

**Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General**

**Expo Phase 2 Construction Careers
Policy and Project Labor
Agreement Compliance Audit**

Report No. 14-AUD-07

June 30, 2014





Metro

Los Angeles County
Metropolitan Transportation Authority

Office of the Inspector General
818 West 7th Street, Suite 500
Los Angeles, CA 90017

213.244.7300 Tel
213.244.7343 Fax

June 30, 2014

Expo Board Members

Re: Report on Compliance Audit of Expo Phase 2 CCP/PLA (14-AUD-07)

Dear Metro Board Members:

The Expo Board requested the Metro Office of the Inspector General to audit the implementation of the Expo Construction Careers Policy (CCP) and Project labor Agreement (PLA) to include:

- Data and reporting integrity,
- Proper oversight measures, and
- Sample compliance with the terms of the CCP and PLA.

We prepared a comprehensive scope of work for the Request for Proposal to obtain an expert consultant to perform this audit. Metro Compliance Services was hired to perform the audit.

Overall, Expo and the prime contractor (SRJV) has been generally effective in its efforts to utilize local hire and community hire workers for the Phase 2 project. Through various outreach activities, they have effectively communicated the job opportunities to local and disadvantaged residents. The audit found that Expo/SRJV had developed a Local Hire Plan and implemented the requirements of the CCP/PLA. Moreover, Expo/SRJV is meeting the local area hire and disadvantaged local hire goals established in the CCP/PLA. Their efforts have resulted in a long list of applicants, enabling SRJV to consistently exceed the CCP/PLA local hire requirement of 30%. Expo/SRJV needs to continue efforts to ensure that the State apprentice participation ratio is met by the end of the project. We also found that the oversight of the program was adequate. The audit noted some opportunities for improving the program. Management indicated that corrective action will be taken where appropriate.

We appreciate the opportunity that the Expo Board has given us to work on this project. I will be available to answer any questions that the Board Directors may have concerning this report.

Sincerely,



Karen Gorman
Inspector General

cc: Rick Thorpe, Expo CEO
Mike Aparicio, Executive Vice President, Skanska USA West California District
Arthur Leahy Metro CEO

Expo Phase II

Construction Careers Policy and Project Labor Agreement Compliance Audit

Findings & Recommendations Report

June 30, 2014



FINDINGS & RECOMMENDATIONS REPORT

PROVIDED BY:

METRO COMPLIANCE SERVICES
3525 HYLAND AVE., SUITE 260
COSTA MESA, CA 92626



3525 Hyland Avenue, Suite 260
Costa Mesa, CA 92626
Direct: (714) 800-1795
Fax: (714) 800-1640
www.gcapservices.com

June 30, 2014

Karen Gorman, Inspector General
Los Angeles County Metropolitan Transportation Authority
Office of the Inspector General
818 W. 7th Street, #500
Los Angeles, CA 90017

Dear Ms. Gorman,

Pursuant to the agreement between the Los Angeles County Metropolitan Transportation Authority, Office of the Inspector General and Metro Compliance Services, JV, (dated January 30, 2014), we have completed the Compliance Audit of Expo Phase 2 – CCP/PLA and are delivering to you the Final Findings and Recommendations Report and related supporting documents.

It has been a pleasure to work you and the Office of Inspector General team on this project. We appreciate the tremendous support and cooperation in helping us to deliver the final product.

We look forward to the opportunity to work with you in the future.

Thank you

Edward Salcedo, Principal
Metro Compliance Services, JV

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I. EXECUTIVE SUMMARY

Under the direction of the Exposition Construction Authority (Expo) Board of Directors, the Los Angeles County Metropolitan Transportation Authority (Metro) Office of the Inspector General (OIG) has requested an audit of the Expo Phase II Construction Careers Policy (CCP) and Project Labor Agreement (PLA). The purpose of the audit is to assess the effectiveness and efficiencies of the local hire and apprentice program oversight measure and compliance with the terms of the CCP and PLA as performed by the prime contractor Skanska-Rados Joint Venture (SRJV) and project subcontractors.

Since the PLA requirements apply to all subcontractors, as well as the prime contractor (SRJV), the audit encompassed approximately sixty-six (66) subcontractors, as well as sub tier subcontractors. With the emphasis on data integrity, Metro Compliance Service (MCS), who was hired by the OIG to perform the audit, focused its audit on procedural documents, and contractor files (both hard copy and electronic versions). The files reviewed by MCS covered the period from September 22, 2013 to October 26, 2013. Certain reports outside of this timeframe were also reviewed for comparison purposes and to assess reporting continuity.

Overall, Expo/SRJV has been generally effective in its efforts to utilize local hire and community hire workers for the Phase II project. Through various forms of outreach activities, they have effectively communicated the job opportunities and the high demand for workers. The audit found that Expo/SRJV had developed a Local Hire Plan and had implemented the requirements of the CCP/PLA. Expo/SRJV is meeting the Local Area Hire and Disadvantaged Local Hire goals established in the CCP/PLA. Their programs, overall, have resulted in a long list of applicants, enabling SRJV to consistently exceed the CCP/PLA local hire requirement of 30%.

The audit did not find any significant deficiencies that would materially impact the information reported on the Monthly Local Jobs Program Update Report. With respect to procedures and controls, SRJV and their designated Jobs Coordinator addressed most of the significant control areas, by providing program documents, memorandums, and documented policies to MCS. We noted an opportunity to strengthen procedures for certain activities that are designated as “union” responsibilities, or areas where the SRJV practices meet or exceed PLA requirements. One finding concerns the Local Craft Worker Utilization Report, specifically the timing of the subcontractor numbers reported to Expo.

While the overall program oversight was found to be adequate, the audit identified some opportunities for improving the program. This report contains findings and recommendations (where applicable) for each of the audit areas identified in the Statement of Work. The findings and recommendations are intended to identify discrepancies, potential compliance related risk, as related to the CCP and PLA, and to improve overall efficiencies of processes.

II. OBJECTIVES AND SCOPE OF AUDIT

Objectives

The primary objectives of this audit were to 1) evaluate SRJV's existing procedures for the Local Hire and Apprentice Programs, 2) compare existing procedures and/or practices to the requirements set forth in the CCP/PLA, 3) assess data integrity and effectiveness of oversight measures, and 4) provide recommendations to improve procedures, enhance data integrity, and minimize risk of non-compliance with terms and provisions of the CCP/PLA.

To achieve the intended objectives, MCS reviewed existing procedures, presentation materials, process charts, handouts, memorandums, and certified payroll files. MCS also conducted interviews with key SRJV personnel to gather information about responsibilities, task assignments, and administrative procedures. To further strengthen the compliance related processes and to determine where techniques could be improved, MCS evaluated the methods and tools used to track critical information (i.e., hard copy files, use of electronic database, spreadsheets, etc.).

Scope

The primary focus of our audit included activities that occurred between September 22, 2013 and October 26, 2013. In some cases, we reviewed documents and reports outside of this period for purposes of verification and reconciliation. While our review focused in large part on the Certified Payroll documents, our evaluation also included obtaining Local Hire and Apprentice related information, as well as all hours reported. The analysis and subsequent findings present a snapshot of what occurred over five weeks for a project that is approximately three years in duration.

The program areas reviewed included the Jobs Coordinator procedures; SRJV's outreach program; the local union dispatch procedures; the summary database and files with respect to tracking local area, community area, and disadvantaged area hires; apprentice program controls and oversight measures, and compared certified payroll information with the summary database. MCS also evaluated Expo/SRJV's internal reporting practices during this audit.

During the audit, MCS interviewed various SRJV personnel. No outside consultants or subcontractor participants were included in the interview activities. This audit was not conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

III. ASSESSMENT METHODOLOGY & APPROACH

Our Methodology

A two-phase structured methodology was utilized when conducting the assessment. These two phases are summarized as follows:

PHASE 1 – DISCOVER: During this phase of the project, we met on various occasions with key project stakeholders and participants (Jobs Coordinator, Skanska Project Manager, and the Project Analyst). We conducted research and gained an understanding of the organization, systems, processes, and tools that are in place within SRJV. We reviewed key processes to verify if adequate internal controls and best practices are part of the program administration functions.

PHASE 2 – DEFINE: Utilizing the findings from the Discover phase, we analyzed the information and observations to arrive at results that will help to improve local hire and apprentice program administration related practices.

DISCOVER: Data Collection and Evaluation

Data collection was performed using both formal document requests via email and by conducting numerous onsite visits (approximately eight over the course of the review process), to the SRJV office. Documents required for the assessment were identified by taking an inventory of documents provided at the start of the project (via CD-ROM) and comparing these items to the Statement of Work requirements. The need for additional documentation (procedures, etc.) was identified through the interviews and file review process.

Data Collection – An entire inventory of the procedures, payroll documents, checklists, forms, memorandums, and other information, including information provided in the electronic database, is identified in *Appendix A* of this report.

Interviews –MCS conducted interviews with the following SRJV personnel: a Jobs Coordinator, a Project Manager, and a Project Analyst. Through these structured interviews, we were able to further understand the processes and practices performed by the SRJV personnel in the execution of their respective duties. The interviews also helped MCS identify the need to request additional documents and more detailed information.

DEFINE: Analysis and Recommendations

Based upon information gathered in the data collection effort, outcome of payroll record analysis, and the information obtained in the interview sessions, we evaluated effectiveness of the Expo/SRJV team with respect to fulfilling their compliance related responsibilities under the CCP/PLA, and assessed the program’s relative strengths, weaknesses and areas that could benefit from process improvements.

The criteria against which SRJV was measured for all Statement of Work audit tasks, were those set forth in the CCP/PLA documents, and requirements in the California Labor Code and the Department of Industrial Relations Division of Apprenticeship Standards.

Recommendations are included in the report to improve the local hire process for the time remaining on this current project (taking into consideration the limited time remaining and limited resources).

IV. FINDINGS and RECOMMENDATIONS

We determined that Expo/SRJV generally complied with the essential CCP/PLA requirements in the areas we evaluated for the period from September 22, 2013 to October 26, 2013. Also, SRJV was meeting the local hire and disadvantaged local goals established in the CCP/PLA. However, we found certain instances where Expo could benefit from centralizing procedures and should consider revising reporting timelines to further streamline and enhance processes. Any exceptions that we found from our audit were reviewed and determined not to be systemic in nature and carry a relatively low risk of non-compliance with the CCP/PLA requirements. The results of our audit are discussed below.

A. Integrity of Local Hire Data

1. Adequacy of Jobs Coordinator procedures and controls to ensure that persons designated local hire, community hire, and disadvantaged local hire meet requirements set forth in the PLA:

According to the Project Labor Agreement (PLA) a minimum of 30% of total project hours shall be performed by community and local area residents, with community residents being prioritized over local residents. In addition, a minimum of 10% of total project hours (or 1/3 of the minimum hours required for community and local residents) is required to be performed by disadvantaged workers. This applies to construction work performed only. As of April 19, 2014, Expo reported that community and local area residents worked 49.5% of the total hours worked, and disadvantaged local residents worked 26.6% of the total craft hours.

The oversight responsibilities of the Jobs Coordinator are outlined in the "Duty Statement," which also lists the roles of other team members who are responsible for administering the Small Business Enterprise (SBE) Program, Local Hire Program, and Labor Compliance Program. In order to assess the procedures and controls implemented, MCS requested various documents related to these areas, including Jobs Coordinator's procedures, forms, databases, reports and the Local Hiring Plan developed by SRJV. Additionally, the Jobs Coordinator was interviewed to gain a comprehensive understanding of existing processes, procedures and tools in place to facilitate his administration and implementation of the local hire program. Our review and analysis of the information gathered is summarized below:

Procedures:

Procedural documents containing requirements, processes and a course of action for the implementation of the tasks set forth in the PLA were thoroughly reviewed. The documents reviewed were the Local Hire Plan and the Local Hire Program Process Chart.

