

09/09/03

**CITY OF LOS ANGELES
HARBOR DEPARTMENT**

**PIER 400 DEVELOPMENT PHASE II
PROJECT LABOR AGREEMENT**

WITH

**LOS ANGELES/ORANGE COUNTIES
BUILDING AND CONSTRUCTION
TRADES COUNCIL
Affiliated with the Building &
Construction Trades Department (AFL/CIO)
Craft International Unions**

**PROJECT LABOR AGREEMENT
CITY OF LOS ANGELES HARBOR DEPARTMENT**

PIER 400 DEVELOPMENT PHASE II

Introduction/Findings

- I. Definitions
- II. Scope of Agreement
- III. Effect of Agreement
- IV. Work Stoppages, Strikes, Sympathy Strikes and Lockouts
- V. No Discrimination
- VI. Union Security
- VII. Referral
- VIII. Benefits
- IX. Employee Grievance Procedure
- X. Los Angeles Charter and Administrative Code
- XI. Compliance
- XII. Joint Administrative Committee
- XIII. Grievance Arbitration Procedure
- XIV. Jurisdictional Disputes
- XV. Management Rights
- XVI. Safety, Protection of Person and Property
- XVII. Savings Clause
- XVIII. Pre-Job Conference
- XIX. Steward
- XX. Term

Attachments

- Attachment "A", Letter of Assent
- Attachment "B", MOU on Drug Abuse Prevention and Detection
- Signatures Page

**PROJECT LABOR AGREEMENT
CITY OF LOS ANGELES HARBOR DEPARTMENT
PIER 400 DEVELOPMENT PHASE II**

INTRODUCTIONS AND FINDINGS

Pier 400 is located within the Los Angeles Harbor just south of Terminal Island. The development of Pier 400 started with the Phase I construction projects which included construction of a 4,000-foot container wharf, 277 acres of backlands, a transportation corridor, terminal buildings, and an intermodal yard. Construction on the Phase I projects started in November 2000 and was substantially complete in July 2002. The completed Phase I terminal began operations in August 2002.

The Pier 400 Phase II development is scheduled to begin construction in January 2003. The Phase II development will include two separate construction contracts: Pier 400 Container Wharf Phase II (Wharf) and Pier 400 Backlands Phase II (Backlands).

The purpose of this Agreement is to promote efficiency of construction operations during the Pier 400 Development Phase II Project and provide for orderly settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Project.

WHEREAS, the successful completion of the Project is of the utmost importance to the City Customer, Department, and the general public in the City of Los Angeles; and

WHEREAS, large numbers of workers of various skills will be required in the performance of the construction work, including those to be represented by the unions affiliated with the Los Angeles/Orange Counties Building and Construction Trades Council and any other labor organization which is signatory to this Agreement, employed by contractors and subcontractors who are signatory to agreements with said labor organizations; and

WHEREAS, it is recognized that on a project of this magnitude with multiple contractors and bargaining units on the job site at the same time over an extended period of time, the potential for work disruption is substantial without an overriding commitment to maintain continuity of work; and

WHEREAS, the interests of the City Customer, general public, the City of Los Angeles, the Unions and Contractor/Employers would be best served if the construction work proceeded in an orderly manner without disruption because of strikes, sympathy strikes, work stoppages, picketing, lockouts, slowdowns or other interferences with work; and

WHEREAS, the Contractor/Employers and the Unions desire to mutually establish and stabilize wages, hours and working conditions for the workers employed on the Project by the Contractor/Employers, and further, to encourage close cooperation among the Contractor/Employers, and the Unions to the end that a satisfactory, continuous and harmonious relationship will exist among the parties to this Agreement; and

WHEREAS, this Agreement is not intended to replace, interfere with, abrogate, diminish, or modify existing local or national collective bargaining agreements in effect during the duration of the Project, except to the extent that

09/09/03

the provisions of this Agreement are inconsistent with said collective bargaining agreements, in which event, the provisions of this Agreement shall prevail; and further, it is understood that General Contractors and each sub-contractor are bound and shall remain bound, for the duration of this Project, by the terms of this Agreement and the applicable local and national collective bargaining agreements for the craft work performed, established between the signatory Unions and contractors, in effect and covering the area of this Project; and

WHEREAS, the contracts for the construction of the Project will be awarded in accordance with the applicable provisions of the Los Angeles Charter and the Los Angeles Administrative Code; and

WHEREAS, this Agreement is not intended to have an adverse impact on the policy of the City of Los Angeles to maximize business opportunities for minority and women businesses in City contracts; and

WHEREAS, the City has the absolute right to select the lowest and best regular responsible bidder for the award of construction contracts on the Project; and

WHEREAS, the parties signatory to this Agreement pledge their full good faith and trust to work towards a mutually satisfactory completion of the Project;

NOW, THEREFORE, IT IS AGREED BETWEEN AND AMONG THE PARTIES
HERETO, AS FOLLOWS:

ARTICLE I

DEFINITIONS

1.1 "Agreement" means Pier 400 Development Phase II Project Labor Agreement.

