

2009 DOECAA Conference, October 21 - 22, 2009



# **Project Labor Agreements: The Los Angeles Experience**



**Community Redevelopment Agency  
of the City of Los Angeles**

# Community Redevelopment Agency of the City of Los Angeles

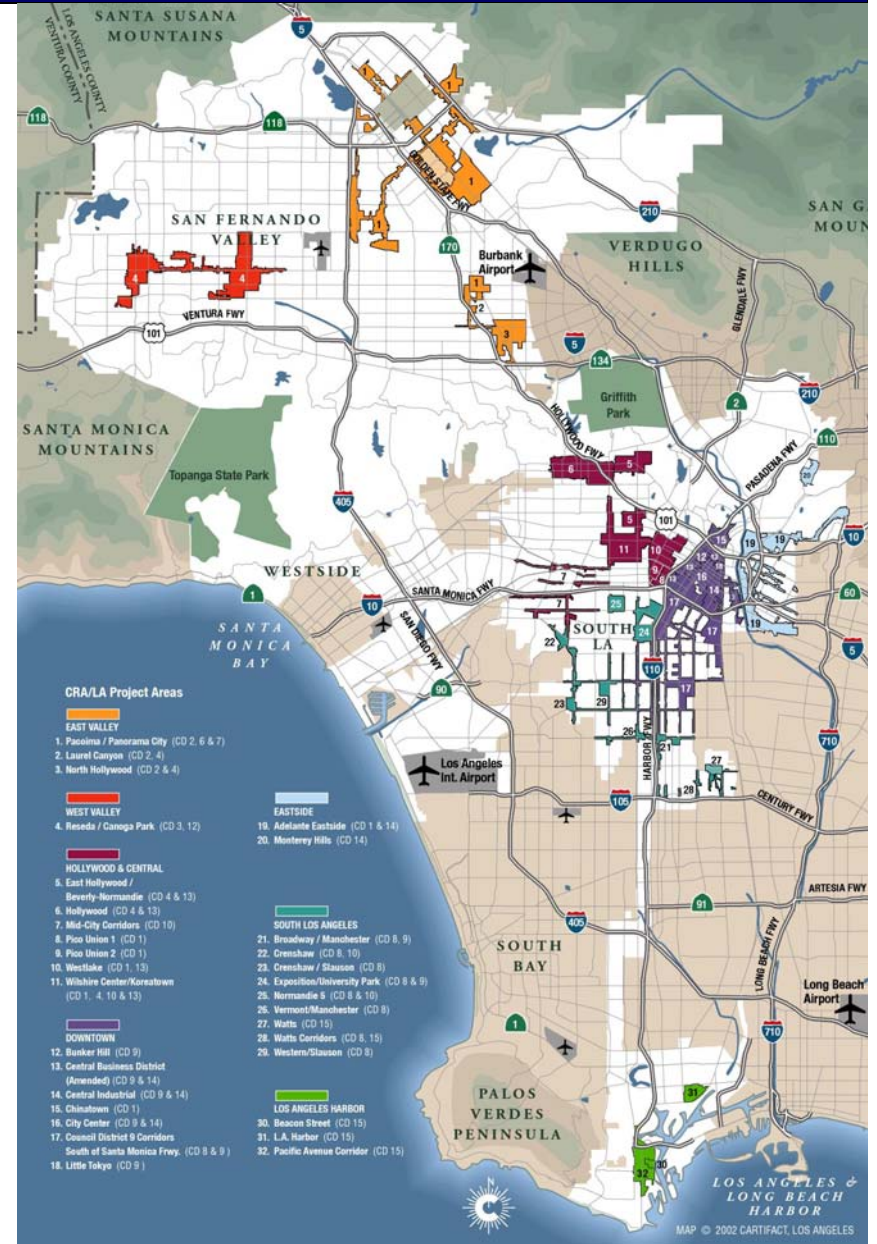
## CRA/LA Mission

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

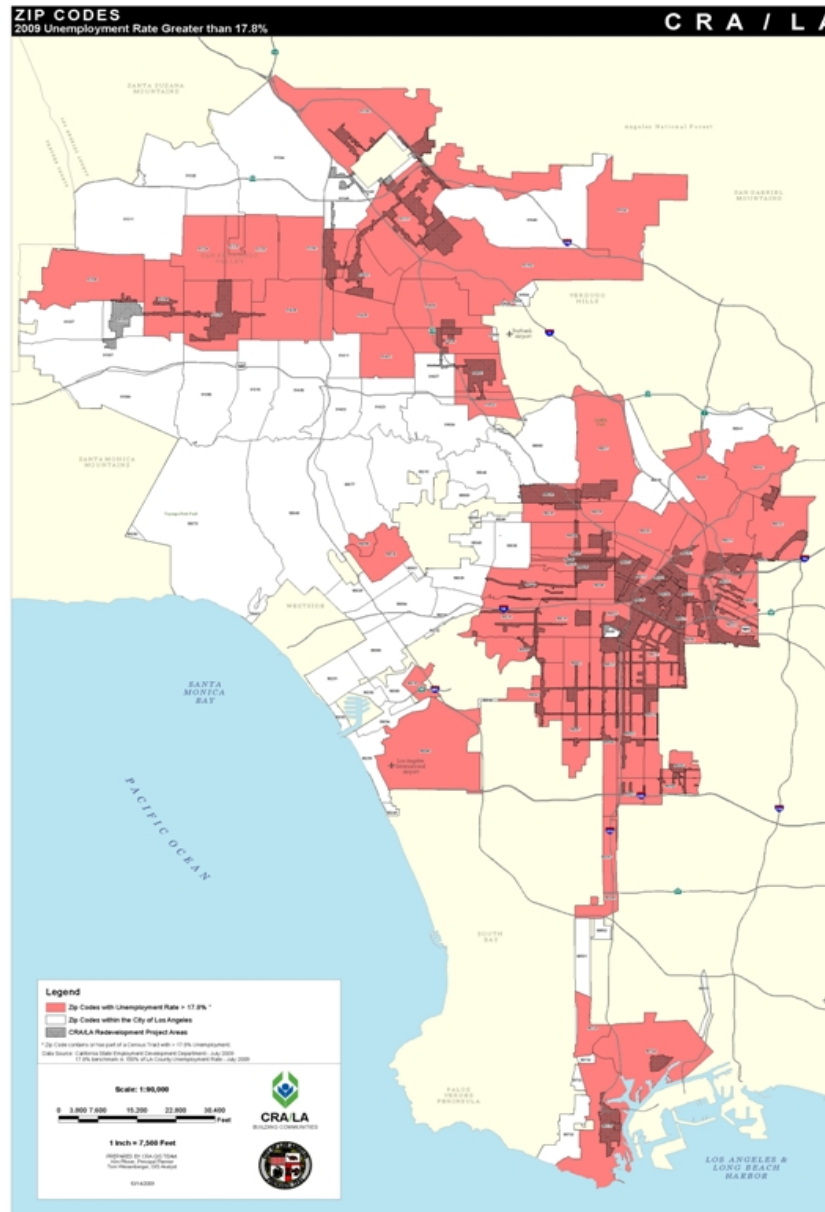
## CRA/LA Strategic Plan

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

