

Construction Labor Relations Briefing on Proposed Policy Resolution

Ralph Graves, Sr. Director
Capital Development

David Freiboth, Sr. Director Labor Relations

Aaron Pritchard,
Issues and Policy Manager, Commission

Draft Resolution Purpose

Clarify Port labor relations policy, including the use of Project Labor Agreements (PLA), on several categories of construction contracts at the Port of Seattle.

Commission Resolution proposed

PLA Elements

- Agreement between Owner and/or contractor and building trades unions
 - Prevailing Wages
 - Contribution to trust fund
 - Hiring Goals
 - Apprenticeship utilization
 - Economically under-represented communities
 - Local work forces
- Policy benefits
 - Ensure labor harmony
 - Promote access to jobs
 - Ensure fair treatment
 - Leverage existing safety practices

Areas of interest for a Construction Labor Relations policy

PLA Implementation History

- 1999 Original program-wide PLA
 - 3rd Runway, Terminal Expansion, Rental Car Facility
 - One agreement extended to many contracts
- 2010 PLA Use Policy and Procedures
 - Analysis on each contract
 - Individual project specific PLAs
 - 28 of 109 Port major construction contracts
 - 80% of dollars and 66% of jobs
 - Apprenticeship and diversity goals on all contracts

Practice on Port-administered contracts

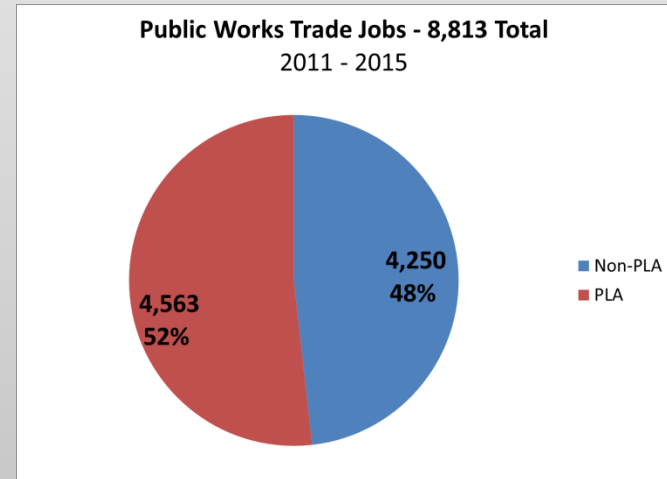
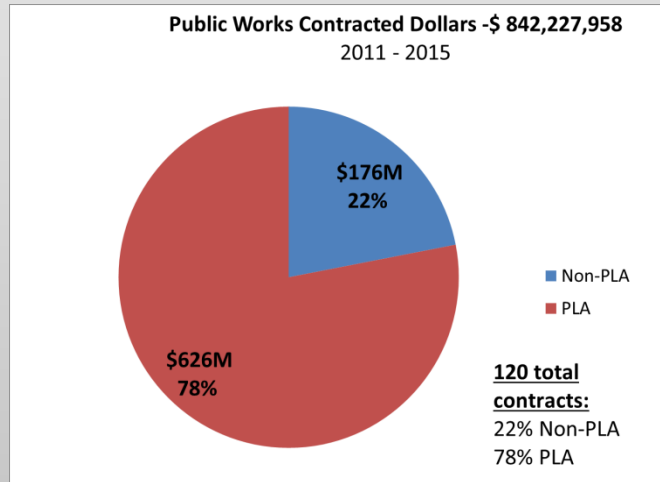
PLA Decision Criteria

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

Staff recommendation subject to Commission approval

PLAs on Port Major Projects 2011-2015

- 26 of 120 Port major construction contracts
- 78% of dollars and 52% of jobs



Larger contracts have used PLAs

Three Construction Types

- A. Port directed contracts for construction
- B. Port reimbursed tenant-administered construction
- C. Construction on Port property no reimbursement (e.g. ground lease)

Current Port policy addresses only A

Policy Proposal – A. Port Contracts

- Largely continues per recent practice
- Add assumption in favor of using PLA for labor value exceeding \$5M
- Continue apprenticeship goals and consider locality hiring



Continue successful policy on Port contracts

Policy Proposal – B. Port Reimbursed

- Encourage PLA per Port practice
- Require paying and reporting prevailing wages
- Require hiring goals for apprenticeship and locality as part of a regional program



Extends prevailing wage requirement from airport to rest of Port

Policy Proposal – C. Tenant Funded (Ground Leases)

- Encourage employing PLA per Port practice
- Require prevailing wages and hiring goals for apprenticeship and locality as part of a regional program
- If opportunity fails, then modify and evaluate labor provisions as part of selection process

Balancing labor measures with legal and commercial considerations

Benefits of Proposed Policy

- Asserts Commission intent respecting all construction contracts on Port property
- Advances equal access to construction jobs
- Smooths path for PLA implementation on upcoming projects:
 - Fueling system modifications
 - T-5 Modernization

The Port provides quality jobs while advancing its facilities and commercial objectives