing regulations for Executive Order (EO) 11246 state that "...the purpose...is for the promotion and insuring of equal opportunity for all persons, without regard to race, color, religion, sex, or national origin...with contractors performing under federally assisted construction contracts." EO 11246 also imposes goals of 6.9% participation by women and 28.3% minority participation in the contractor's work force.

**Status of Current PLA Contracts**

The Crenshaw Advanced Utilities Contract work began construction activity in late 2012. The following provides a summary of work hours on the Contract through February 28, 2013, as reported by Metro Builders, the Prime Contractor for the Contract (updated figures through the end of March 2013 will be provided at the Committee meeting):

<table>
<thead>
<tr>
<th>Month</th>
<th># of Work Hours</th>
<th>Targeted Economically Disadvantaged Worker Utilization (%) - Goal: 40%</th>
<th>Disadvantaged Worker Utilization (%) - Goal: 10%</th>
<th>Apprentice Utilization (%) - Goal: 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 2012</td>
<td>824.75</td>
<td>60.56%</td>
<td>0%</td>
<td>10.43%</td>
</tr>
<tr>
<td>Jan. 2013</td>
<td>684</td>
<td>59.35%</td>
<td>12.66%</td>
<td>12.49%</td>
</tr>
<tr>
<td>Feb. 2013</td>
<td>1037</td>
<td>59.61%</td>
<td>11.67%</td>
<td>13.93%</td>
</tr>
<tr>
<td>Total</td>
<td>2,545.75</td>
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</tbody>
</table>

As identified above, Metro Builders did not meet the 10% Disadvantaged Worker goal of 10% in December 2012. As a result, Metro issued a Notice of Non-Compliance to Metro Builders on January 4, 2013, requesting that it submit an updated Employment Hiring Plan, including a plan to remedy any deficiencies. Metro Builders submitted its
updated Plan and as of January 2013, is exceeding the 10% Disadvantaged Worker goal and 40% Targeted Worker goal.

Metro has additionally undertaken the following actions to ensure contractor PLA/CCP compliance:

- Issued Notice of Non-Compliance to Metro Builders relative to PLA/CCP Targeted Worker Utilization Goals
- In-person meetings with Metro Builders personnel responsible for PLA/CCP and Executive Order 11246 requirements
- Met with the LA/OC Building & Construction Trades to discuss PLA/CCP goal requirements
- Met with Metro Builders subcontractors (in-person) relative to PLA/CCP requirements
- Outreach to elected official offices to create synergies relative to PLA/CCP outreach
- Scheduled meetings with community groups to discuss PLA/CCP goals (Chrysallis, Los Angeles Black Worker Center)

Metro Builders has additionally confirmed to Metro that they will do the following to improve compliance with Executive Order 11246 and the Metro contract:

- Sponsor 1 Laborer Apprentice (Targeted Worker – to meet equal employment goals) – starting in April 2013
- Hire 1 Laborer Journeyman (Targeted Worker – to meet equal employment goals) – starting in April 2013
- Meet with the Los Angeles Black Worker Center and potentially other community groups to discuss Targeted Worker Utilization on the Crenshaw Advanced Utilities Contract

It is significant to note that Metro has additionally held discussions with the Prime Contractor and Jobs Coordinator for the next Contract that will commence work and has PLA/CCP provisions, Contract No. C1034, Westside Subway Extension – Exploratory Shaft. The Jobs Coordinator has commenced its outreach and has issued a Fact Sheet to community groups that could facilitate the utilization of Targeted and Disadvantaged Workers.

NEXT STEPS

Staff will continue to monitor progress toward meeting the goals of the PLA/CCP and take all necessary enforcement actions in accordance with contractual requirements.

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