The Local Hire Plan identifies the Construction Careers Policy (CCP) requirements and provides the anticipated schedule and detailed strategies to ensure that local hiring goals are achieved. It also establishes that the Jobs Coordinator is responsible for managing the CCP, and details the various components of the Local Hire Program that must be managed by the Jobs Coordinator.

The Local Hire Program Process Chart is a one page process map that summarizes the steps necessary to identify, dispatch, and track local/community/disadvantaged workers. This chart was developed by the Jobs Coordinator and provides an overview of all processes involved, shows which group is responsible for each of the steps, and notes when specific forms/tools are used. The Local Hire Program Process Chart is provided in *Appendix B* of this report.

Controls:

The Jobs Coordinator used a variety of controls to ensure that persons designated as local area hire, community area hire and disadvantaged local hire met the requirements set forth in the PLA. Controls and tools utilized by the Jobs Coordinator are described below.

Controls/Tool	Description
Disadvantaged Local Hire Certification Form	Form completed by worker that collects basic information and is used to document if a worker falls into one of the target groups. Also requires documentation to prove place of residence.
Contact Log	Database of persons interested in working on the project. Shows method of contact, whether person is local and/or community resident, level of experience, eligibility notes, follow-up status and other valuable information.
Out-of-Work Database	Similar information as provided in the contact log but for eligible local/community workers only. Focuses on experience level status, trade, and whether part of a union.
Monthly Local Hire Summary Report	Monthly report provided to the Expo that outlines efforts to-date to meet the CCP, local hiring and apprentice requirements.

The Contact Log was reviewed for a sample period of July to October 2013. There were a total of 54 unique individuals that contacted the Jobs Coordinator seeking work on the project.

Necessary information was collected from interested persons to ascertain if they were eligible to work on the project and if they were local and community residents. If persons did not possess the required experience, they were referred to local Worksource Centers. Nineteen (19) of the individuals listed in the log did not provide information requested (resume) from the Jobs Coordinator or did not respond to returned calls. Seven (7) of the individuals listed in the log were either not job ready or not local. One (1) person found a job on another project. For the remaining 27 individuals enough information was collected to determine whether they were local and/or community residents.

The Out-of-Work Database only contains eligible and job ready individuals and is updated by SRJV from various sources including referrals, walk-ins, previous hires from Phase 1, persons who registered to be included in the database at outreach events, and persons who have inquired about job opportunities. The Jobs Coordinator contributes to this database by collecting data about eligible local/community workers that have inquired about opportunities and providing this data to the compliance team to merge with the entire database. We reviewed 48 individuals on the Out-of-Work Database for the period from August 25, 2011 to November 1, 2013. Local and community residence status was indicated for all but one (1) individual.

A Local Hire Summary Report is provided on a monthly basis by SRJV to the Expo. This report outlines efforts to-date to meet the CCP, local hiring and apprentice requirements. MCS reviewed the Local Hire Summary Report for the month of November 2013 and determined it to be an effective tool in communicating status, progress, and issues. This report includes:

- Good faith narrative report
- Current monthly attainment statistics for local/community and disadvantaged hires (by work hours)
- Cumulative attainment statistics for local/community and disadvantaged hires (by work hours)
- Outreach activities
- Meetings held (safety, pre-bid, pre-construction)
- Local Craft Worker Utilization Report
- Status updates for any requirements related to CCP, including apprentice information

MCS also reviewed Disadvantaged Local Hire Certification Forms. Details regarding this review are covered under Finding A-5 of this section.

Finding A-1.1: Strategies and procedures related to Local Hire Program oversight are highlighted in the CCP and local hire process chart. The local hire process chart, which was developed by the Jobs Coordinator, provides a high level procedure for administering the local hire program. While the local hire process chart is an adequate tool in showing the various steps involved in

identifying, dispatching, and tracking local/community/disadvantaged hires, it is not a comprehensive procedure.

Recommendation A-1.1: It would be beneficial to consolidate the process chart with other existing program documents to present a complete desktop procedure. Other items to include are local/community/disadvantaged resident requirements, roles of those administering the program and templates for forms, reports, and databases.

Management Response to Recommendation A-1.1: Expo/SRJV stated: "The Local Hire Plan in its entirety discusses the procedures for the Local Hire Program. The Local Hire chart is a flow chart and is used in addition to the Local Hire Plan as a guide. SRJV has noted the recommendation from MCS and will consolidate the flow chart with other existing program documents to present a complete desktop procedure."

2. Adequacy of the local job and outreach program and other activities employed to ensure qualified community area, local hire, and disadvantaged local hires:

MCS interviewed the Jobs Coordinator and the Communications Relations Coordinator regarding the local job outreach program on February 21, 2014. We followed the interview with a request for documents that supported outreach efforts addressed during the interview.

Based on our interview and review of the provided documents, we determined that the following outreach activities were conducted:

- Community-based organizations were contacted and informed about the Local Hire Program. A list of 35 community-based organizations is provided in *Appendix C* of this report.
- There was participation at the beginning of the project at Quarterly Construction Updates (community meetings held in Los Angeles and Santa Monica to provide an overview of the project) where information about the Local Hire Program was provided.
- Relationships were established with the Worksource Centers to enable referrals. A sample of the Local Hire Outreach Package provided to Worksource Centers is in *Appendix D* of this report.
- Participation at a few local events in the earlier stages of the project to provide information about the Local Hire Program.
- Held a meet-and-greet event for local hires on February 26, 2013.

Finding A-2.1: Outreach activities were mostly conducted earlier in the project, with little outreach conducted afterward. Instead of traditional outreach, a focus was placed on relationship building with individuals interested in jobs. The reason provided was that due to the high level of interest generated in the project, additional outreach was not needed. More specifically, there was a disproportionately high-level of interest when compared to work

opportunities available. As of November 2013, the Out-of-Work Database contained 357 “potential job-ready out of work union members.” Due to SRJV’s success in exceeding the minimum percentage of community, local and disadvantaged work hours for the project, the level of outreach appears sufficient in this particular instance.

Recommendation A-2.1: No recommendation at this time.

Finding A-2.2: Outreach materials, such as Local Hire Program handouts distributed at events, presentations made to specific community-based organizations, and a list of local events attended for purposes of reaching out to the target groups, were not available to MCS. We also confirmed with the SRJV Project Manager via email communication that there was limited formal outreach materials developed for the meet-and-greet. The only documentation maintained from the meet-and-greet was a sign-in sheet. The Local Outreach Package and the Local Hire Program Fact Sheet were provided to the Worksource Center.

Recommendation A-2.2: No recommendation is made, since the Outreach activities were mostly conducted early in the project, with little Outreach required afterward.

3. Effectiveness of method by which the Craft Request Form is used to obtain community and local area craft or trade from the appropriate union hiring hall:

In response to MCS’s request for completed Craft Request Forms, Expo provided forms for period covering from August 25, 2011 to November 2, 2013. For the purpose of this audit, MCS used a sampling of the Craft Request forms. These forms were reviewed to gain an understanding whether the forms were effectively used to obtain community and local area workers from the appropriate union hiring hall. In total, fourteen (14) Craft Request Forms were issued from SRJV for various craft positions during the sample period. Three (3) of the craft positions requested were for apprentices and eleven (11) were for journeymen. All forms clearly and appropriately noted the union hiring hall related to the requested craft position. All forms were fully completed by SRJV; however the section to be completed by the unions on all forms reviewed were not completed. A sample of a Craft Request Form is provided in *Appendix E* of this report.

Finding A-3.1: Review of completed Craft Request Forms shows that six (6) out of fourteen (14) of the forms were dated on the same day that the request was filled, creating a perception (accurate or not), that the dates could have been added after the fact. For example, a Craft Request Form for a specific position needing to be filled on 9/25/13 with a report time of 6:30 am was issued on 9/25/13. This was the pattern for all six of the forms in question.

Recommendation A-3.1: Unless the craft position request is actually made on the same day the worker is dispatched, SRJV should use the date that the request was actually communicated to the union when completing the Craft Request Form.

Management Response to Recommendation A-3.1: Expo/SRJV stated: “The craft request form is a helpful tool provided to contractors, but is not required by program documents. Due to the ongoing relationships between SRJV and the trade unions, workers may be informally requested by phone or email in addition to the Craft Request Form. The Craft Request Form may then be filled out afterward as a formality for the purpose of documentation, but a Craft Request Form may not necessarily accompany each person.”

Auditor Comments: Section 7.3 of the PLA refers to the use of Craft Request Forms. Since the form is a useful tool, information on the form should be accurate including the actual date that the craft position request is communicated to the union.

Finding A-3.2: None of the Craft Request Forms in our sample indicated whether the dispatched worker was a local or community resident. Instructions at the top of the form clearly request that the union complete the section in the form where this and other basic dispatch information are collected. The instructions tell the union to fax the fully completed form back to the requesting contractor and to also send the completed form to the SRJV Jobs Coordinator. We confirmed that SRJV did not receive forms from unions with local and community resident data included for the requested and/or dispatched worker.

Recommendation A-3.2: Communicate to the Unions the importance of completing the “local and community resident” section of the Craft Request form. Another option would be to modify the form so that unions have the option to email the forms back to the SRJV Jobs Coordinator with the requested information. The form can be modified to include the zip code of the requested worker in instances where a worker is specifically requested by name.

Management Response to Recommendation A-3.2: Expo/SRJV stated: “While the recommendation to have the unions fill out the residency section of the craft request form and return it to SRJV is noted, it is important to point out that providing local workers is a priority for the unions on this project when dispatching workers.”

4. Adequacy of local union dispatch procedures and efforts to dispatch community and local area craft employees:

Information related to this area of review was collected from interviews, emails, the local hire process flow, and the Craft Request Form. Dispatch procedures for the unions involved in the project were not made available to us to review. When asked for Dispatch Procedures, SRJV stated that they do not have any such procedures. MCS was informed by Expo Chief Operation Officer that:

“The unions have their own dispatch procedures defined in the collective bargaining agreements and each union's dispatch process is different. Neither the contractor nor the Authority dictates

the dispatch procedures. Additionally local unions sometimes have their own localized approach to dispatching workers that may differ slightly in practice from the process defined in their collective bargaining agreements.”

The only dispatch related information provided by SRJV is as follows:

- Unions were informed about Local Hire Program requirements at the May 7, 2012 pre-job conference, where SRJV provided information on related requirements.
- All eligible community/local workers are listed in the Out-of-Work Database, which is updated by SRJV. Those listed in the database are considered when positions are available. They are considered starting from the top of the list on a first-come first-serve basis; however there are occasional exceptions to this and some workers can be placed toward the top of the list if they have seniority.
- Contractors with craft positions opened are required to submit Craft Request Forms to the appropriate union hiring hall. If a worker has been selected from the Out-of-Work Database, or has been referred because he/she worked on Phase 1 or simply is known for the quality of his/her work, he/she will be requested specifically by name. Otherwise, the worker is requested by craft position. The union will then dispatch the worker within 48 hours or by the date specified on the Craft Request Form. If unions can't provide a worker within 48 hours, they rely on the Jobs Coordinator. To-date, this has not been necessary and the unions have always filled the positions within 48 hours.

Finding A-4.1: SRJV has procedures in place for requesting unions to dispatch workers. Additionally, each union has its own set of dispatch procedures.

Recommendation A-4.1: No recommendation at this time.

5. Sufficiency of documentation to substantiate local and community hire eligibility:

Using payroll database output provided by SRJV for period September 22, 2013 to October 26, 2013, MCS randomly selected 50 craft workers designated as Local Hire, Community Hire, and Local & Community Hire. MCS selected an additional 15 Disadvantaged Local Hire workers to review supporting documents. We reviewed these files during our onsite visits. It is important to note that MCS was not provided with the entire employee file, only with the documents identified as being relevant to the audit.

Workers can substantiate their location by providing a valid California Driver's License, and other documentation (such as a utility bill that shows place of residence). Documents that evidence the right to work are the employee's social security card and/or proof of right to work

in the U.S. (such as a permanent resident card, alien registration receipt card, U.S. passport, or birth certificate).

