

# FROM TOUCH-UP PAINT TO NEW ADDITIONS

2020 Labor Update for the Construction Industry



## PRIVATE SECTOR LABOR LAW AND REGULATORS CHANGE WITH ADMINISTRATIONS IN THE OTHER WASHINGTON

Public sector workers, their unions, and employers are governed by state law and regulators. Airline and railway workers are covered by the Railway Labor Act, administered by the National Mediation Board.

Most other private employers, workers, and their unions are subject to the federal National Labor Relations Act (“the Act”), which in many situations preempts state regulation of private sector workplaces. There are exceptions to preemption, where state law can apply:

- Such as trespass, property destruction and assault by unions and strikers
- Recent example: claims held not preempted: claims against Teamsters Local 174 for property damage—stoppage at the start of a strike by concrete truck drivers just when the hardening concrete could not be salvaged—were held not preempted.

But for the most part, the balance between management and unions is struck in the other Washington—at the headquarters of the National Labor Relations Board (“the Board”), which enforces the Act.

So, we begin with the big news of 2020—the Trump Board and its roll-back of Obama Board labor-leaning rules—and the equally big news that the rebalancing may not long survive a new Biden Board and General Counsel.

### The 2020 Trump Board

The Board has positions for five members, each appointed by the President to a five-year term,

with Senate consent. Their terms are staggered; one member’s term expires each year. Traditionally, three Board seats are held by members of the President’s party and two by members of the opposition party.

On July 29, 2020, the Senate confirmed two nominees, Republican member Marvin Kaplan, whose current term would have expired in August 2020 and will now expire in August 2025, and Lauren McFerran (an Obama Board member), whose term expired in December 2019, and is now rejoining the Board as its only Democrat. Two other Republican members—William Emanuel and Chairman John Ring—were appointed by President Trump in 2017 and 2018; their terms will expire in 2021 and 2022. The second “Democrat” seat is open—for now.

It has been no surprise that the Trump Board’s case rulings and regulations steered labor law into a U-turn, returning to pre-Obama rules and rulings. But with this fall’s election results, expect another about-face, at least back to the Obama years, and maybe even more labor-leaning. President-Elect Biden will be able to nominate a new Board General Counsel, fill the existing open Democrat seat, and create a Democrat majority when Republican member Emanuel’s term expires in August 2021.



WRITTEN BY:  
Clemens Barnes

**KEY TAKEAWAY:** Employers, don’t push it. It’s not a safe bet to count on pro-employer rulings by the Trump Board. Today’s conduct will be judged by an Obama-like Board later.

## PREHIRE UNION-ONLY SUBCONTRACTING AND PROJECT LABOR AGREEMENTS (PLAS)

In other industries, employers don't—can't—"recognize" and bargain with a union lacking proof of majority support among the workers. But in the construction industry, there is a special exception allowing employers to do so—to voluntarily recognize a union even before its workers are hired. These 'prehire' agreements are permitted by Section 8(f) of the Act.

A PLA is a prehire collective bargaining agreement (CBA) between a construction project owner (public or private) and building trades unions, imposed on contractors and subcontractors who want to work on the project. Standard PLAs prohibit subcontracting project work covered by the PLA to employers who have not agreed to accept the terms of the PLA; the PLA; require covered employers to source their workers on the project through union hiring halls; require nonunion workers to pay union dues for the length of the project; and require employer contributions to multiemployer union pension and health-and-welfare trusts during the term of the project. King County and the City of Seattle have "Community Workforce Agreements" (CWAs), which are local PLAs covering public-works projects. The City's one-page summary of its CWAs is attached.

PLAs can thus protect 'union work' at construction sites because NLRA Sections 8(e) and (f) provide special exemptions that (a) allow construction contractors to sign "prehire" CBAs with a union without a showing of majority support by employees who will be working on the project; and (b) allow contractors to agree they will only subcontract to signatory subcontractors.

