

Project Labor Agreement Quarterly Report

Third Quarter 2009



I. Introduction

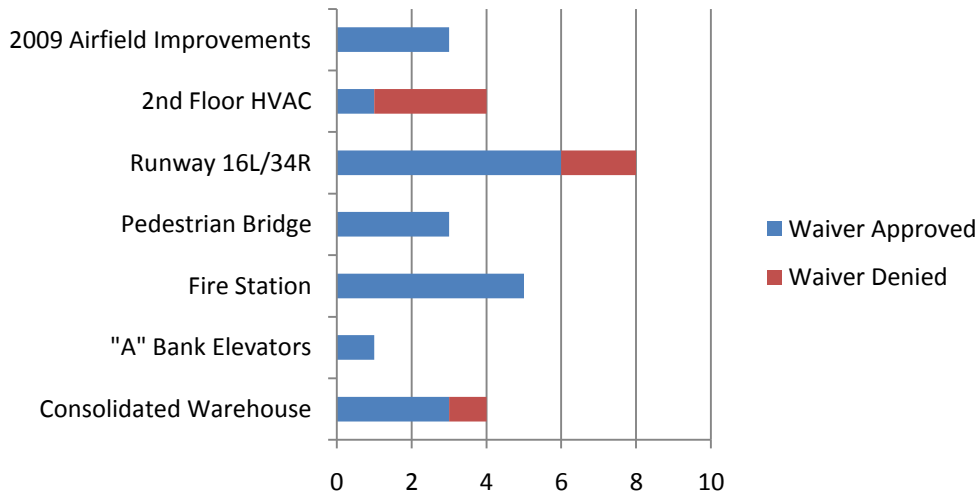
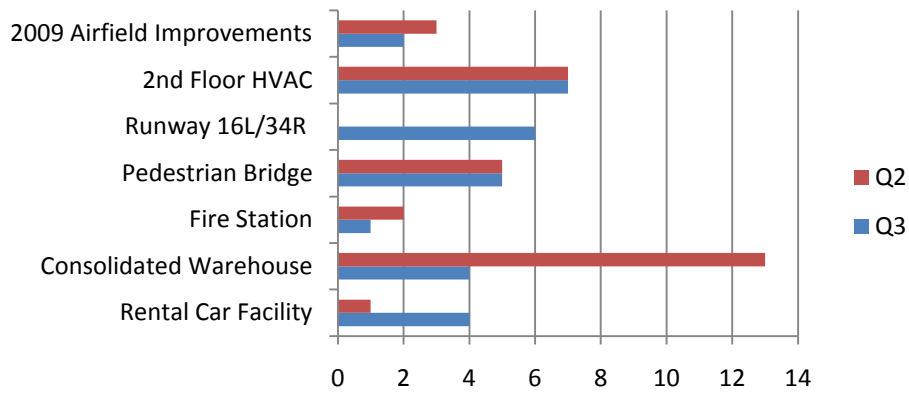
The Port of Seattle’s Project Labor Agreement (“PLA”) governs the terms and conditions of employment for workers on some of the Port’s major construction projects. Since early 2009, the PLA has been administered by a small team within the Port’s Labor Relations Department. The PLA team’s mission is to maintain labor harmony by providing assistance to contractors, unions and Port staff in complying with the PLA, in order to meet the Port’s construction needs.

In the third quarter of 2009, nine projects were covered by the PLA, representing over \$500 million of construction work. ¹ Significant developments included the completion of the 16L/34R runway reconstruction project, and the full re-start of construction activity on the rental car facility.

II. Pre-job Jurisdictional Assignments

Prior to beginning work on a PLA project, contractors and subcontractors must participate in a pre-job meeting with the Seattle-King County Building and Construction Trades Council, to designate work assignments to specific trades. If a contractor has participated in the pre-job process before, they may submit a waiver request to the Council. If the request is granted, the contractor does not have to attend the pre-job meeting. In Q3, twenty-nine contractors attended pre-job meetings, down slightly from the thirty-one contractors attending pre-jobs in Q2. Twenty-eight waiver requests were submitted, of which twenty-two were approved, a rate of about 79%, a slight increase from the 77% approval rate in Q2. The following figures illustrate contractors' pre-job attendance and waiver submissions by project in Q3:

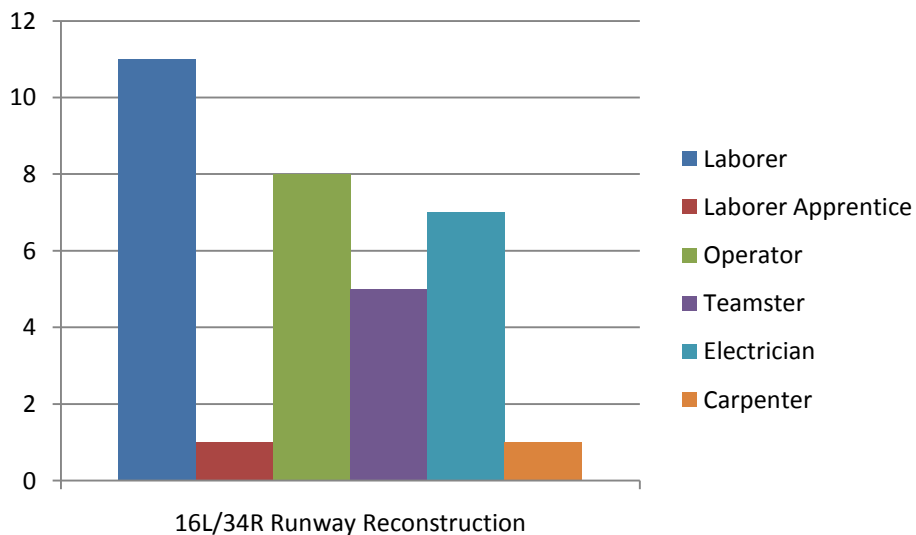
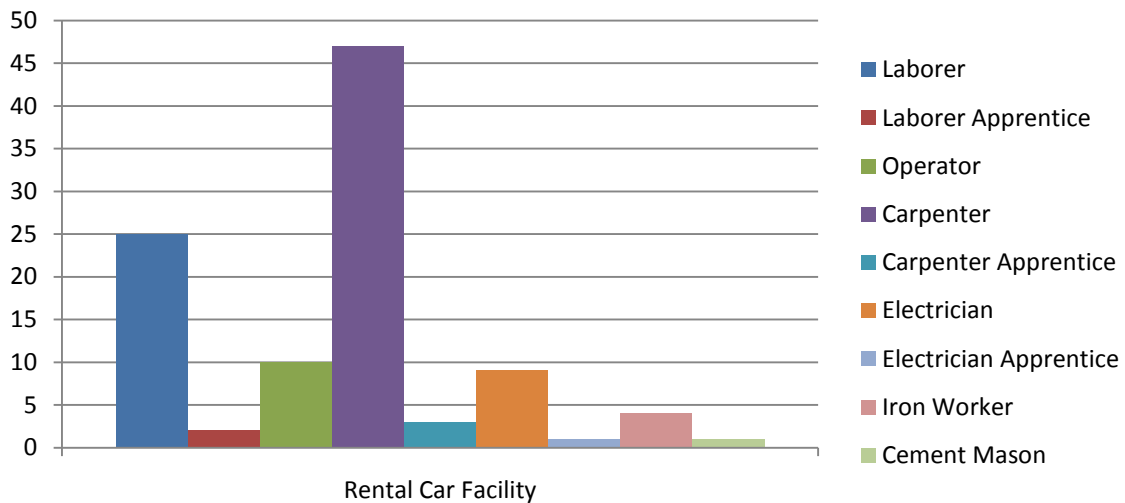
Contractor PreJob Meeting Attendance