Finding A-5.1: Local Hire Document Review Finding: Out of 50 worker files reviewed, one employee file did not contain a copy of the employee's California Driver's license or comparable document (although the employee's file did contain a copy of a utility bill). One other employee had a Mexico Consular ID in lieu of a California Driver's License. More than half of the employee files contained some type of utility bill statement as secondary evidence of residency (28 out of 50 employees). Other types of proof included DMV validated registration, bank statement, medical bill, union correspondence, and auto loan statement.

Overall documents appeared organized, up to date, legible, and contain the requisite information.

Recommendation A-5.1: No recommendation at this time.

Finding A-5.2: Disadvantaged Local Hire Review Findings: SRJV communicated that they are not "contractually" required to request employee documentation that substantiates the employee's "disadvantaged" designation. In lieu of supporting documentation, they have an internally developed form titled the "Expo 2 LRT Disadvantaged Local Hire Certification Form." All newly hired employees are asked to complete the form, if the designation is applicable. A blank copy of the form is attached as *Appendix F* of this report. One section of the form addresses the "Disadvantaged" designation and is comprised of seven "Socio-Economic Conditions" that describe the nature of the employee's disadvantaged status (employees are asked to check however many apply to them). The form is provided to the worker once they are hired and is characterized as "Self-Certifying", which means that the employee signs, under penalty of perjury the information contained on the form is true and correct.

Out of the 15 worker records reviewed, all 15 workers completed and signed the form. Since the workers have already secured employment by the time they are presented with the form, there appears little incentive to falsify information. However, as a "self-certifying" document, it provides less than absolute assurance that the information provided is accurate.

Recommendation A-5.2: With regard to the Disadvantaged Local Hire Certification, SRJV should consider where applicable, asking the worker to provide some form of supporting documentation of the "Socio-Economic Condition" that they claim places them in a disadvantaged status.

6. Verification as to whether the "hours worked" for local area, community hire, and disadvantaged local hire accurately recorded in database or summary schedule:

This verification was performed by selecting 50 craft workers for reporting period September 22, 2013 to October 26, 2013:

At the initial meeting at the SRJV office, the Expo staff informed MCS that the monthly reports generated by the SRJV database and subsequently provided to Expo does not reflect the actual payroll data that arrives after the report cutoff date.

SRJV stated that hours from the certified payroll were continuously inputted into the database and continue to tally the cumulative hours. However, SRJV did not provide revised worker hours after all certified payroll data has been submitted to Expo.

To further clarify, the SRJV staff subsequently (on February 7, 2014), provided MCS with a Local Craft Worker Utilization Report for the period from September 22, 2013 to October 26, 2013. SRJV stated that this report would better reflect the actual community area, local area, and community/local area hours.

Using the certified payroll records (CPR) of the 50 randomly selected craft workers designated as Local Hire and Community/Local Hire, MCS determined that the hours reported on behalf of the 50 craft workers is not consistent with CPR data. A total of 207.5 hours were under-reported for 11 craft workers, hours were over-reported for 2 craft workers and 1 craft worker listed in the database (8 hours) did not appear on the CPRs for the audit period.

Using the certified payroll records (CPR) of the 56 subcontractors that performed work during the audit period and reviewing all individuals for Local Area, Community Area, and Local-Community Area, MCS determined that there is a differences between the number of hours on the CPRs and the hours recorded in the database , as shown below:

Table - LOCAL AREA

SRJV Database	Audited CPRs	Difference	Percent Difference
23,225.5 hours	23,637.4 hours	411.9 hours	2%

Table - COMMUNITY AREA, LOCAL-COMMUNITY AREA

SRJV Database	Audited CPRs	Difference	Percent Difference
13,698 hours	13,945 hours	247 hours	2%

Table - DISADVANTAGED STATUS

SRJV Database	Audited CPRs	Difference	Percent Difference
18,747 hours	18,915.25 hours	168.25 hours	1%

Finding A-6.1: The MCS review shows a slight discrepancy between the SRJV Local Area hours reported by SRJV and the CPR data. The same was found for the Community and Local & Community Area hours and the Disadvantaged hours.

When this was addressed with Expo/SRJV, they explained that the following factors may account for the minor discrepancy:

1. Since the review was a snapshot of the report content for the audit reporting period, additional activity for this period may have occurred subsequent to the reporting updates. Items 2 and 3 below site two likely scenarios that may attribute to the discrepancy.
2. Contractors may submit adjustments to their payroll or provide additional information that was not available to them at the time the reports were created or the database updated. In some cases CRP records are received late by SRJV and may not be posted to the database in a timely manner.
3. There are Local/Community/Disadvantaged workers that may not have been counted at a particular time on the project because they may not have submitted their proof of residency or disadvantaged condition in a timely manner (or at all). When the workers later submit the requisite documents, their hour would be retroactivity applied to the project.

Recommendation A-6.1: There are no recommendations at this time, since these issues are likely resolved in subsequent months. One suggestion would be to maintain a copy of the database for the specific reporting periods, since the database is a dynamic reporting tool. That way, the snapshot in time would be on record in the CPRs and corresponding database.

7. Sufficiency of oversight measures for the local jobs program as administered by Expo/SRJV:

In response to our request for documents evidencing oversight inspections and reviews, MCS was provided with a variety of memorandums, reports, monthly meeting minutes, and various other types of correspondence to evidence their monitoring efforts in this area.

Finding A-7.1: The various reports/tools, when used together and at scheduled intervals (such as monthly meetings and review), are an effective method for assessing compliance-related performance requirements during the course of the project. The tools and practices employed appear to satisfy both the “review” and “inspection” criteria. The memorandums support a finding that the process is being evaluated at regular intervals and modifications have been made to enhance compliance monitoring.

Similarly, the monthly Local Hire Summary report provides information relevant to the performance in meeting the Local Hire and Disadvantaged Worker attainment goals by comparing current and cumulative amounts.

Recommendation A-7.1: No recommendation at this time.

B. Integrity of Apprentice Data

1. Determination of whether Jobs Coordinator has sufficient controls to ensure that persons designated as “qualifying apprentices” meet requirements set forth in PLA:

Information regarding this area was collected from various sources, including interview with the Jobs Coordinator and documents submitted by SRJV. All information obtained appears to support that the SRJV collectively monitors the apprentice program, including sponsorship and qualification standards.

SRJV requires that subcontractors perform an assessment of applicants to ensure their successful training and job placement and tracks their progress from training to placement. Apprentices are required to participate in a “boot camp” which they must pass before joining unions.

Finding B-1.1: Based upon the results of the interview and review of documents provided, we believe that Expo/SRJV appears to have sufficient internal controls in place to ensure that apprentices are properly vetted and qualified per the PLA. The SRJV commitment to its “sponsorship” program lends further support to this finding (Sponsorship is discussed in detail in Finding B-6 below in this section).

Recommendation B-1.1: No recommendation at this time.

2. Accuracy of November 2013 Workforce Utilization Report to verify apprentice participation:

At the initial meeting at the SRJV field office, a copy of the November 2013 Workforce Utilization Report was not available to MCS to verify apprentice participation.

Finding B-2.1: MCS did not obtain and review this report, because the project does not receive federal funds, the report is not required by Expo.

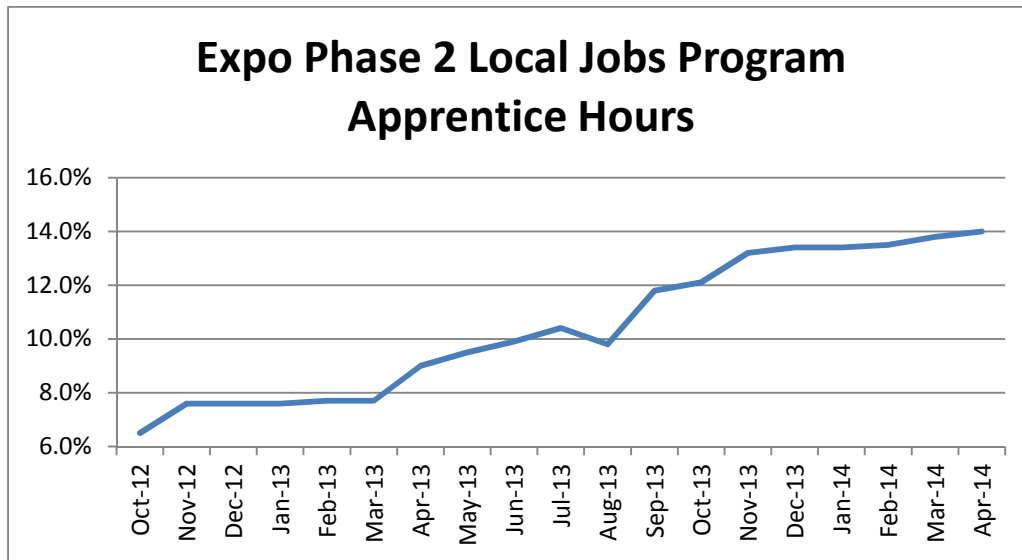
Recommendation B-2.1: No recommendation at this time.

3. Determination of whether actual apprentice participation ratio to journeyman is within required limits (per CA Labor Code):

Compliance with the State Labor Code (1777.5(h)) concerning the apprentice participation ratio of 1 hour (16.7%) of work for every 5 hours of work by a journeyman, is determined at the end of the contract and not during the contract. Therefore, MCS cannot determine whether the apprentice participation ratio will be within the required limits at the end of the contract. Section 1777.5(h) of the Labor Code is attached as *Appendix G* of this report.

Finding B-3.1: The actual apprentice participation ratio, (1 hour of apprentice work for every 5 hours of journeyman work), per the labor code, is not computed until the end of the project. During the audit period of September 22, 2013 to October 26, 2013, the participation percentage was at 11.8%. As of April, 2014 the apprentice participation percentage had increased to 14.0%, which shows a commitment by SRJV to increase the apprentice participation.

The graph below shows the continual increase of the apprentice participation ratio from October 2012 to April 2014.



Reference Appendix H for values on which the graph is based.

Recommendation B-3.1: SRJV should continue to emphasize apprentice participation to ensure that the participation ratio of 1 apprentice hour to 5 journeyman hours is achieved by the end of the project.

4. Verification that each apprentice came from an approved Apprentice Program and that each apprentice qualifies as community or local area hire:

Finding B-4.1: Approved Apprentice Program

Using the CPR and certain other documents provided by SRJV, MCS verified that 74 of the 76 apprentices reported on the CPR were from an approved Apprentice Program. Overall record keeping is sufficient. The discrepancy noted here can be remedied by obtaining the two missing certificates. MCS could have pulled the certificates for verification, but did not have the employee social security numbers to perform this verification.

Recommendation B-4.1: No recommendation at this time.

Finding B-4.2: Local Hire Program. Using the payroll database output provided by SRJV, MCS reviewed the community and local hire designation of each of the 76 apprentices. Of the 76 apprentices, 40 of the apprentices have been designated as local, community or local/community hires.

Recommendation B-4.2: No recommendation at this time.

5. Confirmation that apprentice hours for designated reporting period are accurately recorded in database or summary schedule:

Using the certified payroll records (CPR) of 20 subcontractors that reported apprentices working during the audit period, MCS determined that a total of 76 apprentices were employed during the audit period.

The SRJV database includes all apprentice hours. Apprentice hours for Operating Engineers are not reported to Expo because operating Engineers are exempt from complying with the California Labor Code Section 1777.5(h) concerning journeymen and apprentice ratio calculations.

During the audit period from September 22 to October 26, 2013, the 76 apprentices worked as follows:

Table: Apprentice Utilization (76 apprentices)

17 apprentices worked 1 out of 5 weeks reviewed
11 apprentices worked 2 out of 5 weeks reviewed
6 apprentices worked 3 out of 5 weeks reviewed
12 apprentices worked 4 out of 5 weeks reviewed
30 apprentices worked 5 out of 5 weeks reviewed

Table: Apprenticeship Hours

SRJV Database*	Audited CPRs*	Difference	Percent Difference
8,799 hours	9,579 hours	780 hours	8%

*Values include Operating Engineers

Finding B-5.1: Based on the review of the CPRs provided by SRJV to MCS, MCS found a minor discrepancy between the CPR apprentice hours and the apprentice hours recorded in the SRJV database. For the audit period reviewed (September 22, 2013 to October 26, 2013), the hours for 28 out of 76 apprentices were not accurately entered into SRJV database, resulting in underreporting of 780 apprentice hours worked. One example involves an employee who worked 40 hours, but the CPR reflects 50 hours worked.