Project-duration CBAs by subcontractors commonly take the form of a memorandum of understanding (MOU) or a Compliance Agreement calling for voluntary recognition of a particular trade union as the representative of workers in that trade on the project. Recently, some unions have required the employer to sign an acknowledgment (without supporting evidence) that the union actually has the support of a majority of those workers, with the goal of converting what began as a Section 8(f) prehire arrangement to a full Section 9(a) collective-bargaining relationship. Why? Because a Section 9(a) employer has a bargaining obligation that does not terminate with the end of the project.

## CONVERSION OF SECTION 8(F) AGREEMENTS TO SECTION 9(A) MAJORITY-SUPPORTED CBAS

Effective July 31, 2020, amendments to the Board's Rules and Regulations, Part 103, state that in the construction industry, where bargaining relationships established under Section 8(f) cannot bar petitions for a Board decertification election, conversion to a Section 9(a) relationship will require actual evidence of majority support and cannot be based on contract language alone. This change (which overrules the decision in *Staunton Fuel & Material, Inc.*, 335 N.L.R.B. 717 (2001)) applies only to unsupported voluntary recognition and putative NLRA Section 9(a) CBAs based on unsupported recognition after the effective date of the new rule. The Board's stated purpose for prospective-only application is so "the rule will not affect or destabilize longstanding bargaining relationships in the construction industry."

**KEY TAKEAWAY:** Even if a Biden Board does not do an about-face, returning to *Staunton Fuel*, cautious employers should resist signing MOUs or compliance agreements falsely acknowledging actual majority support of their workers.

## THE BOARD IS CONSIDERING CHANGES TO ITS CONTRACT-BAR DOCTRINE

AGC of America, jointly with others, has submitted an amicus brief to the Board in a pending case reviewing the contract-bar doctrine, which precludes a representation election by a rival union or a decertification election by employees for the duration of a CBA (up to a three-year term). The Board invited amicus briefs in *Mountaire Farms Inc.*, 05-RD-256888 (2020), to provide input as to whether the contract-bar doctrine should be rescinded, retained as it currently exists, or retained with modifications—for instance to the duration of the bar period and the current "window" and "insolated" periods.

The AGC is asking the Board to rescind the contract bar entirely, or else shorten the bar period from three years to one year and lengthen the decertification filing "window" to six months before CBA expiration.

The contract-bar doctrine applies only to Section 9(a) agreements, not to Section 8(f) prehire agreements, which—unless there has

been a showing of majority status by the union, converting the Section 8(f) relationship to a Section 9(a) relationship—do not bar the filing of decertification petitions by employees.

**KEY TAKEAWAY:** These changes would make it easier and sooner for dissatisfied workers to get rid of a Section 9(a) union that a majority of employees no longer support.

## FAIR LABOR STANDARDS ACT (FLSA) “JOINT EMPLOYMENT” STANDARDS:

### U.S. Department of Labor (the DOL) nails it, but a federal judge has the hammer

Like the 2020 Republican majority of the Board did in reversing its *Browning-Ferris* ruling, the DOL earlier this year published regulations retreating from the permissive standards under prior administrations that had made it easier to find “joint employment” where one company (for example, the owner of a manufacturing plant who outsourced the janitorial work to a contractor) has some authority under its contract—although never exercised—to hire and fire, supervise or control the employees of the contractor.

The new regulations dispense with reliance on mere authority to hire or fire the contractor’s employees or supervise their work, instead relying now on whether these controls were ever actually exercised to any substantial degree.

This approach makes particular sense in the context of construction projects, where the owner monitors progress and there can be many different trades and employers on a construction site at the same time with some control over various aspects of work being done, without converting the employers of the different trades into joint employers of all the workers on site. A general contractor may provide direction to subcontractors who, in turn, may sometimes do some directing of overlapping work activities by employees of other subcontractors.

Makes sense—but not to a federal judge in New York who vacated the new standards in September, finding that the DOL did not adequately justify departure from the existing broad definitions of who is an “employer.”