# CRA/LA Construction Careers Policy

## Policy Goals

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



# CRA/LA Construction Careers Policy

## 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



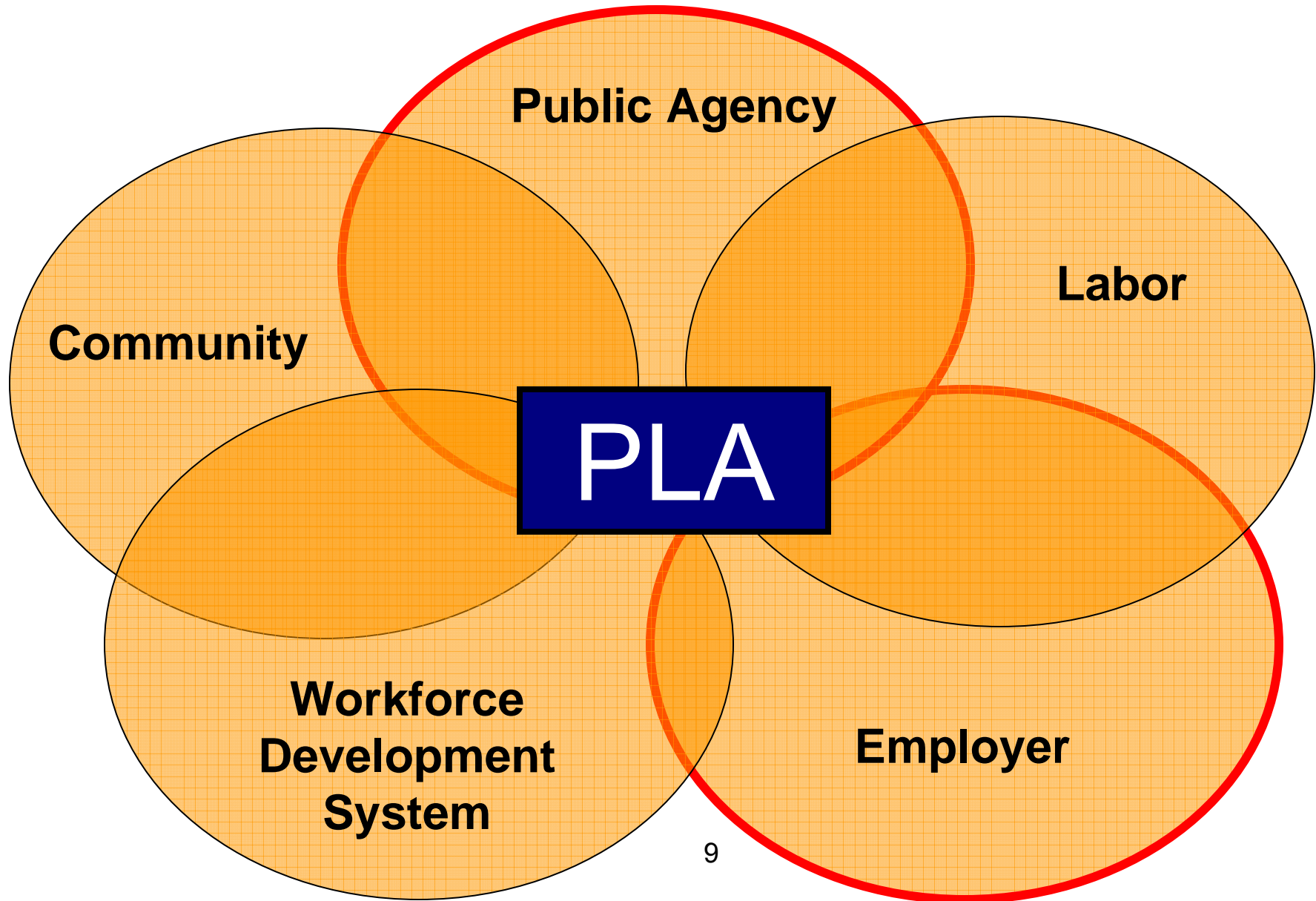
## Key elements of LA's program



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



# Interests of PLA Stakeholders



# 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

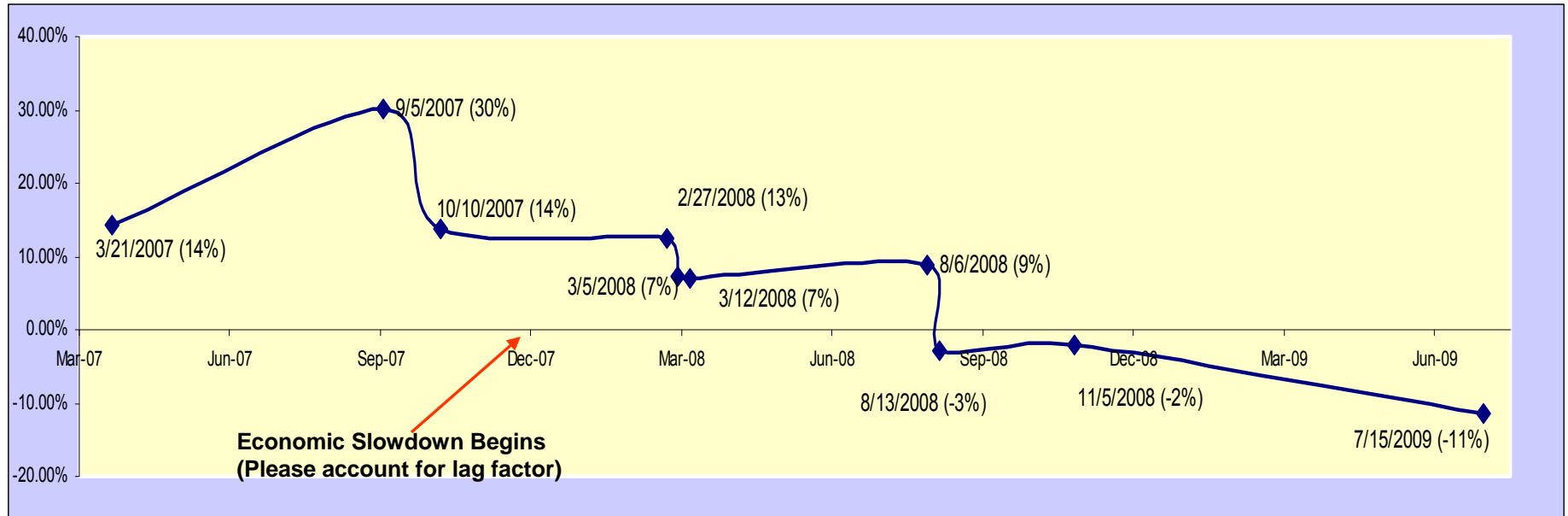


- **Ongoing education of all stakeholders is necessary**
- **Pipeline is critical: job readiness and pre-apprenticeship**
- **Constant vigilance, attention to unique issues of each project**
- **Implementation takes resources**
- **PLA is the best path to success**

## **PLA BY THE NUMBERS CITY OF LA ACTIVE PLA PROJECTS**

- **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?