The SRJV database did not report one apprentice who worked during the audit period, however an apprentice certification was provided by SRJV for that apprentice. MCS was unable to determine whether the apprentice met the Local Area and/or Community designation. According to the CPRs, the apprentice worked a total of 140.5 hours that were not included in the SRJV database.

The explanation provided by Expo/SRJV is similar to the reason for the minor discrepancies in the Local Area, Community Area, Local-Community Area, and Disadvantage addressed in Section A-6.1 above where subsequent actions relating to a prior reporting period may have occurred. In this case, update to apprentice records or hours may have been necessary when SRJV receives updates or corrections to an apprentice designation (e.g., apprentice transitions to journeymen).

Recommendation B-5.1: There are no recommendations at this time, since these issues are likely resolved in subsequent months. One suggestion would be to maintain a copy of the database for the specific reporting periods, since the database is a dynamic reporting tool. That way, the snapshot in time would be on record in the CPRs and corresponding database.

6. Confirmation of whether Contractor/Employer has sponsored at least 5 Targeted Workers hired as new apprentices and covers 25% of the sponsorship fee for any new apprentices hired:

Article VII, Section 7.5(2) (e) of the PLA requires that the Design-Build contractor/employer shall act as employer-sponsor for at least 5 Targeted Workers, hired as new Apprentices on the Project and cover 25% of sponsorship fees for any new Apprentice hired.

In order to substantiate that Expo/SRJV met this requirements, we requested all documentation that would verify compliance. In response to our request we received sponsorship related information for six apprentices. Documents included the following: a memoranda from Expo/SRJV addressed to the “targeted worker”, stating that Expo/SRJV would like to sponsor the worker and offering to pay 25% of the worker’s initiation fee (the amount is \$218.00). Also provided are a fax confirmation page and a copy of the voided check for \$218.00.

Finding B-6.1: Based upon the documents provided by Expo/SRJV to MCS, it appears that they are in compliance with Article VII, Section 7.5(2) (e) of the PLA, showing that they have fulfilled their “sponsorship” requirement.

Recommendation B-6.1: No recommendation at this time.

7. Adequacy of Expo/SRJV oversight measures for Apprenticeship Program:

The following tools are used to provide guidance and monitoring of the apprentice hiring program:

- Apprentice Participation Action Plan appears to be an adequate tool; however MCS was unable to verify when it was first developed and implemented. Latest revision date is April 4, 2013.
- Monthly Local Hire Reports.

The 3 requirements that the process is intended to meet are as follows:

- Local Hire Program Plan – maximize participation
- Labor Code – 1:5 ratio minimum for each trade (there are some exemptions such as asbestos removal workers)
- Union – the unions may establish their own ratios as long as they meet the Labor Code requirements.

In an SRJV Team Apprentice Participation Action Plan, dated April 4, 2013, SRJV identifies areas of weakness and an action plan to increase their apprentice participation levels, which at the time was at 8% with a 16.7% goal. Expo and SRJV have placed emphasis on this matter, and the apprentice participation rate has increased to 14.0% as of April 2014. Apprentice participation levels vary according to trade and type of work performed.

Finding B-7.1: The Local Hire Plan’s requirement regarding apprentice participation level is vague. It simply states “all contractors to make every effort to employ the maximum number of apprentices allowed by state law”.

Recommendation B-7.1: It is recommended that SRJV’s Local Hire Plan be revised to specifically require contractors to meet apprentice requirements in the California Labor Code. Currently Expo and SRJV are using the State’s labor code requirement of 16.7%, but this percentage is not stated in the Local Hire Plan.

Management Response to Recommendation B-7.1: “Since apprentice Ratio monitoring is a requirement under California State law, it is already a component of the labor compliance program. Therefore, it is not a requirement to be included in the Local Hire Plan.”

Auditor Comments: Expo/SRJV should have adequate controls in place to ensure that they meet the apprentice requirement in the California Labor Code.

C. Reporting Local Jobs Program Results

1. Comparison of hours worked on Local Job Program Report against Summary Database amounts to ensure that the reported numbers are accurate and supported:

Finding C-1.1: Utilizing the database provided by SRJV for the 56 subcontractors that performed work during the audit period, MCS reviewed all workers and determined that 66,475.4 hours were reported to Expo, but the records in SRJV’s database showed 73,024 hours, a difference of 6,549.4 hours. SRJV total hours worked, as reported on the Local Jobs Program Update Report provided to Expo for each reporting period, are based on the information as of the report’s cutoff date and do not reflect the actual data from the database/payroll records that are posted after the cutoff date.

Recommendation C-1.1: SRJV should consider changing the cutoff date for the submittal of the monthly report so that Local Jobs Program Update that is provided to Expo by SRJV is accurate and reflects the actual data from all payrolls received and not just the information as of the cutoff date. SRJV should also consider keeping a record of database print out that reconciles the hours reported to Expo each month.

Management Response to Recommendation C-1.1: Expo/SRJV stated: “The recommendation of incorporating a cut-off date would not be in line with providing the most up-to-date data to the Expo Board of Directors at the monthly board meetings.”

Auditor Comments: We acknowledge Expo’s desire to provide the Board with the most current data. We believe that several alternative actions can be taken to clarify the data being reported and to ensure its accuracy such as: (1) putting a footnote on the Local Jobs Program Update reports to indicate that the ending balances on the previous month’s report may not be the same as the beginning balances on the current month’s report due to timing differences of late submittals and adjustments, (2) saving a copy of each month’s database to track to the amounts reported, and (3) periodically reconciling the database with the previous month’s totals.

2. Verification of whether monthly reported labor hours are accurately added to the previous month cumulative totals:

At the initial meeting at the SRJV field office, Expo staff informed MCS that the monthly reports generated from the SRJV database for Expo have a certain cutoff date and therefore, do not reflect the actual payroll data that comes in after the cutoff date. After the monthly reports are submitted to Expo, SRJV continues to input the certified payroll record data and tally the hours cumulatively. As a result, the hours reported by SRJV each month for local hires, disadvantaged and non-local do not exactly match the Local Craft Worker Utilization Reports that are provided to Expo. SRJV indicated that they do not go back and provide a print out of the actual tally after all of the data has been inputted.

In response to this explanation, MCS requested the SRJV version of the Local Jobs report for June 2013, July 2013, and November 2013 (we had already been provided with the report for October 2013). MCS planned to use the SRJV version of the report to reconcile with the hours from the payroll database/files. We did not receive these additional SRJV reports. The SRJV project manager explained the reason our request could not be fulfilled as follows: “the October report that was generated for you in our offices reflects the running tally of CPRs that came in after the initial report was generated. We don’t have (a similar version of SRJV) reports for June, July and September because we don’t go back and print out individual reports for previous months. They would be constantly changing based on new and revised CPRs that we receive.”

Finding C-2.1: For the reasons stated above, MCS is unable to verify that the monthly reported hours are accurately added to the previous month cumulative totals since the beginning cumulative totals provided to Expo at the start of each reporting period are not the same amounts as the ending cumulative totals on the preceding month’s report. The beginning balance for the new month does not reconcile with the ending balance of the prior month (small differences) since values continue to be added to the cumulative amount after the cutoff date. This is illustrated in the following table.

Table: Audit results – Local Program Update Reports – June, July, October, & November 2013

July Cumulative Hours Reported (Ending Balance) On Report For Period Ended July 2013	July Cumulative Hours Reported (Beginning Balance) On Report For Period Ended August 2013	Difference in the Ending and Beginning Balance
Community Hours – 72,555.8	Community Hours – 73,347.8	792 hours difference
Local Area Hours – 124,311.2	Local Area Hours – 127,707.2	3,396 hours difference
Disadvantaged Hours – 108,094.3	Disadvantaged Hours – 109,904.3	1,810 hours difference

October Cumulative Hours Reported (Ending Balance) On Report For Period Ended October 2013	October Cumulative Hours Reported (Beginning Balance) On Report For Period Ended November, 2013	Difference in the Ending and Beginning Balance
Community Hours – 108,470.2	Community Hours – 109,237.0	766.8 hours difference
Local Area Hours – 184,606.7	Local Area Hours – 185,972.0	1,365.3 hours difference
Disadvantaged Hours – 158,356.8	Disadvantaged Hours – 159,431.6	1,074.8 hours difference

Reference Appendix I for a sample of Local Jobs Report Data for April 2014.

Recommendation C-2.1: SRJV should consider changing the cutoff date of the submittal of the monthly report so that Local Jobs Program Update that is provided to Expo by SRJV is accurate and reflects the actual data from all payrolls received and not just the information as of the cutoff date. If changing the monthly report cutoff date is not practical, MCS recommends that a footnote be added to the report, explaining why the beginning balance does not match the ending balance from the prior month's report. SRJV should also consider keeping a record of database print out that reconciles the hours reported to Expo each month.

Management Response to Recommendation C-2.1: Same comments as recommendations C-1.1 above.

3. Other Related Data

Finding C-3.1: The monthly Expo Phase 2 Local Jobs Program Update Reports also show hours worked broken out by race/ethnicity and gender. The table below shows 2010 Los Angeles City demographics by race/ethnicity and gender, and the percentage of hours worked on the Expo Phase 2 projects for each demographic group.

Race/Ethnicity	Los Angeles City 2010 Census (a)	Expo Phase 2 Project Hours (b)
African-American	9.6%	9.7%
Asian/Pacific Islander	11.4%	2.0%
Caucasian	28.7%	25.8%
Hispanic	48.5%	55.9%
Other	1.8%	3.1%
Declined to respond		3.4%
Gender		
Female	50.2%	1.9%
Male	49.8%	98.1%

(a) Source: US Census Bureau

(b) Source: Expo Phase 2 Local Jobs Program Update Report as of January 25, 2014

Recommendation C-3.1: No recommendations for revisions to this section of the report.

D. Response from Expo/SRJV

Expo/SRJV provided a response to the recommendations in our draft report. A copy of the entire response is attached to this report. Also, management comments are summarized after each recommendation in the report for those recommendations where a specific response was received. For the remaining two recommendations, the management response did not specifically disagree with the related finding or recommended action.

**ATTACHMENT: Expo/SRJV Response to Draft
Audit Report (May 21, 2014)**

Expo

June 5, 2014

EXPO2 01973
CA 112

Ms. Sylvia Linn
Metro Compliance Services
3525 Hyland Ave, Suite 260
Costa Mesa, CA92626

RE: Compliance Audit of Expo Phase 2 Construction Careers Policy and
Project Labor Agreement - Draft Report Response

Dear Ms. Linn:

Thank you for sharing the draft report on the recent audit conducted by Metro Compliance Services (MCS) of the Exposition Construction Authority (Expo) Light Rail Transit Phase II Project's (Project) Construction Careers Policy and Project Labor Agreement (PLA) compliance. Expo was pleased that MCS has validated compliance with the Construction Careers Policy, the PLA, and the Local Hire requirements. Expo has reviewed MCS's findings and recommendations and, after conferring with Skanska/Rados Joint Venture (SRJV), the prime contractor on the Project, responses are listed below.

On page one of the audit, under the section entitled **I. Executive Summary**, the fourth paragraph makes the statement that there exists a "procedural void" in reference to the lack of procedures that exist for items that belong under the jurisdiction of the unions. SRJV has procedures for communicating with the unions and requesting dispatch of local and disadvantaged workers; however, it does not have a procedure for items that are beyond its scope of work. The procedures for the dispatch of workers from the union hall and other items that fall under the union's responsibilities are neither within SRJV's control, nor its scope of work.