**KEY TAKEAWAY:** Stayed tuned. Expect an appeal—but not by a Biden DOL.

## “DUAL SHOPS”/“DOUBLE-BREASTING”

“Alter ego,” “single employer,” and “joint employer” doctrines impose the liabilities of one facially separate company on another related company when they are so interconnected that one can be held responsible for union contract liabilities of the other. In the construction industry, “double-breasted” operations of separate but related companies, where one company does union jobs and the other nonunion jobs, are not uncommon. But it can be costly to maintain two genuinely separate operations, which is required, and the consequences of failing to keep them separate in reality can be enormous. When the CBA of the union company should have covered jobs diverted to the nonunion company, getting stuck with staggering bills for unpaid union health and welfare benefits and pension fund contributions can result. And shutting down the union company while the nonunion company continues to operate means the nonunion company may find itself bound by the shuttered company’s union contracts and responsible for any pension fund withdrawal liability from shutting down the union company.

Two recent federal cases in New York City demonstrate the best practices in structuring and operating union and-open shop construction companies at the same time, *Salgo v. New York Concrete Corp.*, 447 F. Supp. 3d 136 (S.D.N.Y. 2020), and what practices are fatal, *Moore v. Navillus Tile, Inc.*, 276 F. Supp. 3d 110 (S.D.N.Y. 2017). In *Navillus Tile*, the trustees of fringe benefits trusts succeeded in establishing alter ego status—two facially separate companies that in reality were the same entity—ending up in a \$73.4 million judgment against the construction companies and bankruptcy court (*In re Advanced Contracting Solutions, LLC*, 582 B.R. 285 (S.D.N.Y. 2018)).

**KEY TAKEAWAY:** It may be tempting to operate double-breasted or stop doing union jobs and start an open-shop company to compete for lower-cost private-sector nonunion work. **But very careful structuring and operating both union and nonunion construction companies is a must. Planning and operating “double-breasted” is no job for amateurs.**

## PLANNING FOR THE WORST: INCREASES IN PENSION AND HEALTH AND WELFARE CONTRIBUTION RATES AND POTENTIAL WITHDRAWAL LIABILITY

Although many multiemployer pension plans had been recovering from the 2007-2009 recession, the COVID-19 crisis now threatens those recoveries and the solvency of financially troubled pension plans.

An employer withdrawing from an underfunded multiemployer plan is liable for that employer's share of the plan's unfunded vested benefits. The withdrawal liability amount depends on the plan's funding and benefits obligations. Multiemployer plans are funded primarily by employers (through contributions and withdrawal liability payments) and return on investments. In these COVID-19 times, some employers may be unable to make the required payments, and many plans may realize significant investment losses, most likely resulting in greater withdrawal liability for withdrawing employers.

There is a conditional exemption from withdrawal liability for the building and construction industry. Under this exemption, a qualified employer will not incur liability for a withdrawal from the applicable plan if that employer ceases to perform any work of the type for which contributions were previously required and does not resume such work on a noncovered basis within the jurisdiction of the CBA during the following five years.

**KEY TAKEAWAY:** Construction industry employers relying on this exemption to avoid withdrawal liability can expect the pension funds to closely scrutinize that five-year period for any continuation or resumption of covered work, and to focus on the work of any related companies. If the multiemployer plan finds that the employer continued or resumed covered work within the five-year period in the labor agreement's jurisdiction, expect the plan to issue a demand letter for withdrawal liability.

## WASHINGTON STATE PAID SICK-LEAVE LAW: OPTIONS FOR CONSTRUCTION INDUSTRY EMPLOYERS

Washington has a paid sick-leave law requiring employers to accrue one hour of sick leave for every 40 hours of work by that employee. The employee can use accrued sick leave when missing work for qualifying reasons, beginning the 19th month after starting employment. They can carry over to the following year a maximum of 40 hours.