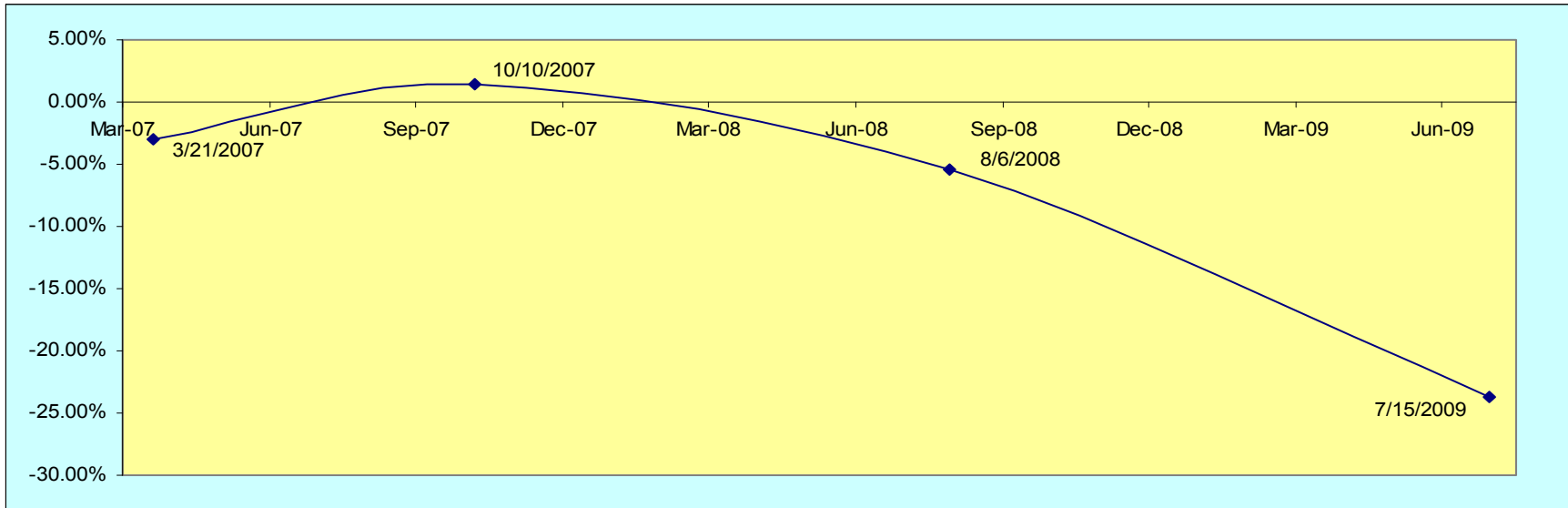


0.00% is the City's Baseline of Engineer's Bid Estimate

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

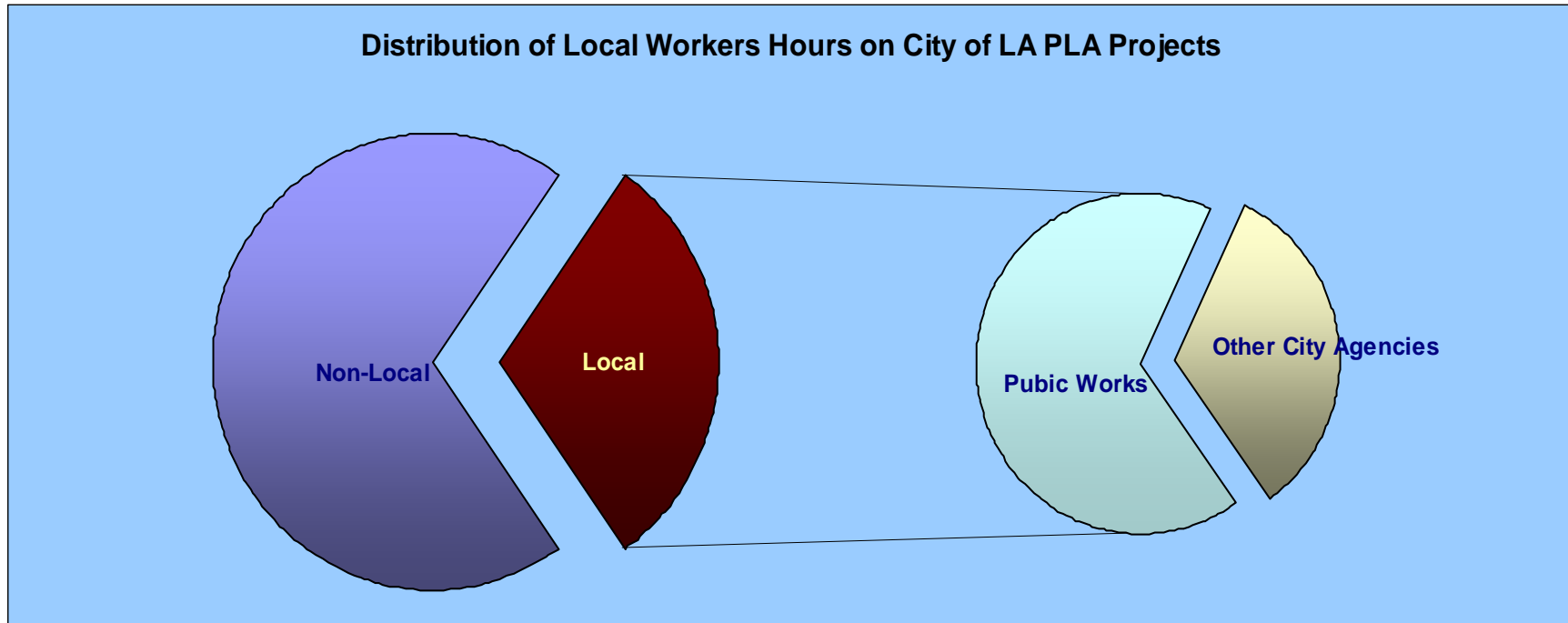


# DO PLA Projects Cost More?



Awarded Contractor				
Bid Dates	Project Name	Engineer's Bid Est (A)	Awarded Contractor's Bid (B)	% Difference Between A and B
3/21/2007	Golden State Freeway Corridor ATSAC Including ATCS - Phase 1	\$6,682,400.00	\$6,479,900.00	-3.03%
10/10/2007	Hyde Park West ATSAC	\$5,832,800.00	\$5,918,900.00	1.48%
8/6/2008	North Hollywood ATSAC Phase 2	\$9,197,500.00	\$8,703,779.00	-5.37%
7/15/2009	San Pedro ATSAC	\$9,621,200.00	\$7,333,027.00	-23.78%

