

ORDINANCE NO. 184602

An ordinance amending Sections 10.45 through 10.45.3 of the Los Angeles Administrative Code to enable the Department of Public Works – Bureau of Contract Administration to more efficiently administer and enforce the Public Infrastructure Stabilization Ordinance provisions.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 10.45 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

SEC. 10.45. Purpose.

Each year, the City awards hundreds of millions of dollars in public works construction contracts to private contractors. This article, also referred to as the Public Infrastructure Stabilization Ordinance, advances the interests of the City by promoting the use of project labor agreements for those public works construction projects meeting certain criteria.

Project labor agreements are the preferred tool to ensure that important proprietary goals of the City are achieved. These goals include completion of construction projects on time and within budget by minimizing labor misunderstandings, grievances and conflict, and by emphasizing worker safety.

Project labor agreements also advance the City's interests by ensuring that unemployed and under-employed residents will receive employment opportunities at City public works construction projects. Over the years, project labor agreements have proven to be an excellent mechanism to promote the hiring of unemployed and under-employed City residents. These agreements have proven their effectiveness in targeting construction employment and training opportunities to mitigate the harm caused by poverty which is geographically concentrated.

City public works construction contracts are subject to the State's prevailing wage laws or, in some instances, the Federal Davis-Bacon wage statute, each of which provides covered workers with substantially greater wages and benefits than otherwise required by law. Increasing access to employment opportunities where prevailing wages are paid is one way for the City to directly combat poverty and stimulate economic reinvestment.

In addition, having the opportunity to work on a City contract affords workers valuable experience which can be used to garner future employment. The City has an interest in expanding the field of competent construction workers to address the

problems associated with a significant local unemployed, under-employed and unskilled workforce. The City serves this interest by expanding the opportunities workers have to be referred for employment by private contractors who are employed by the City.

Further, many unemployed and under-employed City residents are interested in getting good work and learning a construction trade. Young people constitute a significant portion of the City's unemployed and under-employed residents. Experience indicates that unemployment and under-employment contribute to devastating social burdens, including a sustained large population of unskilled workers, increased crime and increased need for costly social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In creating a program that helps link contractors with potential construction workers, the City serves this interest and provides greater opportunities for employment on public works construction contracts.

In February 2008, the Economic Roundtable released a study commissioned by the Community Development Department titled "Concentrated Poverty in Los Angeles." For purposes of the study, concentrated poverty was defined as a census tract with 40 percent or more of households below the poverty level in 2000. The study found that the City of Los Angeles had higher rates of concentrated poverty than the nation and the broader Los Angeles region. In fact, "Nineteen percent or over 238,000 of the 1.3 million households in the City of Los Angeles were living below the federal poverty threshold in 2000. A quarter of the census tracts in the City (216 tracts) have poverty rates of at least 30 percent."

The City's areas of concentrated poverty are growing in size and increasing in number. The City desires to address this problem by creating programs that train and employ people living in these areas of concern.

The Public Infrastructure Stabilization Ordinance targets construction employment and training opportunities in ways calculated to mitigate the harm caused by geographically concentrated poverty, to address unemployment and under-employment in neighborhoods where poverty is concentrated, and to advance the skills of the local labor pool, especially the youth, by maximizing opportunities to earn a prevailing wage.

To further serve these interests, the Port of Los Angeles, the Los Angeles World Airports, the Department of Water and Power, and the Housing Authority of the City of Los Angeles are encouraged to adopt policies consistent with this article.

Sec. 2. Section 10.45.1 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.45.1. Definitions.

The following definitions shall apply throughout this article:

“Apprentice” means any worker who is indentured in a bona fide construction apprenticeship program registered and approved by the State of California, Division of Apprenticeship Standards (DAS) or, in the case of Projects with federal funding, in a bona fide apprenticeship program approved by the United States Department of Labor (DOL) and California DAS.

“City” means the City of Los Angeles, a municipal corporation.

“Construction” means construction as well as alteration, demolition, installation and repair work as mandated by California Labor Code Section 1720(a)(1), and includes maintenance work as mandated by California Labor Code Section 1771.

“Contract” means a contract for a public works Construction project.

“Contractor/Subcontractor/Employer” means any individual firm, partnership, owner-operator, or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which has entered into a Contract with Public Works or any of its contractors or subcontractors/owner-operators of any tier, with respect to the Construction of any part of any Project Work.

“Designated Administrative Agency” or **“DAA”** means the Department of Public Works, Bureau of Contract Administration, which shall bear administrative responsibilities under this article, including rule making.

“Local Resident” means either: (i) an individual whose primary place of residence is within the City and is within a zip code having at least two census tracts (or portions thereof) in which the median annual household income is less than 50 percent of the County of Los Angeles’ median annual household income, and/or at least two census tracts (or portions thereof) where the rate of unemployment exceeds 200 percent of the County of Los Angeles’ unemployment rate as reported by the most recent U.S. Census Bureau Data; or (ii) an individual whose primary place of residence is within the City and is within a zip code having at least two census tracts (or portions thereof) in which the median annual household income is less than the County of Los Angeles’

median annual household income and/or at least two census tracts (or portions thereof) where the rate of unemployment exceeds 100 percent County of Los Angeles' unemployment rate as reported by the most recent U.S. Census Bureau data.

"Project Work" means work performed by Council-controlled departments in Construction of a public works improvement project subject to the Department of Public Works Project Labor Agreement.

"Public Works" means the Department of Public Works of the City.

"Transitional Worker" means an individual whose primary place of residence is within the City and who, prior to commencing work on a Project, has been certified as having Veteran status; having a documented history of involvement with the criminal justice system; or being homeless. If the Jobs Coordinator or Employer is not able to identify an adequate number of workers certified as having Veteran status, documented involvement with criminal justice or being homeless, then a Transitional Worker may be an individual facing two of the following barriers to employment: having a household income less than 50 percent of the Los Angeles County Median Annual Household Income; receiving public assistance; lacking a GED or high school diploma; being a custodial single parent; suffering from long-term unemployment; being emancipated from the foster care system; or being an apprentice with less than 15 percent of the apprenticeship hours required to graduate to journey level in a state (and federal if necessary) approved program.

Sec. 3. Section 10.45.2 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.45.2. Citywide Project Labor Agreement.

The Board of Public Works shall approve a Department of Public Works Project Labor Agreement (DPW-PLA) and apply it to qualifying future public works Construction projects in accordance with criteria established by the Board of Public Works. The DPW-PLA will also serve as the template for all Council-controlled departments to apply on qualifying public improvement projects.

Sec. 4. Section 10.45.3 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.45.3. Targeted Hiring.

The DPW-PLA shall include provisions that obligate a Contractor to follow targeted hiring procedures to make reasonable efforts to achieve specific hiring opportunities for Local Residents, Apprentices and Transitional Workers:

(a) The Contractor and Subcontractor retain the authority in making individual hiring decisions; and

(b) Hours worked by residents of states other than California shall not be included in the calculations of total hours of Project Work for purposes of determining whether the Contractor and Subcontractor achieved the percentage requirements set forth in the DPW-PLA authorized in this article.


Sec. 5. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of DEC - 7 2016.

HOLLY L. WOLCOTT, City Clerk


By  _____ Deputy

Approved 12/14/16 _____

 _____ Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By  _____
EDWARD M. JORDAN
Assistant City Attorney

Date 9/26/2016 _____

File No. 15-1460 _____

DECLARATION OF POSTING ORDINANCE

I, JUAN VERANO, state as follows: I am, and was at all times hereinafter mentioned, a resident of the State of California, over the age of eighteen years, and a Deputy City Clerk of the City of Los Angeles, California.

Ordinance No.184662 – Amending Sections 10.45 through 10.45.3 of the Los Angeles

Administrative Code to enable the Department of Public Works – Bureau of Contract

Administration to more efficiently administer and enforce the Public Infrastructure Ordinance

provisions – a copy of which is hereto attached, was finally adopted by the Los Angeles City Council

on **December 7, 2016**, and under the direction of said City Council and the City Clerk, pursuant to

Section 251 of the Charter of the City of Los Angeles and Ordinance No. 172959, on **December 15,**

2016 I posted a true copy of said ordinance at each of the three public places located in the City of

Los Angeles, California, as follows: 1) one copy on the bulletin board located at the Main Street

entrance to the Los Angeles City Hall; 2) one copy on the bulletin board located at the Main Street

entrance to the Los Angeles City Hall East; 3) one copy on the bulletin board located at the Temple

Street entrance to the Los Angeles County Hall of Records.

Copies of said ordinance were posted conspicuously beginning on **December 15, 2016** and will be continuously posted for ten or more days.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this **15th** day of **December 2016** at Los Angeles, California.



Juan Verano, Deputy City Clerk

Ordinance Effective Date: **January 25, 2017**

Council File No. **15-1460**