Seems simple enough, maybe, but in the construction industry, where unionized workers are sent from hiring halls to multiple employers, a worker may not be employed by any single employer for 18 months and thus not able to use the accrued benefit. That worker may have several employers and therefore multiple accrued sick-leave banks. Can they carry forward 40 hours a year from each employer? And when that worker gets sick, which of his multiple employers pays out the benefits?

In the summer of last year, there was a change in the law to address some of these troublesome issues. The paid sick-leave law was amended to exclude unionized construction workers, where a CBA provision is negotiated that waives the state statutory benefits and substitutes a contractual plan that provides portable, comparable benefits for construction workers employed by multiple employers.

How to do this? One approach would be for construction industry employers to pay what its workers are accruing into a multiemployer sick-leave trust from which benefits would be paid, regardless of which employer's individual account might have applied to the specific absence, and the trust, through a third-party administrator, could do the record-keeping, accounting, and disbursing of sick-leave payments to qualifying workers.

## WHEN TRAVEL TIME IS COMPENSABLE

A November 3, 2020, DOL Wage and Hour Division opinion letter discusses when nonexempt foremen and laborers working for a construction company must be paid for travel time, where the company's trucks are kept at its principal place of business, foremen must pick up a truck there, drive it to the jobsite, use the truck to transport tools and materials around the jobsite, and return the truck to the principal place of business at the end of the day. A copy is attached to our outline.

**KEY TAKEAWAY:** Always remember that state law on wage and hour questions must also be considered (in Washington, RCW 49.46 and WAC 296-126-002(8)), and whether travel time is compensable depends on the specific facts. Washington State Department of Labor & Industries policy, in the wake of the Washington Supreme Court's 2007 decision in *Stevens v. Brink's Home Security, Inc.*, 162 Wn.2d 42 (2007), clarified that an employee who is not on duty and is performing no work—such as communicating with dispatchers or foremen about the day's work assignments—while commuting in a company vehicle between home and the first or last jobsite of the day, is not “working” and does not have to be paid.

## CELL PHONE AND COMPANY E-MAIL USE

In *Argos USA LLC*, 369 N.L.R.B. No. 26 (2020), the Board found that an employer in Naples, Florida, operating ready-mix concrete facilities could lawfully prohibit cell phones in heavy-duty trucks because the safety risks of distracted driving of a 70,000 pound concrete truck outweighed the communication rights of employees with other ways and times to discuss terms and conditions of employment. In this commonsense ruling, the Board reasoned that employees are not guaranteed the right to use every method of communication available to them for such discussions.

The Board also in *Argos* doubled-down on its December 2019 decision in *Caesar's Entm't*, 368 N.L.R.B. No. 143 (2019), in which the Trump Board backed away from more permissive precedent allowing employees to use company e mail to solicit coworkers for union organizing while not on working time. In subsequent cases, including *Argos*, this Board has continued to apply its doctrine that employers can prohibit nonbusiness use of company e mail unless the policy as

applied discriminates against union organizing (or other protected employee conversations) or is the only reasonable means for employees to communicate with each other. **But beware:** these new employer-friendly rules have been applied retroactively to conduct occurring long before the change in Board policy. So what's to stop a Biden Board from doing the same thing, reverting to prior doctrine?

**KEY TAKEAWAY:** Expect a Biden Board to more aggressively protect workers' use of company e mail to communicate with each other. So, employers, before enforcing business-only e mail rules, it's best to take the then-current Board's temperature first, and confirm your rules are not ignored except for Section 7-protected communications.



FLSA2020-16

November 3, 2020

Dear Name\*:

This letter responds to your request for an opinion on whether the travel time of non-exempt foremen and laborers is compensable worktime under the Fair Labor Standards Act (FLSA) in three different scenarios. This opinion is based exclusively on the facts you have presented. You represent that you do not seek this opinion for any party that the Wage and Hour Division (WHD) is currently investigating or for use in any litigation that commenced before your request.