Response to the *Finding/Recommendation* in **Section A. Integrity of Local Hire Data, Part 1, A-1.1**: The Local Hire Plan in its entirety discusses the procedures for the Local Hire Program. The Local Hire chart is a flow chart and is used in addition to the Local Hire Plan as a guide. SRJV has noted the recommendation from MCS and will consolidate the flow chart with other existing program documents to present a complete desktop procedure. Also, in regard to the statement that SRJV should have a complete Out of Work (OOW) database available for subsequent reviews; the recommendation gives the impression that the database was not accessible. SRJV does currently have a comprehensive OOW database that is currently available for viewing. The database is maintained and can be used for subsequent projects.

Response to the *Finding* in **Section A. Integrity of Local Hire Data, Part 2, A-2.2**: A statement was made that Outreach Materials from local hire outreach events were not provided. This is not correct. Outreach materials were made available to MCS. As was explained in several emails, no formal presentations were usually made at these events. However, a detailed agenda and format was provided to MCS, as well as collateral materials that were passed out at the events. Furthermore, a detailed list of Community Based Organizations and sign-up sheets from events, as well as a list of different organizations, groups and stakeholders who met with the Local Jobs Coordinator or representatives of SRJV, were provided. Slides from monthly or quarterly meetings, which contained Local Hire information were also made available.

Response to the *Recommendation* in **Section A. Integrity of Local Hire Data, Part 3, A-3.1**: The craft request form is a helpful tool provided to contractors, but is not required by the program documents. Due to the ongoing relationships between SRJV and the trade unions, workers may be informally requested by phone or email in addition to the Craft Request Form. The Craft Request Form may then be filled out afterward as a formality for the purpose of documentation, but a Craft Request Form may not necessarily accompany each person hired.

Response to the *Recommendation* in **Section A. Integrity of Local Hire Data, Part 3, A-3.2**: While the recommendation to have the unions fill out the residency section of the craft request form and return it to SRJV is noted, it is important to point out that providing local workers is a priority for the unions on this project when dispatching workers. SRJV's relationship and constant communication with the unions, as well as the utilization of the craft request form, demonstrates the importance of dispatching local hire workers. Residency information is verified when the worker reports to the project site with applicable proof of residency, whether the union sends a specific craft worker or not. SRJV has noted the recommendation to modify the Craft Request Form to include the option for the union to email the form back to the Jobs Coordinator with the required information and it will be included in the next revision of the form.

Response to the *Recommendation* in **Section A. Integrity of Local Hire Data, Part 4, A-4.1**: Unions have their own set of dispatch procedures and each is different. The procedural process of dispatching workers is determined by the union and not SRJV. The audit finding, whether intentional or not, creates the impression that SRJV should have dispatch procedures in place and simply chooses not to. This is simply not the case. SRJV does, however, have procedures in place when *requesting* a worker to be dispatched, as noted in the bullet points of section four on page nine.

Response to the *Recommendation* in **Section A. Integrity of Local Hire Data:**

The purpose of reporting hours on a monthly basis is to give an update of the number of hours being worked on the Project based on the information available. Given the amount of data being reported and the different speeds at which paperwork can flow from different contractors, data is omitted if it is not properly verified. It is considered a normal occurrence to have Local/Community/Disadvantaged numbers increase throughout a project as new information is constantly introduced. This is why Local/Community/Disadvantaged goals are project wide goals for the total duration of the Project and not monthly goals. It is the cumulative effort of the Project that is evaluated. The sample of data reviewed by the audit can easily be affected by ongoing changes in project data.

Response to the *Recommendation* in **Section B. Integrity of Apprenticeship Data, Part 7, B-7.1:** Since Apprenticeship Ratio monitoring is a requirement under California State law, it is already a component of the labor compliance program. Therefore, it is not a requirement to be included in the Local Hire Plan.

Response to the *Recommendation* in **Section C. Reporting Local Jobs Program Results, Part 1, C-1.1 & C-2.1:** The recommendation of incorporating a cut-off date would not be in line with providing the most up-to-date data to the Expo's Board of Directors (The Board) at the monthly board meetings. In order to report numbers that include minimal missing certified payrolls, cut-off dates would have to be set up at least two months before the Board meeting resulting in reports that are not current. Because Local Hire is viewed as a cumulative goal rather than a monthly goal, the most current information is the most effective way to monitor whether the program is meeting its goals. Therefore, it is imperative to provide the most up-to-date information to the Board with the understanding the any certified payroll records that are submitted late can be added to the cumulative total. A negligible underreporting is acceptable in order to provide a more up-to-date snapshot of the Local Hire Program's progress. In the second paragraph on page nineteen, it is stated that MCS requested Local Jobs Reports for June, July and November of 2013 and never received the reports. In several emails sent to MCS, both SRJV and Expo provided a response to this request. MCS requested that SRJV re-run reports for the months of June, July and September 2013. SRJV said they couldn't do this because the database was cumulative and data from certified payroll records is constantly being input as it is received. If old reports were run again, they would not match the numbers that had already been reported by the Board since the database is cumulative and new reports would contain information added after the monthly Board report cut-off date. The reports for those months that had already been presented to the Board are publicly available on the website and could have been used by MCS. This was explained to MCS in several emails and in person, and was acknowledged by MCS with the response that they "consider the request to be satisfied."

Response to the *Recommendation* in **Section C. Reporting Local Jobs Program Results, Part 3, C-3.1:** While SRJV does report on gender and ethnicity in their Local Jobs Reports, SRJV is not under contract to achieve any goals with regards to race or gender. Auditing of these criteria is not necessary.

Thank you for providing us with an opportunity to respond to your findings and recommendations. If you have any further questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'S Bricker', written over a white background.

Samantha Bricker
Chief Operating Officer

cc: Brian Freund, Skanska/Rados Joint Venture
Elizabeth Solís, The Solís Group
Document Control

Appendix A: Document Inventory

Requested-Received Documents Status Log
 Expo Phase 2 CCP/PLA Compliance Audit
 Appendix A

ID No.	Document Title	Date Requested	Date Received	Document Description	Comments
001	Job Coordinator Procedures	2/4/2014			Per Jobs Coordinator, there is not a defined set of procedures.
002	Local Union Dispatch Procedures	2/4/2014	2/5/2014		
003	Craft Dispatch Form	2/4/2014	2/5/2014		Blank form
004	Payroll Records for Period Covering September 22, 2013 to October 26, 2013	2/4/2014			Not available electronically without redaction. Gayle and Lupe scheduled to review onsite on 2/7/14.
005	Apprentice Program Documents	2/4/2014			Expo/SRJV do not maintain these documents. If there are any documents, they would be maintained by the unions.
007	Apprentice Certificates	2/4/2014	3/3/2014		
008	Workforce Utilization Report - November 2013	2/4/2014	2/5/2014		
009	QuickBase Database Information (hours worked by Apprentice)	2/4/2014	3/3/2014		
010	Apprentice Program Oversight Procedures/Documents	2/4/2014	3/3/2014		
011	Careers Policy - Local Hire Plan		2/5/2014		
012	Completed Craft Request Forms	2/17/2014	2/19/2014		
013	Forms and/or reports related to inspections and reviews of Local Hire program	2/17/2014	2/21/2014		
014	Copy of Apprentice Certification Forms	2/17/2014	3/3/2014		
015	Sponsorship Package (information verifying that employer has acted as "sponsor" for at least 5 target workers hired as new apprentices and covers 25% of the apprentice sponsorship fee).	2/17/2014	2/19/2014		
016	Total number of workers employed on the project	2/26/2014	3/3/2014		
017	Collateral material distributed during outreach activities	2/26/2014	3/3/2014		
018	Advisory dated October 18, 2013 regarding Apprenticeship Requirements	2/26/2014	3/3/2014		
019	Sample printout from Out-of-work database	2/26/2014	3/3/2014		
020	Sample printout from Payroll database	2/26/2014	3/3/2014		
021	Monthly Contact Log	2/26/2014	3/3/2014		

Requested-Received Documents Status Log
Expo Phase 2 CCP/PLA Compliance Audit
Appendix A

ID No.	Document Title	Date Requested	Date Received	Document Description	Comments
022	Duty Statement for Compliance Team	2/26/2014	3/3/2014		
022	Hours worked by the 495 workers referenced for the period of September 22, 2013 to October 26, 2013.	2/26/2014	3/3/2014		

Appendix B: Local Hire Program Process Chart



SkanskaRados Expo2 Joint Venture (SRJV)

Local Hire Program Process Chart

Step 1: SRJV Jobs Coordinator Identifies Local/Community Worker Candidates

- Jobs Coordinator participates in job-fairs and other community outreach events to identify eligible local/community worker candidates.
- Calls made by candidates directly to SRJV Jobs Coordinator
- Referral of candidates to Jobs Coordinator by SRJV Team Members
- Focus is to identify eligible candidates based on geographic gaps in SRJV Out of Work Database

Step 2: Jobs Coordinator Assess Readiness of Potential Local/Community Candidates

- Jobs Coordinator discusses qualifications with each candidate and documents in call log.
- Job ready candidates are added to SRJV Out of Work Database
- Other interested candidates are referred to CBO Partners, including local WorkSource Centers and/or LAUSD's We Build, for training/assistance.
 - Once trained and ready for apprenticeship, these candidates are added to SRJV Out of Work Database

Step 3: Maintain Out of Work Database

- Out of Work Database is repository of eligible local/community workers and sponsorship ready individuals which is regularly updated by Compliance Team:
 - Union/Trade, Journey/Apprentice/PreApprentice Level Status
 - Local/Community Residency Data
 - Qualifications/Experience/References
 - Availability

Step 4: SRJV / Subs Consider Local/Community Candidates for Expo 2 Project

- SRJV Team representatives responsible for hiring consider worker candidates
 - Source of candidates include firm's (1) Core Workers, (2) SRJV Out of Work Database, and (3) Open Call to unions.
 - Consider Local/Community and Apprentice status to meet CCP goals
 - SRJV / Subs may conduct interviews to further assess qualifications

Step 5: Prepare and Issue Craft Request Form

- SRJV / Subs prepare Craft Request Form to call for workers
 - If Core Worker or from Out of Work Database, individual is requested by name
 - Otherwise, open call for workers using Local/Community zip code list
- Craft Request Form is sent by SRJV/Sub Superintendents/Foremen to Union and Jobs Coordinator

Step 6: Unions Dispatch Workers to Expo 2 Project

- Unions dispatch workers to Expo 2 Project within 48 hours or by date specified.
 - If Open Call, union will dispatch proportion of workers from Local / Community Zip Code List.
- If Union is unable to provide appropriate level of Local / Community Workers, SRJV / Subs can seek workers from other sources.

Step 7: Track Local / Community Worker Participation

- SRJV Compliance Team monitors Local / Community Worker Participation
 - Local / Community / Disadvantaged Status through Worker Orientation Form
 - Workhours & Journey/Apprentice Level through Certified Payroll
- SRJV Compliance Team prepares on-going reports.
- SRJV Submits Monthly Progress Reports to Expo Authority.

