

City of Los Angeles
Department of Public Works PLA / Public Works Infrastructure Stabilization Policy
Frequently Asked Questions for Project Labor Agreement 2015 - 2020

Please note: This document is meant to be a guide, and should not be used as a replacement from reviewing and understanding the relevant bid specifications and terms of the signed Department of Public Works (DPW) Project Labor Agreement and/or DPW-Policy for the applicable project.

I) General

What is the Department of Public Works Project Labor Agreement (DPW-PLA)?

The DPW-PLA is an agreement entered into between the City of Los Angeles Department of Public Works and the Los Angeles/Orange County Building Trades Council in order to establish the labor terms and conditions on a covered construction project. The DPW-PLA is included as a condition to the contract for a covered project. It includes terms that would ensure a peaceable manner of settling labor disputes and grievances without strikes, work stoppages, or lockouts. It has been proven to be a helpful mechanism in ensuring the delivery of an on time and on budget project.

The DPW-PLA also includes in its terms a local hire requirement, which affects all the contractors on the project. The local hire requirements (in terms of construction hours worked) include the goals of 30% local hiring, 10% transitional worker (formerly ‘at-risk’ or disadvantaged) hiring, and 50% of all apprentice hours shall be performed by local apprentices. The DPW-PLA also requires the submission and approval by BCA of a contractor’s Employment Hiring Plan documentation prior to starting work, use of the referral (hiring) process through the halls, and subscription agreements with relevant labor halls.

Does the project benefit from having a DPW-PLA?

A DPW-PLA ensures that contractors will have a large pool of highly skilled and well trained labor, thus delivering a project that is more likely to be on time and on budget. Also to this end, the DPW-PLA provides a forum to address and resolve worker grievances or any other issues that arise. Because labor issues are negotiated in advance, the DPW-PLA also guarantees there will be no strikes, work stoppages, or lockouts on this particular project, with no undue delays.

Why does local hiring necessitate a DPW-PLA?

Typically, construction unions are bound by their “first in, first out” dispatch rules. However, as a condition to this agreement, the signatory unions are able to prioritize targeted workers when dispatching its members for covered project work.

The construction unions have also agreed to open up their Joint Apprenticeship Programs which offer the training necessary to begin a career in construction. The resources and support available to these new workers will assist in providing them with career job opportunities that offer sustainable wages and benefits.

Will this policy delay my project?

This policy should not delay your project. (See “Does the project benefit from having a DPW-PLA?”)

As a contractor, are there any benefits to me for working on a project with a DPW-PLA?

In addition to the reasons explained above, the DPW-PLA stabilizes working conditions, drug testing, grievance/jurisdictional disputes.

A Jobs Coordinator will be one of your resources for finding workers at various skill levels who satisfy the DPW-PLA requirements across different crafts. These workers are pre-screened and ready to work and may prove to be of value to you on your other non-DPW-PLA projects.

Finally, since the construction unions are opening up their Joint Apprenticeship Programs to non-union contractors, you may take advantage of the lower wages for state registered apprentices while still being able to complete the work necessary.

II) Contracting

Does this policy reduce the pool of qualified bidders for a project?

Our data does not show that this policy reduces the pool of qualified bidders for a covered project- if anything, it will make for a more even playing field so that you have a larger pool of qualified bidders for a project. Labor costs should be no different from that of any other Public Works project with the City of Los Angeles, since prevailing wage has always been required on public works projects as dictated by the Los Angeles City Charter and the California State Labor Code.

What is required in order to obtain approval to work on the project?

In addition to the regular subcontractor approval process through the BCA's Special Research and Investigation (SRI) section, each C/S/E must also submit a Letter of Assent, Core Workforce List, and Employment Hiring Plan. Each of these documents must be approved by the Office of Contract Compliance prior to a C/S/E's start of work on the covered project.

By signing a Letter of Assent and agreeing to the terms of the DPW-PLA, do I become a union contractor for all current and future City of Los Angeles projects?

No. By signing a Letter of Assent, you are agreeing to abide by the terms and conditions of the DPW-PLA for this project only, and only until the completion of the covered project.

As a prime contractor, am I only allowed to bring on union subcontractors?

No, you determine which subcontractors you submit for approval to work on the covered project. Data indicates that non-signatory contractors make up a good portion of contractors working on projects with similar agreements.

