Project Labor Agreements: The Los Angeles Experience

Community Redevelopment Agency of the City of Los Angeles
**CRA/LA Mission**

We make strategic investments to create opportunity and improve the quality of life for the people who live and work in our neighborhoods.

**CRA/LA Strategic Plan**

Strengthen the Los Angeles Economy
- Create Middle Class Jobs
- Support and Attract Business
- Grow Key Sectors
- Employ Innovative Economic Development Strategies
Targeted Hiring
Why PLA with targeted hiring?

- On time, on budget, high quality
- Access for underrepresented populations
- Prevailing Wage/Davis-Bacon
- Training & career ladder
- Accountability
- Continuing public support for public investment in construction projects
Policy Goals

- Local investment benefits targeted populations
- Opportunities for people with barriers to employment
- Career pathways
Covered Construction Projects

- Public Improvements: $500K+
- Projects on CRA/LA land
- Projects with *CRA/LA Investment* of $1M+

*Exceptions:*

- Under 75 residential units
- Under 50,000 sq. ft. non-residential
CRA/LA Construction Careers Policy

Requirements

• 30% of total work hours for community or high-unemployment area residents

• 30-40% apprentice hours for community or high-unemployment area residents

• 10% of total work hours for Disadvantaged Workers (may count towards other goals)

• Project Labor Agreement
Key elements of LA’s program

• Targeted hiring
• Master PLA
• Letters of assent
• Core workers
• Jobs coordinator and “pipeline”
• Monitoring and consequences
Public Agencies

**Interests**

- Safe and quality construction delivered on time and on budget
- Rebuild middle class
- Diversity
- Improve tax base, encourage reinvestment in community
- Decrease reliance of residents on public assistance programs
- Grow local, trained workforce

**Roles & Responsibilities**

- Policies to support responsible contracting
- Transparent monitoring
- Outreach and education to employers
Employers

**Interests**
- Access employee tax credits
- Source for local, trained workers
- High quality work
- Less liability, lower workers’ comp rates
- Labor peace
- More opportunity to hire apprentices at lower pay rates
- Minimizes risk and levels the playing field - everyone knows the requirements

**Roles & Responsibilities**
- Understand program, adapt “business as usual” practices
- Support related policies & educate electeds
Lessons Learned

• Ongoing education of all stakeholders is necessary
• Pipeline is critical: job readiness and pre-apprenticeship
• Constant vigilance, attention to unique issues of each project
• Implementation takes resources
• PLA is the best path to success
23 Active PLA Projects

$1.44 Billion project dollars subject to a PLA

1,458,505 Local Worker Hours or 30.55% local participation

76.87% Increase in average hours worked by women on City of LA PLA projects

- November 2007 women worked an average of 226 hours
- September 2009 this increased to an average of 400 hours

$49,652,417 estimated wages and benefits reinvested back into the City of LA
## DO PLA Projects Cost More?

Economic Slowdown Begins
(Please account for lag factor)

<table>
<thead>
<tr>
<th>Bid Dates</th>
<th>Project Name</th>
<th>Engineer's Bid Est (A)</th>
<th>Average of All Contractor Bids (B)</th>
<th>% Difference Between A and B</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/21/2007</td>
<td>Golden State Fwy Corridor ATSAC Incl ATCS - Phase 1</td>
<td>$6,682,400.00</td>
<td>$7,632,318.33</td>
<td>14.22%</td>
</tr>
<tr>
<td>9/5/2007</td>
<td>Eagle Rock ATSAC</td>
<td>$4,972,600.00</td>
<td>$6,464,580.17</td>
<td>30.00%</td>
</tr>
<tr>
<td>10/10/2007</td>
<td>Hyde Park West ATSAC</td>
<td>$5,832,800.00</td>
<td>$6,628,527.33</td>
<td>13.64%</td>
</tr>
<tr>
<td>2/27/2008</td>
<td>Golden State Freeway Corridor ATSAC Including ATCS - Phase 2</td>
<td>$9,962,500.00</td>
<td>$11,215,606.80</td>
<td>12.58%</td>
</tr>
<tr>
<td>3/5/2008</td>
<td>North Hollywood ATSAC Phase 1</td>
<td>$6,102,600.00</td>
<td>$6,539,131.20</td>
<td>7.15%</td>
</tr>
<tr>
<td>3/12/2008</td>
<td>Hyde Park East ATSAC</td>
<td>$5,109,600.00</td>
<td>$5,468,373.00</td>
<td>7.02%</td>
</tr>
<tr>
<td>8/6/2008</td>
<td>North Hollywood ATSAC Phase 2</td>
<td>$9,197,500.00</td>
<td>$9,999,079.00</td>
<td>8.72%</td>
</tr>
<tr>
<td>8/13/2008</td>
<td>Harbor Gateway 1B ATSAC System</td>
<td>$9,823,500.00</td>
<td>$9,553,799.50</td>
<td>-2.75%</td>
</tr>
<tr>
<td>11/5/2008</td>
<td>Reseda ATSAC Phase 1</td>
<td>$9,000,000.00</td>
<td>$8,815,300.00</td>
<td>-2.05%</td>
</tr>
<tr>
<td>7/15/2009</td>
<td>San Pedro ATSAC</td>
<td>$9,621,200.00</td>
<td>$8,532,969.29</td>
<td>-11.31%</td>
</tr>
</tbody>
</table>
DO PLA Projects Cost More?