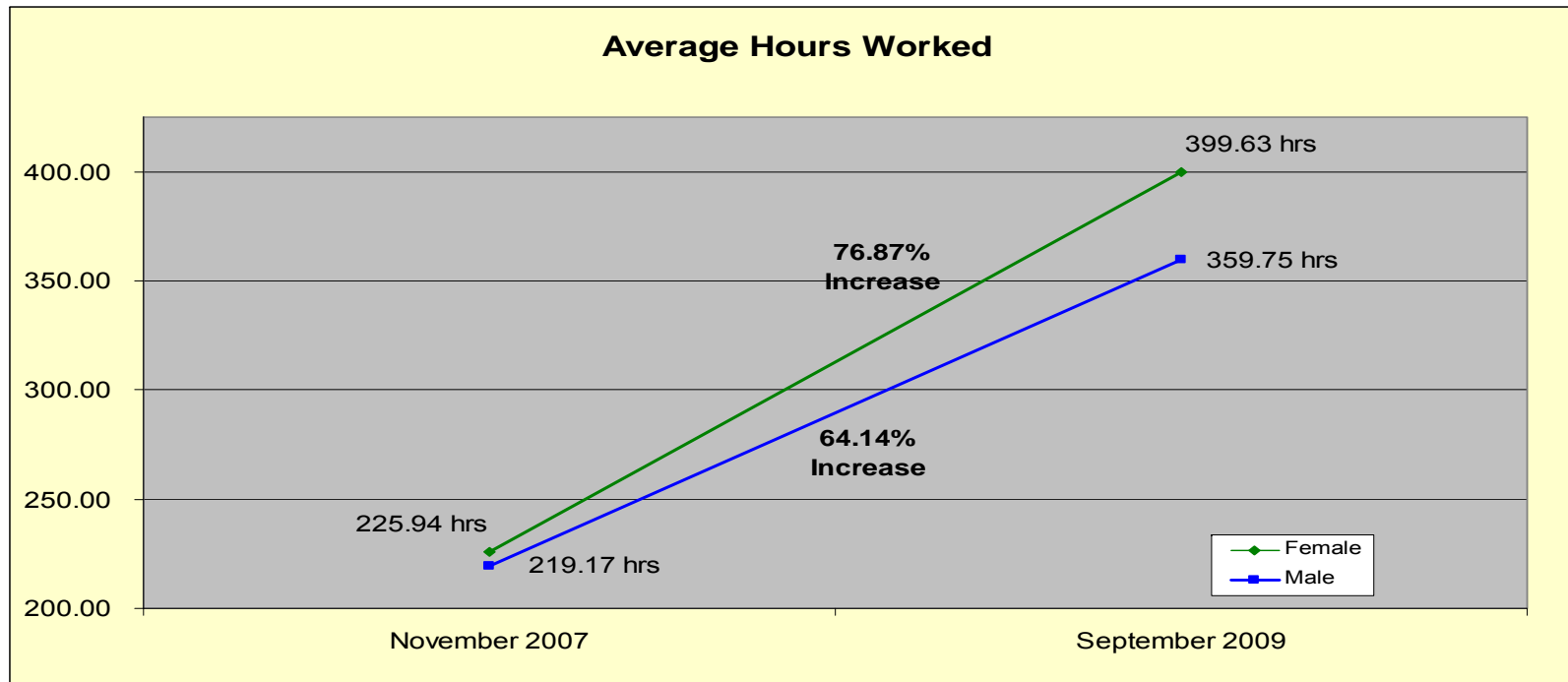
# LOCAL HIRE ON CITY OF LA PLA PROJECTS



**As of September 2009**

Department	HOURS				# OF EMPLOYEES			
	LA Residents	Outside LA	Total	LA Residents %	LA Residents	Outside LA	Total	LA Residents %
Pubic Works	974,185.00	1,985,881.00	2,960,066.00	32.91%	2,752	6,982	9,734	28.27%
Other City Agencies	484,320.00	1,330,375.00	1,814,695.00	26.69%	779	2,750	3,529	22.07%