**BACKGROUND**

You state that a construction company that has job sites in various locations employs foremen and laborers, all of whom are non-exempt under the FLSA. For safety and security reasons, the company keeps its trucks at its principal place of business. In each scenario, you explain that foremen are required to travel to the employer's place of business to retrieve a company truck; drive the truck to the job site, where it is used to transport tools and materials around the job site; and return the truck to the employer's place of business to secure it.

**A. Scenario One: Local job sites.**

The job site is local; that is, close to or within the same city as the employer's principal place of business. Each foreman retrieves a company truck in the morning from the employer's principal place of business, drives it to the job site, and returns it at the end of the day. You state that laborers may choose to "drive directly to the job site" or "drive to the principal place of business and then ride to the job site with the foremen[.]"

**B. Scenario Two: Remote job sites.**

The job site is between 1-½ and 4 hours' travel time from the employer's principal place of business. The employer pays for hotel accommodations for all employees who work at the job site and pays to those employees a per-diem meal stipend. Each foreman retrieves a company truck from the employer's principal place of business at the beginning of the job, drives it to the job site, and returns it at the end of the job. Laborers "are to drive their personal vehicles" to and from the remote job site at the beginning and end of the job, but some "want to drive their personal vehicles to the employer's principal place of business and ride to and from the job site with the foremen[.]"

### **C. Scenario Three: Employees commute to remote job site.**

The facts are the same as in Scenario Two, but the laborers choose to travel between the remote job site and their homes each day rather than stay at the hotel.

#### **GENERAL LEGAL PRINCIPLES**

An employee is working and must be compensated when suffered or permitted to work. *See* 29 U.S.C. § 203(g); 29 C.F.R. § 785.11. An employee's workday ends when the "employee is completely relieved from duty [for] long enough to enable him to use the time effectively for his own purposes[.]" 29 C.F.R. § 785.16. Under the Portal-to-Portal Act, an employee's time "walking, riding, or traveling to and from the actual place of performance of the [employee's] principal activity or activities" is generally not compensable worktime when the walking, riding, or traveling occur before the employee starts or after the employee stops his principal activity or activities. 29 U.S.C. § 254(a). Whether the employee "works at a fixed location or at different job sites," travel to and from home or a place of lodging at either end of the workday is "ordinary home to work travel which is a normal incident of employment" and "is not worktime." 29 C.F.R. § 785.35; *see id.* § 790.7(c).

On the other hand, WHD has long interpreted the Portal-to-Portal Act to require that "travel from [a] designated place to the work place is part of the day's work, and must be counted as hours worked" when an employee is "required to report at a meeting place to receive instructions or to perform other work there, or to pick up and to carry tools[.]" 29 C.F.R. § 785.38. But a preliminary or postliminary activity is not compensable under the Portal-to-Portal Act simply because it benefits the employer and the employer requires it. Instead, as the Supreme Court recently clarified in *Integrity Staffing Solutions, Inc. v. Busk*, the Portal-to-Portal Act requires that the activity be "integral and indispensable to the principal activities that [the] employee is employed to perform"; that is, the activity must be both "an intrinsic element" of the employee's principal activities and one that the employee "cannot dispense [with] if he is to perform his principal activities." 135 S. Ct. 513, 518–19 (2014).

Travel to another city on a special one-day assignment is compensable worktime from which the employer may deduct the amount of time (either the actual time or an average commute time) that the employees would have used to travel to their usual work site. 29 C.F.R. § 785.37. Travel that keeps an employee away from home overnight is travel away from home. *Id.* § 785.39. Whether that travel is compensable depends on *when* the employee travels and *how* the employee travels. Travel away from home that cuts across an employee's normal working hours is compensable; the travel is simply substituting for other duties. *Id.* This is the case even if the employee is traveling on what would normally be a nonwork day. *Id.* As an enforcement policy, WHD does not consider "travel away from home outside of regular working hours as a passenger" to be compensable. *Id.* If an employer offers public transportation to an employee but the employee chooses to drive his own vehicle, the employer may count as hours worked

either the amount of time the employee spent driving or the amount of time the employer would have had to count if the employee had used the offered transportation. 29 C.F.R. § 785.40.