Appendix C: Community-Based Organization List

Expo 2
Community Based Organization Information

Organization		Contact Information	Description of Services
1	EX-OFFENDER ACTION NETWORK (LOS ANGELES METROPOLITAN CHURCHES)	MONICA ANDERSON, 323-238-0445, FAX 323-230-6271	OFFERS RESOURCES TO THOSE RECENTLY RELEASED FROM JAIL, INCLUDING JOB TRAINING, AND AFFORDABLE HOUSING.
2	FAME RENAISSANCE ASSISTANCE CORP.	DWAYNE PRICE, 323-730-7700	FAME CORPORATIONS SUPPORTS ECONOMIC DEVELOPMENT THROUGH PROGRAMS DEDICATED TO IMPROVING THE ECONOMIC LIVELIHOOD AND THE QUALITY OF LIFE FOR FAMILIES AND INDIVIDUALS IN THE COMMUNITIES WE SERVE.
3	HOUSING AUTHORITY OF LOS ANGELES/HACLA	JUDY RASHEED, 213-252-2500	SECTION 8 HOUSING
4	HUMAN POTENTIAL CONSULTANTS, HPC	GARNETT NEWCOMBE, CEO/PRESIDENT 310-756-1560	JOB PLACEMENT AND JOB READINESS CLASSES, BUT NO CONSTRUCTION COURSES.
5	JOBS FOR THE FUTURE/HOMEBY INDUSTRIES	ARACELI SOTOL, 323-526-1254	YOUTH COUNSELING, JOBS IN BAKERY, SCREEN PRINTING, AND SOLAR PANEL INSTALLATION TRAINING AND CERTIFICATION PROGRAM

JR Hernandez Consulting Qualifications

Organization		Contact Information	Description of Services
6	KOREAN CHURCHES FOR COMMUNITY DEVELOPMENT	HYEPIN IM, CEO/PRESIDENT, 213-984-4243	PROGRAMS: HOMEBUYER EDUCATION & COUNSELING, FORECLOSURE PREVENTION COUNSELING & MARRIAGE EDUCATION
7	JOVENES, INC.	ANDREA MARCHETT, 323-260-8035	HELPS YOUTH TO OBTAIN GED'S AND DIPLOMAS
8	Los Angeles County Office of Education/LACOE	Nathan Auzenne, 526-922-6111	Programs: Admin Training Program, Beginning Teacher Program, Instructional Tech Outreach,
9	Love & Respect Youth Foundation	Deborah Bell-Holt, 323-297-3511	Child and Youth Services
10	Marriott Foundation Bridges	Tad Ashbury, 213-381-1220	Helps those who want to work find employment with jobs that best suit their skills and abilities, but no construction courses at the moment

Organization		Contact Information	Description of Services
11	MEANING AND PURPOSE/MAP	ARNOLD MOORE, 323-296-2553	COULD NOT FIND INFORMATION ON THE LOS ANGELES OFFICE ON THE INTERNET
12	MIDCITY/EXPOSITION LRT PROJECT LOCAL JOBS PROGRAM	TED BOOKER, 323-290-7605	FOUND DOCS REGARDING THIS PROGRAM BUT WITHIN THERE WAS NO MENTION OF TRAINING FOR INDIVIDUALS
13	NABISCO SUBSIDIARY OF KRAFT FOODS	MEGAN PHILIPS, 909-605-0140	Jobs: salespeople, registered nurse, marketing, accountant, cashier, intern, truck driver, web designer, call center, waiter, security.
14	PATH	JONATHAN BENNETT, 323-644-2272	COULD NOT FIND INFORMATION ON THE LOS ANGELES OFFICE ON THE INTERNET
15	PROJECT 180	LAWRENCE DAVIES, 213-620-5712	Programs: Young Adults Program-provides internships opportunities, social services, and substance abuse treatment.
16	PUBLIC ALLIES OF LOS ANGELES	VANESSA VELA LOVELACE, 213-741-2202	Programs: Youth Justice Leadership, Job Hunters Boot Camp, Leadership Dev. & Organizing Training.

J Hernandez Consulting

Organization		Contact Information	Description of Services
17	RAEVERLY'S RESOURCE CENTER	LUIS PATTARROYO-888-246-5320	Programs: Affordable drug and alcohol Rehab Men's and Women's Housing
18	SAVE OUR FUTURE	Ken Jordan, 323-766-8836	COULD NOT FIND INFORMATION ON THE LOS ANGELES OFFICE ON THE INTERNET
19	SCHARP/ South Central Health & Rehabilitation Program	DENISE SHOOK, 310-631-8004	Programs: Wellness Center, Homeless Outreach, HIV Mental Health Services, CAL Works
20	Skid Row Development Corp/SRDC/STRIVE	STEVEN R. SENZO, 213-623-7130	Programs: Shelter, board, counseling, job training, and employment placement, but no construction training.
21	St. Vincent's Cardinal Manning Center	CHUCK HAPPOLD, 213-229-9963	Program: Permanent Health Service Provider
22	Strategic Actions for a Just Economy (SAJE)	Samantha Quintero, 213-745-9961	Programs: Community & tenant education, Figueroa Corridor Community Jobs Program, UNIDAD- United Neighbors In Defense Against Displacement

J Hernandez Consulting

1892 E. Altadena Dr. ♦ Altadena, CA 91001 ♦ Phone: 626-791-5070 ♦ Fax: 626-316-7103

Organization		Contact Information	Description of Services
23	TRANSITIONS RELOCATION NETWORK	MATT TEMPLESON-805-498-5953	Program: Networking Activities & opportunities for relocated employees.
24	WCC/CITY OF REFUGE	Ken Jordan, 323-766-8836	COULD NOT FIND INFORMATION ON THE LOS ANGELES OFFICE ON THE INTERNET
25	UNITY THREE	SHONTEZE WILLIAMS, 323-763-1500	Programs: Rehabilitation counseling, and drug counseling.
26	Vinewood Residential Re-Entry Program	ESTHER GOBRIAL, 323-464-0817	Program: 70 bed residential re-entry center contracted through the Federal Bureau of Prisons.
27	VOLUNTEERS OF AMERICA	JENNIFER BAUMGARTENER-SCOTT, 213-389-1500	Programs: youth services, empowering women, families, seniors, veterans, homelessness, rehabilitation, and affordable housing.
28	WALDEN HOUSE, INC.	SIMON MASSIMO, 213-763-6220	PROGRAMS: WILDLIFE ORPHANAGE, SENIOR ASSISTED LIVING FACILITIES, ST. MARY'S ORPHANAGE, JEWISH ORPHANAGE, AND AIDS ORPHANAGE

J Hernandez Consulting

1892 E. Altadena Dr. ♦ Altadena, CA 91001 ♦ Phone: 626-791-5070 ♦ Fax: 626-316-7103

Organization		Contact Information	Description of Services
29	WATTS ACADEMY/CDM DESIGN CONSTRUCTION	STUART PARHAM, 323-402-5221 MAYBE INCORRECT TELEPHONE NUMBER	COULD NOT FIND INFORMATION ON THE LOS ANGELES OFFICE ON THE INTERNET
30	WEINGART CENTER ASSOCIATION	YVETTE MERRIT-AFFALO, 213-689-2182	Programs: Residential programs, permanent housing, and employment services for job readiness and placement.
31	LA CAUSA/ Los Angeles Community Advocating for Unity Social Justice & Action YOUTHBUILD,	Art art@lacausainc.org	Program: LA CAUSA utilizes construction skill development as a means to offer youth concrete skills that lend themselves to addressing the deplorable housing conditions in their community, while providing them with a valuable skill set that can help young adults earn a living wage. As part of this program, we offer hands-on training at construction sites for all phases of construction, such as framing, finish carpentry, basic plumbing, electrical, roofing and tile setting. In addition, program members can earn a National Center for Construction Education and Research Certification.
32	LA Youth AT WORK	Sean Jerrigan, 323-938-9194	Programs: foster youth and education

J Hernandez Consulting

Organization		Contact Information	Description of Services
33	L.A. Conservation Corps YouthBuild	SAM CUEVAS, 213-362-9000	Programs: After-School program & Eco Academy
34	L.A. Youth Opportunity Movement-Boyle Heights	OZZIE LOPEZ, 323-526-0143	Serves: Eagle Rock, Franklin, Marshall, Garfield, Lincoln, and Roosevelt High Schools Provides Youth Services
35	L.A. Youth Opportunity Movement-Watts	JESS WALKINS, 213-658-4367 THIS MAYBE A DISCONNECTED TELEPHONE NUMBER	Services: student aid, summer camps, youth clubs, youth education, youth assistance, and youth counseling.

J Hernandez Consulting

Appendix D: Local Hire Outreach Package

Work Source Center – Local Hire Outreach
Package

Exposition LRT Project Phase 2



Contents

- 1. Project Description**
- 2. Project Alignment**
- 3. Community Area Resident Zip Codes**
- 4. Local Area Resident Zip Codes**
- 5. Proof of Eligibility/Union Membership**
- 6. Local Hire Application**
- 7. Disadvantaged Certification Form**
- 8. Local Hire Interview Questionnaire**
- 9. Draft MOU**

Project Description

Upon completion of the Expo Line, Los Angeles area residents will have the option of using light rail travel between downtown Los Angeles and Santa Monica. Currently under construction, the 15.2 mile Expo Line will bring light rail to the Exposition Corridor, with 19 stations serving destinations like USC, Exposition Park, the Mid-City Communities, the Crenshaw District, Culver City, West Los Angeles and Santa Monica.

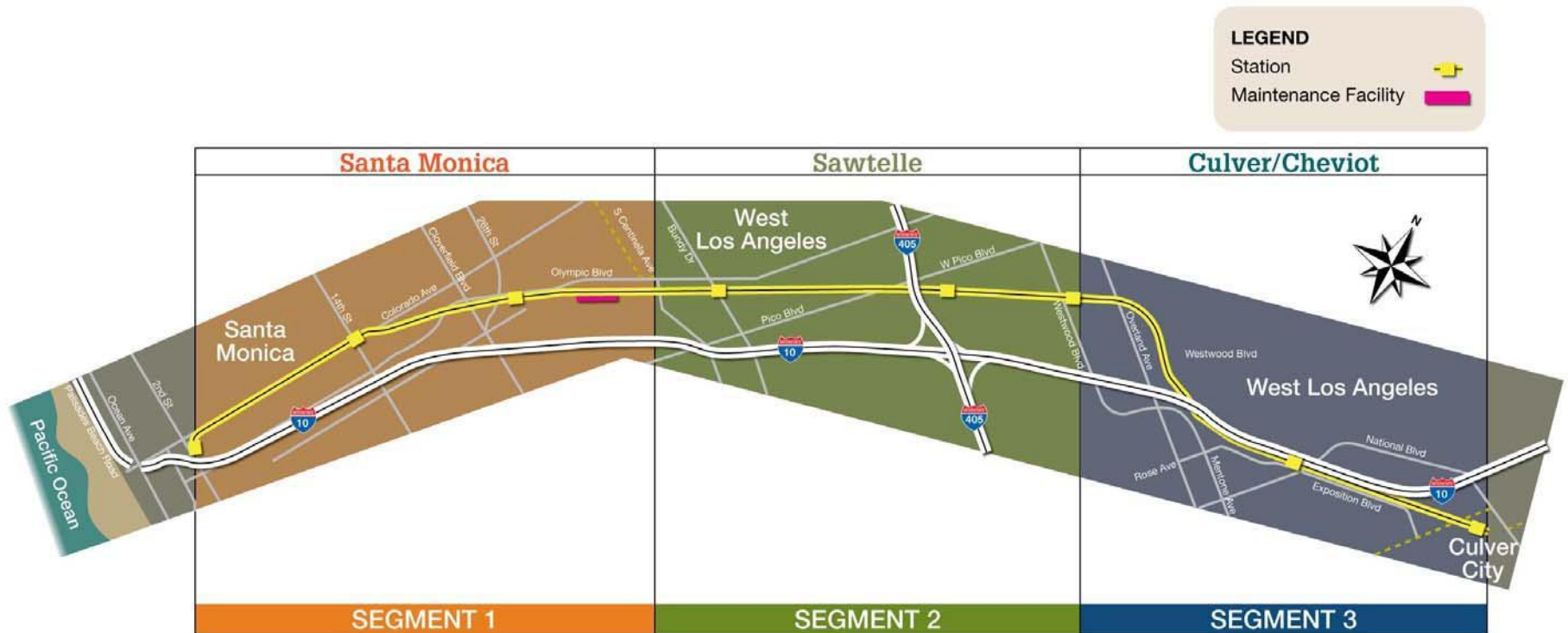
Phase 1 of the line travels from downtown Los Angeles to Culver City, and Phase 2 will extend the line to Santa Monica. Service on Phase 1 is expected to begin in late 2011, with service to the Venice/Robertson station in 2012. The line is scheduled to be complete in 2015 with the Santa Monica opening.