City Total	1,458,505.00	3,316,256.00	4,774,761.00	30.55%	3,531	9,732	13,263	26.62%

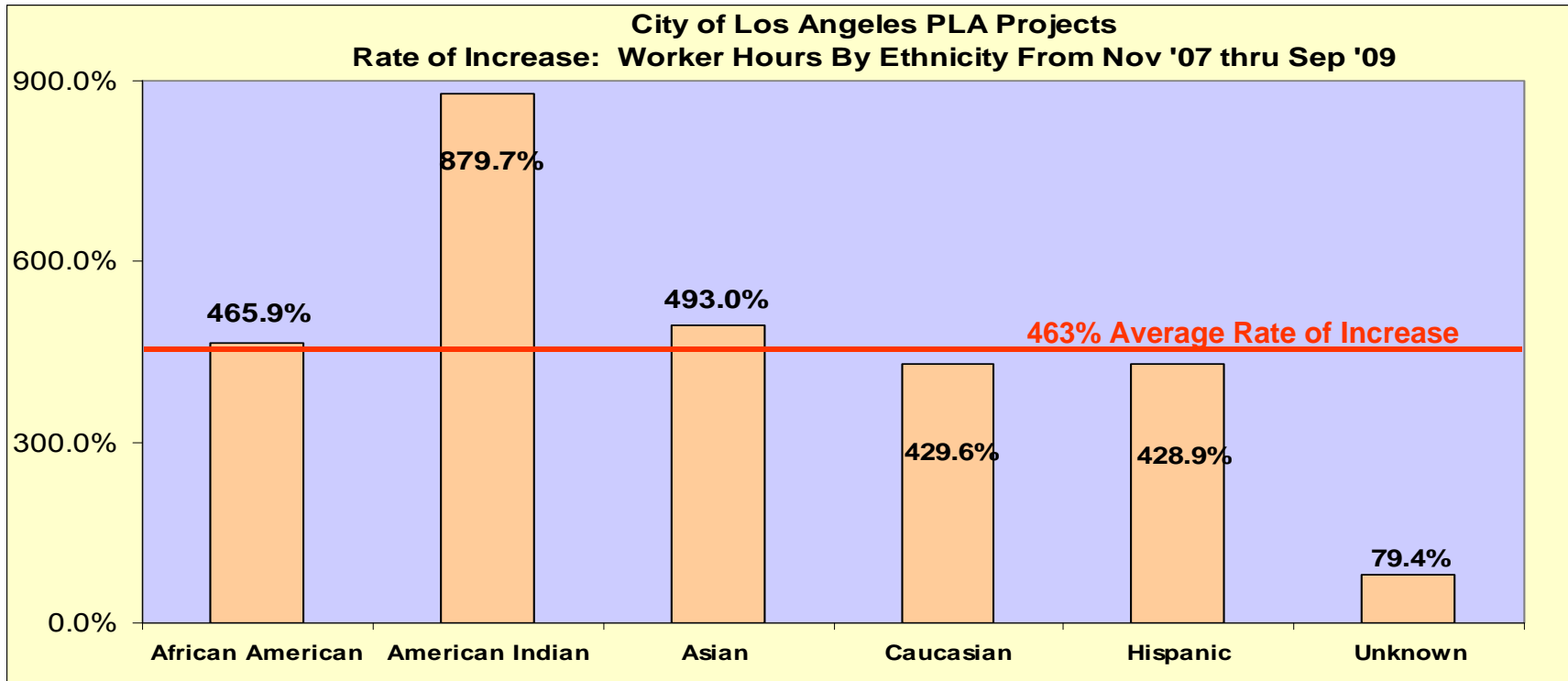
# RATE OF INCREASE OF WOMEN PARTICIPATION IN CITY OF LA PLA PROJECTS



<b>Average Hours Worked</b>			
<b>November 2007</b>		<b>September 2009</b>	
<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
<b>225.94</b>	<b>219.17</b>	<b>399.63</b>	<b>359.75</b>