## **OPINION**

### **A. Foremen.**

The foremen's travel time between the employer's principal place of business and the job sites is compensable in each scenario.

A foreman's trip from home to the employer's place of business is ordinary home-to-work commuting and is not compensable. 29 U.S.C. § 254(a); 29 C.F.R. § 785.35. WHD has long interpreted the Portal-to-Portal Act to include as compensable all time spent traveling from a central location to a job site when the employee is directed to first report to the central location. 29 C.F.R. § 785.38; *see* WHD Opinion Letter FLSA-727 (Nov. 15, 1990);<sup>1</sup> WHD Opinion Letter FLSA-980 (July 9, 1990).<sup>2</sup> But being required to report to the central location by itself cannot make travel from that location to the job site compensable. Instead, as the Supreme Court clarified in *Busk*, travel time that begins or ends a work day is compensable if it is "integral and indispensable to the principal activities that [an employee] is employed to perform." 135 S. Ct. at 519.

You have indicated that the job sites are large and that the company needs the trucks to transport tools and materials around those sites. You have also indicated that, for safety and security, the employer requires that the company trucks be secured at the employer's principal place of business when not at a job site. For these reasons, the company requires the foremen to retrieve the truck from the principal place of business, drive the truck to the job site, and return the truck when done at the job site. We thus conclude that the foremen's retrieving the truck at the beginning of the work day, driving it to the job sites, and returning the truck at the end of the work day are integral and indispensable to the principal activities they are employed to perform, making the travel time between the employer's place of business and the job site compensable worktime. This is true whether the job site is local, as in Scenario One, or remote, as in Scenario Two.

### **B. Laborers.**

#### **1. Scenario One: Local job sites.**

The laborers' travel time to and from a local job site is normal commuting between home and work, which is not compensable. 29 U.S.C. § 254(a); 29 C.F.R. § 785.35. Their choice to meet at the employer's place of business and from there ride with the foreman in the company truck as

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<sup>1</sup> Available at [https://www.dol.gov/sites/dolgov/files/WHD/opinion-letters/legacy/ol\\_1990-11-15\\_a.pdf](https://www.dol.gov/sites/dolgov/files/WHD/opinion-letters/legacy/ol_1990-11-15_a.pdf).

<sup>2</sup> Available at [https://www.dol.gov/sites/dolgov/files/WHD/opinion-letters/legacy/ol\\_1970-07-09\\_a1.pdf](https://www.dol.gov/sites/dolgov/files/WHD/opinion-letters/legacy/ol_1970-07-09_a1.pdf).



part of their travel does not transform their commute into compensable worktime. *See, e.g.*, WHD Opinion Letter FLSA-980 (July 9, 1990).

## **2. Scenario Two: Remote job sites.**

In this scenario, the laborers are away from home overnight. The laborers' travel from their hotel to the job site is normal "home" to work travel, which is not compensable. 29 U.S.C. § 254(a); 29 C.F.R. §§ 785.35, 790.7(c); WHD Opinion Letter FLSA2018-18 (Apr. 12, 2018).<sup>3</sup> The laborers' travel to and from the remote location at the beginning and end of the job, on the other hand, may or may not be compensable.

### **a. Laborers who drive.**

You state in your letter that the laborers "are to drive their personal vehicles" to the remote job site at the beginning of the job and home at the end of the job. We assume that the actual requirement is that laborers be at the job site to perform their duties and that "drive their personal vehicles" is a description of how the laborers get to the remote job site rather than a command that they travel in a particular way. If their travel cuts across their normal work hours, even if they are traveling on what would otherwise be a nonwork day, the laborers' time is compensable. 29 C.F.R. § 785.39.