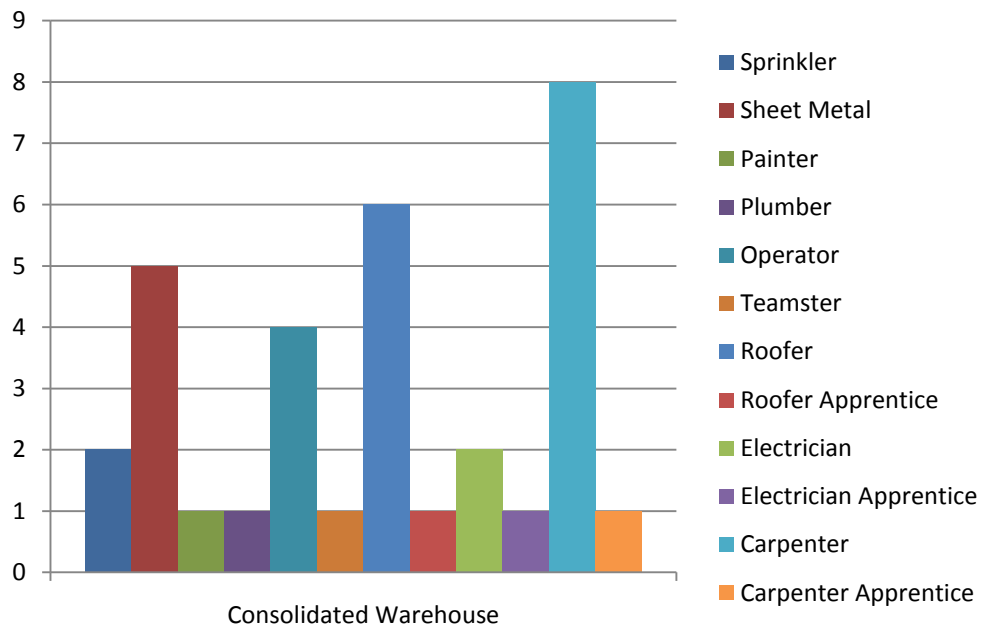
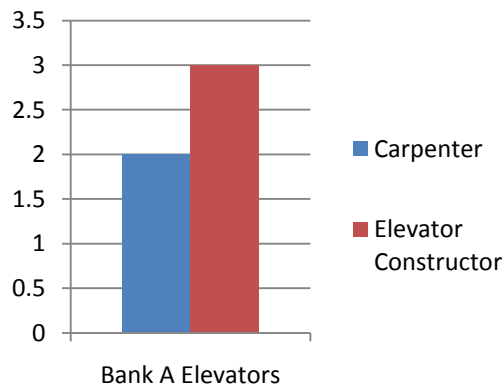
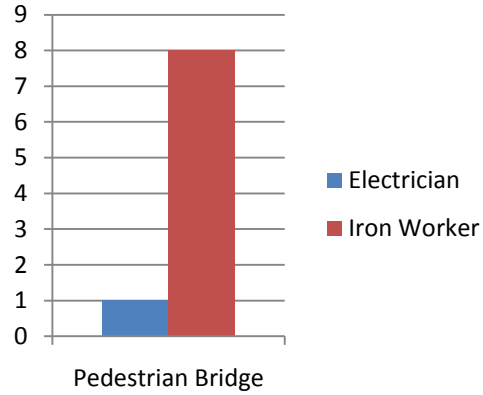


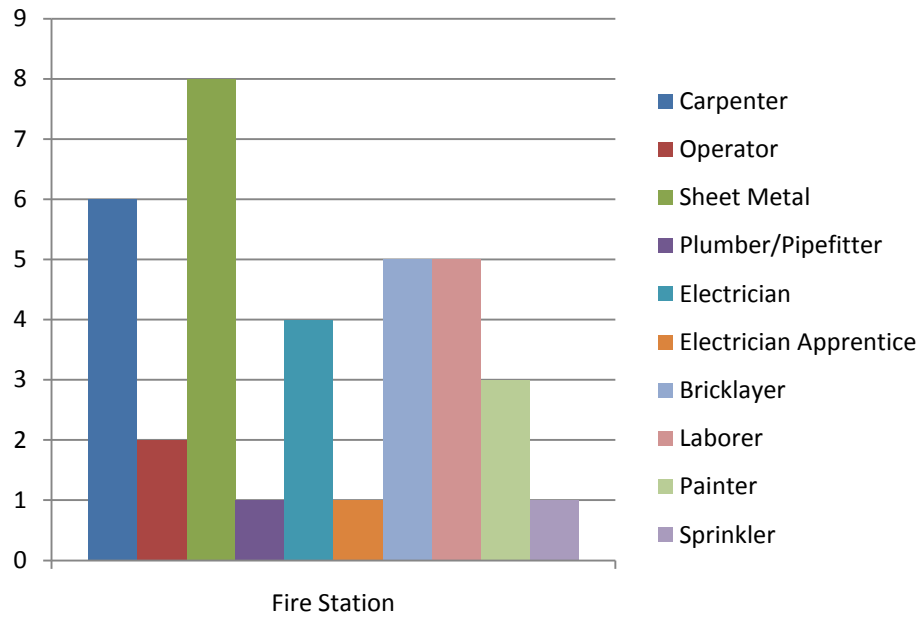
III. Field Monitoring / Compliance

During construction, the PLA team actively monitors job sites, interviewing employees to gather information as to whether contractors are in compliance with the terms of the PLA. In the event of non-compliance, the PLA team works with the contractors and the unions to remedy the violation.