1.2 "Board" means the City of Los Angeles Board of Harbor Commissioners.

1.3 "City" means the City of Los Angeles.

1.4 "City Customer" means MAERSK PACIFIC LTD (MPL).

1.5 "Committee" means Joint Administrative Committee as described in Article XII of this Agreement.

1.6 "Construction contract" means all City contracts which have been awarded by the Board and which are necessary to complete the Project.

1.7 "Contractor/Employer" or "Contractor/Employers" means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and has entered into a contract with the Board or any of its contractors or subcontractors of any tier, with respect to the construction of any part of the Project under contract terms and conditions approved by the Board and which incorporate the Agreement.

1.8 "Council" means Los Angeles/Orange Counties Building and Construction Trades Council.

1.9 "Department" means the City of Los Angeles Harbor Department.

1.10 "Engineer" means the Chief Harbor Engineer of the City of Los Angeles Harbor Department.

1.11 "Letter of Assent" means agreement acceptance letters by all Contractor/Employers.

1.12 "Material Supplier" means a manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with the Contractor/Employer or any Subcontractor to furnish materials or equipment to be incorporated in the work by the Contractor/Employer or any Subcontractor.

1.13 "Plan" means the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry.

1.14 "Project" means the City-awarded construction contracts for the Pier 400 Development Phase II, which includes the Pier 400 Container Wharf Phase II and the Pier 400 Backlands Phase II projects.

1.15 "Union" or "Unions" or "Signatory Unions" means the Los Angeles/Orange Counties Building and Construction Trades Council affiliated with the Building & Construction Trades Department (AFL/CIO) Craft

International Unions and any other labor organization signatory to this Agreement, acting in their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement.

ARTICLE II

SCOPE OF AGREEMENT

2.1 Parties: The Agreement shall apply and is limited to all Contractors/Employers performing construction contracts on the Project, the Board and the Los Angeles/Orange Counties Building and Construction Trades Council affiliated with the Building & Construction Trades Department (AFL/CIO) Craft International Unions and any other labor organization signatory to this Agreement, acting in their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement ("Signatory Unions").

As per sec 2.2 of contract

2.2 Project Description: The Agreement shall apply to all construction contracts awarded by the Board as part of the Project. The Board has the absolute right to combine, consolidate or cancel contracts or portions of contracts identified as part of the Project. Should the Board remove any contract from the Project and thereafter authorize that construction work be commenced on the contract, the contract may, at the election of the Board, be performed under the terms of the Agreement.

2.3 Project Labor Disputes: All project labor disputes involving the application or interpretation of a collective bargaining agreement to which a signatory Contractor/Employer and a signatory Union are parties shall be resolved pursuant to the resolution procedures of the applicable collective bargaining agreement. All disputes relating to the interpretation or application of the Project Labor Agreement shall be subject to resolution by the dispute resolution procedures set forth herein.

2.4 Exclusions:

(1) The Agreement shall be limited to construction work on the Pier 400 Development Phase II "Project" for construction contracts which are approved by the Board, and is not intended to, and shall not apply to any construction work performed at the City at anytime prior to the effective date, or after the expiration or termination of the Agreement.

(2) The Agreement is not intended to apply to, affect or govern the award of City contracts by the Board, which are outside the approved scope of the Project.

(3) The Agreement is not intended to apply to, and shall not affect the operation or maintenance of, any City facility(ies) related to this Project including, but not limited to, Pier 400 terminal operations.

(4) The Agreement shall not apply to a Contractor/Employer's executives, managerial employees, engineering employees, supervisors (except those covered by existing building and construction trades collective bargaining agreements), office and clerical employees, or any other employee not performing construction craftwork.

(5) The Agreement shall not apply to material suppliers or delivery by any means of material, supplies, or equipment required to any point of delivery, except for the delivery of ready-mix concrete to the Pier 400 project site.

ARTICLE III

EFFECT OF AGREEMENT

3.1 By executing the Agreement, the Unions and the Board agree to be bound by each and all of the provisions of the Agreement.

3.2 By accepting the award of a construction contract for the Project, whether as a contractor or subcontractor, the Contractor/Employer agrees to sign the letter of assent as shown in Attachment A and be bound by each and every provision of the Agreement.

3.3 A Contractor/Employer that is not signatory to a collective bargaining agreement with any of the Unions for all or part of the craft work to be performed by the Contractor/Employer with its own forces agrees to be bound, for purposes of this Project only, to the terms and conditions of the applicable local collective bargaining agreement or agreements for such craft work to be performed, established between the signatory Union(s) and contractors, in effect and covering the area of this Project. It is understood that this Agreement, inclusive of the referenced collective bargaining agreements, constitutes a self-contained, stand-alone agreement and that, by virtue of having become bound to this Agreement, the Contractor/Employer will not be obligated to sign any local, area or national collective bargaining agreement as a condition of performing work within the scope of this Agreement.