### **b. Laborers who are passengers.**

Whether a passenger's travel time is compensable depends on when the laborer travels. If the laborers are traveling to the remote job site as passengers outside of their normal working hours, WHD would not consider their time to be compensable. 29 C.F.R. § 785.39. If the laborers are traveling to the remote job site during their normal working hours, even if not on normal workdays, their time would be compensable. *Id.*

You state in your letter that some laborers "want to drive their personal vehicles to the employer's principal place of business and ride to and from the [remote] job site with the foremen[.]" If the employer offers to transport laborers to the remote job sites in the company trucks but a laborer chooses to drive his own vehicle, the employer would have the option to count as compensable worktime either (1) the actual amount of compensable time the laborer accrues in driving to the remote job site or (2) the amount of time that would have accrued during travel in the truck. Our interpretive regulation addresses only offers of *public* transportation to employees who choose to *drive* themselves. 29 C.F.R. § 785.40. However, as our travel-time regulations themselves note, they do not purport to address every conceivable situation in which an employee must travel for work. Rather, they "discuss[]" the "principles which apply in determining whether or not time spent in travel is working time," *Id.* § 785.33, as part of the regulations' broader aim of explaining how hours-worked principles apply under frequently occurring situations, *see id.* §§ 785.1, .10. Applying those principles to the facts you

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<sup>3</sup> Available at [https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/2018\\_04\\_12\\_01\\_FLSA.pdf](https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/2018_04_12_01_FLSA.pdf).



CITY OF SEATTLE

# Community Workforce Agreements

## CWA BASICS ON CITY CONSTRUCTION PROJECTS

### What is a community workforce agreement?

A community workforce agreement (CWA) is a contract between a public agency and construction unions who sign the agreement. Key components typically include:

Parties	City and signatory labor unions
Purpose	The City is using a CWA to implement a priority hire program and establish protocols to resolve labor disputes
Scope	City projects with a construction budget plus contingency of \$5 million or more
Union Recognition	<ul style="list-style-type: none"> <li>▶ Union membership not required</li> <li>▶ Union representation fees and trust payments required during the project</li> <li>▶ Gives union access to the project site and allows stewards on the job</li> </ul>
Management Rights	<ul style="list-style-type: none"> <li>▶ City has full authority over project</li> <li>▶ Sets up a Joint Administrative Committee (JAC) - City and Labor joint management</li> <li>▶ Turnarounds - written explanation to management</li> <li>▶ Sets up a worker referral process when hiring halls are empty</li> <li>▶ City administers CWA</li> </ul>
Work Stoppages	No work stoppages, strikes, pickets or lockouts
Disputes and Grievances	Worker dispute resolution process
Jurisdictional disputes	Sets process for resolving jurisdiction disputes
Subcontracting	Subs become a party to the CWA
WMBE	Honors City WMBE inclusion plan
Dispatch	<ul style="list-style-type: none"> <li>▶ First dispatched are priority workers (Seattle then King County ZIP codes)</li> <li>▶ Non-manual labor can substitute for 10% of requirement</li> </ul>
Core Employees	First 3 permanent workers of open-shop contractors can move to top of dispatch
Diversity	Goals for women and people of color (past 3 years + at least 2%)
Apprentice	Mandatory 15%-20% out of total project hours
Pre-apprentice	One of every 5 apprentices must be a graduate of a pre-apprenticeship program
Priority ZIP Codes	<ul style="list-style-type: none"> <li>▶ Requirement by project type</li> <li>▶ Past 3 years + at least 2%</li> <li>▶ Aspiration for 20% by 2016 and 40% by 2025</li> </ul>
Dual Benefits	<ul style="list-style-type: none"> <li>▶ Fast-pay reimbursement for open-shop contractors with existing employer-sponsored benefit plans</li> <li>▶ Invoice City department directly</li> </ul>

More information is online at [www.seattle.gov/priorityhire](http://www.seattle.gov/priorityhire).

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