With construction of Phase 1 of the Expo Line almost complete, the SkanskaRados Expo 2 Joint Venture (SRJV) has been selected by the Exposition Metro Line Construction Authority as the design-build contractor for Phase 2. SRJV is currently in the design phase of Phase 2, with construction scheduled to start in 2012.

Harris & Associates is the Consultant to SRJV for community outreach, L/SBE outreach and the Local Hire program.



The Alignment



Community Area Resident Zip Codes

GOAL – A minimum of 30% of all craft hours of project work are to be performed by Community Area Residents and Local Residents, with priority given to Community Area Residents. A minimum of 10% or one-third (1/3) of the 30% shall be Disadvantaged Workers.

Required Zip Codes of Residency

90001	90002	90003	90004	90005	90006	90007	90008	90010	90011	90012	90013
90014	90015	90016	90017	90018	90019	90020	90021	90023	90024	90025	90026
90024	90025	90026	90027	90028	90029	90031	90032	90033	90034	90035	90036
90037	90038	90039	90042	90043	90044	90045	90046	90047	90048	90049	90056
90057	90058	90062	90063	90064	90065	90066	90067	90069	90071	90073	90077
90089	90094	90095	90210	90211	90212	90230	90232	90255	90270	90291	90292
90301	90302	90305	90403	90404	90405						

Community Area Resident – An individual whose primary place of residence is the County of Los Angeles and is within the Authority determined project impact area, bound by a 5-mile radius from Downtown Los Angeles to Santa Monica.

Disadvantaged Worker – An individual whose primary place of residence is within the County and who, prior to commencing work on the project, either (a) has a household income of less than 50% of the Area Median Income or (b) faces at least one of the following barriers to employment: being homeless; a custodial single parent; receiving public assistance; lacking a GED or high school diploma; having a criminal record or other involvement with criminal justice system; or suffering from chronic unemployment.

Local Area Resident Zip Codes

GOAL – A minimum of 30% of all craft hours of project work are to be performed by Community Area Residents and Local Residents, with priority given to Community Area Residents. A minimum of 10% or one-third (1/3) of the 30% shall be Disadvantaged Workers.

Required Zip Codes of Residency

90001	90002	90003	90004	90005	90006	90007	90008	90011	90012	90013	90014
90015	90016	90017	90018	90019	90020	90021	90022	90023	90024	90025	90026
90027	90028	90029	90031	90032	90033	90037	90038	90040	90042	90043	90044
90045	90047	90049	90057	90058	90059	90061	90062	90063	90065	90071	90073
90201	90220	90221	90222	90230	90241	90247	90248	90249	90250	90255	90262
90270	90280	90301	90302	90303	90304	90401	90404	90602	90605	90606	90638
90640	90650	90670	90706	90710	90712	90723	90731	90744	90745	90746	90802
90804	90805	90806	90810	90813	90814	90815	91042	91103	91104	91204	91304
91306	91324	91325	91331	91335	91342	91343	91351	91352	91401	91402	91405
91406	91601	91602	91605	91606	91702	91706	91711	91731	91732	91733	91744
91745	91746	91748	91754	91766	91767	91768	91770	91789	93534	93535	93536
93543	93550	93552	93591								

Local Area Resident – An individual whose place of residence is within the County and is within a zip code containing at least part of one census tract with a rate of unemployment in excess of 150% of the Los Angeles County unemployment rate, as reported by the State of California Development Department, and as determined and provided by the Authority.

Proof of Eligibility / Union Membership

Local Hire Workers must provide the following:

- **Valid California Driver's License**
- **Social Security Card that does not specify on the face that the issuance of the card does not authorize employment in the U.S.**
- **Proof of the right to work in the U.S.**
 - Document(s) that prove the individual has the right to work in the U.S.
 - Permanent Resident Card or Alien Registration Receipt Card (form I-551)
 - U. S. Passport or U.S. Passport Card
 - Original or certified copy of birth certificate issued by a State, county or municipal authority.
- **Local Hire Workers Must join Local Trade Union**

Contact Us

Local Jobs Coordinator

Harris & Associates

915 Wilshire Blvd., Ste. 1820

Los Angeles, CA 90017

Ph 213.489.9833 | Fax 213.489.3761

expo2@jwharrislaw.com

Appendix E: Craft Request Form

SKANSKA-RADOS EXPO 2 JOINT VENTURE – Project Labor Agreement



CRAFT REQUEST FORM

To the Contractor:

Please complete and fax this form to the applicable union to request craft workers that fulfill all hiring requirements for this project. A duplicate fax request is to be sent to the SkanskaRados Expo 2 JV Compliance Coordinator at 1-888-217-5856 or by email at Olibra.Bailey@skanska.com. After faxing your request, please call the Local to verify receipt and substantiate their capacity to furnish workers as specified below. **Please print your Fax Transmission Verification Reports and keep copies for your records.**

To the Union:

Please complete the “Union Use Only” section and fax this form back to the requesting Contractor. **Please retain a copy of this form for your records and send a copy to SkanskaRados EXPO 2 JV Compliance Coordinator at 1-888-217-5856.**

To: Local # _____ Fax # () _____ Date: _____

CC: Olibra Bailey, SkanskaRados Expo 2 JV Compliance Coordinator at 1-888-217-5856

From: Company: _____ Issued By: _____

Contact Phone: () _____ Contact Fax: () _____

Please provide me with union craft workers. The Mid-City/Exposition Light Rail Transit PLA requires that 30% of project apprentice and journey-level work hours be performed by Community Area Residents and Local Area Residents, with priority given to Community Area Residents.

Craft Employees Requested

Craft Position	Journeyman or Apprentice	Qty#	Report Date	Report Time
Total Workers Requested:				

Please have worker(s) report to the following work address indicated below:

Project Name: _____ Site Address: _____

Report to: _____ On-site Tel: _____ On-site Fax: _____

Comment or Special Instructions: _____

- **1st Priority: Community Area Residents** – Union craft employees, including apprentices, whose primary place of residence is the County of Los Angeles and is within the Authority determined project impact area, bound by a 5-mile radius from Downtown Los Angeles to Santa Monica
- **2nd Priority: Local Area Residents** – Union craft employees, including apprentices, whose primary place of residence is within the County and is within the zip code containing at least part of one census tract with a rate of unemployment in employment rate, as reported by the State of California Development.

UNION USE ONLY			
Reception Date: _____	Dispatch Date: _____	Received By: _____	
Community Area Resident	Available for Dispatch: <input type="checkbox"/>	Unavailable for Dispatch:	<input type="checkbox"/>
Local Resident	<input type="checkbox"/>		<input type="checkbox"/>

--See Reverse Side for List of Zip Codes--



LOCAL HIRE ELIGIBILITY CRITERIA

GOAL – 30% of total craft work hours shall be performed by Community Area and Local Area Residents, with priority given to Community Area Residents. 10% of the total Community and Local Area Residents craft work hours shall be performed by Disadvantaged Workers.

Community Area Resident Zip Codes

90001	90002	90003	90004	90005	90006	90007	90008	90010	90011	90012	90013
90014	90015	90016	90017	90018	90019	90020	90021	90023	90024	90025	90026
90027	90028	90029	90031	90032	90033	90034	90035	90036	90037	90038	90039
90042	90043	90044	90045	90046	90047	90048	90049	90056	90057	90058	90062
90063	90064	90065	90066	90067	90069	90071	90073	90077	90089	90094	90095
90210	90211	90212	90230	90232	90255	90270	90291	90292	90301	90302	90305
90403	90404	90405									

Local Area Resident Zip Codes

90001	90002	90003	90004	90005	90006	90007	90008	90011	90012	90013	90014
90015	90016	90017	90018	90019	90020	90021	90022	90023	90024	90025	90026
90027	90028	90029	90031	90032	90033	90037	90038	90040	90042	90043	90044
90045	90047	90049	90057	90058	90059	90061	90062	90063	90065	90071	90073
90201	90220	90221	90222	90230	90241	90247	90248	90249	90250	90255	90262
90270	90280	90301	90302	90303	90304	90401	90404	90602	90605	90606	90638
90640	90650	90670	90706	90710	90712	90723	90731	90744	90745	90746	90802
90804	90805	90806	90810	90813	90814	90815	91042	91103	91104	91204	91304
91306	91324	91325	91331	91335	91342	91343	91351	91352	91401	91402	91405
91406	91601	91602	91605	91606	91702	91706	91711	91731	91732	91733	91744
91745	91746	91748	91754	91766	91767	91768	91770	91789	93534	93535	93536
93543	93550	93552	93591								

“Community Area Resident” means an individual whose primary place of residence is the County of Los Angeles and is within the Authority determined project impact area, bound by a 5-mile radius from Downtown Los Angeles to Santa Monica.

“Local Area Resident” means an individual whose place of residence is within the County and is within a zip code containing at least part of one census tract with a rate of unemployment in excess of 150% of the Los Angeles County unemployment rate, as reported by the State of California Development, and as determined and provided by the Authority.

“Disadvantaged Worker” an individual whose primary place of residence is within the County and who, prior to commencing work on the project, either (a) has a household income of less than 50% of the Area Median Income or (b) faces at least one of the following barriers to employment: being homeless; a custodial single parent; receiving public assistance; lacking a GED or high school diploma; having a criminal record or other involvement with criminal justice system; or suffering from chronic unemployment.

Appendix F: Disadvantaged Local Hire Certification Form

Expo 2 LRT Disadvantaged Local Hire Certification Form

Company Name: _____

I, _____, reside at _____
(Print Name) (Address, City, State, Zip)

I have lived there for _____ years/months.

And hereby declare the following:

(CHECK ALL APPLICABLE AND VERIFIABLE SOCIO-ECONOMIC CONDITIONS)

- I have a household less than 50% of the area median income (AMI).
- I am homeless
- I am a custodial single parent
- I am receiving public assistance (CalWorks, GAIN, GROW, or unemployment benefits)
- I do not have a high school diploma or a General Equivalency Degree (GED)
- I have a criminal record or other involvement with the criminal justice system.
- I have been unemployed for at least the last 90 days.

MINORITY CLASSIFICATION

- Black, not of Hispanic origin
- Hispanic
- Asian or Pacific Islander
- American Indian or Alaskan Native
- Caucasian
- Other

GENDER

- Female
- Male

WORKFORCE INFORMATION

TRADE: _____

CLASSIFICATION: _____

I understand that this certification is subject to audit by the Expo Authority or their designee, and that all statements made herein are true and correct. Attached are two appropriate items for proof of residency in the County of Los Angeles. I further understand that if I falsify or misrepresent information on this form I can be disqualified from participating as a Disadvantaged Local Worker on the Expo 2 LRT Project.

The foregoing is true and correct under penalty of perjury of the laws of the State of California

Last 4 digits of Social Security Number: _____ If Owner-Operator EIN #: _____

Signature: _____ Date: _____

Income Limits Department of Regional Planning

Persons in Family	Income Limits
1	\$29,900
2	\$34,200
3	\$38,450
4	\$42,700
5	\$46,150
6	\$49,550
7	\$52,950
8	\$56,400

For households larger than 8 add \$3,416 per Person and round to the nearest \$50.

The area median income (AMI) for the county of Los Angeles is \$64,000.

CERTIFYING OFFICIAL USE ONLY

The applicant is approved for certification as a Disadvantaged Local Worker.