*Local
Contractors not
want bound to
union agreement*

*Handwritten
marking*

3.4 At the time that any Contractor/Employer enters into a subcontract with any subcontractor providing for the performance of a construction contract, the Contractor/Employer shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor as a part of accepting the award of a construction subcontract to agree in writing in the form of a Letter of Assent, see attachment A, to be bound by each and every provision of this Agreement prior to the commencement of work.

3.5 This Agreement shall only be binding on the signatory Contractor/Employers hereto and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any Contractor/Employers.

3.6 This Agreement shall not apply to City employees or the Board.

3.7 This Agreement shall not apply to the work of persons, firms and other entities that perform consulting, planning, scheduling, management or other supervisory services on the Project, provided such entities do not perform craft employee construction work on the Project with their own employees or to customer service work performed post completion by an entity other than the Contractor/Employer or subcontractor that performed the original construction work.

3.8 This Agreement shall be included as a general condition of the construction contracts awarded by the Board.

ARTICLE IV

WORK STOPPAGES, STRIKES, SYMPATHY STRIKES AND LOCKOUTS

4.1 The Unions, Board and Contractor/Employers agree:

(1) During the existence of this Agreement, there shall be no strike, sympathy strike, picketing, slowdown, withholding of work, refusal to work, walk-off, sit-down, stand-in, wobble, boycott, or other work stoppage, disruption, advising of the public that a labor dispute exists, or other impairment of any kind for any reason.

(2) As to employees employed on the Project, there shall be no lockout of any kind by a Contractor/Employer covered by the Agreement. The Contractor/Employer may lay off employees for lack of work, or in the event that a strike, picketing or other disruption impedes the work of the Project.

(3) No picket lines will be established at the Project by any of the Unions. The Unions agree that they will not sanction in any way any picket line or other impairment of the work on the Project and will affirmatively take all measures necessary to effectively induce their respective members to cross any and all picket lines and report for work as scheduled and that responsible representatives of the Unions who are employed on the Project will also do so themselves.

4.2 Expiration of Local Agreements. If local, regional, and other applicable labor agreements expire during the term of the Project, it is specifically agreed that there shall be no strike, sympathy strike, picketing, lockout, slowdown, withholding of work, refusal to work, walk-off, sick-out, sit-down, stand-in, wobble, boycott or other work stoppage, disruption, advising of the public that a labor dispute exists, or other impairment of any kind as a result of the expiration of any local, regional or other applicable labor agreement having application at the Project and/or failure of the parties to that agreement to reach a new contract. Terms and conditions of employment established and set for purposes of prevailing wage requirements under the labor agreement at the time of bid shall remain established and set. Otherwise to the extent that such a local, regional, or other applicable labor agreement does expire and the parties to that agreement have failed to reach agreement on a new contract, work will continue on the Project on one of the following two bases, both of which will be offered by the Unions involved to the Contractor/Employers affected:

(1) Each of the Unions with a contract expiring must offer to continue working on the Project under interim agreements that retain all the terms of the expiring contract, except that the Unions involved in such expiring contracts may each propose wage rates and employer contribution rates to employee benefit funds under the prior contract different from what those wage rates and employer contributions rates were under the expiring contracts. The terms of the Union's interim agreement offered to Contractor/Employers will be no less favorable than the terms offered by the Union to any other employer or group of employers covering the same type of construction work in Los Angeles County.

(2) Each of the Unions with a contract expiring must offer to continue working on the Project under all the terms of the expiring contract, including the wage rates and employer contribution rates to the employee benefit funds, if the Contractor/Employers affected by that contract agree to the following retroactivity provisions: if a new local, regional or other applicable labor agreement for the industry having application at the Project is ratified and signed during the term of this Agreement and if such new labor agreement provides for retroactive wage increases, then each affected Contractor/Employer shall pay to its employees who performed work covered by the Agreement at the Project during the hiatus between the effective dates of such labor agreements, an amount equal to any such retroactive wage increase established by such new labor agreement, retroactive to whatever date is provided by the new local, regional or other applicable agreement for such increase to go into effect, for each employee's hours worked on the Project during the retroactive period. All parties agree that such affected Contractor/Employer shall be solely responsible for any retroactive payment to its employees and that neither the Project, nor the Board, nor the Board's designee, nor any other Contractor/Employer has any obligation, responsibility or liability whatsoever for any such retroactive payments or collection of any such retroactive payments, from any such Contractor/Employer.