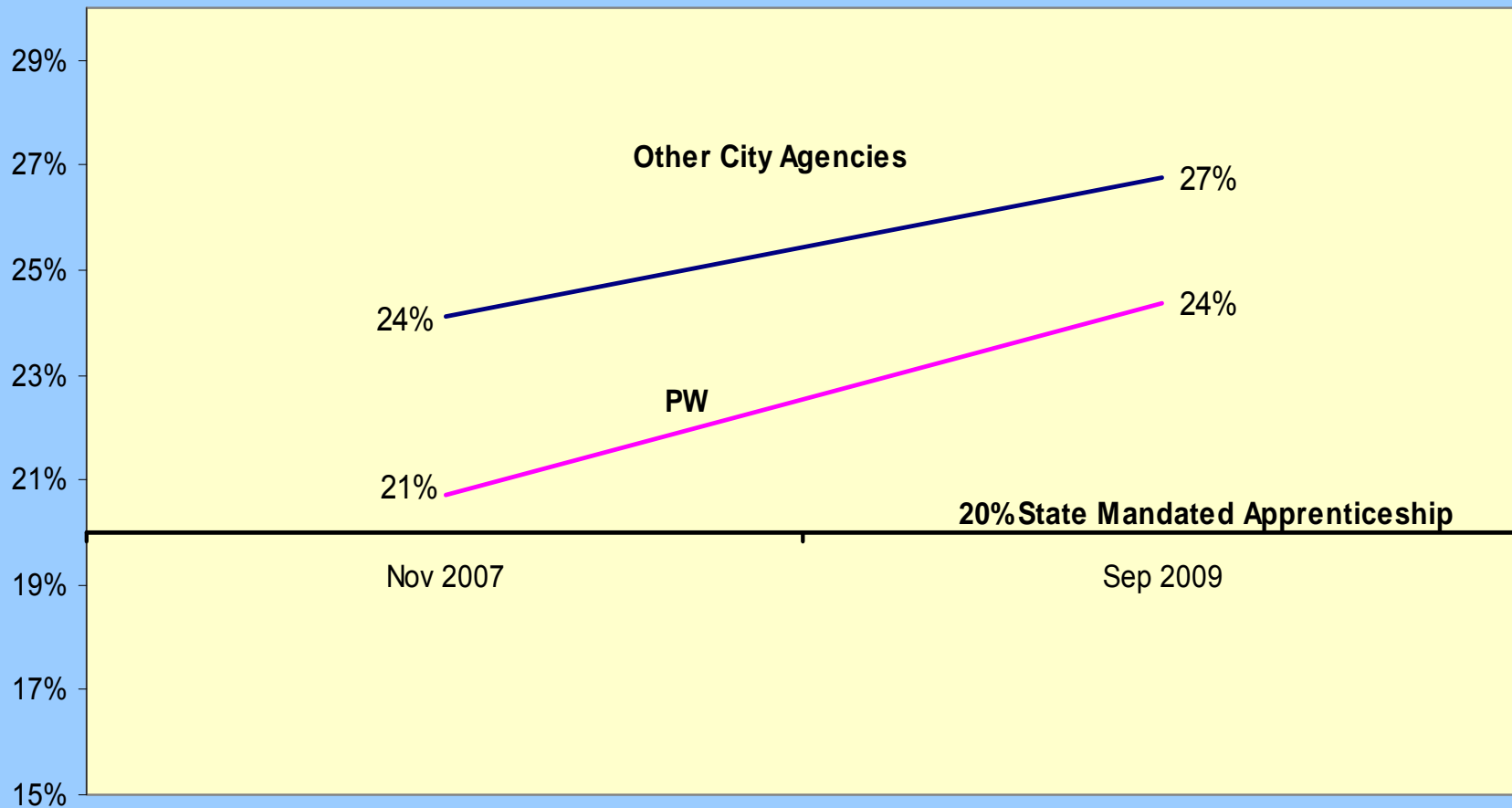
# % RATE OF INCREASE OF WORKER HOURS BY ETHNIC GROUP CITY OF LA PLA PROJECTS



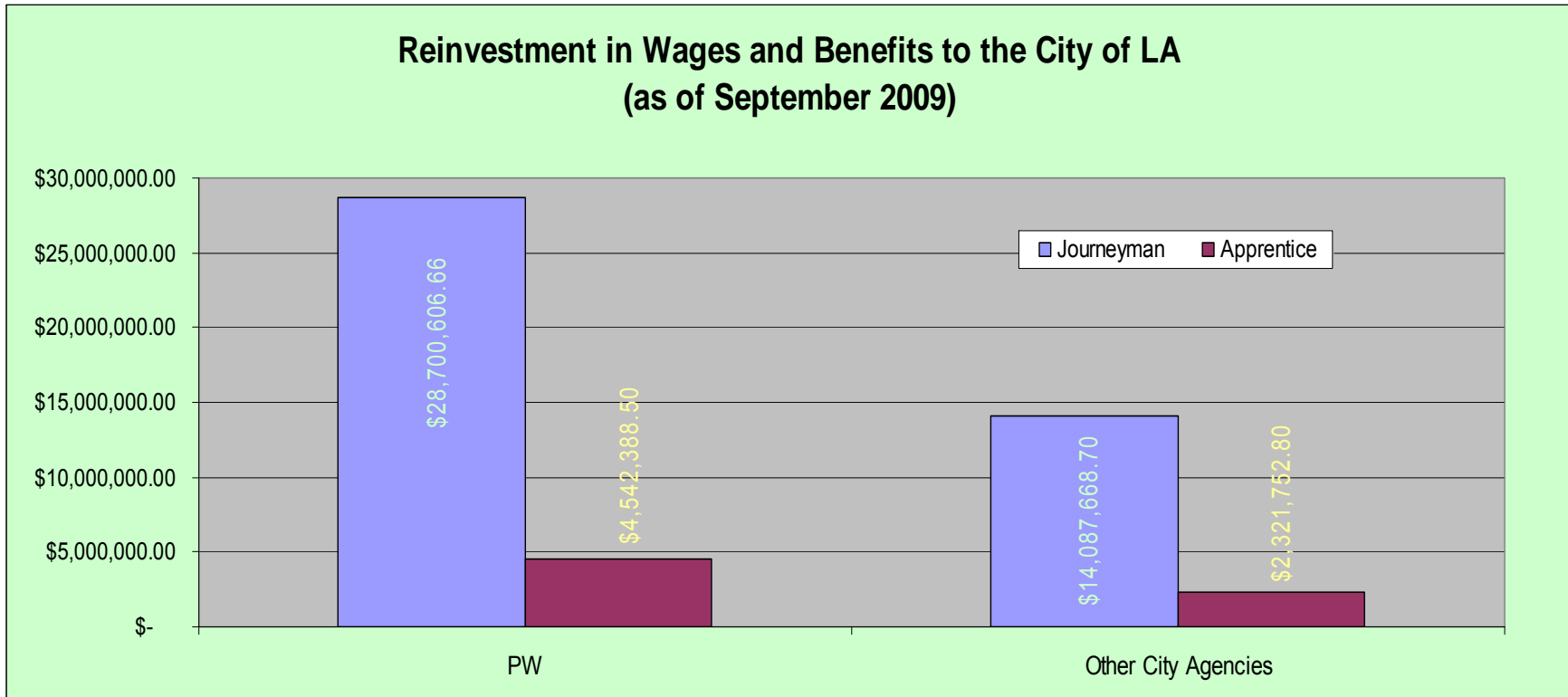
	Nov 2007	Sep 2009	Rate of Increase
	Hours	Hours	
African American	37,647	213,032	465.9%
American Indian	2,425	23,757	879.7%
Asian	14,465	85,775	493.0%
Caucasian	278,477	1,474,717	429.6%
Hispanic	505,362	2,672,811	428.9%
Unknown	169,845	304,669	79.4%

# APPRENTICE PARTICIPATION CITY OF LA PLA PROJECTS

## Apprenticeship Participation on City of LA PLA Covered Construction Projects



# ESTIMATED REINVESTMENT OF WAGES & BENEFITS



Estimated Wages and Benefits Reinvested into the City of LA (as of Sept 2009)			
	Public Works	Other City Agencies	Total
Local Journeyperson (\$42.75)	\$ 28,700,606.66	\$ 14,087,668.70	\$ 42,788,275.36
Local Apprentice (\$15)	\$ 4,542,388.50	\$ 2,321,752.80	\$ 6,864,141.30
		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](http://crala.net/internet-site/Policies/Local_Hire_Policy_Programs.cfm)



- BCA PLA and Local Hiring info:  
[http://bca.lacity.org/index.cfm?next\\_body=local\\_hiring.cfm](http://bca.lacity.org/index.cfm?next_body=local_hiring.cfm)