<table>
<thead>
<tr>
<th>Bid Dates</th>
<th>Project Name</th>
<th>Engineer's Bid Est (A)</th>
<th>Awarded Contractor's Bid (B)</th>
<th>% Difference Between A and B</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/21/2007</td>
<td>Golden State Freeway Corridor ATSAC Including ATCS - Phase 1</td>
<td>$6,682,400.00</td>
<td>$6,479,900.00</td>
<td>-3.03%</td>
</tr>
<tr>
<td>10/10/2007</td>
<td>Hyde Park West ATSAC</td>
<td>$5,832,800.00</td>
<td>$5,918,900.00</td>
<td>1.48%</td>
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<tr>
<td>8/6/2008</td>
<td>North Hollywood ATSAC Phase 2</td>
<td>$9,197,500.00</td>
<td>$8,703,779.00</td>
<td>-5.37%</td>
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<tr>
<td>7/15/2009</td>
<td>San Pedro ATSAC</td>
<td>$9,621,200.00</td>
<td>$7,333,027.00</td>
<td>-23.78%</td>
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</tbody>
</table>
### Distribution of Local Workers Hours on City of LA PLA Projects

<table>
<thead>
<tr>
<th>Department</th>
<th>Hours LA Residents</th>
<th>Hours Outside LA</th>
<th>Hours Total</th>
<th>LA Residents %</th>
<th># of Employees LA Residents</th>
<th># of Employees Outside LA</th>
<th>Total # of Employees</th>
<th>LA Residents %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Works</td>
<td>974,185.00</td>
<td>1,985,881.00</td>
<td>2,960,066.00</td>
<td>32.91%</td>
<td>2,752</td>
<td>6,982</td>
<td>9,734</td>
<td>28.27%</td>
</tr>
<tr>
<td>Other City Agencies</td>
<td>484,320.00</td>
<td>1,330,375.00</td>
<td>1,814,695.00</td>
<td>26.69%</td>
<td>779</td>
<td>2,750</td>
<td>3,529</td>
<td>22.07%</td>
</tr>
<tr>
<td>City Total</td>
<td>1,458,505.00</td>
<td>3,316,256.00</td>
<td>4,774,761.00</td>
<td>30.55%</td>
<td>3,531</td>
<td>9,732</td>
<td>13,263</td>
<td>26.62%</td>
</tr>
</tbody>
</table>

As of September 2009
RATE OF INCREASE OF WOMEN PARTICIPATION IN CITY OF LA PLA PROJECTS

Average Hours Worked

<table>
<thead>
<tr>
<th></th>
<th>November 2007</th>
<th>September 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>225.94</td>
<td>399.63</td>
</tr>
<tr>
<td>Male</td>
<td>219.17</td>
<td>359.75</td>
</tr>
</tbody>
</table>

76.87% Increase

64.14% Increase

225.94 hrs

219.17 hrs

399.63 hrs

359.75 hrs
### % Rate of Increase of Worker Hours by Ethnic Group
#### City of LA PLA Projects

**Rate of Increase: Worker Hours By Ethnicity From Nov '07 thru Sep '09**

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Nov 2007 Hours</th>
<th>Sep 2009 Hours</th>
<th>Rate of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>37,647</td>
<td>213,032</td>
<td>465.9%</td>
</tr>
<tr>
<td>American Indian</td>
<td>2,425</td>
<td>23,757</td>
<td>879.7%</td>
</tr>
<tr>
<td>Asian</td>
<td>14,465</td>
<td>85,775</td>
<td>493.0%</td>
</tr>
<tr>
<td>Caucasian</td>
<td>278,477</td>
<td>1,474,717</td>
<td>429.6%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>505,362</td>
<td>2,672,811</td>
<td>428.9%</td>
</tr>
<tr>
<td>Unknown</td>
<td>169,845</td>
<td>304,669</td>
<td>79.4%</td>
</tr>
</tbody>
</table>

**Average Rate of Increase:** 463%
APPRENTICE PARTICIPATION
CITY OF LA PLA PROJECTS

Apprenticeship Participation on City of LA PLA Covered Construction Projects

- Other City Agencies
  - 21% Nov 2007
  - 24% Sep 2009
  - 27% (Target)

- PW
  - 21% Nov 2007
  - 24% Sep 2009

20% State Mandated Apprenticeship
Estimated Wages and Benefits Reinvested into the City of LA (as of Sept 2009)

<table>
<thead>
<tr>
<th></th>
<th>Public Works</th>
<th>Other City Agencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Journeyperson ($42.75)</td>
<td>$ 28,700,606.66</td>
<td>$ 14,087,668.70</td>
<td>$ 42,788,275.36</td>
</tr>
<tr>
<td>Local Apprentice ($15)</td>
<td>$ 4,542,388.50</td>
<td>$ 2,321,752.80</td>
<td>$ 6,864,141.30</td>
</tr>
</tbody>
</table>

Grand Total | $ 49,652,416.66
More information

• CRA/LA PLA and Local Hiring info: http://crala.net/internet-site/Policies/Local_Hire_Policy_Programs.cfm

• BCA PLA and Local Hiring info: http://bca.lacity.org/index.cfm?nxt_body=local_hiring.cfm