(3) Some Contractor/Employers may elect to continue to work on the project under the terms of the interim agreement option offered under

paragraph (1) above and other Contractor/Employers may elect to continue to work on the project under the retroactivity option offered under paragraph (2) above. To decide between the two options, Contractor/Employers will be given one week after the particular labor agreement has expired or one week after the Union has personally delivered to the Contractor/Employer in writing its specific offer of terms of the interim agreement pursuant to paragraph (1) above, whichever is the later date.

4.3 Expedited Arbitration will be utilized for all Work Stoppages and Lockouts. In lieu of, or in addition to, any other action at law or equity, which is also available, any party may institute the following procedure when a breach or violation of Article IV is alleged:

(1) The party invoking this procedure shall notify the permanent Arbitrator next in sequence from the following list: _____. The parties agree these shall be the four permanent Arbitrators under this procedure. In the event that none of the four permanent Arbitrators are available for a hearing within 24 hours, the party invoking the procedure shall have the option of delaying until one of the four permanent Arbitrators is available or of asking the permanent Arbitrator that would normally hear the matter to designate an arbitrator to sit as a substitute Arbitrator for this dispute. If any of the permanent Arbitrators ask to be relieved from their status as a permanent Arbitrator, the parties shall mutually select a new permanent Arbitrator from the following list of arbitrators: _____. Selection shall be made by each party alternately striking from the foregoing list until one name remains who shall be the replacement permanent Arbitrator. Expenses incurred in arbitration shall be borne equally by the Union and the Contractor/Employer involved and the decision of the Arbitrator shall be final and binding on both parties, provided, however, that the Arbitrator shall not have the authority to alter or amend or add to or delete from the provisions of this Agreement in any way.

(2) Notice to the Arbitrator shall be by the most expeditious means available, including telephone, with notice by facsimile or telegram to the party alleged to be in violation and to the Building Trades Council.

(3) Upon receipt of said notice, the permanent Arbitrator shall set and hold a hearing, if the violation still exists or if the party alleging the breach requests, the hearing shall be set and held within twelve (12) hours if possible and within twenty-four (24) hours if not. Otherwise, the hearing shall be set and held within forty-eight (48) hours or such later time to which the party alleging the breach consents.

(4) The Arbitrator shall notify the parties by telephone and by facsimile or telegram of the place and time he has chosen for this hearing. Notice shall be given to the individual Unions alleged to be involved; however, notice to the Building Trades Council shall be sufficient to constitute notice to the Unions for purposes of the arbitration being heard by the Arbitrator. Said hearing shall be completed in one session. A failure of any party or parties

to attend said hearing shall not delay the hearing of evidence or issuance of an award by the Arbitrator.

(5) The sole issue at the hearing shall be whether or not a violation of Sections 4.1 or 4.2 of this Article has in fact occurred, and the Arbitrator shall have no authority to consider any other types of violation of this Agreement or to award damages, which issue is reserved for court proceedings, if any. For purposes of deciding this issue, the actions of individual craft workers engaging in conduct described in sections 4.1 or 4.2 shall constitute violations of the sections by the Unions representing these individuals. Similarly, conduct described in sections 4.1 or 4.2 carried out by unions not signatory to this Agreement shall constitute violations of this Agreement by any Union signatory to this Agreement that is a sister union, subsidiary union, or parent of the offending non-signatory union. The Award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an Opinion. Irrespective of the Arbitrator's decision of whether Sections 4.1 or 4.2 have been breached, the Arbitrator may retain jurisdiction over the parties for violations, occurring during the succeeding seven days and shall convene additional proceedings upon request to hear further evidence of breaches of sections 4.1 or 4.2. If any party desires an Opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement, of the Award. If the Arbitrator finds that a violation of Sections 4.1 or 4.2 of this Article has occurred, the Arbitrator in his written Award shall order cessation of the violation of this Article and a return to work and other appropriate relief, and such Award shall be served on all parties by hand, facsimile or registered mail upon issuance. The Award will be final and binding on all parties to the Agreement, including the individual craft workers on the Project represented by any of the Unions subject to the Award.

(6) Such Award may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to hereinabove in the following manner. Telephonic or facsimile notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the Arbitrator's Award all parties waive the right to hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order enforcement. The Court's order or orders enforcing the Arbitrator's Award shall be served on all parties by hand, by facsimile, by delivery to their last known address or by registered mail.

(7) Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance therewith are hereby waived by the parties to whom they accrue.

(8) The fees and expenses of the Arbitrator shall be divided equally between the moving party or parties and the party or parties' respondent.

(9) The procedures contained in this Section 4.3 shall be applicable to alleged violations of Articles IV, IX, XII, XIII, or XIV to the extent any conduct described in Section 4.1 or 4.2 occurs on the Project. Disputes alleging violation of any other provision of this Agreement, including any underlying disputes alleged to be in justification, explanation, or mitigation of any violation of Section 4.1 or 4.2 or Articles IV, IX, XII, XIII or XIV, shall be resolved under the applicable grievance adjudication procedures for these other Articles.

