

Project Labor Agreement Report

Second Quarter 2009



I. Introduction

The Port of Seattle has used a project labor agreement (PLA) on its airport modernization project since 1999. The PLA is a pre-hire collective bargaining agreement that provides for uniform terms and conditions of employment for all trades workers on large and complex construction projects. The PLA is designed to increase efficiency and reduce labor-related work stoppages that might otherwise occur during the course of construction, as well as help to ensure safety on the job through vigorous substance abuse testing, and contribute to the development of the regional construction work force through enhanced apprenticeship goals.

In the second quarter of 2009, the following projects were covered by the PLA:¹

Project	Dollar Value
Consolidated rental car facility	\$412,320,000
Pedestrian bridge from light rail station	\$3,329,000
Fire station renovation	\$5,000,000
Runway 16L/34R reconstruction	\$85,000,000

North & South satellite terminal flooring	\$2,182,000
Consolidated Warehouse	\$9,000,000
Elevator /Escalator replacement in parking garage	\$7,315,000
2009 Airfield Improvements Contract #1	\$4,337,000
Fire Piping Mains Upgrades	\$1,500,000
HVAC upgrades in main terminal	\$1,497,000

Until January 2009, the Port outsourced the administration of the PLA to a consultant. Beginning in April 2009, the Port began self-administering the PLA in an effort to reduce costs. This report was prepared by the Port’s new PLA Administration unit, a sub-group of the Labor Relations Department, and it is the first report on the Port’s progress administering the PLA.

III. PLA work group functions

The PLA work group consists of four Port employees, who are responsible for – among other things – the following tasks:

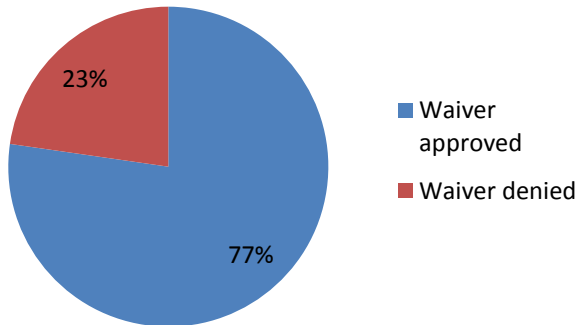
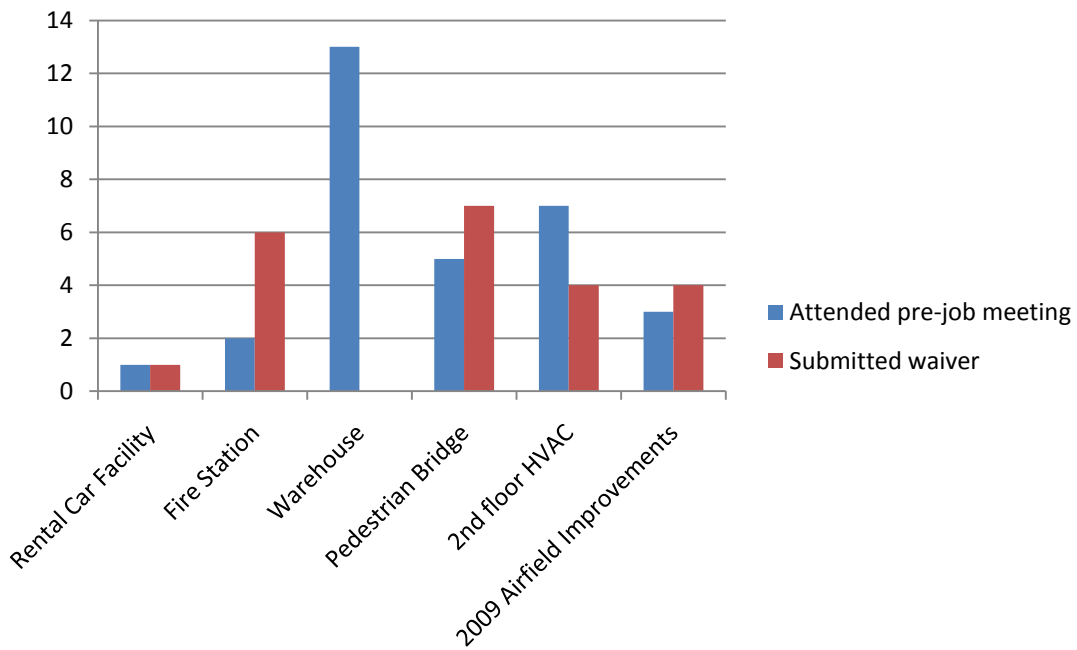
- Educating contractors on the PLA’s terms
- Managing the pre-job jurisdictional assignment process
- Conducting field interviews on the construction sites to assure compliance
- Administering substance abuse testing and apprenticeship utilization
- Resolving various conflicts that may emerge

The body of this report elaborates on the PLA team’s work, grouped into four sections outlined above.

