

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6a
Date of Meeting September 27, 2016

DATE: September 20, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Ralph Graves, Senior Director, Capital Development
David Freiboth, Senior Director, Labor Relations
Aaron Pritchard, Issues and Policy Manger, Commission
SUBJECT: First Reading of Resolution No. 3725, a Construction Labor Relations Resolution to set policy governing employment on projects constructed on Port property.

ACTION REQUESTED

Request First Reading of Resolution No. 3725, a Construction Labor Relations Resolution that creates a Policy Directive governing employment on projects constructed on Port property.

SYNOPSIS

The purposes of the proposed Policy Directive are to expand access to construction jobs; ensure fair treatment of workers; promote labor harmony and uninterrupted work progress; and improve safety at construction sites. Existing construction labor relations policy applies principally to contracts administered by the Port. The proposed Resolution clarifies policy and extends to cover all construction taking place on Port property.

BACKGROUND

The Port of Seattle Commission and the CEO together develop Policy Directives as stated under Section 1(A)(2) of the General Delegation of Authority, which Policy Directives, under section (B)(1)(2) and (3), are intended to provide guidance, inform operations, and deliver standards that support the effective use of internal audit functions to verify compliance.

Port of Seattle facilities support regional transportation, job creation and economic development. Labor harmony is essential to ensure uninterrupted delivery of critically needed facilities. State prevailing wage standards help ensure equitable pay for construction workers. Apprenticeship utilization requirements, along with aspirational hiring goals for women and minorities, promote access to construction jobs. Project labor agreements (PLAs), and related community workforce agreements (CWAs), provide means to align the interests of public owners such as the Port with those of construction labor unions.

In 1999 the Port entered into a broad PLA with regional construction unions that governed employment on many of the construction contracts for airport terminal expansion, construction

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of the Third Runway and creation of the Smith Cove Cruise Terminal. In 2009 the Port clarified criteria for determining when a PLA would be required and began negotiating and administering PLAs with in-house staff. In the past five years, 28 of 109 Port major construction contracts have been covered by PLAs. This 26% of contracts has encompassed 80% of dollars and 66% of jobs during the period. While PLAs provide the benefits described above, the Port is aware that PLAs may adversely affect small businesses that are less likely to employ union labor.

Construction at Port properties may be funded and administered by the Port, administered by tenants with Port financial support or administered and funded by tenants. The proposed resolution affirms criteria for determining when the Port will enter into PLAs on projects the Port administers, requires prevailing wages to be paid on construction contracts funded entirely or in part by the Port and directs similar criteria and procedures on construction contracts administered by tenants.

PLA DECISION CRITERIA

- Project needs for labor continuity and stability
- Project complexity, cost and duration
- Value of having uniform working conditions
- Potential impact of PLA on small business
- Past labor disputes or issues
- Potential impact on project cost
- Specific public safety concerns
- Value of PLA processes to resolve disputes

LABOR POLICY PROPOSAL FOR 3 TYPES OF CONSTRUCTION CONTRACTS

- Port Contracts
 - Largely continues per recent practice, with decisions made case by case
 - Add presumption of using PLA for contracts with labor value exceeding \$5M
 - Continue apprenticeship goals and consider locality hiring
- Port Reimbursed
 - Encourage employing PLA per Port practice
 - Require paying and reporting prevailing wages
 - Establish hiring goals for apprenticeship and locality as part of a regional program
- Tenant Funded
 - Encourage employing PLA per Port practice
 - Require paying and reporting wages prevailing wages
 - Establish hiring goals for apprenticeship and locality as part of a regional program
 - If a solicitation or negotiation featuring the above requirements fails, then staff will use a modified set of construction labor provisions in the scoring of proposals.

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ATTACHMENTS TO THIS REQUEST

- Resolution No. 3725
- PowerPoint

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- March 8, 2016 – Staff Briefing