ARTICLE V

NO DISCRIMINATION

5.1 The Contractor/Employers and Unions agree not to engage in any form of discrimination on the ground of, or because of, race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status or medical condition.

ARTICLE VI

UNION SECURITY

6.1 The Contractor/Employers recognize the Unions as comprising the respective sole bargaining representatives of all craft employees working within the scope of this Agreement.

6.2 All employees who are employed by Contractor/Employers to work on the Project will be required to become members and maintain membership in the appropriate Union after 8 days of consecutive or cumulative employment on a construction contract subject to this Agreement for the duration of their work on the project. Membership under this section shall be satisfied by the tendering of periodic dues and fees uniformly required to the extent required by law.

ARTICLE VII

REFERRAL

7.1 The Unions shall be the primary source of all craft labor employed on the Project. However, in the event that a Contractor/Employer has his/her own core workforce, the Contractor/Employer shall follow the procedures outlined below. An employee shall be considered a member of a Contractor/Employer's core workforce for the purposes of this Article if the employee's name appears on the Contractor/Employer's active payroll for 60 of the 100 working days before award of the construction contract. The number of core employees on this Project shall be governed by the following procedure: Up to five (5) "core" employees may be

selected to work on the project. If additional employees are required, the next five (5) employees shall come from the local hiring hall of the affected trade or craft. After this, one "core" employee shall be selected and then one employee from the hiring hall of the affected trade or craft if needed. This process shall repeat until such Contractor/Employer's requirements are met or until such Contractor/Employer has hired twenty (20) such 'core' employees for the craft, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall list. In the event of a reduction-in-force or layoff, not including the initial five (5) "core" employees, such will take place in a manner to assure that the number of remaining "core" employees in the affected craft does not exceed, at any time, the number of others working in that craft who were employed pursuant to other procedures available to the Contractor/Employer under this Agreement. This provision applies only to employees not currently working under a current master labor agreement and is not intended to limit transfer provisions of current master labor agreements of any trade.

7.2 Contractor/Employers shall be bound by and utilize the registration facilities and referral systems established or authorized by this Agreement and the signatory Unions when such procedures are not in violation of State or Federal law.

7.3 In the event that referral facilities maintained by the Unions are unable to fill the requisition of a Contractor/Employer for qualified employees within a forty eight (48) hour period after such requisition is made by the Contractor/Employer, the Contractor/Employer shall be free to obtain work persons from any source.

7.4 Unions will exert their best efforts to recruit sufficient numbers of skilled craft persons to fulfill the requirements of the Contractor/Employers. In recognition of the fact that the communities closest to this project will be impacted by the construction of this project, the parties agree to support the development of increased numbers of construction workers from residents of these communities. Toward that end, the Unions agree to make a concentrated effort for referral and utilization of qualified City of Los Angeles residents residing primarily in the communities of metropolitan Los Angeles. This is to provide employment opportunities for those residents, which live in communities, which have historically been economically depressed.

7.5 The Unions agree to provide referrals and utilization of qualified workers within the City of Los Angeles. The unions shall make a concentrated effort to seek construction workers from communities within the City of Los Angeles including those enrolled in local trade schools.

7.6 A goal of 20% of all of the labor and craft positions shall be from workers residing within the project area described in Sections 7.4 and 7.5. In addition, a goal of 5% of all of the labor and craft positions shall be from the Citywide labor pool classified as "at risk".

7.7 The "at risk" workers will be referred to the unions from community-based job placement organizations and brokers such as City of Los Angeles One-Stop Workforce and PVJOBS located at 12555 W. Jefferson Blvd., Suite 300, Los Angeles, CA 90066. The job broker shall pre-screen any applicant prior to referral to the unions. Drug screening will be a prerequisite to employment. The following criteria will be used to identify the "at risk" worker:

- Household income below 50% of the median;
- Homeless;
- Welfare recipient;
- History of involvement with the justice system;
- Unemployed; and
- Single parent.

For the applicant to qualify under this program, the job broker shall verify the presence of a minimum of two of the above criteria.

ARTICLE VIII

BENEFITS

8.1 All Contractor/Employers agree to pay to the established trust funds of the applicable Master Labor Agreement (MLA) covering the work of the Contractor/Employer's employees, all vacation, pension, health and welfare benefits and other amounts to funds designated in the MLA affected.

8.2 By signing this Agreement, the Contractor/Employers adopt and agree to be bound by the written terms of the legally established trust Agreements, as described in Section 8.1, specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds.