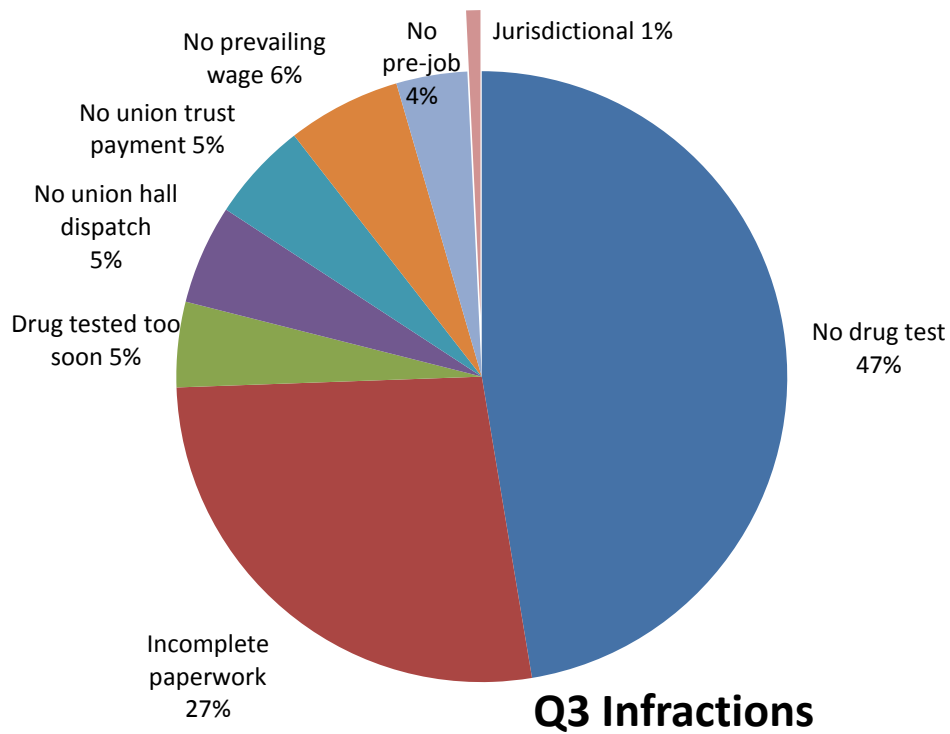
The PLA team interviewed 218 employees of various trades on the various job sites, an increase from the 131 field interviews in Q2. The following charts illustrate the numbers and types of employees interviewed on each project.







In the course of conducting field interviews, the PLA team found 133 instances of non-compliance with the terms of the PLA. The following figure illustrates violations by type:

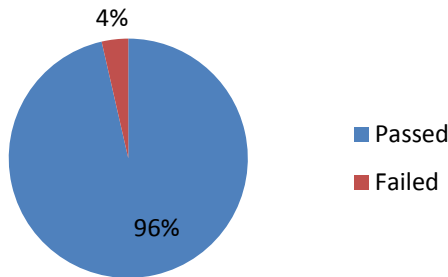


Often, a single employee interview uncovered multiple simultaneous violations. The most frequent violations had to do with substance abuse testing. In response to this finding, the PLA team has reviewed existing substance abuse testing procedures, and is currently implementing new procedures that are designed to address this issue.

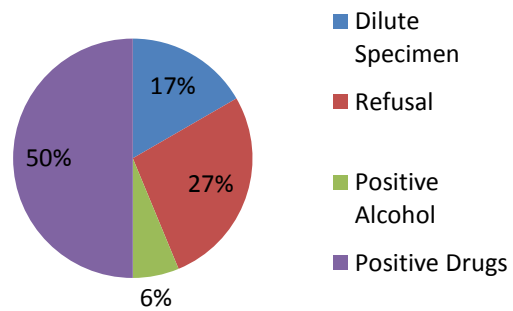
IV. Substance Abuse Testing

During Q3, 1342 substance abuse tests were performed, a substantial increase from the 790 tests performed in Q2. Fifteen tests were random, two were post-accident. Forty-eight individuals failed the tests, eight due to a diluted specimen, thirteen due to refusal to test, twenty-four due to positive testing for non-prescription drugs, and three due to positive testing for breath alcohol content. Total failure rate was 4%, down slightly from 6% in Q2. The following chart illustrates work performed under the substance abuse testing program in Q3:

Substance Abuse Testing Results



Reasons for Failed Tests

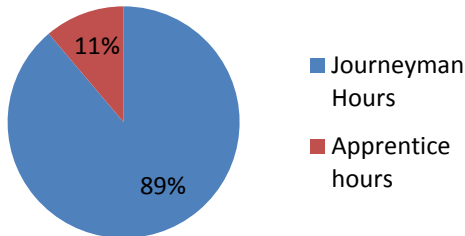


V. Apprenticeship

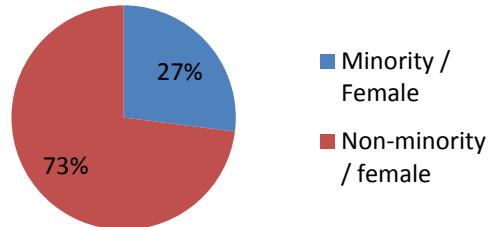
The PLA provides that contractors make efforts to use apprentice labor for 20% of all hours worked on their projects. Of that 20%, one-third should be worked by minority or female apprentices, and of that one-third, half should be first-year apprentices.

In Q3, contractors used 33,401 total apprentice hours. This represents approximately 11% of total labor hours on all PLA projects, which is the same percentage of apprentice hours worked in Q1 and Q2 combined. Of those apprentice hours, 9,020, or 27%, were worked by minorities and females, about the same as Q1 and Q2 combined. Of those minority / female apprentice hours, 1,063 hours, or 16%, were worked by first-year minority / female apprentices, down from 33% in Q1 and Q2 combined. The following chart illustrates contractors' efforts to meet apprenticeship goals in Q3:

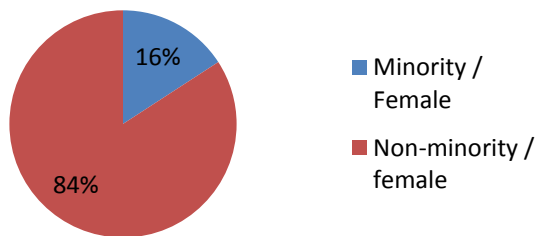
Total Apprentices Hours



Minority / Female Apprentices Hours



First-Year Apprentices Hours



Michael Lewis, the first H2H apprentice to work on a Port PLA project.

A significant accomplishment in Q3 was the placement of an apprentice on the 16L / 34R runway project through the Helmets-to-Hardhats (“H2H”) program. The H2H program connects labor unions, contractors, site owners and the military to assist veterans in finding construction industry work when they return from deployment. The Port and the Seattle / King County Building and Construction Trades Council recently agreed to work together under the PLA to provide preferred-entry for H2H veterans.

Michael Lewis, the first veteran to be placed through this program, had served as a U.S. Army Infantryman for three years in Iraq, and received two Purple Hearts. He was hired by ICON Materials, the prime contractor on the 16L/34R project, as a laborer, building underground electrical duct banks and conduit. On August 27, 2009, the Port’s PLA team hosted an event recognizing Michael, as well as ICON, Laborers Union Local 440, and the Port staff who made this placement possible.

VI. Dispute Resolution

During Q3, two grievances were filed, the same amount as were filed in Q2. The first was regarding work jurisdiction, and was resolved at step one, between the contractor and the union, with little involvement from the Port’s PLA team. The other grievance

involved work being performed by a subcontractor that did not submit a letter of assent and jurisdictional assignments. That grievance was resolved at step two, after the PLA team convened a grievance resolution meeting. Both disputes were resolved amicably, and no work stoppages occurred.

VII. Conclusion

During the third quarter of 2009, contractors signed letters of assent and submitted to the PLA pre-job process in substantially similar numbers as in Q2. Apprenticeship and drug testing numbers were also substantially similar, except there were significantly more drug tests performed in Q3, and the first-year minority / female apprenticeship hours were down. The PLA team interviewed significantly more workers on the job sites than in Q2, and resolved many infractions prior to the grievance procedure being invoked. Of the two grievances that were filed, both were resolved quickly and without any resulting delay to the projects.

PLA Team Contact Information

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

¹ Dollar amounts for each PLA project:

Project	Dollar Value
Consolidated rental car facility	\$419,306,000
Pedestrian bridge from light rail station	\$3,329,000
Fire station renovation	\$5,000,000
Runway 16L/34R reconstruction	\$85,000,000
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

Amounts based on figures provided in the Capital Improvement Project Report for Q2 2009, available at: http://www.portseattle.org/downloads/about/commission/RM_20090901_Item_7c_Report.pdf