A. Pre-job Jurisdictional Assignments & Contractor Education

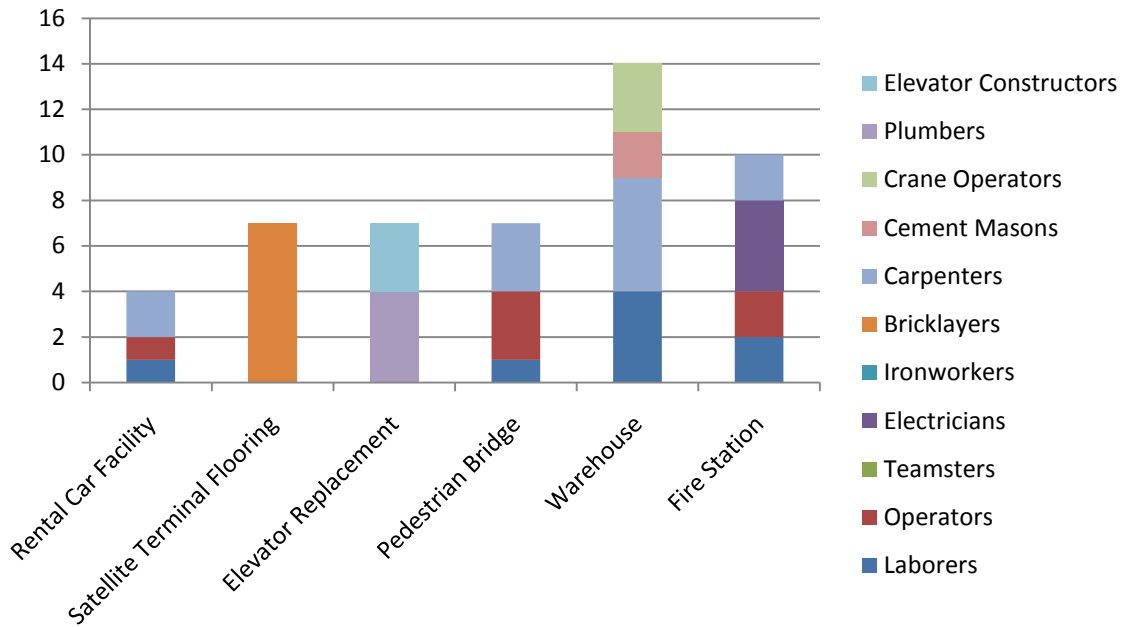
The PLA team prioritizes educating contractors on the requirements the PLA imposes, especially small and open-shop contractors who may have never worked under a PLA before. As part of this effort, the PLA team has launched a webpage² with contact information and answers to frequently asked questions, and a member of the PLA team attends pre-bid and pre-construction meetings for upcoming projects, as well as weekly progress meetings during construction.

Prior to beginning work on a PLA-covered project, contractors sign a letter of assent, binding them to the terms of the PLA, and they submit proposed trade assignments, designating which trades perform which work on the project. After submitting a proposed trade assignment, the contractor attends a pre-job meeting during which union representatives have the opportunity to ask questions about the type of work being performed, and to make any jurisdictional claims they may have to the work. This process is designed to reduce the potential for jurisdictional disputes during construction. Contractors who have previously participated in a pre-job meeting may seek a waiver, which may be granted or denied by the Building Trades Council. The following figure illustrates contractors' pre-job attendance and waiver submissions by project in Q2 2009:

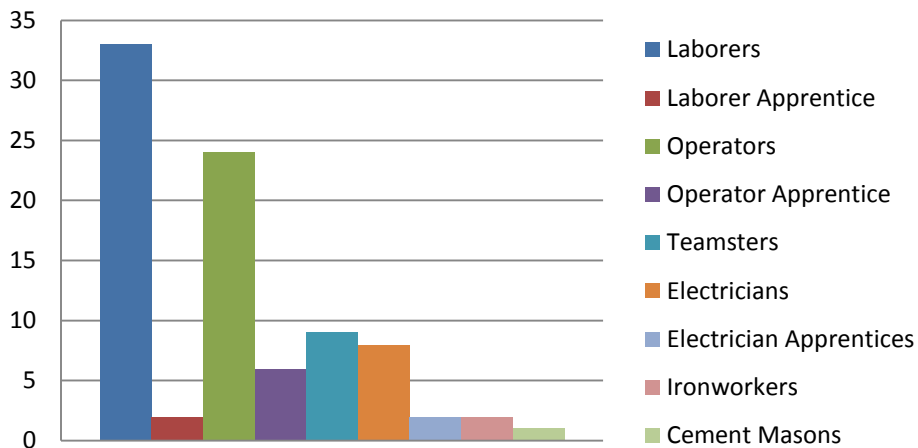


B. Field Monitoring / Compliance

One crucial function of the Port's PLA team is on-site monitoring of all PLA projects. By interviewing employees on the jobsites, the Port can determine whether contractors are complying with the terms of the PLA, including pre-employment substance abuse testing and pre-job jurisdictional assignments. The following charts illustrate the numbers and types of employees interviewed on each project.

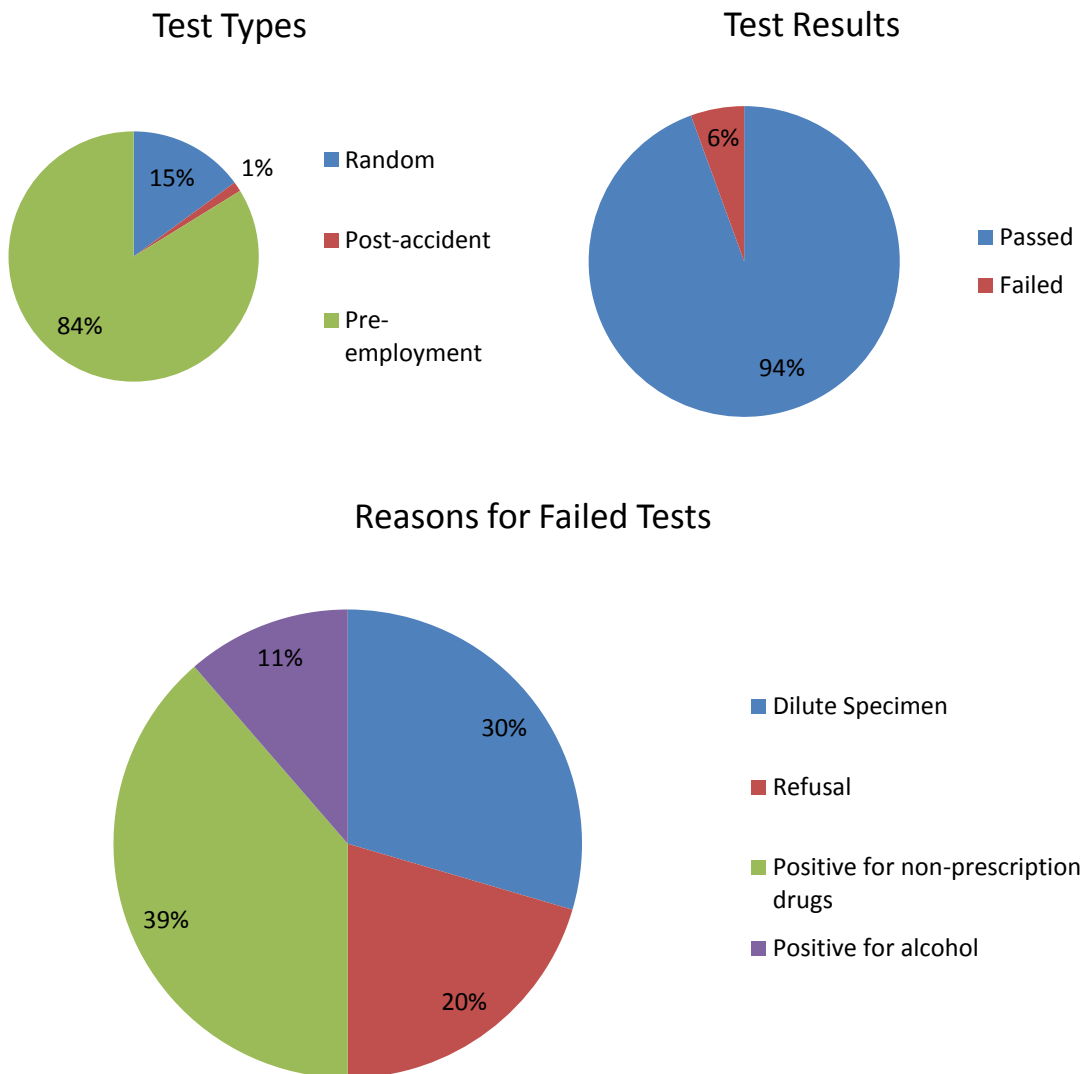


16L/34R Runway Reconstruction (Began 2nd qtr 2009)



C. Substance Abuse Testing & Apprenticeship

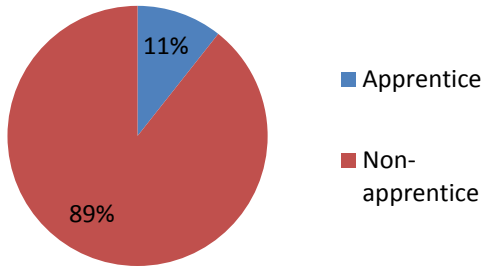
The PLA provides that all employees on PLA-covered projects undergo pre-employment substance abuse testing, administered by the Port and a third-party. In addition, substance abuse testing may occur during the course of construction. During Q2, 790 substance abuse tests were performed. 118 were random, 10 were post-accident. Forty-four individuals failed the tests, 13 due to a diluted specimen, 9 due to refusal to test, 17 due to positive testing for non-prescription drugs, and 5 due to positive testing for blood alcohol content. The following chart illustrates work performed under the substance abuse testing program in Q2:



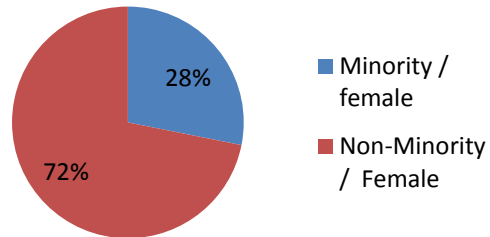
The PLA also provides for apprenticeship utilization goals above what non-PLA projects require: 20% apprentice labor hours on all projects, 33% of which are to be worked by

women and minorities, and 50% women and minorities on first-year apprentice labor hours. Since January 1, 2009, over 161,080 hours have been worked by apprentices on PLA-covered projects. The PLA team monitors contractors' progress in meeting these goals, and provides assistance to contractors who have difficulty meeting the goals. The following chart illustrates contractors' efforts to meet these goals since January 1, 2009:

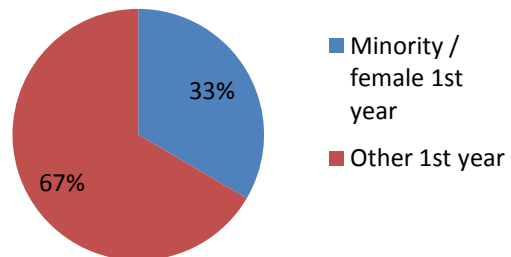
Apprentice Hours



Minority / Female Apprentice Hours



Minority / Female Apprentice Hours -- 1st Year



D. Dispute Resolution

During Q2, three major disputes were submitted to the PLA team. The PLA team convened labor representatives and contractors to develop solutions to these disputes. These disputes were largely resolved, and no work stoppages occurred.

Two disputes were submitted in the form of written grievances, and both were resolved at Step 1 of the PLA's grievance process. One grievance sought to address a subcontractor's failure to maintain the proper union-to-core ratio of workers on the jobsite. The other sought a remedy for an employee who was erroneously held off the job after pre-employment substance abuse testing.

One other dispute focused on the proper wage rate for a particular class of workers. After the PLA team convened labor and contractor representatives, a resolution was reached through a change order.

IV. Conclusion

During the second quarter of 2009, the Port assembled its PLA team, bringing PLA administration in-house for significant cost-savings. The new PLA team worked to ensure labor harmony, and the Port's capital construction projects experienced no labor-related delays.

PLA Team Contact Information

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Endnotes

¹ Project budgets based on Q1 2009 capital improvement project report, available at: http://www.portseattle.org/downloads/about/commission/RM_20090609_Item_7a_Report.pdf. In addition to the projects listed, the demolition of the old cruise ship facility at Terminal 30 and the construction of the new cruise ship facility at Terminal 91 was covered by a separate PLA, administered by an external consultant.

² <http://www.portseattle.org/about/laborrelations/PLA.shtml>