ARTICLE IX

EMPLOYEE GRIEVANCE PROCEDURE

9.1 Any Contractor/Employer which is working on this Project shall be bound to the grievance procedure contained in the Master Labor Agreement of the craft representing the employee(s) involved in the dispute. For the purposes of this Article, such grievance procedure shall be limited to disputes regarding the imposition of discipline or dismissal arising from work covered by the Agreement.

ARTICLE X

LOS ANGELES CHARTER AND ADMINISTRATIVE CODE

10.1 All construction contracts identified by the Board as part of the Project shall include the following provisions. Such provisions include, but are not limited to:

(1) All persons who perform labor in the execution of a construction contract shall be paid the prevailing rate of wages applicable to the classification as provided in Article III, Section 377 of the Los Angeles City Charter.

(2) All contractors and subcontractors shall provide information concerning their experience, financial qualifications, including proof of a current Business Tax Registration Certificate, and ability to perform said contract or subcontract.

10.2 In addition to the above requirements, the Contractor/Employers and Unions understand and agree that all construction contracts shall be awarded in accordance with other applicable provisions of the Los Angeles City Charter ("Charter") (effective July 1, 2000), and the Los Angeles Administrative Code ("Administrative Code") (and any future amendments applicable thereto), including but not limited to:

-Los Angeles City Charter Article III, Section 371 (award of construction contracts to the lowest responsible bidder)

-Administrative Code Sections, 10.8-10.13 (prohibition of discrimination); and Mayor's Executive Directive No. 2001-26 (City of Los Angeles Minority, Women, and Other Business Enterprise Program).

ARTICLE XI

COMPLIANCE

11.1 It shall be the responsibility of the Contractor/Employers and Unions to investigate and monitor compliance with the provisions of the Agreement contained in Article VIII. The Board shall appoint the Office of Contract Compliance, Bureau of Contract Administration to investigate and monitor compliance with the applicable provisions of the Charter and the Administrative Code, including, but not limited to, the prevailing wage requirements of the Charter, local and "At Risk" hiring compliance, and the affirmative action provisions of the Administrative Code, and to recommend to the Engineer enforcement measures to ensure the Contractor/Employer's compliance with the general conditions of a construction contract. The compliance unit shall report to the Engineer on a quarterly basis.

ARTICLE XII

JOINT ADMINISTRATIVE COMMITTEE

12.1 The parties to this Agreement shall establish a five (5) person Joint Administrative Committee. This Committee shall be comprised of one (1) representative selected by the Board; one (1) representative of the Engineer; one (1) representative of the Contractor/Employer, and two (2) representatives of the signatory Unions. Each representative shall designate an alternate who shall serve in his or her absence for any purpose contemplated by this Agreement.

12.2 The Joint Administrative Committee shall meet as required to review the implementation of the Agreement and the progress of the Project and resolve problems or disputes by majority vote with such resolutions to be binding on all signatories of the Agreement as provided herein. Any question regarding the meaning, interpretation, or application of the provisions of this Agreement, except those pertaining to the provisions of the Charter and Administrative Code of the City of Los Angeles, shall be referred directly to the Joint Administrative Committee for resolution.

ARTICLE XIII

DISPUTE RESOLUTION PROCEDURE

13.1 Disputing parties are encouraged to meet as soon as possible and try to reach an agreement to resolve the dispute. However, if an agreement cannot be reached, the following procedure shall be used. The parties understand and agree that in the event any dispute arises out of the meaning, interpretation or application of the provisions of this Agreement, the same shall be settled by means of the procedures set out herein. Employee grievances shall be evaluated based on the grievance procedure contained in the Master Labor Agreement of the craft as outlined in Article IX of this Agreement. The Dispute Resolution procedure outlined in Article XIII of this Agreement shall not include employee grievance procedures. No disputes shall be recognized unless the disputing party (Local Union or District Council on its own behalf, or Contractor/Employer on its own behalf) provides notice in writing to the signatory party with whom it has a dispute within five (5) days after becoming aware of the dispute but in no event more than thirty (30) days after it reasonably should have become aware of the event giving rise to the dispute. The time limits in Section 13.1 may be extended by mutual written agreement of the parties.

13.2 Disputes shall be settled according to the following procedures:

Step1: Within three (3) business days after the receipt of the written notice of the dispute, the Business Representative of the involved Local Union or District Council, or his/her designee, and the representative of the involved Contractor/Employer shall confer and attempt to resolve the dispute.

Step 2: In the event that the representatives are unable to resolve the dispute within the three (3) business days after its referral to Step 1, either involved party may submit it within three (3) business days to the Joint Administrative Committee, which shall meet within three (3) business days after such referral (or such longer time as is mutually agreed upon by all representatives of the Joint Administrative Committee), to confer in an attempt to resolve the dispute. If the dispute is not resolved within three (3) business days after its referral (or such longer time as mutually agreed upon) it may be referred within three (3) business days by either party to Step 3.