(Print Name) H & A Staff

Signature: _____

Date: _____

Appendix G: Labor Code Section 1777.5(h)

LABOR CODE

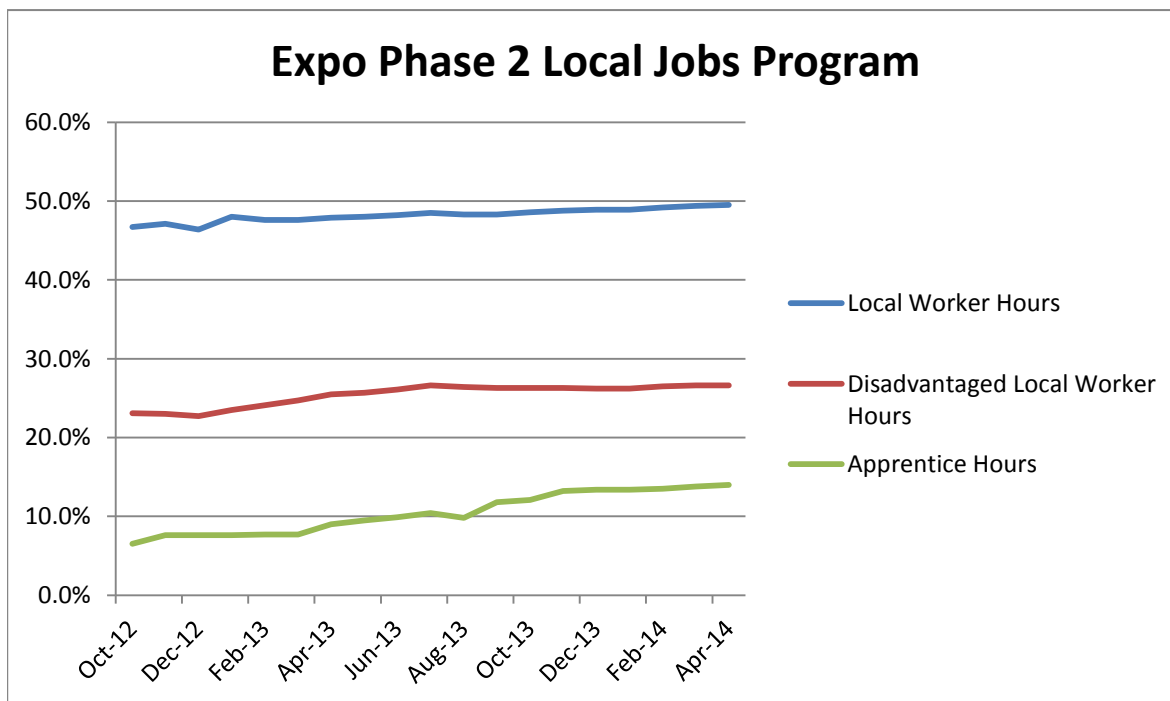
SECTION 1777.5(h)

1777.5. (h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

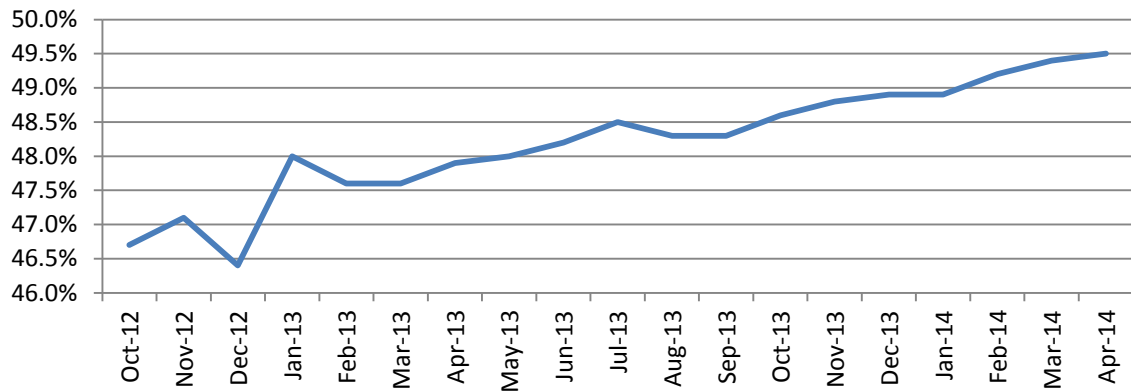
Appendix H: Trend Analysis Expo Local Jobs Program Spreadsheet

**EXPO Light Rail Line Phase 2
Local Jobs Program Update
Cummulative Percentages from June 1, 2011
Source Expo Monthly Reports**

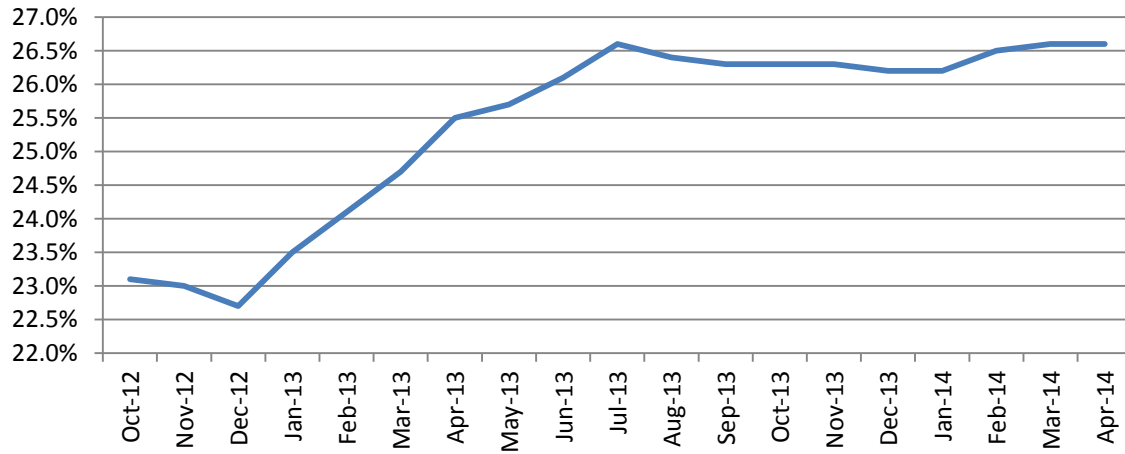
Month	Local Worker Hours	Disadvantaged Local Worker Hours	Apprentice Hours
Oct-12	46.7%	23.1%	6.5%
Nov-12	47.1%	23.0%	7.6%
Dec-12	46.4%	22.7%	7.6%
Jan-13	48.0%	23.5%	7.6%
Feb-13	47.6%	24.1%	7.7%
Mar-13	47.6%	24.7%	7.7%
Apr-13	47.9%	25.5%	9.0%
May-13	48.0%	25.7%	9.5%
Jun-13	48.2%	26.1%	9.9%
Jul-13	48.5%	26.6%	10.4%
Aug-13	48.3%	26.4%	9.8%
Sep-13	48.3%	26.3%	11.8%
Oct-13	48.6%	26.3%	12.1%
Nov-13	48.8%	26.3%	13.2%
Dec-13	48.9%	26.2%	13.4%
Jan-14	48.9%	26.2%	13.4%
Feb-14	49.2%	26.5%	13.5%
Mar-14	49.4%	26.6%	13.8%
Apr-14	49.5%	26.6%	14.0%



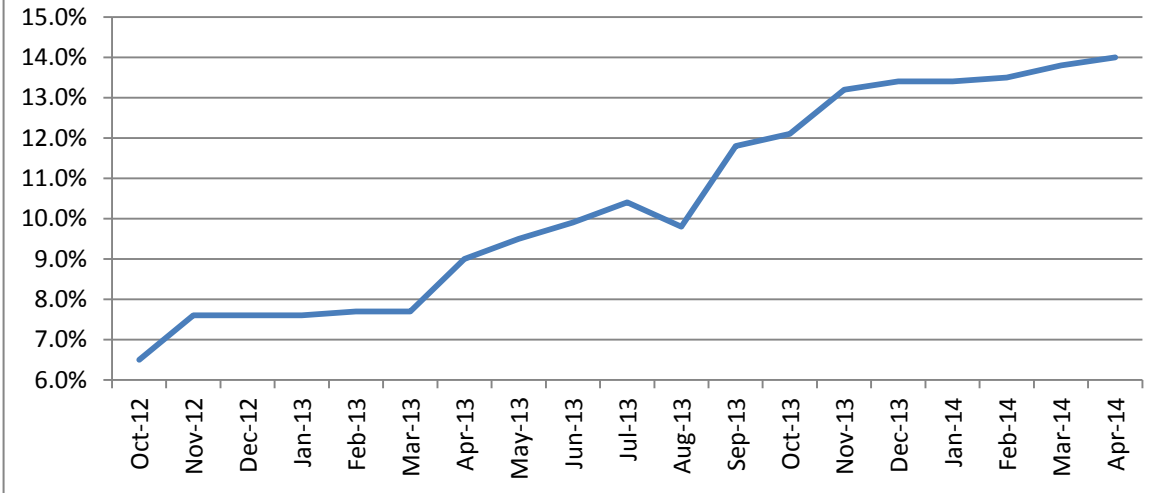
Expo Phase 2 Local Jobs Program Local Worker Hours



Expo Phase 2 Local Jobs Program Disadvantaged Local Worker Hours



Expo Phase 2 Local Jobs Program Apprentice Hours



Appendix I: Local Job Report for April 2014

Phase 2 Expo Light Rail Line

Local Jobs Program Update

Total Project Craft Hours To Date	920,040.12
Total Forecast Project Craft Hours	1,100,000.00
Total Craft Hours Percent	83.6%
PROJECT COMPLETION:	66.3%

	Craft Hours June 1, 2011 - March 22, 2014	Percentage (%) Craft Hours June 1, 2011 - March 22, 2014	Craft Hours March 23, 2014 - April 19, 2014	Percentage (%) Craft Hours March 23, 2014 - April 19, 2014	Cumulative Craft Hours To Date	Percentage (%) Cumulative Craft Hours To Date
LOCAL HIRING BREAKDOWN						
Community Area Hours	162,930.1	18.5%	8,272.7	21.4%	171,202.8	18.6%
Local Area Hours	271,907.4	30.9%	11,910.0	30.8%	283,817.4	30.8%
Local Worker Hours Subtotal	434,837.5	49.3%	20,182.7	52.2%	455,020.2	49.5%
Non-Local Hours	446,535.3	50.7%	18,484.7	47.8%	465,019.9	50.5%
Total	881,372.8		38,667.4		920,040.1	
DISADVANTAGED LOCAL						
	234,094.7	26.6%	10,423.7	27.0%	244,518.4	26.6%
RACE/ETHNICITY BREAKDOWN						
African-American	86,958.0	9.9%	2,542.7	6.6%	89,500.7	9.7%
Asian/Pacific Islander	17,721.3	2.0%	370.0	1.0%	18,091.3	2.0%
Caucasian	222,744.1	25.3%	8,404.6	21.7%	231,148.7	25.1%
Hispanic	496,630.8	56.3%	25,751.3	66.6%	522,382.1	56.8%
Native American	16,575.0	1.9%	785.0	2.0%	17,360.0	1.9%
Other	10,949.1	1.2%	90.5	0.2%	11,039.6	1.2%
Declined to Respond	29,794.6	3.4%	723.3	1.9%	30,517.8	3.3%
Total	881,372.8		38,667.4		920,040.1	
GENDER BREAKDOWN						
Female	18,035.3	2.0%	1,234.5	3.2%	19,269.8	2.1%
Male	863,337.5	98.0%	37,432.9	96.8%	900,770.4	97.9%
Total	881,372.8		38,667.4		920,040.1	
CRAFT LEVEL BREAKDOWN**						
Journeyman	496,037.9	86.0%	25,443.1	85.4%	521,481.0	86.0%
Apprentices	80,615.5	14.0%	4,347.5	14.6%	84,963.0	14.0%
Total	576,653.4		29,790.6		606,444.0	

* Hours are included in Local Hire Hours.

** Does not include Operating Engineers. (requirement is 1 Apprentice:5 Journeyman based on workers)

CRAFT WORKER UTILIZATION FOR MARCH 23, 2014 - APRIL 19, 2014

CRAFTS	# Workers
Laborers	133
Operating Engineers	77
Carpenters	50
Electricians	2
Painters	0
Sheet Metal Workers	3
Glaziers	0
Sprinkler Fitters	7

CRAFTS	# Workers
Cement Masons	36
Ironworkers	32
Elevator Constructors	6
Plumbers	2
Bricklayers	0
Roofers	3
TOTAL WORKERS*	351

*Does not include Non-Apprenticeable craft workers.