Has anyone had success in meeting their local hiring percentages?

The City of Los Angeles Department of Public Works has had several projects that included a PLA. Of these, the majority of contractors have met their local hiring goals. If you would like to view the local hiring performance on various projects, please go to http://bca.lacity.org/index.cfm?next_body=local_hiring.cfm. The most successful contractors made sure that their entire staff, from the payroll administrators to the project administrators, had a good understanding and willingness to do what was necessary to meet their local hiring goals. It was also important that they made use of the resources available to them such as the Jobs Coordinator, the unions, and the Department of Public Works, Bureau of Contract Administration.

What if I don't meet the local hiring percentages?

If a project has not met the local hiring percentages, the prime contractor may still be deemed in compliance by demonstrating both (a) that it and each of its C/S/Es have complied with all other requirements of the DPW-PLA and the Policy, and (b) that it and its C/S/Es have maintained documentation that shows they have exerted their best efforts to comply with the targeted hiring requirements.

These efforts by each C/S/E include: a) adhering to their Employment Hiring Plan, b) showing proof of requests to unions, through Craft Request Forms, of sufficient numbers of workers needed to meet the local hiring percentages, c) documentation of contact with the Jobs Coordinator d) other accurate records documenting compliance efforts.

Can I be penalized monetarily for failing to meet the local hiring percentages?

Yes. Liquidated Damages may be assessed if you are not determined to be in compliance. (See "What if I don't meet the local hiring percentages?") Throughout the project, you will be apprised of your current local hiring percentages. If you are falling short of the local hiring goals at a given reporting period, you will have an opportunity to correct the local hiring goals at the next reporting period. If you are not able to do that, then liquidated damages will be withheld from your

retention payment as disputed funds pending a decision on assessment by the Board. You will have an opportunity to appear before the Board of Public Works to appeal the assessment.

If a contractor's work is assigned to a union not signatory to the DPW-PLA, are they still bound by the terms of the DPW-PLA?

In this scenario, the contractor would not be bound by the union security, referral, or benefits provisions of the policy. It is up to the contractor to decide whether they would like to obtain workers from that union. However, by having signed a Letter of Assent, the contractor is still responsible for complying with the DPW-PLA requirements which include hiring of workers from targeted areas and payment of prevailing wage.

III) Hiring

What is a Jobs Coordinator?

A Jobs Coordinator will assist the C/S/E's in meeting their targeted hiring percentages. The Prime Contractor is responsible for securing the Jobs Coordinator. Duties of a Jobs Coordinator may include coordinating the local hire referral process with the C/S/Es, Unions, City Work Source Centers, and Faith and Community Based Organizations. The Jobs Coordinator will also be responsible for certifying Transitional Worker candidates and maintaining a database of pre-qualified local residents for referral to work on a project. The Jobs Coordinator will play an important role in helping to resolve workforce problems as necessary.

Am I required to use a Jobs Coordinator?

The use of a jobs coordinator is not required. If you are able to meet each of those targeted hiring goals, then you would be deemed in compliance. However, if you do not meet one or more of the targeted hiring goals, hiring and documenting utilization of a jobs coordinator is one of the elements of being deemed to be in compliance. (See "What happens if I don't meet the local hiring percentages?")

Am I allowed to use my existing workforce?

Yes. A C/S/E is allowed up to five (5) "Core Workers" which is defined as a worker whose name appears on the C/S/E's active payroll for 60 of the 100 working days prior to the award of the construction contract and meets all standards required by applicable local, state or federal regulation. The employer may select one core worker, and then they must hire one worker from the unions, if available, and thereafter alternately for the first five core workers.

Am I only allowed to use union workers?

No. (See "Am I allowed to use my existing workforce?")

Additionally, if the unions cannot provide a local resident and/or transitional worker within 48 hours, the C/S/E shall be free to obtain Local Residents from any source. This does not, however, release the C/S/E from the obligation to meet the targeted hiring percentages set forth in the DPW-PLA.

Am I obligated to hire the workers sent by the union or jobs coordinator?

No. The DPW-PLA explicitly states that the employer retains authority in making individual hiring decisions. However, C/S/Es should document their compliance efforts and address reasons for not hiring a particular worker. The C/S/Es must still abide by the proper core worker ratios as set forth in the DPW-PLA's referral process.

Also, if the C/S/E requests a local resident and/or transitional worker from the unions, and is referred a non-targeted worker, they are under no obligation to hire the referred worker.

What if the union sends workers who do not meet my workforce standards, e.g. proper skill levels, productivity?

You are not obligated to employ that worker. (See “Am I obligated to hire the workers sent by the union or jobs coordinator?”)

If there is a consistent issue in working with the unions to meet the targeted hiring percentages, contact BCA in order to help resolve the issue.

Can I bring in union workers from other locals who are not signatory to the DPW-PLA?

1) If a C/S/E is signatory to a union collective bargaining agreement that is not signatory to the DPW-PLA, the C/S/E may continue to use workers from that union. However, the C/S/E is still responsible for complying with the targeted hiring requirements.

2) If a C/S/E is not signatory to a union collective bargaining agreement, and the work in question is legitimately assigned to that union not signatory to the DPW-PLA, the C/S/E may still obtain workers from that union. However, the C/S/E is not required to use workers from that union and they are still responsible for complying with the targeted hiring requirements of the DPW-PLA.

Will the unions send me apprentices even if I am a non-union contractor?

The unions signatory to the DPW-PLA shall be the primary source of all craft labor employed in DPW-PLA covered projects. Article 7.4 (in part) of the DPW-PLA states that the “...Unions will exert their best efforts to **refer**/recruit (emphasis added) sufficient numbers of skilled craft Local Residents and Transitional Workers to fulfill the requirements of the C/S/E(s). In recognition of the fact that the communities within the boundaries of the City will be impacted by the construction of the Project, the Parties agree to support the development and graduation of transitional construction apprentices and workers from residents within Tiers 1 or 2 zip code areas.”

How do I meet the Transitional Worker percentage goal?

Transitional workers may be referred to you through community based organizations and/or your Jobs Coordinator. The Jobs Coordinator can also conduct interviews with your employees and potentially certify your current employees as being “transitional” if they meet either Group 1 or Group 2 criteria listed in the DPW-PLA that defines Transitional Workers.

C/S/Es, if they choose to do so, may certify workers as being “transitional” if they are aware that they meet either Group 1 or Group 2 criteria listed in the DPW-PLA that defines Transitional Workers. However, the C/S/E must maintain documentation showing proof of the worker’s transitional status in the event that the BCA requests this information

IV) Labor Costs

Am I responsible for worker initiation fees and dues as dictated by the union?

C/S/Es and their employees shall be required to comply with Union security provisions for the period during which they are performing on-site project work to the extent, as permitted by law, of rendering payment of the applicable monthly and working dues only. There should be no additional costs in comparison to current dues paying members.

What wages and benefits are non-signatory C/S/Es’ responsible for?

All workers covered by the DPW-PLA shall be classified in accordance to the work performed and paid the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to the California Labor Code by the Department of Industrial Relations or as established by the US Department of Labor if applicable.

C/S/Es not signatory to the established Labor/Management Trust Fund agreements, as specified in the Schedule A Agreements for the craft workers in their employ, shall sign a subscription agreement with the appropriate Labor/Management Trust Fund covering the work performed under the DPW-PLA. The C/S/E shall pay contributions to the established employee benefit funds in the amounts designated in the appropriate Schedule A Agreement and make all employee-authorized deductions in the amounts designated in the appropriate Schedule A Agreement; provided, however, that the C/S/E and Union agree that only such bona fide employee benefits as accrue to the direct benefit of the employees

(such as pension and annuity, health and welfare, vacation, apprenticeship, training funds, etc.) shall be included in the requirements and required to be paid by the C/S/E on the DPW-PLA covered project; and provided further, however, such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination. (See Article 8 of DPW-PLA)

V) Workers

Once a C/S/E signs a subscription agreement, do they become union members for all projects they work on?

No. By signing a subscription agreement, the C/S/Es agree to have their benefits paid into the appropriate trust fund for the covered project only and only until the completion of that covered project.

Can non-union workers take advantage of the benefits offered by the various trust funds?

Core employees on the project may take advantage of the benefits once they become vested, or reach a given number of hours as determined by each union's Labor/Management Benefits Trusts.