Step 3: In the event a dispute cannot be satisfactorily resolved within the time limits established above in Step 2, the dispute shall be moved to a Joint Adjustment Board. This Board shall be made up of three (3) members. One member shall be appointed by the Union, one member shall be appointed by the Contractor/Employer and one impartial arbitrator. The arbitrator will be selected in advance by all parties involved and serve as Chairman of the Adjustment Board. The Adjustment Board will meet within fifteen (15) days of having received the dispute. A bench decision will be rendered by the arbitrator at the time of the hearing of the dispute. A written opinion may be requested by either party from the Arbitrator.

13.3 The time limits specified in any step of the Dispute Resolution Procedure set forth in Section 13.2 may be extended by mutual agreement of the parties initiated by the written request of one party to the other, at the appropriate step of the dispute Procedure. However, failure to process a dispute, or failure to respond in writing within the time limits provided above, without a request for an extension of time, shall be deemed a waiver of such dispute without prejudice, or without precedent to the processing and/or resolution of like or similar disputes.

13.4 In order to encourage the resolution of disputes at Steps 1, 2, and 3 of the dispute procedure, the parties agree that such settlements shall not be precedent setting.

ARTICLE XIV

JURISDICTIONAL DISPUTES

14.1 The assignment of work will be solely the responsibility of the Contractor/Employer performing the work involved. When making work assignments, the Contractor/Employer shall assign the work in accordance with the Plan or any successor plan. If neither the Plan nor a successor plan is operational, the Contractor/Employer shall assign the work in accordance with existing intercraft agreements. In the absence of such intercraft agreements, then past practice or the prevailing practice in the locality shall apply.

14.2 All jurisdictional disputes shall be settled and adjusted according to the Plan or a successor plan. If neither the Plan nor a successor plan is operational at the time of a dispute, all jurisdictional disputes shall be settled by the Unions themselves. If not settled, then the dispute shall be submitted to the International Presidents of the Unions involved in the dispute for determination. While any and all of the foregoing procedures are being invoked and exhausted, the work shall proceed as assigned by the Contractor/Employer. The Contractor/Employer and the Union shall be and are bound by such determinations and decisions as are reached under the foregoing procedures, and the misassignment, if any is found, shall be promptly corrected by the Contractor/Employer without penalty to such Contractor/Employer.

14.3 Regardless of whether the dispute is resolved at the local level, under the Plan or a successor plan, or by the International Presidents of the Unions involved in the dispute, all jurisdictional disputes shall be resolved without the occurrence of any conduct described in Sections 4.1 and 4.2 or any other conduct or impediment to job progress proscribed under the Plan, and the Contractor/Employer's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

ARTICLE XV

MANAGEMENT RIGHTS

15.1 The Contractor/Employers retain full and exclusive authority for the management of their operations. This includes, but is not limited to, the right to direct their working force and to establish coordinated working hours and starting times, which shall not be in conflict with the Collective Bargaining Agreements of the Unions.

15.2 There shall be no limit on production by workers nor restrictions on the full use of tools or equipment. Craftsmen using tools shall perform any of the work of the trades and shall work under the direction of the craft foremen. There shall be no restrictions on efficient use of manpower other than as may be required by safety regulations. The Contractor/Employers may utilize the most efficient methods or techniques of construction, tools or other labor-saving devices to accomplish the work. Restrictive practices not a part of the terms and conditions of the Agreement will not be recognized.

15.3 The Contractor/Employer shall be the sole judge of the number and classifications of employees required to perform work subject to this Agreement. The Contractor/Employer shall have the absolute right to hire, promote, suspend,

discharge or lay off employees at their discretion and to reject any applicant for employment, subject to the provisions of the respective craft collective bargaining agreement between the particular Contractor/Employer and Union and pursuant to this Agreement.

15.4 Nothing in this Agreement shall be construed to limit the right of any of the Contractor/Employers to select the lowest bidder he deems qualified for the award of contracts or subcontracts or material, supplies, or equipment purchase orders on the Project. The right of ultimate selection remains solely with the Contractor/Employer in accordance with the construction contract.

15.5 It is recognized that certain materials, equipment and systems of a highly technical or technological and specialized nature will have to be installed at the Project. The nature of the materials or the nature of the equipment and systems, together with requirements of manufacturer's warranty, dictate that it be prefabricated, prepiped, prewired and/or installed under the supervision and direction of the Department and/or manufacturer's personnel. The Unions agree that such materials, equipment and systems shall be installed without the occurrence of any conduct described in Sections 4.1 and 4.2.

ARTICLE XVI

SAFETY, PROTECTION OF PERSON AND PROPERTY

16.1 It shall be the responsibility of each Contractor/Employer to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the City, the state and the Contractor/Employer. It is understood that the employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Contractor/Employer and the City.

16.2 Employees shall be bound by the safety, security and visitor rules established by the Contractor/Employer and the City. These rules will be published and posted in conspicuous places throughout the work site. An employee's failure to satisfy his obligations under this Section will subject him to discipline, including discharge.

16.3 The parties acknowledge that the City and Contractor/Employer have a policy, which prohibits the use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms while on the City's premises. Additionally, the Contractor/Employer has a "drug free" work place policy, which prohibits those working on the City's premises from having a level of alcohol in their system, which could indicate impairment, and/or any level of controlled substances (i.e., illegal drugs) in their system.

16.4 To that end, the parties agree that the Labor/Management memorandum of Understanding (MOU) on Drug Abuse Prevention and Detection negotiated with the various General Contractor Associations and the Basic Trades' Unions

shall be the policy and procedure utilized under this agreement. The MOU is appended to this agreement as Attachment B.

ARTICLE XVII

SAVINGS CLAUSE

17.1 The parties agree that in the event any article, provision, clause, sentence or work of the Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect. The parties further agree that if any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void, by a court of competent jurisdiction, the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, sentence or work which will meet the objections to its validity and which will be in accordance with the intent and purpose of the article, provision, clause, sentence or word in question.

17.2 The parties also agree that in the event that a decision of a court of competent jurisdiction materially alters the terms of the Agreement such that the intent of the parties is defeated, then the entire Agreement shall be null and void.

17.3 If a court of competent jurisdiction determines that all or part of the Agreement is invalid and/or enjoins the City from complying with all or part of its provisions and the Board accordingly determines that the Agreement will not be required as part of an award to a Contractor/Employer, the Unions will no longer be bound by the provisions of Article IV to the extent that a Contractor/Employer is no longer bound. The Unions and their members shall remain bound to Article IV with respect to all Contractor/Employers who remain bound to this Agreement, and no action taken by the Unions or their members shall disrupt the work of such Contractor/Employer.

ARTICLE XVIII

PRE-JOB CONFERENCE

18.1 A pre-job conference may be held prior to the start of work by the general contractor for the Project covered by this Agreement. The purpose of the conference will be to, among other things, determine craft manpower needs, schedule of work for the contract and project work rules/owner rules.

ARTICLE XIX

STEWARD

19.1 Each Union shall have the right to designate a working craft employee as steward for each Contractor/Employer employing such craft on the Project. Such designated steward shall be a qualified workman assigned to a crew and shall perform the work of the craft. The steward shall not perform supervisory duties. Under no circumstances shall there be nonworking stewards. Stewards shall be permitted a reasonable amount of time during working hours to perform applicable union duties related to the work being performed by the craft employees of his Contractor/Employer and not to the work being performed by other Contractor/Employers or their employees.

ARTICLE XX

TERM

20.1 This Agreement shall commence upon award of any construction contract for this project.

20.2 The Agreement shall continue in full force and effect until project acceptance by the Engineer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

THE UNION OFFICIALS signing this Agreement warrant and represent that they are authorized to collectively bargain on behalf of the organizations whom they represent and the members of such organizations.

The City of Los Angeles
Harbor Department

Dated: _____

By: _____

Executive Director

APPROVED AS TO FORM:

Dated: _____

City Attorney

ATTEST

Dated: _____

City Clerk

Los Angeles/Orange Counties
Building and Construction Council

Dated: _____

By: _____

LIST ALL UNIONS SIGNATORY TO AGREEMENT BY LOCAL NAME AND NUMBER

SAMPLE OF ATTACHMENT "A"

COMPANY LETTERHEAD

Ms. Stacey G. Jones
Chief Harbor Engineer
Engineering and Construction Division

Port of Los Angeles
425 S. Palos Verdes Street
San Pedro, CA. 90731

SUBJECT: CITY OF LOS ANGELES HARBOR DEPARTMENT PROJECT
LABOR AGREEMENT FOR PIER 400 DEVELOPMENT PHASE II

Dear Ms. Jones

This is to certify that the undersigned Contractor/Employer has examined a copy of the subject Project Labor Agreement entered into by and between the City of Los Angeles Harbor Department and signatory Building and Construction Trades Councils and Unions dated _____. The undersigned Contractor/Employer hereby agrees to comply with all of the terms and conditions of the aforementioned Project Labor Agreement as such labor Agreement may, from time to time, be amended by the parties or interpreted pursuant to its terms.

It is understood that the signing of the letter of Assent shall be as binding on the undersigned Contractor/Employer as though the Contractor/Employer had signed the above referred Agreement and shall require all its subcontractors, of whatever tier, to become similarly bound for all work within the scope of this Agreement.

This Letter of Assent shall become effective and binding upon the undersigned Contractor/Employer the _____ day of _____, _____, and shall remain in full force and effect until the completion of the above stated project.

Sincerely,

(Name of Construction Company)

By: _____
(Name and Title of Authorized Executive)

cc: