



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

July 18, 2005

Ordinance 15240

Proposed No. 2005-0297.1

Sponsors Phillips and Edmonds

1 AN ORDINANCE authorizing and adopting a project labor
2 agreement for the construction of the Brightwater treatment
3 plant as negotiated between and agreed to by the King
4 County department of natural resources and parks, the
5 Northwest Washington Building and Construction Trades
6 Council, the Washington State Building and Construction
7 Trades Council and Hoffman Construction.

8
9

10 **STATEMENT OF FACTS:**

- 11 1. The Brightwater project includes a wastewater treatment plant and
12 conveyance facilities to transport untreated wastewater to the Brightwater
13 treatment plant and discharge treated wastewater to Puget Sound.
- 14 2. The Brightwater treatment plant will provide capacity in 2010 to treat
15 thirty-six million gallons per day ("mgd") of average wet weather flow
16 ("AWWF") to secondary effluent standards using a combination of
17 chemically enhanced primary clarification and membrane bioreactors.

18 The treatment plant will have the capability to expand to treat fifty-four
19 mgd AWWF in the future. The treatment plant will produce Class B
20 biosolids for application to forest and agriculture lands and will also
21 produce highly treated reclaimed water (non-drinking) for use as process
22 water and irrigation.

23 3. Constructing the Brightwater treatment plant will require a continuous
24 supply of qualified workers between 2006 and 2010.

25 4. The King County executive proposes the use of a project labor
26 agreement ("PLA") to help ensure timely construction of the Brightwater
27 treatment plant.

28 5. Washington State Executive Order 96-08 states that project labor
29 agreements are of "great potential economic benefit for appropriate and
30 time sensitive major construction projects which will extend for a
31 substantial period of time, involve a substantial number of contractors,
32 subcontractors and trades and craft workers, and have a substantial dollar
33 value."

34 6. The King County labor policy committee developed labor policies
35 specific to PLAs, including labor policy 2002-022, which encourages the
36 county to explore use of a PLA for projects "that have a complex scope, a
37 multi-year schedule, a budget of significant size, and/or a clear public
38 benefit."

39 7. The King County executive explored the use of a PLA to construct the
40 Brightwater project, Attachment A to this ordinance and found that the

41 Brightwater project meets the criteria regarding use of a PLA outlined in
42 Washington State Executive Order 96-08 and King County Labor Policy
43 2002-022.

44 8. The terms for a PLA for the Brightwater treatment plant were
45 negotiated between and agreed to by the King County department of
46 natural resources and parks, the Northwest Washington Building and
47 Construction Trades Council and the Washington State Building and
48 Construction Trades Council.

49 9. The aforementioned parties agreed on a set of terms outlined in a
50 project labor agreement for the Brightwater treatment plant on April 21,
51 2005, Attachment B to this ordinance. This agreement establishes uniform
52 terms and conditions of employment for all employees for the duration of
53 the project, establishes realistic goals to ensure labor diversity and
54 apprenticeship opportunities and will help to ensure labor harmony
55 between trades and union and nonunion laborers. The agreement will also
56 increase opportunities for apprenticeships for minorities and women,
57 promote public interest by preventing labor disruptions, such as strikes,
58 lockouts or slowdowns, which could adversely affect the completion of
59 the project.

60 **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

61 SECTION 1. The King County council approves Attachment B to this ordinance,
62 Project Labor Agreement for the Brightwater Treatment Plant, as negotiated between and
63 agreed to by the King County department of natural resources and parks, the Northwest

64 Washington Building and Construction Trades Council and the Washington State
65 Building and Construction Trades Council.

66 SECTION 2. Terms and conditions of said agreement shall be effective from the
67 date this ordinance is adopted by the King County council and terminate after all phases
68 of construction of the Brightwater treatment plant are complete and King County assumes
69 ownership of the Brightwater treatment plant.

70 SECTION 3. The Brightwater project shall reimburse a nonunion small
71 economically disadvantaged business ("SEDB") for benefits, but only if: the SEDB
72 provides benefits that are duplicative of those in the union benefit plan; the SEDB
73 provides copies of the benefit program and proof of payment and the amount of
74 premiums; and the SEDB has completed its contracted work. For the purposes of this
75 section, an "SEDB" means a business owned and controlled by a person or persons who
76 are in a financial condition which puts the business at a substantial disadvantage in
77 attempting to compete for public contracts. Specific eligibility criteria for SEDBs shall

Ordinance 15240

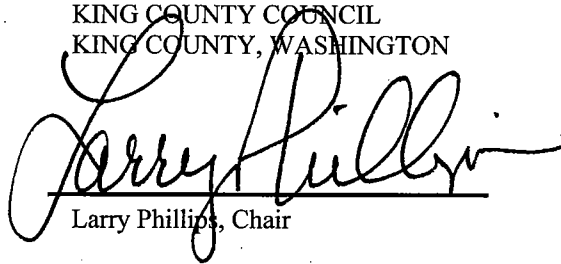
78 be established by the executive. The total amount of the reimbursement on the
79 Brightwater project shall be capped at one million dollars.

80

Ordinance 15240 was introduced on 6/27/2005 and passed by the Metropolitan King County Council on 7/18/2005, by the following vote:

Yes: 7 - Mr. Phillips, Ms. Edmonds, Mr. Pelz, Mr. Ferguson, Mr. Gossett, Ms. Patterson and Mr. Constantine
No: 6 - Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr. Hammond, Ms. Hague and Mr. Irons
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 27 day of July, 2005.



Ron Sims, County Executive

Attachments

A. Issue Paper - Exploring the Use of a Project Labor Agreement to Construct the Brightwater Treatment System - February 2004, B. Project Labor Agreement for the Brightwater Treatment Plant - May 2005

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Issue Paper

Exploring the use of a Project Labor Agreement to Construct the Brightwater Treatment System

February 2004



King County

Department of
Natural Resources and Parks

Wastewater Treatment Division

Contents

Introduction	1
Background	3
What is a PLA?.....	3
Brief History.....	3
Legal Authority	4
Federal Law.....	4
Presidential Executive Order.....	5
Washington Law.....	5
King County Policy	6
Major Issues Surrounding PLAs.....	7
Competitive Bidding	7
Arguments against PLAs.....	7
Arguments for PLAs.....	8
Cost Effectiveness.....	8
Arguments against PLAs.....	8
Arguments for PLAs.....	9
Labor Harmony.....	10
Arguments against PLAs.....	10
Arguments for PLAs.....	10
Labor Diversity	11
Arguments against PLAs.....	11
Arguments for PLAs.....	11
Labor Supply and Training	11
Arguments against PLAs.....	12
Arguments for PLAs.....	12
Wages and Benefits	13
Arguments against PLAs.....	13
Arguments for PLAs.....	13
Executive Recommendations	15
Justification for a Brightwater PLA	15
Time Sensitive.....	15
Substantial Project Duration.....	15
Substantial Workforce.....	16
Substantial Dollar Value.....	16
Public Benefit.....	16
Recommended Policies and Terms for a Brightwater PLA	16
Competitive Bidding	16
Cost Effectiveness	17
Labor Harmony	17
Labor Diversity	17
Labor Supply and Training.....	18
Worker Safety	18
Wages and Benefits.....	18
Appendix A – Trades Needed to Construct Brightwater	19

Introduction

In November 2003, King County's Department of Natural Resource and Parks (DNRP) finalized a 4-year process to site a new 36-mgd wastewater treatment plant, its associated conveyance facilities, and a marine outfall in Puget Sound. These facilities, collectively termed Brightwater, will be located in north King and south Snohomish counties. Based on the findings from the final environmental impact statement and other information, the King County Executive selected the Route 9-195th Street system for Brightwater, which includes locating the treatment plant at the Route 9 site just north of Woodinville in unincorporated Snohomish County, the conveyance pipeline along Northeast 195th Street and the King/Snohomish County line, and the marine outfall off Point Wells. Design work on the selected system will take place through mid-2005 and construction will begin soon thereafter.

The labor requirements for constructing the \$1.35 billion Brightwater treatment system are considerable. This complex undertaking will require dozens of contractors and a large, highly skilled workforce constituting multiple (and specialty) trades. In addition, the expected five-year construction duration will necessitate a continuous supply of qualified workers. Given these circumstances, and understanding the negative financial consequences of workforce shortages or stoppages, the King County Executive has considered the use of a project labor agreement (PLA) to manage labor uncertainties during construction of the Brightwater treatment system.

The purpose of this paper is to outline the Executive's rationale for recommending the use of a PLA for constructing the Brightwater treatment system. The paper begins by providing background information on PLAs, including how they're defined, a brief history of their use, and examples of large construction projects in the Puget Sound Region that have used PLAs. It then reviews the legality of PLAs nationally and in Washington State and describes King County's policies regarding the use of a PLA. The paper then summarizes the major issues typically associated with PLAs with respect to their stated advantages and disadvantages. The final section presents the Executive's justifications for using a PLA to construct Brightwater and outlines his recommendations for tailoring a PLA to enhance their inherent benefits and mitigate their perceived risks and disadvantages.

Background

This section provides background on project labor agreements, including how they are defined, a brief history of their use, and some examples of PLAs in the Puget Sound Region.

What is a PLA?

A project labor agreement is a special kind of collective bargaining agreement specific to the construction industry. It is an agreement between the project owner/contractor, and the labor unions representing the trades needed for the project, usually including the local Building Trades Council. The PLA is a pre-hire agreement, negotiated before any employees are hired and included as part of the bid specification. All winning contractors and subcontractors—either union or open shop (non-union)—must agree to the provisions of the PLA before performing work on the project. The negotiated PLA remains in effect for the duration of the construction project.

The terms of a PLA can be customized to a specific project, but they generally identify uniform wages, work rules, working conditions, safety provisions, and benefits across all trades working on the project. PLAs also provide procedures for settling grievances, including no-strike and no-lockout provisions, and sanctions and mechanisms for resolving disputes. Typically, the contractor must also agree to hire workers through union hiring halls and pay prevailing wages and benefits.

Brief History

The first use of project labor agreements on publicly funded construction projects dates back to the 1930s and 1940s with the construction of the Grand Coulee Dam in Washington State and the Shasta Dam in California. In the 1960s and 1970s their use continued for several large private construction projects such as Disney World and the Trans-Alaska Pipeline.

By the late 1990s, the Federal Government Accounting Office (GAO) reported that PLAs had been used in all 50 states and the District of Columbia.¹ The recent widespread use of PLAs on public projects is due to a 1993 U.S. Supreme Court decision that upheld the use of PLAs for the construction industry. This decision addressed a challenge by the Associated Builders and Contractors of Massachusetts and Rhode Island (ABC) against the Massachusetts Water Resources Authority (MWRA), who sponsored a PLA for the Boston Harbor cleanup project. The ABC argued that state sponsorship of a PLA violated the National Labor Relations Act (NLRA). The Supreme Court found that Sections 8(e) and (f) of the NLRA were “intended to accommodate” conditions specific to the construction industry, such as “the short-term nature of employment, which makes post-hire collective bargaining difficult, the

¹ Government Accounting Office, “Project Labor Agreements,” p. 6.

contractor's need for predictable costs and a steady supply of labor, and a longstanding custom of pre-hire bargaining in the industry."² This ruling allows governmental entities to institute PLAs when they purchase services in the construction market, just as private purchasers do. Other legal issues of PLAs are still relevant however, such as violations of the 14th Amendment and federal & state antitrust laws.

In the Puget Sound region, project labor agreements have also become increasingly common for large public works projects. Some examples include:

- Seattle Central Library Project
- Sound Transit Sounder and Link Light Rail Projects
- Port of Seattle SeaTac International Airport Modernization
- Seattle Seahawks Football Stadium
- Safeco Field
- Port of Seattle Pier 66
- Seattle Public Utilities Tolt Treatment Facilities

In addition, the King County Council recently voted to allow the use of a PLA for the \$257 million Harborview Medical Center Seismic Stabilization and Critical Care Expansion Project. Likewise, the Seattle Monorail Board approved the use of a PLA for their 14-mile "Green Line" project, which is expected to cost \$1.749 billion.

Legal Authority

This section reviews the legality of PLAs nationally and in Washington State and describes King County policy related to PLAs. In general, federal law does not preclude PLAs but a recent Executive Order restricts federal funding for public projects employing PLAs. State law and King County policy direction encourage the consideration of PLAs for public projects that meet certain criteria.

Federal Law

Project labor agreements are not prohibited under the National Labor Relations Act (NLRA) (29 U.S.C. §158(f)), which states:

"It shall not be an unfair labor practice under subsections (a) and (b) of this section for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged in the building and construction industry with a labor organization of which building and construction employees are members . . ."

The NLRA guarantees workers the right to join unions without fear of management reprisal. It created the National Labor Relations Board (NLRB) to enforce this right and

² Building and Construction Trades Council v. Associated Builders and Contractors of Mass./Rhode Island, 113 S. Ct. 1190 (1993).

prohibited employers from committing unfair labor practices that might discourage organizing or prevent workers from negotiating a union contract.

Presidential Executive Order

On February 17, 2001, United States President George W. Bush signed Executive Order 13202 prohibiting the use of project labor agreements on federally funded construction projects. The Order was subsequently amended in April 2001 to allow exemptions for “grandfathered” projects that had labor agreements in place before the Order. Because of legal challenges, the long-term status of the Executive Order is uncertain. And while the Order is still in effect, the possibility exists that it may be lifted during the course of the Brightwater project. A potential impact of this Order on Brightwater is discussed under the “Cost Effectiveness” heading in the next section.

Washington Law

In 1996, Washington State Governor Mike Lowry signed Executive Order 96-08, supporting the use of PLAs on public works projects. The Order states that in appropriate circumstances, project labor agreements can facilitate the timely and efficient completion of such projects by making available a ready, reliable, and adequate supply of highly trained and skilled craft workers, permitting public and private owners and contractors to accurately determine project labor costs at the outset and to establish working conditions for the duration of the project, as well as provide a negotiated commitment as a legally enforceable means of assuring labor stability and avoiding disruptions such as strikes, lockouts, or slowdowns over the life of the project.

The Order further directs all state agencies to consider the following factors in making the decision whether to use a project labor agreement.

- The potential for labor disruptions, such as strikes, lockouts, or slowdowns which could affect completion of the project
- The number of trades and crafts anticipated to be used on the project
- The need and urgency of the project and the harm to the public if completion of the project is delayed
- The size and complexity of the project and the time needed for completion
- The benefits to the public from the use of a project labor agreement relative to cost, efficiency, quality, safety and timeliness

Executive Order 96-08 also states that the decision to use a project labor agreement in connection with a public works project by a state agency shall be made prior to selecting the method of contracting for the project and shall be supported by written findings which clearly demonstrate how the use of a project labor agreement will benefit the project and the interests of the public and the State from a cost, efficiency, quality, safety and timeliness standpoint. The fact that a project labor agreement will be used shall be set forth in the advertisement for bids issued for the project.

King County has selected the General Contractor/Construction Manager (GCCM) project delivery method for constructing the Brightwater Treatment Plant Facility and has recently issued a request for proposals (RFP) for GCCM firms. The RFP identified that a PLA may be established for construction work on the project; however, the county is still 1.5 to 2 years away from fully developing the contract packages and bidding documents.

King County Policy

In April 2002, the Labor Policy Committee developed Labor Policy 2002-022 specific to Project Labor Agreements.

The county shall explore the use of a project labor agreement (PLA) for county projects when appropriate. PLAs may be considered for projects that have a complex scope, a multi-year schedule, a budget of significant size, and/or a clear public benefit. When a PLA is implemented, the general contractor and relevant trade unions shall execute the PLA in a form acceptable to the county.

Major Issues Surrounding PLAs

This section summarizes the major issues typically associated with PLAs with respect to their perceived advantages and disadvantages. These issues include competitive bidding, cost effectiveness, labor harmony, labor diversity, labor supply, training, and wages.

It is important to point out that project labor agreements are very controversial subjects, and opinions tend to be either very much for or very much against their use, with little middle ground.³ This disparity is compounded by, or perhaps due to, the lack of systematic studies comparing similar projects constructed with and without PLAs. Such studies are difficult to conduct because of the diversity of projects and the consequent variety of factors that can affect their cost. And the studies that do exist are typically specific to building construction, which is relatively straightforward compared to constructing a wastewater system. As a result, many of the arguments for or against the use of PLAs are based on personal experience and anecdotal information.

Competitive Bidding

One important controversy over PLAs is whether they interfere with or restrict the ability of contractors to bid on construction projects. The primary legal challenges against PLAs contend that they violate state competitive bidding statutes by reducing the opportunity for non-union contractors to compete for work on a project. Although many states have found PLAs do not violate those statutes, others have upheld them. However, most state courts have agreed with the conclusion of the New York Court of Appeals that PLAs “are neither absolutely prohibited nor absolutely permitted in public construction projects,” and that a “PLA will be sustained for a particular project where the record supporting the determination to enter into such an agreement establishes that the PLA was justified by the interests underlying the competitive bidding laws.”⁴ At present, no Washington State court has addressed whether PLAs are valid under the state’s competitive bidding laws.

Arguments against PLAs

Many non-union contractors (especially smaller firms) argue that various PLA requirements, such as having to hire all or most of their employees through union hiring halls and pay union representation and benefits in addition to the benefits they already pay their employees, makes it difficult for them to compete because of high labor costs. This can result in fewer bids on a project, restricting competition and thus raising the

³ One “middle ground” opinion comes from Dr. John Schaufelberger, Associate Professor of Construction Management at the University of Washington, whose preliminary findings from his PLA study suggest that PLAs have an overall neutral effect, with no additional costs or no additional benefits attributable to the PLA (Telephone conversation, September 10, 2003).

⁴ *New York Chapter, Inc. v. New York State Thruway Authority*, 88 N.Y.2d 56, 666 N.E.2d 185, 188 (New York 1996).

final price of the project.⁵ For example, in the case of the Boston Hyde Park High School construction project, the number of bidders increased from 39 to 63 after a court disallowed the use of a PLA on the project.⁶

A related criticism is that PLAs tend to favor union over non-union employees, and that there is no guarantee that a non-union contractor will be able to use his employees for the job, since he must request employees through union dispatch procedures.

Arguments for PLAs

By law, all contractors, union and non-union, can bid for public PLA projects and there are many examples of non-union contractors who have successfully bid and worked under PLAs around the country. A 1999 study by Tucker Alan, Inc. reported that one local PLA project (Safeco Field) had 39 non-union contractors out of a total of 137 contractors on the job (28 percent), and that non-union contractors held approximately 25 percent of the subcontracts at the Tolt Treatment Facilities Project.⁷ A properly designed PLA will ensure that ALL contractors, whether they be large or small, union or non-union, are on an equal footing for submitting competitive bids.

Further, given the scope and complexity of the Brightwater project, there is likely to be significant participation by union contractors whether or not a PLA is utilized.

Cost Effectiveness

Whether or not PLAs are cost effective compared to similar projects without PLAs is the subject of great interest and debate. There are numerous conflicting opinions regarding the cost impact of PLAs: some credit PLAs with cost savings and others allege cost increases, though few of these opinions are based on quantified cost information. As mentioned, this is likely due to the difficulty in finding and comparing PLA and non-PLA projects of sufficiently similar cost, size, scope, and timing. As a result, the general consensus is that there is no conclusive evidence that PLAs are financially advantageous or disadvantageous—a finding supported nationally by the Government Accounting Office's May 1998 report to Congress and locally by the Tucker Alan Report prepared for Sound Transit.⁸

Arguments against PLAs

A March 2003 study from the Beacon Hill Institute (BHI) claims to be the first to provide formal statistical evidence on the cost of PLAs to cities and towns in Massachusetts for school construction. In its analysis of 54 school construction projects undertaken in the greater Boston area since 1995, BHI found that costs were \$37.88

⁵ Herbert R. Northrup and Linda E. Alario, "Government-mandated Project Labor Agreements in Construction, the Institutional Facts and Issues and Key Litigation," *Government Union Review*, pp. 20-22.

⁶ *ibid*, p. 53.

⁷ Tucker Alan Inc., *Issues Involving the Potential Use of Project Labor Agreements*, June 1999 ("*Tucker Alan Report*"). p. 11.

⁸ Tucker Alan Report, Executive Summary, p. 10.

higher per square foot (2001 dollars) when a school construction project was executed under a PLA relative to non-PLA projects, representing a 22 percent increase in costs for the average PLA project.⁹ However, given the relatively straightforward nature of building construction, it is unclear whether the findings in this study can be applied to PLA projects in general and to complex public works infrastructure projects in particular.

One potential cost impact to King County for using a PLA for the Brightwater project is Presidential Executive Order 13202, which restricts federal funding from public projects that use PLAs. King County is planning to finance Brightwater entirely through sewer revenue bonds, but the county typically applies for and receives low interest loans from the State Revolving Loan Fund (SRF)—part of which is federally funded. Because some of the SRF money is not federally supplied (it comes from interest and repayments on past SRF loans), the Brightwater project may still benefit from this low interest revenue (0.5 percent interest on SRF loans versus 5.25 percent on sewer bonds). For example, for each \$1 million borrowed from SRF funds instead of from sewer revenue bonds, the county would save approximately \$1 million in interest payments over the life of the loan. If King County were to obtain substantial federal funding for Brightwater, then the use of a PLA would need to be reconsidered.

Arguments for PLAs

One of the primary advantages touted by proponents of PLAs is that they promote efficiency and lower cost through formalized labor terms such as wages, benefits, work rules & hours, no-strike clauses, and dispute resolution procedures, especially on large projects. With a PLA in place, contractors know employment costs before they submit a bid, preventing overbidding and underbidding. A PLA also saves time and money because the project owner only negotiates labor terms once instead of multiple times for all the contractors and subcontractors.

In 1999, Sound Transit commissioned a study to analyze the cost impacts of using a PLA on Sound Transit Projects. The study, conducted by the Bechtel Construction Company, evaluated twelve labor issues typically included in collective bargaining agreements. The study identified six issues where cost savings would be realized using a PLA: apprenticeship utilization, crew size, industry funds, organized breaks, shift differentials/premiums (union savings), and show-up/reporting time; four issues with no cost impact: hours of work/work week, no strike/no lockout clause, overtime, and wage premiums; and three issues that would cost money: holidays, prevailing wage, and shift differential/shift premiums (non-union costs). Overall, Bechtel concluded that Sound Transit would save \$15.7 million using PLAs on Light Rail, Sound Commuter, and Regional Express projects.¹⁰ Based on interviews with project owners and construction managers of local PLAs (Safeco Field, Pier 66 Waterfront, and Tolt

⁹ Beacon Hill Institute Policy Study, "The Effects of Project Labor Agreements in Massachusetts," March 2003.

¹⁰ Bechtel Construction, *Project Labor Agreements Cost Study*, July 1999.

Treatment Facilities), the Tucker Alan study found that no additional costs could be attributable to PLAs and that they were generally beneficial.¹¹

Labor Harmony

One of the principle stated advantages of PLAs is the promise of no strikes or lockouts and clear dispute resolution procedures, which may avoid the costly and disruptive consequences of labor-related delays. However, opponents contend that PLAs are not needed to ensure labor harmony and that PLAs do not always guarantee labor peace.

Arguments against PLAs

Many non-PLA projects have been successfully constructed using both union and non-union contractors, while strikes have occurred on PLA projects. For example, in April 2000, despite a PLA containing a no-strike clause, a 15-shift strike by the Operating Engineers on the "Vision 2000" project of the Port of Oakland was supported by the entire work force. Although both the union and the arbitrator agreed that this was an illegal work stoppage, the contractor was compelled to give in to the strikers' demand for more workers on each shift.¹² Other strikes in violation of no-strike PLA agreements occurred in jobs at San Francisco Airport and at the Bath Iron Works (Maine) in 1999 and 2000, respectively.¹³

Arguments for PLAs

Project labor agreements ensure labor harmony by having all parties on the project agree to one comprehensive set of terms, including no-strike and no-lockout conditions that are backed by severe penalties and dispute resolution policies in the event of a violation. The Tucker Alan study suggested that while a "wildcat" strike may occur during a PLA, the consequences of that strike will be less disruptive than would a strike if no PLA was in place. In addition, the study pointed out past difficulties have led some owners to implement PLAs. For example, the Port of Seattle decided to implement a PLA on the Pier 66 Central Waterfront project to avoid the significant labor delays and cost claims that resulted from disharmony between union and non-union labor on the adjacent Pier 69 project.¹⁴ In general, while there are many assumed benefits from labor harmony, it is difficult to quantify the cost or efficiency resulting from "avoided" labor problems.

¹¹ Tucker Alan Report, Executive Summary, p. 10.

¹² Senator Tim Hutchinson, U.S. Senate Hearing, "Examining if Project Labor Agreements and Their Use of Public Funds are Really in the Best Interest of Taxpayers," pp. 9-10.

¹³ Northrup and Alario, p. 28.

¹⁴ Tucker Alan Report, Executive Summary, p 7.

Labor Diversity

Another key area of controversy over PLAs is whether they restrict participation by women, minority, and disadvantaged business enterprises.

Arguments against PLAs

Opponents of PLAs argue that they effectively discriminate against women, minority, and disadvantaged business enterprises because these entities are statistically less likely to be union members. By extension, because PLAs are claimed to discriminate against non-union contractors, the participation of women and minority workers in PLAs is likely to be severely limited.¹⁵

Arguments for PLAs

There is ample evidence suggesting that women, minority, and disadvantaged business enterprises are not discouraged from participating in PLAs and can in fact have significant roles in projects governed by PLAs. For example, in the Boston Harbor project, 324 subcontracts worth \$533 million were awarded to women and minority enterprises.¹⁶ On the local level, the Tucker Alan Study reviewed information from three local PLAs (Safeco Field, Pier 66 Projects & Tolt Treatment Facilities) found that both women and minorities, both union and non-union, had bid and were awarded contracts and participated on the workforce. At Safeco and Pier 66, for example, minorities comprised 21 percent and 16 percent of the workforce, respectively, with female labor representing about 5 percent on both projects. Women or minority-owned businesses represented 60 of the 137 contractors on Safeco Field, of which 34 were union and 26 were non-union.¹⁷

Labor Supply and Training

Complex, long-duration projects like Brightwater will require a large number of skilled construction workers representing various trades and specialties. One significant challenge for the county will be to secure and maintain a workforce of highly trained union and non-union workers, this is especially true given the significant number of large scale projects planned or that will be in progress during the construction of Brightwater. In terms of labor supply, there is little referenced information about the percentage of union versus non-union labor in the Puget Sound construction industry. Nationally, U.S. Department of Labor statistics show that 17.8 percent of the construction industry was represented by unions in 2002,¹⁸ while in Washington State

¹⁵ M. Baskin, *The Case Against Union-Only Project Agreements*, The Construction Lawyer, January 1999.

¹⁶ Statement of R. Georgine (President, Building and Construction Trades Department, AFL-CIO) before the U.S. House of Representatives Committee on Small Business, August 6, 1998.

¹⁷ Tucker Alan Report, Section 1.C., pp. 1-4.

¹⁸ United States Department of Labor, Bureau of Labor Statistics. Table 3. Union affiliation of employed wage and salary workers by occupation and industry.

approximately 21 percent of the workforce (not construction specific) is unionized.¹⁹ However, in the Puget Sound region, large and complex construction projects like Brightwater typically have a high percentage of union contractors. In its cost estimating study, Bechtel Construction assumed that 75 percent of the workforce for Sound Transit projects would be union.²⁰ Tucker also notes that union participation on large public projects in this area is likely to be significant.²¹

Arguments against PLAs

Opponents of PLAs suggest that because of the low percentage of construction workers belonging to unions, limiting competition from open shop contractors using a PLA will constrict the supply of qualified labor. Further, union deployment rules typically require skilled craftsmen to perform nearly all the work in an expansive definition of craft jobs, even though some of the work is semi-skilled or unskilled. Open-shop crew can do incidental work considered to "belong" to another craft, as long as they pay the proper wage scale, while a union job will require the work to be done by the appropriate craft journeyman.

As far as training, unions typically have more government-approved apprentice training programs, though larger open shop contractors do have systematic training programs for their employees.²² Many open shop contractors offer on-the-job and task or block training that is more flexible and efficient than conventional apprenticeships.²³ However, there is a concern that many of these individual contractor programs are not registered with the Washington State Apprenticeship Council and therefore those contractors must pay journeymen scale for the work performed by the unregistered trainees.

Arguments for PLAs

One assumed advantage of using a PLA is that they provide a steady supply of skilled workers through local union apprenticeship programs and hiring halls. The Tucker Alan Study suggests that PLAs can help secure an adequate supply of skilled labor in a high-demand labor market because unions may have an advantage in recruiting labor due to larger apprenticeship programs and the ability to secure experienced labor from outside the local area if necessary.²⁴ Further, proponents of PLAs point out that Union Apprenticeship programs provide well rounded, in depth instruction in all aspects of journeymen training rather than the limited task or block training provided by non-union programs. Tucker also found that PLAs increase cost competitiveness by allowing non-union contractors equal access to registered apprentice labor, so you don't have to pay journey level rates for workers not in approved apprenticeship programs.

¹⁹ Washington State Population Survey, Office of Financial Management, Forecasting Division, January 29, 1999.

²⁰ Bechtel Construction, *Project Labor Agreements Cost Study*, Section 1, July 1999.

²¹ Tucker Alan Report, Executive Summary, p. 6.

²² Herbert R. Northrup, *Open Shop Construction Revisited Philadelphia*: university of Pennsylvania, Industrial Research Unit, 1986.

²³ *ibid*, pp. 45-47.

²⁴ Tucker Alan Report, Executive Summary, p. 8.

Wages and Benefits

One stated advantage of PLAs is that they insure that workers are paid fair and livable wages and receive health, welfare, and retirement benefits. However, this is not necessarily an advantage in states with prevailing wage laws, such as Washington State.

Arguments against PLAs

In Washington State, PLAs are not needed to secure fair wages because Chapter 39.12 Revised Code of Washington requires the use of prevailing wages on public works projects. However, PLAs wages could be set higher than prevailing wages, which could hamper non-union contractors economically, as can the union fringe benefit funds required by PLAs that are often in addition to the contributions to their own companies benefit funds. Non-union workers hired under a PLA may have to pay union dues that they will not receive benefits from.

Arguments for PLAs

Apart from guaranteeing a livable wage, PLAs ensure that all workers receive health and retirement benefits that they might not otherwise receive. Again, if the PLA is properly designed it could allow for the waiver of double payments of fringe benefit contributions by non-union contractors who currently provide health & welfare and retirement benefits to their employees at substantially equal costs.

Executive Recommendations

This section presents the Executive's justification for why he considers a project labor agreement appropriate for managing labor on Brightwater. It also outlines the Executive's policy recommendations and terms for developing a cost effective and successful PLA by maximizing their inherent benefits and minimizing their potential drawbacks.

Justification for a Brightwater PLA

The King County Executive feels that the Brightwater project meets all the criteria outlined in Washington State Executive Order 96-08 and King County Labor Policy 2002-022 for considering the use of a PLA; namely, that construction projects:

- must be completed without delays (time sensitive)
- extend for a substantial period of time where local collective bargaining agreements may expire during construction
- involve a substantial number of contractors, subcontractors, and trades and craft workers
- have a substantial dollar value
- clearly benefit the public

Time Sensitive

Recent population estimates for the period 2000–2040 show that approximately 1 million new people will be living and working in the King County service area by 2040. At this rate of growth, King County will exceed the storage and conveyance capacity of the north-end wastewater system by 2010, if not sooner. If the Brightwater project is not completed by 2010, the region may face significant risks to human health and water quality from wastewater backups and overflows. The potential for serious economic impacts exists as well. In a May 1999 letter to King County, the Washington State Department of Ecology stated that if the county does not provide new conveyance and treatment capacity within the time proposed in the Regional Wastewater Service Plan (2010), the state may impose moratoriums on new sewer connections in jurisdictions tributary to areas of the sewer system that are overloaded.

Substantial Project Duration

Brightwater will be constructed over five years (2005–2010), which is sufficient to span multiple bargaining agreements. By setting labor terms for the entire period, the county can avoid potential labor-related disruptions from strikes and lock outs during renegotiations of expired bargaining agreements.

Substantial Workforce

The Brightwater project will require a substantial number of contractors, subcontractors, and trades to construct the complex array of wastewater facilities, including a wastewater treatment plant, miles of deep underground tunnels, and an underwater outfall deep in Puget Sound. Appendix A provides information on the major trades needed to construct Brightwater as well as an estimated number of workers in each trade.

Substantial Dollar Value

At a cost of approximately \$1.35 billion, the Brightwater project will be one of the largest public works projects constructed in the Puget Sound region.

Public Benefit

The public benefit for Brightwater is clear: the Brightwater treatment system will enable King County to continue to protect public health, preserve this region's vital water resources, and support regional economic growth for the next 30 years and beyond.

Recommended Policies and Terms for a Brightwater PLA

Based on the justification presented above, the Executive believes that the public will benefit from the use of a project labor agreement to cost effectively construct the Brightwater treatment system on time. However, he also recognizes that many people are concerned with the potential disadvantages of using a PLA. To help alleviate these concerns, the Executive developed a set of policy recommendations that would maximize the inherent advantages of using a PLA for Brightwater while minimizing the potential disadvantages and risks. These policies are supported by terms and conditions for inclusion in the Brightwater PLA to ensure that King County develops a successful, cost effective PLA process. The policy recommendations and suggested terms are presented according to the major issues discussed in this paper.

Competitive Bidding

Policy Recommendation: King County will ensure that small, non-union contractors can effectively compete for work on the Brightwater project.

Suggested PLA Terms:

- Allow a negotiated number of core employees for non-union contractors
 - Allow non-union contractors that provide their own benefits to waive the duplicative union benefit requirements
 - Waive union labor requirements on a case-by-case basis for regional minority and women's business enterprises and small disadvantaged businesses
-

Cost Effectiveness

Policy Recommendation: King County will ensure that the Brightwater PLA is cost effective by exploring ways to increase efficiency and reduce costs.

Suggested PLA Terms:

- Include elements of permit conditions in the collective bargaining agreement to streamline contract negotiations and improve cost efficiency. By waiting to negotiate the PLA until the SEPA review process is complete and permitting has begun, King County can negotiate with the trade unions as to how certain permit conditions will be implemented, such as transportation of workers to and from the work site and the shift schedules

Labor Harmony

Policy Recommendation: The Brightwater Project Labor Agreement will establish general work rules to ensure the timely completion of Brightwater construction.

Suggested PLA Terms

- Guarantee that project work will not be interrupted by strikes, picketing, lock-outs, slow downs, or other disruptive activity by the unions with provisions for liquidated damages for costs associated with labor disturbances or delays
- Agree on binding dispute resolution provisions to resolve all labor disputes between the general contractor/construction manager, subcontractors, and crafts

Labor Diversity

Policy Recommendation: The Brightwater Project Labor Agreement will include goals to achieve broad representation of minority, disadvantaged, and women's business enterprises and workers in the Brightwater workforce.

Suggested PLA Terms:

- Waive or reduce the duplicative union benefit requirement for certain minority, disadvantaged, and women's business enterprises who provide their own benefits
 - Set goals for participation by underrepresented groups, including women and people of color
-

Labor Supply and Training

Policy Recommendation: The Brightwater Project Labor Agreement will help provide and maintain a continuous, highly trained construction workforce in the Puget Sound region.

Suggested PLA Terms:

- Have signatory unions jointly develop and implement apprenticeship programs to increase the skills of the Puget Sound workforce, including participation by women, people of color, low income, and underrepresented workers
- Have signatory unions jointly develop and implement pre-apprenticeship training programs to prepare unemployed and underemployed people to compete for entry level positions as apprentices
- Remove barriers that prevent women, people of color, and low income or underrepresented individuals from entering apprenticeship programs, e.g., non-standardized testing, apprenticeship application fees, and driver's license requirements when a license is not a requirement of the work

Worker Safety

Policy Recommendation: The Brightwater Project Labor Agreement will ensure safe working conditions and employee compliance with any safety rules established by King County and the contractor in accordance with applicable state and federal laws.

Suggested PLA Terms:

- Publish rules and distribute to each employee as part of the new hire orientation and post rules throughout the project. Subject employees to termination subject to violating these rules
- Establish a substance abuse prevention program to assure safe and productive working conditions

Wages and Benefits

Policy Recommendation: The Brightwater Project Labor Agreement will ensure that all workers are paid a livable wage and receive health, welfare, and retirement benefits.

Suggested PLA Terms:

- Reimburse workers in accordance with Washington's prevailing wage requirements under RCW Chapter 39.12
 - Provide all workers with health, welfare, and retirement benefits per construction industry standards
-

Appendix A – Trades Needed to Construct Brightwater

In late 2002, URS Construction Services estimated the labor requirements for constructing the complete Brightwater system, including the treatment plant, conveyance system, and outfall. Their findings, shown in Table 1, estimate the number of hours and full time equivalents for each of the major construction trades needed to construct the Brightwater treatment system.

Table 1
Summary of Trades and Staffing for Constructing Brightwater

Trades	Estimated Hours	Full Time Equivalent (1,900 HRS/YR)
Millwright	268,000	141
Carpenter	2,706,000	1,424
Laborer	2,019,000	1,063
Tunnel	4,601,000	2,422
Electrician	311,000	164
Iron Worker	125,000	66
Plumber	352,000	185
Equipment Operator	248,000	131
Sprinkler	121,000	64
Sheet Metal	242,000	127
Brick	7,000	4
Glazier	2,000	1
Flooring	3,000	2
Elevator	14,000	7
Painter	58,000	31
Tile	1,000	1
Plaster	1,000	1
Diver	68,000	36
Roofer	12,000	6
Asbestos Abatement	10,000	5
TOTALS	11,169,000	5,878

Project Labor Agreement

for the

Brightwater Treatment Plant

May 2005



King County

Department of
Natural Resources and Parks
Wastewater Treatment Division

PROJECT LABOR AGREEMENT

FOR THE

BRIGHTWATER TREATMENT PLANT

BETWEEN

**KING COUNTY
DEPARTMENT OF NATURAL RESOURCES AND PARKS
WASTEWATER TREATMENT DIVISION**

AND

**NORTHWEST WASHINGTON BUILDING AND CONSTRUCTION TRADES COUNCIL
WASHINGTON STATE BUILDING AND CONSTRUCTION TRADES COUNCIL
HOFFMAN CONSTRUCTION**

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1 - PREAMBLE.....	6
2 - PURPOSE.....	7
3 - RECOGNITION.....	8
4 - SCOPE OF AGREEMENT.....	8
5 - UNION REPRESENTATION.....	11
6 - MANAGEMENT RIGHTS.....	13
7 - PRE-JOB CONFERENCES.....	14
8 - PROJECT ADMINSTRATIVE COMMITTEE.....	14
9 - HIRING PROCEDURES.....	15
10 - HOURS OF WORK, OVERTIME, SHIFTS, HOLIDAYS.....	18
11 - APPRENTICESHIP PROGRAM.....	21
12 - PAY DAY.....	25
13 - CRAFT JURISDICTION AND JURISDICTIONAL DISPUTES ADJUSTMENT....	25
14 - WORK RULES.....	27
15 - MISCELLANEOUS PROVISIONS.....	28
16 - SAFETY, HEALTH AND SANITATION.....	29
17 - NO STRIKE - NO LOCKOUT.....	30
18 - GRIEVANCE PROCEDURE.....	32
19 - GENERAL SAVINGS CLAUSE.....	34
20 - TERMS OF AGREEMENT.....	34
21 - WAGE SCALES AND FRINGE BENEFITS.....	35
22 - DRUG FREE WORKPLACE.....	36
SIGNATURE PAGE (<u>TO BE SUMITTED</u>).....	

APPENDICIES/ EXHIBITS

ADDENDUM A HOFFMAN RECOGNIZED EMPLOYER OR INDUSTRY ALCOHOL AND DRUG PROGRAMS

ADDENDUM B ALCOHOL AND DRUG POLICY – CLARIFICATION OF ISSUES

ADDENDUM C REINSTATEMENT OF ELIGIBILITY

OUTLINE

LAST CHANCE AGREEMENT

REHABILITATION TESTING AGREEMENT

EXHIBIT 1 LETTER OF ASSENT

EXHIBIT 2 LETTER OF UNDERSTANDING ON PREFABRICATION

EXHIBIT 3 LETTER OF UNDERSTANDING ON CEMENT MASONS’ FRINGE BENEFIT CONTRIBUTIONS TO TRUST

EXHIBIT 4 LETTER OF UNDERSTANDING ON CONCRETE PLACEMENT

EXHIBIT 5 LETTER OF UNDERSTANDING ON CEMENT MASON WORKING FULL SHIFT

EXHIBIT 6 SETTLEMENT OF JUISDICTIONAL DISPUTES IN THE CONSTRUCTION INDUSTRY “THE PLAN”

EXHIBIT 7 CONTACT LIST TO OBTAIN APPLICABLE CRAFT SCHEDULE “A”

EXHIBIT 8 MEMORANDUM OF UNDERSTANDING - BRIGHTWATER SMALL WORKS PROGRAM

ARTICLE 1 - PREAMBLE

1.1

This Project Labor Agreement (hereinafter, the "Agreement" or "PLA") is entered into on _____ by and between King County Department of Natural Resources and Parks, Wastewater Treatment Division (hereinafter, "King County" or the "Owner"), Hoffman Construction, Inc., General Contractor/Construction Manager, selected for the Project, as defined in Article 4.1 herein, (hereinafter "GC/CM"), for and on behalf of the themselves and its subcontractors (hereinafter Subcontractor), and The Building and Construction Trades Department, AFL-CIO (hereinafter, "Department"), its affiliated National and International Unions who become signatory hereto, the Washington State Building and Construction Trades Council, the Northwest Washington Building and Construction Trades Council (hereinafter, "Building Trades Councils") and the Local Unions who become signatory hereto (hereinafter, collectively called the "Union(s)" or "Local Union(s)") with respect to the construction of the Brightwater Treatment System Project (the "Project"), who become signatory hereto (hereinafter, collectively called the "Union(s)" or "Local Union(s)") with respect to the construction of the Brightwater Treatment Plant.

1.2

It is understood by the parties to this Agreement that if this Agreement is acceptable to King County and approved by the King County Council and signed by the King County Executive in the space provided on the signature page of this Agreement, it will become the policy of King County that the construction work covered by this Agreement will be contracted exclusively to the GC/CM and its Subcontractors, of any tier, who agree to execute and be bound by the terms of this Agreement. Therefore, the Unions agree that any Contractor, acting as a subcontractor to the GC/CM, shall execute this Agreement for purposes of covering such work. The GC/CM will monitor and administer the compliance with this Agreement by all subcontractors of every tier, who through their execution of a Letter of Assent binding them to this Agreement, shall have become bound hereto.

1.3

King County will implement this Agreement by including appropriate provisions in the bid documents, contract specifications, and other contract documents for Covered Work, as hereinafter defined. As a result, the GCCM, and the various subcontractors, of any tier, performing covered work will become party to this Agreement. Therefore, this Agreement uses the terms "Contractors" or "Subcontractors" and specifies the rights and obligations of each such Contractor as if already party to this Agreement.

1.4

The Unions, the GC/CM, and all signatory Subcontractors agree to abide by the terms and conditions contained in this Agreement. The GC/CM and signatory Subcontractors are sometimes collectively referred to herein as Contractor or Contractors.

This Agreement represents the complete understanding of the parties, and neither the GC/CM nor any of its Subcontractors is or will be required to sign any other agreement

with a signatory union as a condition of performing work within the scope of this Agreement. It is understood that this Agreement constitutes a self-contained, stand-alone agreement. No practice, understanding or agreement between a Contractor or Subcontractor and a Union party which is not specifically set forth in this Agreement will be binding on any other party unless endorsed in writing by the GC/CM.

1.5

The Unions agree that this Agreement will be made available to, and will fully apply to, any successful bidder for work who becomes signatory hereto, without regard to whether that successful bidder performs work at other sites on either a union or a non-union basis, and without regard to whether employees of such bidder are or are not members of any project or at any location other than the project site as defined in this Agreement. The Unions hereby pledge to work cooperatively with all businesses awarded work governed by this Agreement, despite any other dispute they may have with a business over, for example, trust or benefit payments that arose on non-covered work.

ARTICLE 2 - PURPOSE

2.1

The Brightwater Regional Wastewater Treatment System is a multi-year, comprehensive program of facility expansions estimated to cost \$1.48 billion. The timely and successful completion of this System is critical to the ability of King County to meet the needs of the Puget Sound Region's rapidly growing population in the coming years. The System will provide necessary capacity of an additional 36 million gallons per day (mgd) treatment plant to meet the anticipated regional growth. The purpose of the Project Labor Agreement is to insure that all construction work at the Project will proceed continuously and without interruption, efficiently, economically, and with due consideration for the protection of labor standards, wages, and working conditions.

2.2

In recognition of the special needs of this Project and to maintain a spirit of harmony, labor-management peace, and stability during the term of this Project Labor Agreement, the parties agree to establish and put into practice effective and binding methods for settlement of all misunderstandings, disputes, or grievances that may arise between any Contractor and the Unions, or their members, to the end that the Owner is assured of complete continuity of operation without slowdown or interruption of any kind. The Owner shall monitor the compliance of this Agreement by the GC/CM who, through their execution of the Agreement, or a Letter of Assent binding them to this Agreement, together with their subcontractors, shall have become bound hereto.

2.3

The parties are committed to providing open access to bidding opportunities for all Contractors and to assuring an adequate supply of craft workers possessing the requisite skills and training in order to provide the taxpayers a project of the highest quality. Further, the parties agree to cooperate throughout the term of this agreement to develop methods to reduce King County's construction and project administrative costs.

ARTICLE 3 RECOGNITION

3.1

Union Recognition

The Contractor(s) recognize the signatory Unions as the sole and exclusive bargaining representatives of all craft employees within their respective jurisdictions working on the Project within the scope of this Agreement. This subsection shall not alter the pre-existing legal status of any bargaining relationship between any individual Contractor and signatory Union.

ARTICLE 4 SCOPE OF AGREEMENT

4.1

This PLA shall apply and is limited to all new construction as defined in this article and performed by the GC/CM and their subcontractor(s) of any tier who have been awarded contracts for such work, or for whom bids have been received for contracts on or after the effective date of this PLA, and covering construction, including rework, and other construction related activities originating on site and necessary to the Brightwater Project as described herein. This Agreement shall also apply to any art work infrastructure installed by the GC/CM or its Subcontractors. This Agreement shall also apply to engineers performing survey work as defined by revised code of Washington 18.43.020.

The Project is specifically defined as and limited to:

- Headworks and Primary Treatment facility
- Secondary Treatment and Disinfection Facility
- Solid Handling Building and Biosolid Truck Staging Area
- Digesters
- Energy Building
- Education Building
- Reclaimed Water Facilities
- Administration Building
- Maintenance Building
- Chemical Building
- Co-generation Facility
- Associated Site Work and Landscaping

4.2

Items specially excluded from the scope of the Agreement include the following:

- (a) Work of non-manual employees, including but not limited to, superintendents, supervisors, assistant supervisors, staff engineer inspectors, quality control and quality assurance personnel, timekeepers, mail carriers, clerks, office workers,

including messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, administrative, community relations or public affairs, environmental compliance, supervisory and management employees.

(b) Artists retained by the Owner during the course of the Project.

(c) Furniture, fixture, and equipment installers retained by the Owner to be performed after building trades subcontractors have completed construction related work and or contract completion date.

(d) Employers and their Employees controlled by the Owner.

(e) Employees engaged in any work performed on or near, or leading to or into, the Project site by state, county, city, or other governmental bodies, their retained contractors, or by public utilities or their contractors, or by other public agencies or their contractors.

(f) Employees engaged in maintenance on owned or leased equipment and on-site supervision of such work.

(g) Employees engaged in warranty functions and warranty work, and on-site supervision of such work.

(h) Startup, testing, and commissioning personnel employed by the Contractors or the Owner, Laboratory for specialty testing or inspections not ordinarily done by the signatory Local Unions.

(i) All off-site manufacture of materials, equipment, or machinery.

(j) Non-construction support services contracted by the Owner or the Contractor(s) in connection with this Project.

(k) All employees, subconsultants, and agents of the design teams or any other consultants of the Owner for specialty testing, architectural/engineering design, and other professional services.

4.3

None of the provisions of this Agreement shall apply to the Owner and nothing contained herein shall be construed to prohibit or restrict the Owner, or their employees, from performing work not covered by this Agreement on the Project site. As areas and systems of the Project are inspected and construction tested by the GC/CM and accepted by the Owner, the Agreement shall not have further force or effect on such items or areas.

4.4

The Owner or the GC/CM, as appropriate, has the absolute right to select any qualified bidder for the award of contracts on this Project without reference to the existence or non-existence of any Agreements between such bidder and any party to this Agreement: provided that, except as provided under Article 7 such bidder shall be willing, ready, and able to execute and comply with this Agreement should it be designated the successful bidder.

4.5

It is understood by the parties that the Owner may at any time and in its sole discretion determine to add, modify, or delete facilities. If facilities are added to the Project scope, they would be automatically covered by this Agreement.

The provisions of this Agreement shall apply to the construction of the named Project, notwithstanding the provisions of local, area and/or national agreements which may conflict or differ from the terms of this Agreement. Where a subject covered by the provisions of this Agreement is also covered by a conflicting provision of a collective bargaining agreement, the provisions of this Agreement shall "*prevail*": otherwise the terms of applicable collective bargaining agreements shall apply except that the work of the INTERNATIONAL UNION OF ELEVATOR CONSTRUCTORS on this Project shall be performed under the terms of its NATIONAL AGREEMENT, provided that the provisions of ARTICLE(S) 13 CRAFT JURISDICTION AND JURISDICTIONAL DISPUTES ADJUSTMENT, 17 NO-STRIKE-NO LOCKOUT, and 18 GRIEVANCE PROCEDURE, of this Agreement shall apply to such work.

4.6

This Agreement shall only be binding upon the signatory parties hereto and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party.

4.7

It is agreed that all Contractors, who have been awarded contracts for work covered by this Agreement that is bid and awarded after the effective date of this Agreement shall be required to accept and to be bound by the terms and conditions of this Agreement, and shall evidence their acceptance by the execution of a Letter of Assent, prior to the commencement of work. A copy of the Letter of Assent executed by the subcontractor shall be immediately transmitted to the signatory Local Unions prior to the dispatch of employees to the job site.

4.8

This Agreement shall be limited to the construction work originating on-site within the scope of this Agreement, as set forth in Section 1 of this Article, for which bids have been advertised after the effective date of this Agreement. Nothing contained herein shall be construed to prohibit, restrict, or interfere with the performance of any other operation, work or function awarded to any Contractor before the effective date of this Agreement or which may be performed or contracted by the Owner for its own account on the property or in and around the construction site.

4.9

The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the Owner, the Contractor(s) or any of their subcontractors.

4.10

None of the provisions of this Agreement shall apply to King County and nothing contained herein shall be construed to prohibit King County or its employees from performing their routine work on the Project site. King County employees will not perform work which is covered by the terms of this Agreement. As areas and systems of the Project are inspected and construction tested and accepted by King County, the Agreement shall have no further force or effect on such items or areas.

4.11

It is understood that the Owner, at its sole option, may terminate, delay and/or suspend any and all portions of the covered work at any time.

ARTICLE 5 UNION REPRESENTATION

5.1

Authorized representatives of the Unions shall have reasonable access to the Project, provided they do not interfere with the work of employees, and further provided that such representatives fully comply with the visitor, safety, and security rules and any environmental compliance requirements established for the Project, which shall be subject to review by the Project Administrative Committee (as described in Article 8). It is understood that because of the scope of the Project and the type of work being undertaken, all visitors will be required to check in and may be limited to certain times or areas. They may also be required to be accompanied at all times while on the Project site. However, in such circumstances, project workers shall be allowed to confer privately with their authorized Union representatives. The Contractors recognize the right of access set forth in the Section and such access will not be unreasonably withheld from an authorized representative of the Union.

5.2

The Unions signatory hereto shall have the right to designate a steward for the GC/CM and each subcontractor signatory with that craft type, one (1) working journeyman as Steward for all related craft personnel, who shall be recognized as the Union's representative for a signatory hereto. Such designated Stewards shall be a qualified worker assigned to a crew and shall perform the work of their craft. Under no circumstances shall there be a non-working Steward on the Project.

5.3

The working Steward will be paid at the applicable wage rate for the job classification in which he/she is employed.

5.4

The Union may appoint a Steward for each shift, should multiple shifts be utilized.

5.5

A Steward for each craft of the signatory Unions employed on the Project shall be permitted on the Project site at all times. They shall not be subjected to discrimination or discharge on account of proper union activities. The Unions agree that such activities shall not unreasonably interfere with the Steward's work for the GC/CM or its subcontractors.

5.6

It is recognized by the Contractor(s) that the employee selected as Steward shall remain on the job as long as there is work within their craft for which they are qualified, willing, and able to perform. The Contractor(s) shall be notified in writing of the selection of each Steward. The Contractor(s) shall be responsible for notifying the Unions prior to terminating a Steward as follows:

- * For Cause or Voluntary Quit As soon as possible after it becomes known to the Contractor(s) either by telephone call or electronic means.
- * Reduction in Force 48 Hours prior written notice.

5.7

The Steward may not cause or encourage work stoppage, and, if found guilty of instigating such action, will be subject to action by the GC/CM, and/ its subcontractors, up to and including discharge or/and removal from the project.

5.8

The Steward's duties shall not include hiring and termination, nor shall he/she cause any interference with work progress.

5.9

The Steward shall be given the option of working all reasonable overtime within his craft and shift providing he/she is qualified to perform the task assigned.

5.10

In addition to his/her work as an employee, the steward shall have the right to receive complaints or grievances and to discuss and assist in the adjustment of the same with the employee's appropriate supervisor.

5.11

A steward may not service more than one work location without the approval of the GC/CM or its Subcontractor and the Union. When a Contractor has multiple work locations, the Contractor may request, and the Union shall appoint additional working stewards to provide independent coverage of one or more such locations.

ARTICLE 6 MANAGEMENT RIGHTS

6.1

The GC/CM and its subcontractors retain full and exclusive authority for the management of its operations. The GC/CM and the its subcontractors shall direct their working forces at their sole prerogative, including, but not limited to, hiring, promotion, transfer, lay-off discipline or discharge for just cause; the selection of foremen and general foremen; the assignment and scheduling of work; the promulgation of reasonable work rules shall be subject to the review of the Project Administrative Committee (as described in Article 8); and, the requirement of overtime work, the determination of when it will be worked, and the number and identity of employees engaged in such work. No rules, customs, or practices, which limit or restrict productivity, efficiency, or the individual and/or joint working efforts of employees shall be permitted or observed.

6.2

No rules, customs, or practices shall be permitted or observed which limit or restrict production, or limit or restrict the working efforts of employees. The GC/CM and its subcontractors may, in its sole discretion, utilize the most efficient method or techniques of construction, tools, or other labor-saving devices.

6.3

The foregoing enumeration of management rights shall not be deemed to exclude other functions not specifically set forth. The GC/CM, and its subcontractors therefore, retain all legal rights not specifically covered by this Agreement.

6.4

Except as otherwise expressly stated in this Agreement (*Exhibit 3*), there shall be no limitation or restriction upon the Owner or the Contractor's choice of materials or design, or, regardless of source or location, upon the full use and installation and utilization of equipment, machinery, package units, pre-casts, pre-fabricated, pre-finished, or pre-assembled materials, tools, or other labor-saving devices. The Owner, or the Contractors may without restriction install or otherwise use materials, supplies, or equipment regardless of their source. The on-site installation or application of such items shall be generally performed by the craft having jurisdiction over such work. Provided, however, it is recognized that other personnel having special talents or qualifications may participate in the installation, check-off, or testing of specialized or unusual equipment. If there is any disagreement between the Contractors and the Union concerning the manner or implementation of such device or method of work, the implementation shall proceed as directed by the Contractor and the Union shall have the right to grieve and/or arbitrate the dispute as set forth in Article 18 of this Agreement.

ARTICLE 7 PRE-JOB CONFERENCES

7.1

The GC/CM and its subcontractors at all tier levels shall be required to hold a pre-job jurisdictional mark-up meeting prior to the commencement of construction activities on the Project. The GC/CM agrees that all subcontractors will be required to arrange such a pre-job conference through the GC/CM's designated Labor Relations Representative. The GC/CM further agrees that the GC/CM's Labor Relations Representative will attend and act as co-chairman with the Union's co-chair designee at all such pre-job conferences relative to this Project. In addition to the information developed relative to jurisdiction of work at the pre-job conference, the GC/CM and its subcontractors will present all information available to the Contractors regarding starting date for the work, location of the Project, duration of job, estimated peak employment, and any other conditions deemed peculiar to the particular contract or subcontract.

7.2

The GC/CM and any of its Subcontractors who fail to hold such pre-job conference prior to the commencement of work shall be considered in violation of this Agreement. The Building Trades Council shall immediately advise the GC/CM and the Owner's Representative of this violation who will take corrective action pursuant to the Owner's contract provisions with the Contractor(s).

ARTICLE 8 PROJECT ADMINISTRATIVE COMMITTEE

8.1

The parties to this Agreement hereby recognize the necessity of cooperation and the elimination of disputes, misunderstandings, or unfair practices on the part of any party, and to secure this end, it is hereby agreed that a Project Administrative Committee shall be established to be comprised of the GC/CM's representatives and/or representatives of its subcontractors at every tier level, as may be required, the Unions party to the Agreement and a representative of the Building Trades Council who shall meet at the jobsite or other agreed location according to a mutually agreeable monthly schedule. The Unions shall at such meetings present facts concerning any violations of any part of the Agreement by the GC/CM or its subcontractors. Additionally, the Unions agree to notify the GC/CM's designated Labor Relations Representative upon discovery of a potential violation of this Agreement. They shall also bring up any practice by the GC/CM or its subcontractors, which in their opinion might lead to a misunderstanding or dispute between the parties. The GC/CM, or its subcontractors, shall bring in any complaints regarding failure of any employee or employees, or of the Unions to carry out any and all provisions of the Agreement.

8.2

Any agreement or resolutions reached pursuant to the preceding paragraph shall not supersede, alter, modify, amend, add to or subtract from this Agreement unless specifically expressed elsewhere in this Agreement. Prior to being effective any

amendments or revisions to this Agreement shall be in writing and signed by all the parties hereto.

8.3

All parties signatory to this Agreement acknowledge the importance of attendance and active support of the Project Administrative Committee and agree to participate in the meetings as their responsibility on the Project requires.

8.4

The chairmanship of the Administrative Committee shall alternate between the GC/CM's designated representative and of the Unions.

8.5

The Administrative Committee shall meet as required, but not less than once each month, to review the operation of the Agreement.

8.6

This Committee shall be convened within 48 hours on an emergency basis at the request of any party to the Agreement.

8.7

The Owner is a party in interest and shall be sent contemporaneous copies of all notifications required under this article, and at their option, shall initiate or participate as a full party in any proceeding initiated under this Article.

ARTICLE 9 HIRING PROCEDURES

9.1

It is agreed that affirmative action shall be taken to afford equal employment opportunity to all qualified persons without regard to race, creed, color, sex, age, marital status, religion, sexual orientation, ancestry, veteran status, disability or national origin. This shall be applicable to all matters relating to hiring, training, promotion, transfer or termination of employees. Furthermore, the parties agree to cooperate to the fullest extent to achieve the intent and purpose of the applicable regulations of Title VII, Civil Rights Act of 1964, and Executive Order No. 11246, or such laws or Executive Orders as may supersede them. This Agreement is subordinate to the Equal Employment/Affirmative Action Resolutions and Apprenticeship Program requirements for the Project. To the extent the GC/CM and its subcontractors, despite reasonable efforts, are unable to meet the objectives and requirements set forth in this Article 9 through use of craft employees represented by any Union signatory, the GC/CM and its subcontractors shall be allowed to recruit from any other source and such recruits will have seven (7) days to join the applicable Local Union.

9.2

The Contractors shall have the right to determine the competency of all employees, the number of employees required and shall have the sole responsibility for selecting employees to be laid off, consistent with Article 9, Section 3 below.

9.3

(a) For Local Unions now having a job referral system, the Contractors agree to comply with such system and it shall be used exclusively by the GC/CM and its subcontractors. Such job referral system will be operated in a non-discriminatory manner and in full compliance with federal, state, and local laws and regulations which require equal employment opportunities and non-discrimination, and referrals shall not be affected by obligations of union membership or the lack thereof.

(b) The Contractors may reject any referral for any lawful nondiscriminatory reason, provided they comply with Article 10, Section 8.

9.4

In the event that Local Unions are unable to fill any request for employees within forty-eight (48) hours after such request is made by any Contractor (Saturdays, Sundays, and holidays excepted), the Contractor may employ applicants from any other available source. The Contractor shall inform the Union in writing of the name and social security number of any applicants hired from other sources and shall refer the applicant to the Local Union for dispatch to the Project, and such applicant will have seven (7) days to join the Local Union.

9.5

Failure of an employee to pay or tender fees or dues as required by this Article shall, upon the request of the Union in writing, result in the immediate termination of such employee.

9.6

Except as required by law, the Local Unions shall not knowingly refer an employee currently employed by any Contractor working under this Agreement to any other Contractor.

9.7

The parties recognize the Owner's commitment to provide opportunities to participate on the Project to business enterprises which may not have previously had a relationship with the Unions signatory to this Agreement. To ensure that such enterprises will have an opportunity to employ their "core" employees on this Project, the parties agree that in those situations where any Contractor, not a party to a current collective bargaining agreement with the signatory Union having jurisdiction over the affected work is a successful bidder, such Contractor may request by name, and the Local will honor, up to a maximum of five (5) persons, provided that the Contractor first demonstrate that those persons possess the following qualifications:

- (a) possess any license required by state or federal law for the Project work to be performed.
- (b) have worked a total of at least one thousand (1,000) hours in the construction craft during the prior three (3) years.
- (c) were on the Contractor's active payroll for at least sixty (60) out of the one hundred eighty (180) calendar days prior to the contract award.
- (d) have the ability to perform safely the basic functions of the applicable trade.

9.8

Core employees who meet the aforementioned qualifications will be dispatched as follows:

- (a) Contractors may request by name, and the Union will honor by referral up to a maximum of five (5) persons in each craft on an alternating basis with the Contractor selecting first.
 - Core Employee
 - Union Referral
 - Core Employee
 - Union Referral
 - Core Employee
 - Union Referral
 - Core Employee
 - Union Referral
 - Core Employee

All subsequent referrals will be through the respective Union hiring hall.

(b) It is agreed that specific terms and conditions governing hiring and assignment of union workers in supplement to small Contractors existing core employees (who would be displaced by the local referral procedure) may be negotiated jointly by the Contractor and applicable local Union.

(c) For the duration of the Contractor's work the ratio of "Core" employees to hiring hall referrals shall be maintained and when the Contractor's workforce is reduced, employees shall be reduced in the same ratio as was applied in the initial hiring.

(d) Any Contractor attempting to circumvent the hiring provisions of this Agreement by misclassifying any of its employees as supervisors or foremen, shall forfeit their right to employ "Core" employees on this project.

(e) No "Core" employee covered by this Agreement shall be required to join any Union as a condition of being employed on the Project; provided, however, that an employee who is a member of the referring union at the time of the referral shall maintain that membership in good standing while employed under the Agreement. All Core employees not currently a member of the appropriate Union signatory to this PLA shall, however, be required to pay a representational fee equal to 94 percent of the regular dues of the appropriate Union, for the period during which they are performing on-site work. The Contractors agree to deduct union dues or representation fees, whichever is applicable, from the pay of any employee who executes a voluntary authorization for such deductions and to remit the dues or fees to the Union(s).

9.9

The selection of craft foremen and/or general foremen and the number of such foremen and/or general foremen required shall be entirely the responsibility of the Contractors. Craft foremen shall be designated working foremen at the request of the Contractors. Craft workers covered by this Agreement will, in the normal day-to-day operations, take their direction and supervision from their foreman.

ARTICLE 10 HOURS OF WORK, OVERTIME, SHIFTS, HOLIDAYS

10.1

Hours of Work

Eight (8) hours shall constitute a standard work day. Five days, Monday through Friday, shall constitute a standard work week. Standard shift workday shall be worked between the hours of 6:00 a.m. to 6:00 p.m. for first shift with one-half hour unpaid lunch period. The GC/CM may vary the start time to take advantage of daylight hours, weather conditions or shifts, to permit an even and manageable flow of workers to the jobsite. Nothing herein shall be construed as guaranteeing any employee eight (8) hours per day or forty (40) hours per week. Notification of change in hours of work will be given to the union in writing five (5) days prior to implementation. Work hours shall be uniform for all crafts.

10.2

The GC/CM may elect to work a four ten-hour day schedule ("4/10"), Monday through Thursday or Tuesday through Friday. Ten (10) hours, between 6:00 A. M., and 9:00 P.M., shall constitute a workday on a 4/10 schedule. Any 4/10 schedule must be worked for a minimum of two (2) weeks.

10.3

Lunch Period

The GC/CM and its Subcontractors will schedule an unpaid meal period of not more than one-half (1/2) hour's duration at the work location approximately at the mid-point of the scheduled work shift.

A penalty of one-half (1/2) hour at the applicable overtime rate shall be paid to employees who are denied a meal period at approximately the midpoint of an 8 hour or 10 hour shift. The same penalty shall apply if a second meal period is denied after 10 hours in a shift extending beyond 10 hours.

Break periods will be in accordance with applicable Washington State laws/rules and regulations.

10.4 Shifts

(a) Shift work may be performed at the option of the GC/CM upon three (3) working days prior written notice to the Union(s), and shall continue for a period of not less than five (5) working days. Saturdays and Sundays, if worked, may be used for establishing the five (5) day minimum work shift. If two shifts are worked, each shall consist of eight (8) hours of continuous work exclusive of a one-half (1/2) hour non-paid lunch period and shall be paid at the regular rate of pay.

(b) When three (3) shifts are worked, the first (day) shift will work eight (8) hours. The second shift will work seven and one-half (7 1/2) hours. The third shift will work seven (7) hours. The pay for all shifts will be eight (8) hours at the employee's regular straight-time rate of pay. The last shift starting on or before 6:00 P. M. Friday and carrying over to Saturday shall be considered Friday work time and the shift starting on or before 6:00 P. M. on Sunday and carrying over to Monday shall be considered Sunday work time. The shift starting at or after 6:00 A. M. is designated as the first shift with the second shift following.

(c) Multiple shift (a two or three shift) operations will not be required on the entire project if at any time the GC/CM deems it advisable and necessary to work multiple shifts on a specific operation. When multiple shifts are worked, the number of employees on each shift of the operation may vary according to the conditions applicable to each shift and nothing shall require that there be "person-for-person" relief in successive shifts.

(d) When due to conditions beyond the control of the GC/CM or when contract specifications require that work can only be performed outside the regular day shift, then a special shift may be worked at the straight time rate of pay. The starting time of work will be arranged to fit the work conditions.

(e) The parties acknowledge that certain construction activities may pose unique work scheduling issues, including a requirement for continuous work twenty-four (24) hours per day, seven (7) days a week. The parties agree to establish, in good faith, hours of work provisions to assure uninterrupted work on any such operation in accordance with contract specifications for covered work.

10.5**Overtime**

Except as otherwise required by the applicable prevailing wage determination, overtime will be paid at the rate of one and one-half (1 1/2) times the applicable straight-time hourly rate for work performed by an employee in excess of eight (8) hours daily, Monday through Friday on a five eight-hour day schedule, or for work performed in excess of ten (10) hours daily, Monday through Thursday or Tuesday through Friday, on a four ten-hour day schedule, or forty (40) hours per week. All work on Saturday, Sunday and holidays will be paid at the applicable overtime calculation rate as required by RCW 39.12. There will be no restriction on the Contractors' scheduling of overtime or the non-discriminatory designation of employees who will work the available overtime. There shall be no pyramiding of overtime pay under any circumstances.

10.6**Holidays**

Recognized holidays shall be as follows: (1) New Year's Day, (2) Martin Luther King's Birthday, (3) Memorial Day, (4) Fourth of July, (5) Labor Day, (6) Thanksgiving Day and (7) Friday after Thanksgiving Day and (8) Christmas Day. Recognized holidays under this Agreement shall be celebrated on the date the holiday is celebrated by the Owner. Work may be performed on Labor Day when circumstances warrant, i.e., the preservation of life and/or serious property damage. There shall be no paid holidays. If employees are required to work on a holiday, they shall receive the appropriate overtime rate as provided for by RCW 39.12.

10.7

It will not be a violation of the agreement when the GC/CM considers it necessary to shut down the project in whole or in part to avoid the possible loss of human life because of an emergency situation that could endanger the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked. In the case of a situation described above whereby the GC/CM or its subcontractors requests employees to stand by, the employees will be compensated for the stand by time as per the provisions of Article 10.8(a).

10.8**Reporting Time (Show-up Time)****(a) Reporting Pay.**

Employees reporting for work and for whom no work is provided, except when given notification not to report to work, shall receive two (2) hours pay at the regular straight-time hourly rate. Employees who are directed to start work shall receive four (4) hours pay at the regular straight time hourly rate. Employees who work beyond four (4) hours, shall be paid for actual hours worked. Whenever reporting pay is provided for employees, they may be required to remain at the Project site available for work for such time as they receive pay, unless released earlier by their supervisor. Each employee shall furnish his/her Contractor with his/her current address and telephone number, and shall promptly report any changes in each to the Contractor. When an employee is sent to the jobsite from the union referral facility in response to a request from the Contractor for an

employee for one (1) day and starts work at the designated starting time for his/her shift, the employee will be paid a minimum of eight (8) hours for that day.

(b) Make-up Day

Should any of the Contractors be unable to work forty (40) hours in any workweek due to weather or other conditions over which they have no control, the Contractor(s) may, to the extent permitted by the applicable prevailing wage law, schedule a make-up day (Saturday for 5/8 schedule; Friday or Monday for 4/10 schedule). All hours worked on a make-up to complete the forty (40) hours for the standard workweek shall be paid at the straight time rate of pay. Any hours in excess of the standard workweek worked on Saturday shall be paid at time and one-half the straight time rate of pay. For make-up day work, the full crew must be scheduled. The make-up day may not be utilized on an individual employee basis or to make up holidays. Make-up days are voluntary and should a crew member decline the make-up day's work, the Contractor(s) may select a member of another crew as a replacement, or allow the crew to work without the regular crew member. All make-up day work will be scheduled for a full work day.

(c) Discharge Departure

When an employee leaves the job or work location of his/her own volition or is discharged for cause or is not working as a result of the GC/CM's invocation of Article 10.7, the employee shall be paid only for actual time worked.

(d) Premium Rate Day

In all cases, if the employee is reporting on a day on which an overtime rate is paid, reporting pay shall be calculated at that rate.

ARTICLE 11 APPRENTICESHIP PROGRAM

11.1

The parties recognize the need to maintain continuing support of apprenticeship programs designed to develop adequate numbers of competent workers in the construction industry. Such programs enable workers to enter the labor pool fully qualified to earn a living wage on construction jobs. The Unions agree to support and to enhance such programs to provide training and job opportunities to these new work force entrants. The Contractors will employ apprentices in their respective craft to perform work customarily performed by the craft in which they are indentured and within their capabilities.

11.2

Pre-Screening Program

The Parties hereto agree to jointly develop and implement a Pre-Screening Program that will increase the skill level and entry opportunities of new employees into the Puget Sound Region established (State Apprenticeship Council aka SAC) Apprenticeship Programs. This Pre-Screening Program will be specifically designed to assist women,

people of color and individuals who are disadvantaged and under-represented in the workforce.

11.3.

Apprenticeship Goals

Consistent with any restrictions contained in applicable state or federal law and regulations, including those governing equal employment opportunity, prevailing wage and apprenticeship requirements and limitations, the parties will jointly endeavor to meet or exceed the following Project goals for Apprenticeship utilization:

- (a) For the Treatment Plant, a project-wide goal of fifteen percent (15 percent) of the project work hours to be comprised of apprentices.
- (b) Methods that will be used by the Project Administrative Committee to identify opportunities for the utilization of apprentices within individual contract packages.
- (c) Means and methods for reporting, collecting and analyzing data related to the utilization of apprentices on the Project.
- (d) Means and methods for monitoring and enforcing the apprenticeship efforts of the parties.
- (e) Means and methods for removing barriers to the inclusion of women, people of color, and disadvantaged and under-represented individuals in the workforce in the apprenticeship and pre-apprenticeship programs.

11.4

Removing Barriers

The Northwest Washington Building and Construction Trades, and its affiliate member Unions, along with State Apprenticeship Council ("SAC") approved apprenticeship programs serving King and Snohomish Counties, will cooperate with the Owner to assist low-income residents to gain entrance to, and successful completion of, SAC apprenticeship programs. The Parties hereto will inform the coordinators and sponsors of the apprenticeship and training programs, as well as all Union representatives of the goals and activities covered by this Agreement, and will provide advocacy and assistance to encourage, support and involve the apprenticeship program coordinators in meeting these goals. Examples of the advocacy and assistance that will be provided include, but are not limited to:

- (a) Establishing and facilitating discussions between various SAC and other apprenticeship coordinators to identify policy or program enhancements to increase the participation of people of color, women, and disadvantaged and under-represented individuals in the workforce.
- (b) Immediate reporting from each SAC program indentures for the period 1999 – 2003 by class year the total number of indentured apprentices, numbers of males and females and racial breakdown.

(c) Evaluating projected or actual apprenticeship class size by program and trade for the period 2003-2010.

(d) Reporting their internal diversity goals and timelines for the participation of people of color, women, and disadvantaged and under-represented individuals in the workforce.

(e) Participating in a collaborative effort between the SAC programs and various community-based organizations to recruit people of color, women, and disadvantage and/or under-represented individuals from within those communities along the conveyance system for inclusion in the workforce.

11.5

The parties shall exercise good faith and affirmative efforts to remove barriers that prevent people of color, women, disadvantaged and under-represented individuals in the apprenticeship programs. Barriers that need to be removed include, but are not limited to:

(a) The requirement for a driver's license when a driver's license is not a bona fide requirement of the work.

(b) Questions about criminal history when the work does not involve security requirements.

(c) Requirement for apprenticeship application fees.

11.6

Pre-Apprenticeship Efforts

The parties to this Agreement endorse the efforts made by the Port of Seattle, Sound Transit, the Seattle Monorail and others in the development of programs which serve as a means for identifying, screening and preparing members of groups historically underrepresented in construction employment to enter and successfully complete the Local Union(s) apprenticeship programs. The Owner's bid specifications will encourage all Contractors to participate in these programs as may be deemed appropriate to provide the numbers of applicants to apprenticeship programs and to produce qualified apprentices to achieve the goals agreed by the parties for this Project.

11.7

During the initial construction-planning period, the GC/CM shall prepare and submit a plan for participation of SAC-registered apprentices to the Owner. The GC/CM and its Subcontractors shall estimate the total contract labor hours to be worked on the construction contract awarded to it and shall establish the anticipated apprenticeship participation by craft and hours to be submitted to the Owner at the pre-construction meeting.

Diversity goals for the apprenticeship program for all contractors shall be as follows:

- Women and people of color to perform at least 50 percent of all first year apprentice hours in all trades.
- Women and people of color to perform at least 33 percent of all apprentice hours worked.

During the contract construction phase, the GC/CM and each Subcontractor shall provide a monthly report to the Owner on the numbers of apprentices used by craft and trade at each tier and level of work.

11.8

A funding mechanism consisting of an Apprenticeship Preparation Fund (APF) will be established and will continue in full force and effect during the term of this agreement. King County will make contributions in the sum of no less than five cents (\$.05) per hour worked by employees covered under this agreement into the APF. The APF will be administered by the Project Administrative Committee.

11.9

The GC/CM and the signatory Unions agree to establish "Direct Entry" procedures for those crafts that allow for such entry procedures. Direct entry procedures shall include a specified number of direct entry slots, selection criteria, minimum specified employment duration for each slot, and dispute resolution. Crafts who do not allow direct entry under their current standards will work with their Joint Apprenticeship Training Committees in good faith efforts to achieve direct entry language in their standards.

Note: The following crafts are currently named as "Direct Entry" programs – Laborers, Carpenters, Cement Masons, Iron Workers, Painters, Plumbers, and Teamsters, as of the date of this Agreement.

11.10

The GC/CM and the signatory Unions desire to facilitate the entry of veterans into the building and construction trades who are interested in careers in the construction industry. The Unions agree to utilize the services of the Center for Military Recruitment, Assessment, and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs of such veterans. The Unions agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on this Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans' bona fide, provable past experience. The experience and practical knowledge of veterans will be reviewed and tested by applicable Joint Apprenticeship Training Committee (JATC). Applicants will be placed at the appropriate stage of apprenticeship or at the journey level, as the case may be. Final decisions will be the responsibility of the applicable JATC.

11.11

The GC/CM and the signatory Unions acknowledge that retention of apprentices in their craft training is a priority, and therefore agree to participate in the Apprentice Mentoring Program.

**ARTICLE 12
PAY DAY****12.1**

All employees covered by this Agreement may be paid by check and shall be paid no later than the end of the work shift Friday. Paychecks shall be drawn on a local bank, or the Contractors shall make local check-cashing facilities available to the employees. No more than five (5) days wages may be withheld. Any employee who is discharged or laid off shall be entitled to receive all accrued wages immediately upon discharge or layoff. Notification of layoff shall be at the Contractor's discretion but shall not be given later than the end of the work shift on the date the layoff is to be effective. Such notification may be verbal.

12.2

A penalty of two (2) hours taxable, straight time pay for each 24 hour period or portion thereof (Saturdays and Sundays included) following the day in which the payroll became delinquent, shall be paid in addition to all wages due to the employee based upon when settlement is made up to, but not exceeding 2 weeks. Penalty payment may be made by jointly issued checks.

**ARTICLE 13
CRAFT JURISDICTION AND
JURISDICTIONAL DISPUTES ADJUSTMENT****13.1**

The assignment of work will be solely the responsibility of the Contractor performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the Plan) or any successor Plan (Exhibit 5).

13.2

All jurisdictional disputes on this Project, between or among Building and Construction Trades Unions and employees, parties to this PLA, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Contractors and Unions parties to this PLA.

(a) Where the work in dispute is not traditional building and construction work, or is claimed by any of the parties to the dispute not to be traditional building and construction work, and a difference exists among the parties as to the appropriate procedure with jurisdiction to resolve the dispute, the dispute will be

settled in accordance with the following procedure. If the dispute is not resolved among the parties within seven (7) working days, the dispute shall be referred, within five (5) working days thereafter, by any one of the Unions or the involved Contractor to the International Unions with which the disputing Unions are affiliated. The International Unions and the involved Contractor shall meet promptly to resolve the dispute. Any resolution shall be reduced to writing and signed by representatives of the involved Contractor and the International Unions.

(b) In the event that the respective International Unions of the disputing Local Unions and the involved Contractor are unable to resolve the dispute within fifteen (15) calendar days from the date of referral, the dispute shall be referred by any of the interested parties to or a mutually agreed arbitrator under this Article to hear and decide issues arising from the work assignment that is the basis of the dispute. The parties agree that the arbitrator shall, within twenty (20) calendar days of such referral, conduct a hearing and render a determination of the dispute.

13.3

All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractors assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

13.4

Each Contractor will be required to conduct a pre-job conference with the Building and Construction Trades Council prior to the initial commencement of work, and on an as needed basis for projects with multiple phases and/on start dates. The purpose of this pre-job conference is to promote communication and provide the parties an opportunity to review the work prior to the start of construction. The GC/CM will be advised in advance of all such conferences and shall participate.

13.5

Any award or resolution made pursuant to this procedure, shall be final and binding on the disputing Unions and the involved Contractor under this PLA only, and may be enforced in any court of competent jurisdiction in accordance with the Plan. Such award or resolution shall not establish a precedent on any construction work not covered by this PLA. In all disputes under this Article, The Owner and GC/CM shall be considered a party in interest.

ARTICLE 14 WORK RULES

14.1

Employment begins and ends at the jobsite.

14.2

Employees shall be at their place of work at the designated starting time and shall remain at their place of work until the designated quitting time. Place of work shall mean gang boxes, change shacks or other designated tool storage areas or at assigned equipment. Employees shall remain on the Project and at their place of work through the work day except during breaks and lunch, at which time employees may access vending areas or snack trucks.

14.3

There shall be no limit on production by workmen nor restrictions on the full use of tools or equipment. Craftsmen using tools shall perform any of the work of the trade and shall work under the supervision of craft foremen. There shall be no restrictions on efficient use of manpower other than as may be required by safety regulations; provided, however, legitimate manning practices that are a part of national and/or local agreements shall be followed.

14.4

Security procedures for control of tools, equipment and materials are solely the responsibility of the Contractors and/or its subcontractors. Employees having any company property or property of another employee in their possession without authorization are subject to immediate discharge. The GC/CM will be responsible for the establishment of reasonable job security measures for the protection of personal company and client property.

14.5

Slowdowns, standby crews, and featherbedding practices will not be tolerated.

14.6

Recognizing the nature of the work being conducted on the site, employee access by private automobile may be limited to certain roads and/or parking areas.

14.7

Specialized equipment may be installed, adjusted, tested, and serviced by the Owner's employees, agents, or representatives prior to the occupancy of the Project, provided such installation is in accordance with Washington State prevailing wage laws. The on-site installation or application of such items shall be generally performed by the craft having jurisdiction over such work; provided, however, it is recognized that other personnel having special talents or qualifications may participate in the installation, check-off or testing of specialized or unusual equipment. Specialized equipment does not include installation of telecommunications cabling and related equipment.

14.8

The Owner or the GC/CM may establish reasonable Project rules, as they deem appropriate and not inconsistent with this Agreement; however, such rules shall be subject to review by the Joint Administration Committee. These rules will be explained at the pre-job conference and posted at the Project site by the GC/CM and may be amended thereafter as necessary. Failure to observe these rules and regulations by any employee may be grounds for discipline, including discharge.

**ARTICLE 15
MISCELLANEOUS PROVISIONS****15.1**

All inspection of incoming shipments of equipment, apparatus, machinery and construction materials of every kind shall be performed at the sole discretion of the Owner or Contractors by persons of their choice.

15.2

The Owner or Contractors shall have the right to have equipment, apparatus, machinery, and construction materials of every kind delivered to the jobsite by persons of their choice except as otherwise set out herein.

15.3

The Owner shall have the right to test, operate, maintain, remove, and replace all equipment, apparatus, or machinery installed, or to be used in connection with such installation on the work site with employees, agents or representatives of the Owner who shall work under the direct supervision of the Owner, as applicable if such supervision is deemed desirable.

15.4

All employees shall be subject to substance screening and testing procedures set forth within the Project's developed safety and insurance programs and substance screening program. Any employee who reports for work under the influence of alcoholic beverages or uses non-prescribed drugs on the jobsite or who reports to the jobsite with alcoholic beverages or non-prescribed drugs, shall be subject to immediate termination and/or removal from the project.

15.5

Any employee who willfully damages the work of any other employee, or any material, equipment, apparatus, or machinery shall be subject to immediate termination.

15.6

In the interest of the future of the construction industry in the Puget Sound area, of which labor is a vital part, and to maintain the most efficient and competitive posture possible, the Unions pledge to work with management on this Project to produce the most efficient utilization of labor and equipment in accordance with this Agreement.

ARTICLE 16 SAFETY, HEALTH AND SANITATION

16.1

The GC/CM, its Subcontractors, and the Unions signatory to this Agreement will form a Joint Labor/Management Safety Committee consisting of equal numbers of Contractor and Union representatives, to be agreed upon by the parties, which shall be jointly chaired by the site representative of the GC/CM (or designee) and an official of the Unions (or designee) appointed by the Unions. The Committee will meet at the call of the Joint Chairs of the monthly Labor/Management Meetings to receive reports on safety programs instituted by the Owner, the GC/CM, and the individual contractors on the Project site and to discuss and advise such parties of the Agreement with regard to recommended safety programs and procedures in order to maintain the highest level of occupational safety possible on the Project site.

16.2

The GC/CM, the GC/CM's subcontractors, and their respective employees shall comply with all applicable provisions of State and Federal laws and regulations including the Occupational Safety and Health Act of 1970, as amended, and those regulations relating to job safety and safe working practices.

16.3

The GC/CM or its subcontractors shall provide a convenient and sanitary supply of drinking water, cooled in the summer months, and sanitary drinking cups.

16.4

The GC/CM or its subcontractors shall provide adequate sanitary toilet facilities, water, and clean up facilities for the employees. The GC/CM or individual Contractors shall establish and maintain a change house on site. A separate women facility will be provided.

16.5

Violators of the safety program will be subject to termination for cause and may be rehired after 90 days.

16.6

All required safety equipment shall be provided by the GC/CM or its subcontractors.

16.7

Safety

Safety meetings shall be held at a minimum of once a week at the beginning of a shift. Copies of the topics, minutes, or agenda of the meetings with signed attendance sheets shall be maintained by the project Safety Engineer.

ARTICLE 17

NO STRIKE - NO LOCKOUT

17.1

During the term of this Agreement there shall be no strikes, picketing, work stoppages, slow downs or other disruptive activity for any reason by the Union, its applicable Local Union or by any employee, and there shall be no lockout by any Contractor. Failure of any Union, Local Union, or employee to cross any picket line established at the Project site is a violation of this Article.

17.2

The Union and its applicable Local Union shall not sanction, aid or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity at the GC/CM's project site and shall undertake all reasonable means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge, and if justifiably discharged for the above reasons, shall not be eligible for rehire on the Project for a period of not less than ninety (90) days.

17.3

Neither the Union nor its applicable Local Union shall be liable for acts of employees for whom it has no responsibility. The International Union General President or Presidents will immediately instruct, order, and use the best efforts of his office to cause the Local Union or Unions to cease any violations of this Article. An International Union complying with this obligation shall not be liable for unauthorized acts of its Local Union. The principal officer or officers of a Local Union will immediately instruct, order and use the best efforts of his office to cause the employees the Local Union represents to cease any violations of this Article. A Local Union complying with this obligation shall not be liable for unauthorized acts of employees it represents. The failure of the GC/CM to exercise its right in any instance shall not be deemed a waiver of its right in any other instance.

17.4

In the event of any work stoppage, strike, picketing, or other disruptive activity in violation of this Article, the GC/CM may suspend all or any portion of the Project work affected by such activity at the GC/CM's discretion and without penalty.

17.5

There shall be no strikes, picketing, work stoppages, slowdowns or other disruptive activity affecting the Project site during the duration of this PLA. Any Union or Local Union which initiates or participates in a work stoppage in violation of this Article, or which recognizes or supports the work stoppage of another Union or Local Union which is in violation of this Article, agrees as a remedy for said violation to pay liquidated damages in accordance with Section 17.6 of this Article.

17.6

In Lieu of, or in addition to, any other action at law or equity, any party may institute the following procedure when a breach of this Article is alleged, after the Union(s) or Local Union(s) has been notified of the fact.

(a) The party invoking this procedure shall notify (to be mutually determined) who the parties agree shall be the permanent Arbitrator under this procedure. In the event that the permanent Arbitrator is unavailable at any time, he or she shall appoint an alternate. Notice to the Arbitrator shall be by the most expeditious means available, with notice by facsimile, telegram, or any other effective written means to the party alleged to be in violation and the International Union President and/or Local Union.

(b) Upon receipt of said notice, the Arbitrator named above shall set and hold a hearing within twenty-four (24) hours if it is contended the violation still exists.

(c) The Arbitrator shall notify the parties by facsimile, telegram, or any other effective written means, of the place and time he or she has chosen for this hearing. Said hearing shall be completed in one session. A failure of any party or parties to attend said hearing shall not delay the hearing of evidence or issuance of an Award by the Arbitrator.

(d) The sole issue at the hearing shall be whether or not a violation of this Article has in fact occurred. The award shall be issued in writing within three (3) hours after the end of the hearing and may be issued without an Opinion. If any party desires an Opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with or enforcement of the award. The Arbitrator may order cessation of the violation of this Article, and such Award shall be served on all parties by hand or registered mail upon issuance.

(e) Such award may be enforced by any court of competent jurisdiction upon the filing of this PLA and all other relevant documents referred to herein above in the following manner. Facsimile or expedited mail or personal service of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the Arbitrator's award as issued under Section 6 of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the Arbitrator's Award shall be served on all parties by hand or by delivery to their last known address by registered mail.

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

(g) The fees and expenses of the Arbitrator shall be borne by the party or parties found in violation, or in the event no violation is found, such fees and expenses shall be borne by the moving party.

(h) If the Arbitrator determines that a work stoppage has occurred in accordance with Section 17.6 d above, the party or parties found to be in violation shall pay as liquidated damages the following amounts: For the first shift in which the violation occurred, \$10,000; for the second shift, \$15,000; for the third shift, \$20,000; for each shift thereafter on which the craft has not returned to work, \$25,000 per shift. The specific damages in this Section shall be paid to the Owner. The Arbitrator shall retain jurisdiction to determine compliance with this Section and Article.

17.7

The procedures contained in Section 17.6 through 17.6 (h) shall be applicable to violations of this Article. Disputes alleging violation of any other provision of this PLA, including any underlying disputes alleged to be in justification, explanation or mitigation of any violation of this Article, shall be resolved under the grievance adjudication procedures of Article 18 Grievance Procedure.

17.8

The Owner and GC/CM are each a party of interest in all proceedings arising under this Article and Articles 13 and 18 and shall be sent copies of all notifications required under these Articles and shall initiate or participate as a full party in any proceeding initiated under this Article.

ARTICLE 18 GRIEVANCE PROCEDURE

18.1

This PLA is intended to provide close cooperation between management and labor. Each of the Unions will assign a representative to this Project for the purpose of completing the construction of the Project economically, efficiently, continuously, and without interruptions, delays, or work stoppages.

18.2

The GC/CM and its Subcontractors, Unions, and the employees, collectively and individually, realize the importance to all parties to maintain continuous and uninterrupted performance of the work of the Project, and agree to resolve disputes in accordance with the grievance-arbitration provisions set forth in this Article.

18.3

Any question or dispute arising out of and during the term of this PLA (other than trade jurisdictional disputes) shall be considered a grievance and subject to resolution under the following steps:

(a) Step 1

When any employee subject to the provisions of this PLA feels they have been aggrieved by a violation of this PLA, through their local union business representative or job steward, shall, within five (5) working days after the occurrence of the violation, give notice to the work-site representative of the involved Contractor stating the provision(s) alleged to have been violated. The business representative of the local union or the job steward and the work-site representative of the involved Contractor shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. The representative of the GC/CM shall keep the meeting minutes and shall respond to the Union representative in writing at the conclusion of the meeting but not later than twenty-four (24) hours thereafter. If they fail to resolve the matter within the prescribed period, the grieving party may, within forty-eight (48) hours thereafter, pursue Step 2 of the Grievance Procedure, provided the grievance is reduced to writing, setting forth the relevant information concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the PLA alleged to have been violated. Should the Local Union(s) or any Contractor(s) have a dispute with the other party and, if after conferring, a settlement is not reached within three (3) working days, the dispute may be reduced to writing and proceed to Step 2 in the same manner as outlined herein for the adjustment of an employee complaint.

(b) Step 2

The International Union Representative and the involved Contractor(s) shall meet within seven (7) working days of the referral of a dispute to this second step to arrive at a satisfactory settlement thereof. Meeting minutes shall be kept by the GC/CM. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days thereafter.

(c) Step 3

If the grievance has been submitted but not adjusted under Step 2, either party may request in writing, within seven (7) calendar days thereafter, that the grievance be submitted to the mutually agreed upon Arbitrator. The decision of the Arbitrator shall be final and binding on all parties. The fee and expenses of such Arbitration shall be borne equally by the Contractor(s) and the involved Local Union(s).

Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the parties involved at the particular step where the extension is agreed upon. The Arbitrator shall have the authority to make decisions only on issues presented, and shall not have authority to change, amend, add to or detract from any of the provisions of this PLA.

18.4

The Owner and GC/CM shall be notified of all actions at Steps 2 and 3 and shall, upon their request, be permitted to participate in all proceedings at these steps.

ARTICLE 19 GENERAL SAVINGS CLAUSE

19.1

If any article or provisions of this Agreement shall be declared invalid, inoperative or unenforceable by any competent authority of the executive, legislative, judicial or administrative branch of the Federal or any State government (including such authorities as established within Project enabling legislation referred to under Article I within this Agreement), the GC/CM and the Union shall suspend the operation of such article or provision during the period of its invalidity and shall substitute, by mutual consent, in its place and seal an article or provision which will meet the objections to its validity and which will be in accord with the Intent and purpose of the article or provision in question.

19.2

If any article or provision of this Agreement shall be held invalid, inoperative or unenforceable by operation of law or by any of the above mentioned tribunals of competent jurisdiction, the remainder of this agreement or the applications of such article or provision to persons or circumstances other than those as to which it has been held invalid, inoperative or unenforceable shall not be affected thereby.

ARTICLE 20 TERMS OF AGREEMENT

20.1

This Project Labor Agreement shall become effective on, _____, and shall continue only until the Project is completed or abandoned by the Owner, or by the GC/CM.

20.2

(a) Turnover. Construction of any phase, portion, section or segment of the Project shall be deemed complete when such phase, portion, section or segments has been turned over to the Owner by the GC/CM and the Owner has accepted such phase, portion, section or segment. As areas and systems of the Project are inspected and construction tested and/or approved by the Owner, the Agreement shall have no further force or effect on such items or areas, except when a Subcontractor is directed by the GC/CM or the Owner to engage in repairs or modifications required by its contract(s) with the Owner.

(b) Notice. Written notice of each final acceptance received by the GC/CM will be provided to the Building Trades Council with a description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch list", and in such case, the Agreement will continue to apply to each such item on the list until it is completed to the satisfaction of the Owner and a letter of completion/Final Acceptance is given by the Owner to the GC/CM. A copy of the "punch list" will be available to the unions.

(c) Termination. Final termination of all obligations, rights and liabilities and disagreements shall occur upon receipt by the Building Trades Council of a written notice from the Owner or GC/CM saying that no work remains within the scope of the Agreement for the GC/CM or their successor(s).

ARTICLE 21 WAGE SCALES AND FRINGE BENEFITS

21.1

In consideration of the desire of the Owner, the GC/CM and its Subcontractors and the Unions for all construction work to proceed efficiently and economically and with due consideration for the protection of labor standards, wages and working conditions, all parties agree that:

21.2

All employees covered by this Agreement shall be classified in accordance with work performed and paid the hourly wage rates for those classifications in compliance with the applicable prevailing rates as required by Chapter 39.12 of the Revised Code of Washington, as amended, and/or by the Davis-Bacon Act, 40 U.S.C.~276a et seq., whichever is greater. This requirement applies to laborers, workers and mechanics, employed by the GC/CM and its Subcontractors, or by any other person who performs a portion of the work contemplated by this Agreement and which is covered by the terms hereof.

21.3

The GC/CM and its subcontractors will recognize the applicable Federal and/or State Prevailing Wage Rate Determinations as the minimum rates to be paid to all craft employees, including general foreman, foreman and apprentices during the life of the project. Further, the GC/CM and its subcontractors will recognize all changes of wages and fringes on the effective date(s) of the individual craft local collective bargaining agreement. It is further agreed that any retroactive increases will be recognized provided it is part of the negotiated settlement

21.4

The current Washington state prevailing wage rates (*PWR*) for the inception of this project are dated March 1, 2006. Such WASHINGTON PWR which have been provided to the parties hereto by the industrial statistician of the Washington State Department of Labor and Industries will be available for review at the L&I website at: <http://www.lni.wa.gov/prevailingwage/> and are incorporated into this Agreement as if set forth herein.

21.5

In case any dispute arises as to what are the prevailing rates of wages for work of a similar nature and such dispute cannot be adjusted by the parties in interest, including labor and management representatives the matter shall be referred for arbitration to the DIRECTOR OF THE DEPARTMENT OF LABOR AND INDUSTRIES of the State of Washington, and the Directors decision therein shall be final and conclusive and binding on all

parties involved in the dispute, as provided for by Section 39.12.060 of the Revised Code of Washington as amended.

21.6

The GC/CM and its Subcontractors adopt and agree to be bound by the written terms of the legally established trust agreements, for each craft hired, specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds. The GC/CM and its Subcontractors authorize the parties to such Trust Funds to appoint Trustees and successor Trustees to administer the Trust Funds and hereby ratifies and accepts the Trustees so appointed as if made by the GC/CM or its Subcontractors.

21.7

If any Subcontractor is delinquent in any Trust Fund contributions, the Union or the Trust Fund shall first make every effort to resolve the delinquency. After all efforts have been exhausted, the Union or Trust Fund shall provide timely notification to the Owner and the GC/CM, together with all documentary evidence of the delinquency endorsed by the Fund. Upon such notification, the GC/CM will attempt to resolve the delinquency among its Subcontractor, the Union and the Fund. If the delinquency is not resolved within ten (10) days thereafter, the GC/CM shall withhold an amount to cover the delinquency from any retained funds otherwise due and owing to the Subcontractor and shall not release such withholding until the Subcontractor is in compliance. If the delinquent amounts are undisputed in whole or in part between the Fund and the delinquent Subcontractor, the GC/CM shall issue a joint check to the Fund and the Subcontractor in the amount of the undisputed delinquency.

21.8

Copies of the Union Trust Agreements are available upon request.

ARTICLE 22 DRUG FREE WORKPLACE

22.1

The parties to this Agreement agree to implement a Drug Free Workplace Policy and Program for the duration of this Agreement. Such policy will be administered in accordance with the provisions of the ALCOHOL AND DRUG POLICY included as ADDENDUMS to this Project Labor Agreement as identified in the TABLE ON CONTENTS herein. If a program is implemented and the unions party to this agreement have an existing drug and alcohol-testing program, that is equal to or better than the proposed program, that includes pre-employment, for cause and random testing, and is at the same or lower cost, the GC/CM shall agree to use the Union program.

ENDORSEMENTS

The authorized signature by the undersigned affirms approval of this Agreement by King County, the Northwest Washington Building and Construction Trades Council, the Washington State Building and Construction Trades Council, and Hoffman Construction, Inc., and the adoption of this Agreement as a bid specification for contracts covering all work within the scope of this Agreement.

FOR THE PARTIES:

Ron Sims
King County Executive

Dave Johnson
Executive Secretary
Washington State Building and Construction
Trades Council, AFL-CIO:

Steve Koch
President
Northwest Washington Building
and Construction Trades Council, AFL-CIO:

Tom Peterson
Vice President
Hoffman Construction, Inc.

Affiliated International Unions

International Association of Heat and Frost
Insulators and Asbestos Workers
James Grogan

International Union of Elevator
Constructors
Dana Brigham

International Union of Bricklayers and
Allied Craftworkers
John J. Flynn

United Union of Roofers, Water-
proofers and Allied Workers
John Martini

International Brotherhood of Electrical
Workers

International Brotherhood of
Boilermakers, Iron Ship Builders,
Blacksmiths, Forgers, and
Helpers
Charles W. Jones

Edwin Hill

International Association of Bridge,
Structural and Ornamental Iron Workers
Joseph Hunt

United Brotherhood of Carpenters
and Joiners of America
Douglas J. McCarron

International Union of Operating Engineers

Operative Plasterers' and Cement
Masons' International Association
of the United States of America
John J. Dougherty

Frank Hanley

International Brotherhood of Teamsters
James P. Hoffa

International Union of Painters and Allied Trades
James Williams

Sheet Metal Workers' International Association
Michael J. Sullivan

United Association of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry of the United States and Canada
William P. Hite

Laborers' International Union of North America
Terrance O'Sullivan

And Their Affiliated Local Unions

International Association of Heat and Frost Insulators and Asbestos Workers, Local No.7

Operative Plasterers' and Cement Masons' International Association of the United States of America, Plasterers Local No. 77

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers Helpers, Local No. 502

International Brotherhood of Electrical Workers, Local No. 191

United Brotherhood of Bricklayers and Allied Craftworkers, Local No. 1

United Brotherhood of Carpenters and Joiners of America, Regional Council

International Association of Bridge, Structural and Ornamental Iron Workers, Local No. 86

Operative Plasterers' and Cement Masons' International Association of the United States of America, Cement Masons Local No. 528

Laborers' International Union of North America, Locals No. and 292

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local No. 699

International Union of Operating Engineers Local No. 302

Sheet Metal Workers' International Association, Local No. 66

International Union of Elevator Constructors Local No. 19

United Union of Roofers, Waterproofers and Allied Workers, Local No. 54

International Union of Painters and Allied Trades, District Council

International Brotherhood of Teamsters, Locals No. 38

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local No. 26

APPENDIX A

SUBSTANCE ABUSE PREVENTION PROGRAM

HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON ALCOHOL AND DRUG POLICY STATEMENT

1. **PURPOSE** - Hoffman recognizes that alcohol and drug abuse in the work place has become a major concern. We believe that by reducing alcohol and drug use we will improve the safety, health and productivity of employees, including employees of subcontractors and vendors employed at the work site. The object of this policy is to provide a safe and healthy work place for all employees, to prevent incidents, to cooperate with the owners of our projects, their architects and consultants in maintaining a safe work place and to comply with federal and state health and safety regulations.
2. **DEFINITIONS** -
 - A. **Alcohol** - Means ethyl alcohol (ethanol). References to use or possession of alcohol include use or possession of any beverage, mixture or preparation containing alcohol.
 - B. **Drug** - Means any substance other than alcohol capable of altering the mood, perception, pain level or judgment of the individual consuming it, or any "controlled substance" or "controlled dangerous substance" as defined by federal and state statutes. "Illegal drug" means any drug or controlled substance the sale or consumption of which is illegal under state or federal law.
 - C. **Employee** - Any individual who actually performs jobsite work for any contractor, vendor or supplier on the project for Employer and its subcontractors and suppliers, at every tier.
 - D. **Employer Premises** - Employer premises includes all operative premises, facilities, parking lots, garages, work places, dry shacks and Employer owned tool boxes and storage facilities.
 - E. **Medical Facility** - Means a hospital, clinic, physicians office or laboratory where testing specimens can be collected according to recognized professional standards.
3. **CORPORATE RULE** - This use of alcoholic beverages or marijuana by employees when on duty or on Employer premises, is prohibited. The unlawful manufacturing, distribution, possession, or use of any illegal drug is also prohibited. Employees must not report for duty or be on Employer premises under the influence of, or have in their possession, any alcoholic beverage, or illegally obtained drug, narcotic or other illegal substance. Employees may be tested for alcohol or drugs pursuant to this policy. Any employee who tests positive for alcohol or drugs will be subject to immediate discharge and will be ineligible for rehire except as provided below.
4. **PRE-EMPLOYMENT DRUG SCREENS** - All prospective employees prior to being acceptable for employment on any project and all prospective employees of subcontractors or vendors who may perform work on Hoffman projects shall be given tests for the presence of alcohol, marijuana, etc. and (prescription/non-prescription*) drugs. These tests shall be done by an independent medical facility which has been approved by the Employer. Pre-employment screening tests shall be taken prior to the employee reporting for work. In the event that the independent medical facility cannot provide results of such tests to the employer prior to the

scheduled reporting time of the employee, it is understood that the employee shall be considered a probationary employee until such time as the results from the tests are known to the Employer. Further, the presence of one or more of those drugs, alcohol or marijuana will be cause for rejection for employment. Refusal to submit to the screening tests will constitute voluntary withdrawal of application for employment. Positive and invalid test results will be reported immediately to a designated Hoffman employee on the applicable project. Employees who test positive for the presence of alcohol and drugs will have the opportunity to explain the positive test results. *Positive tests due to prescription medication will be considered positive until a copy of the prescription for the medication and/or a letter from the individual's licensed health care provider is received in the corporate office. The use of drugs/medicine prescribed by a licensed health care provider for the individual is permitted provided it will not affect the individual's ability to safely perform their job duties. Any individual who has been informed that the drugs/medicine could prevent them from safely performing their job duties, must inform his or her supervisor prior to using any such drug/medicine on the job.

5. POST INCIDENT TESTING - Under the following circumstances any individual either directly or indirectly involved in an incident, will be tested for the presence of alcohol and drugs. 1) Incident results in an injury requiring off-site medical treatment; 2) Involvement as a participant crew member in the circumstances surrounding an incident; 3) Incident results in damage to equipment and/or property.

6. POST EMPLOYMENT TESTING - Testing may be conducted on an individual basis whenever Employer has reasonable cause to believe that an employee or a group of employees is, or may be under the influence of alcohol or drugs. Employer may conduct post employment testing project wide, up to three times in any twelve-month period, without notice.

7. RIGHT TO SEARCH - Employees and their property, which include lunch boxes and toolboxes, are subject to search while on Employer premises. Refusal to permit such search shall be cause for discharge.

8. REHABILITATION/RE-TESTING - Upon successful or satisfactory completion of an Employer approved alcohol and drug treatment program, as confirmed by the treatment staff, individual(s) will be eligible to re-test for employment. Any individual re-testing under this paragraph agrees to sign a REHABILITATION TESTING AGREEMENT and be re-tested for a period of two years from rehire test date.

YOU MAY REQUEST A COPY OF HOFFMAN 'S CODIFICATION FROM THE
HOFFMAN ON-SITE BUSINESS OFFICE

ADDENDUM - "A"
HOFFMAN RECOGNIZED EMPLOYER OR INDUSTRY
ALCOHOL AND DRUG PROGRAMS

Hoffman recognizes the following individual employer or Industry **ALCOHOL AND DRUG PROGRAMS**:

INDIVIDUAL EMPLOYER PROGRAMS:

1. Advanced Technology Group
2. Baugh
3. Benge Construction Co.
4. Coffman
5. Knez Building Materials
6. Nuprecon
7. Snyder Roofing and Sheet Metal, Inc.
8. Streimer Sheet Metal Works, Inc.
9. Yearout Mechanical & Engineering, Inc.
10. Hobson Fabricating Corporation

INDUSTRY ALCOHOL AND DRUG PROGRAMS

1. IBEW Locals 48, 659, 280, 970 AND 73, Oregon Columbia Chapter NECA
Oregon Pacific Cascade Chapter NECA, Washington Inland Empire
Chapter NECA
2. Oregon Wall & Ceiling Industry
3. IBEW Local 76 – S.W. Washington Chapter NECA
4. IBEW Local 68 – Rocky Mountain Chapter NECA
5. N.W. Ironworkers Drug Free Workplace Program

•Employer or subcontractor employees tested under any of the above programs must show the proof of testing issued by their respective craft or employer and sign a **ALCOHOL AND DRUG CONSENT FORM** issued by General Contractor.

•The employee must provide agreed upon proof that they have successfully tested within the last 6 months. If contractually required by project Ownership, employees may be required to provide proof that they have tested within an Owner designated period of time prior to arriving at the site.

•The original white copy of the **CONSENT FORM** should be sent to the corporate office. Any employee who refuses to sign or modifies the General Contractor's consent form will not be allowed to begin working on any of Employer's projects.

•By signing the General Contractor's Consent form the employee agrees to comply with all post employment testing requirements. Refusal to submit a specimen per Employer's post employment testing policy will result in the employee being barred from all of Employer's projects for a period of one year.

•Recognized employer and/or industry representatives must notify the Employer's corporate office immediately if any modifications are made to their Alcohol and Drug Policy and Procedures. Failure to notify the Employer's corporate office will result in revocation of the subcontractor and/or industry Alcohol and Drug plan approval by the Employer.

RECOGNITION OF EMPLOYER OR INDUSTRY ALCOHOL AND DRUG PROGRAMS IS FOR PRE-EMPLOYMENT TESTING ONLY. POLICIES THAT DO NOT MEET THE STANDARDS OF THE HOFFMAN CORPORATION POLICY WILL NOT BE RECOGNIZED . ALL RECOGNIZED PROGRAMS WILL BE REVIEWED ANNUALLY.

**HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON
ALCOHOL AND DRUG POLICY
ADDENDUM "B" CLARIFICATION OF ISSUES**

1. Special safeguards have been undertaken to assure that testing will be conducted by licensed laboratories, under the strictest federal guidelines, with special provisions to assure test reliability, individual privacy and confidentiality. All testing will be conducted only by laboratories approved by the Substance Abuse and Mental Health Services Administration ("SAMHSA") (formerly the National Institute of Drug Abuse, or "NIDA") in accordance with the Mandatory Guidelines for Federal Workplace Testing Programs established by the U.S. Department of Health and Human Services, as amended.

2. Pre-employment testing component - Hoffman has a "clean-card" program, which allows individuals, who continue to comply with Hoffman's Alcohol and Drug Policy, to move from project to project within a six-month period of time. Individuals presenting a recognized, valid "clean-card" are not required to take a pre-employment test upon their arrival at Hoffman projects. Individuals are required to comply with all post-employment testing requirements addressed in Hoffman Construction Company of Washington Alcohol and Drug Policy Codification. Hoffman Construction Company of Washington will review subcontractor and/or Industry programs for recognition. Recognized programs will be listed on Addendum "A" to the Hoffman Construction Company of Washington Alcohol and Drug Testing Policy. As outlined on Addendum "A" individuals presenting a recognized, valid "clean-card" are required to sign a Hoffman Consent for Alcohol and Drug Test form upon their arrival at a Hoffman project and are subject only to post-employment testing under the Hoffman Construction Company of Washington Alcohol and Drug Testing Policy. The Hoffman Construction Company of Washington Consent for Alcohol and Drug Test form will identify the specific project name and number.

3. Confirmed test results will be reported directly to Hoffman Construction Company of Washington Alcohol and Drug Test Administrator from the designated SAMHSA certified laboratory as "PASS", "FAIL" OR "REPEAT" (i.e. invalid, adulterated, dilute).

4. Section 3 – Corporate Rule – Revised Alcohol and Drug Policy Codification: Testing substances, initial screening and confirmation levels:

CONTROLLED SUBSTANCE	SCREENING METHOD	SCREENING LEVEL	CONFIRMATION METHOD	CONFIRMATION LEVEL
Amphetamines/ Methamphetamines	EMIT	1000 ng/ml	GC/MS	500 ng/ml
Barbiturates Amobarbital Butalbital	EMIT	300 ng/ml	GC/MS	200 ng/ml

Pentobarb Phenobarb Secobarb				
Cocaine	EMIT	300 ng/ml	GC/MS	150 ng/ml
Opiates	EMIT	2000 ng/ml	GC/MS	2000 ng/ml
THC (Marijuana)	EMIT	50 ng/ml	GC/MS	15 ng/ml
Alcohol	EMIT	0.03 g/dl	ALCOHOL DEHYDROGEN ASE	0.03 g/dl

A sample reported positive (“FAIL”) contains the indicated drug at or above the cutoff level for that drug. A negative (“PASS”) sample either contains no drug or contains a drug below the cutoff level. Testing levels may be changed to meet SAMHSA or revised industry standards.

EMIT – Enzyme immunoassay

GC/MS – Gas Chromatography/Mass Spectrometry

5. Section 4 – Alcohol and Drug Policy Statement: Any positive test (“FAIL”) for controlled substances or alcohol shall be reported to a Medical Review Officer (MRO) appointed by the designated laboratory. The Medical Review Officer shall review the test results and any disclosure made by the individual and shall attempt to interview the individual to determine if there is any physiological or medical reason why the result should not be deemed positive. If no extenuating reasons exist, the MRO shall designate the test positive.
6. Section 4 – Alcohol and Drug Policy Statement: Individuals who have a reported positive test result (“FAIL”) will be given an opportunity to disclose information to the Medical Review Officer (MRO) relative the results of their test for Alcohol and Drugs. Providing the MRO with any medical information (i.e. valid proof of prescription issued to the individual, documentation from a licensed health care provider, etc.) relative to the explanation for test results is the responsibility of the individual.
7. Requests for Alcohol and Drug Test Results: Individuals requesting a copy of their own Alcohol and Drug Test results must direct the request in writing to the Hoffman Construction Company of Washington Alcohol and Drug Test Coordinator. Specific information relative to positive (FAIL) test result i.e. substance(s) confirmed will only be available to the individual through the designated MRO.
8. Release of Alcohol and Drug Test Results to designated Union Representative: Individuals and/or their employer/subcontractor who wish to release their own or their employee’s Alcohol and Drug Test results to union representation may elect to do so at their own discretion.
9. Accredited Rehabilitation Facility –Individuals subject to Section 8. Of Alcohol and Drug Policy Codification electing to seek Alcohol and Drug related counseling and/or

rehabilitation must do so through facilities duly qualified to dispense such services in accordance with State and/or Federal Law.

10. Section 4D4 Alcohol and Drug Policy Codification: Invalid Specimens: Individual will be allowed to remain at the collection facility for a reasonable amount of time to provide a valid specimen.
11. Section 5. Alcohol and Drug Policy Statement: Post-Incident Testing: Under the following circumstances any individual involved in any incident, may be tested, at the discretion of the General Contractor, for the presence of alcohol or drugs: 1) the incident was caused by human error and could have been avoided by reasonably alert action; or 2) the individual to be tested was a participant crew member in the circumstances surrounding the incident; or 3) use of a controlled substance or alcohol or abuse of a prescription or over-the-counter drug cannot be discounted as a contributing factor; or 4) injury resulting from the incident requires off-site medical treatment; or 5) incident results in significant damage to equipment and/or property.
12. Section 5. Alcohol and Drug Policy Statement: Post-Incident Testing: Under the following circumstances any individual involved in any incident, may be tested, at the discretion of the General Contractor, for the presence of alcohol or drugs: 1) the incident was caused by human error and could have been avoided by reasonably alert action; or 2) the individual to be tested was a participant crew member in the circumstances surrounding the incident; or 3) use of a controlled substance or alcohol or abuse of a prescription or over-the-counter drug cannot be discounted as a contributing factor; or 4) injury resulting from the incident requires off-site medical treatment; or 5) incident results in significant damage to equipment and/or property.
13. Alcohol and Drug Policy Statement: Post-Incident Testing: Under the following circumstances any individual involved in any incident, may be tested, at the discretion of the General Contractor, for the presence of alcohol or drugs: 1) the incident was caused by human error and could have been avoided by reasonably alert action; or 2) the individual to be tested was a participant crew member in the circumstances surrounding the incident; or 3) use of a controlled substance or alcohol or abuse of a prescription or over-the-counter drug cannot be discounted as a contributing factor; or 4) injury resulting from the incident requires off-site medical treatment; or 5) incident results in significant damage to equipment and/or property.
14. Section 5 and 6. Alcohol and Drug Policy Statement: Post Incident and Probable Cause Testing - Any individual directed for post incident testing shall be entitled to request the presence of a Union steward in pre-test meetings with General Contractor management, provided a Union steward is readily available and the circumstances allow. The individual's employer/subcontractor will be responsible for contacting the respective craft steward. Readily available shall be defined as the respective craft steward being available in one hour or less. If the respective craft steward is unavailable within that time period the employer/subcontractor will contact the respective craft union representative. The respective craft union representative will be allowed one hour or less to contact the employer. In the event the craft

steward or respective craft union representative are unavailable within 2 hours or less, the test will be performed as outlined in Addendum "B" to the Hoffman Construction Company of Washington Alcohol and Drug Policy Statement relative to Post Incident Testing and Probable Cause Testing.

15. Medical care before Alcohol and Drug Test – In instances that require emergency medical care, individuals requiring referenced post-incident medical care will be allowed to receive appropriate care prior to providing a specimen for testing.
16. Section 6 – Alcohol and Drug Policy Statement: Post Employment Testing
Site-Wide Testing: Hoffman may conduct post-employment testing, project wide, up to three times in any twelve month period, without notice. Testing will include all individuals working on the project on the day of the test. The necessity to perform a site-wide test will be determined based on:
 - A. Physical evidence of alcohol and/or drug usage on the project.
 - B. A disproportionate number of injurious incidents. If the recordable rate is in excess of 5.0 per 200,000 m.h.
 - C. Owner direction to perform project-wide testing
 - D. A disproportionate number of positive "FAIL" Alcohol and Drug test results. Confirmed "FAIL" test results at 5 percent or above of the total tests taken for this project.
17. Section 7 – Alcohol and Drug Policy Statement: Right to Search: Employees and their property will be searched by local law enforcement for reasonable cause when specific, reliable objective facts and circumstances are sufficient to warrant a prudent person to believe that the search is necessary. If Hoffman determines that there is a necessity to search an employee and their property, that employee shall be entitled to request the presence of a Union steward in pre-search meetings with Hoffman management, provided a Union steward is readily available and the circumstances allow.
18. Access to Project Approved or Denied: Hoffman has a responsibility and a legal obligation to provide a safe working environment for all individuals working on the project. Based on a review of an individual's compliance with the Hoffman Construction Company of Washington Alcohol and Drug Test program, Hoffman reserves the right to deny or approve an individual's request for access to the project. See Addendum "C", "Alcohol and Drug Testing, Eligibility to access Hoffman Construction Company of Washington Projects."
19. Consent for Alcohol and Drug Test Form – If requested in writing, Hoffman will provide information relative to Alcohol and Drug test results to the State of Washington Employment Security Department.
20. Hoffman is required by their insurance carrier to provide a copy of post-incident tests for Alcohol and Drugs. Test results will not be released to our insurance carrier relative to work performed in the State of Washington.

**HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON
ALCOHOL AND DRUG POLICY
ADDENDUM "C"**

**REINSTATEMENT OF ELIGIBILITY TO ACCESS
HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON PROJECTS**

1. **4D6 SECOND FAILURE** - If an employee tests positive ("FAIL") for a second time, they will lose their eligibility to access Hoffman Construction Company of Washington projects and will be terminated and/or removed from the project, whichever is applicable.

Reinstatement of Eligibility to Access Hoffman Construction Company of Washington projects:

1. Individuals who wish to apply to reinstate their eligibility to access Hoffman Construction Company of Washington projects are not permitted to do so for a period of 3 years from the date of their second positive "FAIL" test for Alcohol and Drugs. However, eligibility to apply for reinstatement after the completion of 3 years of ineligibility may be rescinded in accordance with owner directives.
2. The criteria for reinstating an individual's eligibility to access Hoffman Construction Company of Washington projects is as follows:
 - A. The individual must arrange for written documentation from an accredited counseling facility, as defined in Addendum "B," to be delivered directly to Hoffman Construction Company of Washington.
 - B. The documentation must confirm that after testing positive "FAIL" a 2nd time for Alcohol and/or Drugs the individual has been assessed by the accredited counseling facility and enrolled in and completed any recommended rehabilitation program.
 - C. If the completion of any recommended rehabilitation program is greater than 3 months prior to the end of the 3 year time period and/or the time the individual applies for reinstatement of eligibility the individual is required to return to the same counseling facility for a follow up assessment at their own expense.
 - D. If the follow up assessment recommends additional rehabilitation the individual must, at their own expense, enroll and complete the recommended rehabilitation program prior to re-applying for reinstatement of eligibility.
 - E. Individuals who have failed to enroll in and complete recommended rehabilitation programs will not be eligible to reapply for reinstatement of their eligibility to access Hoffman Construction Company of Washington projects

- until they are re-assessed and complete any recommended rehabilitation program.
- F. If the accredited counseling facility is no longer in business, use of second accredited counseling facility to complete previously recommended rehabilitation and/or obtain an assessment is acceptable.
 - G. Assessment documentation directed to Hoffman Construction Company of Washington must specifically state that the individual is free of drugs and alcohol and is not required to enroll in and complete any additional rehabilitation programs.
 - H. If the documentation is as required, the individual will be notified that they are eligible to take an Alcohol and Drug Test for Hoffman Construction Company of Washington.
 - I. The individual will not be allowed to access any Hoffman Construction Company of Washington projects until a confirmed test result showing "PASS" has been received by Hoffman.
 - J. The individual is required to sign a Last Chance Agreement and in addition to any other required testing as outlined in the Hoffman Construction Company of Washington Alcohol and Drug Testing program, agrees to random testing as determined by Hoffman Alcohol and Drug Testing Administrator.

Loss of eligibility to access Hoffman Construction Company of Washington projects

A. Following reinstatement of an individual's eligibility to access Hoffman Construction Company of Washington projects, failure to comply with any aspect of the Hoffman Construction Company of Washington Alcohol and Drug Policy will result in the loss of the individual's eligibility to access all Hoffman Construction Company of Washington projects. Further applications to reinstate the individual's eligibility will not be accepted.

**HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON
ALCOHOL AND DRUG POLICY
CODIFICATION OF PROGRAM**

OUTLINE

1. PURPOSE - (See Paragraph 1 - Alcohol and Drug Policy Statement Document)
2. DEFINITIONS - (See Paragraph 2 - Alcohol and Drug Policy Statement Document)
3. CORPORATE RULE - SUBSTANCES FOR WHICH EMPLOYEES ARE TESTED AND THE CUT OFF LEVELS:

	INITIAL CUTOFF	CONFIRM. CUTOFF
ETHANOL ALCOHOL	0.03 g/dl	0.03 g/dl
AMPHETAMINES	1000 ng/ml	500 ng/ml
METHAMPHETAMINES.....	1000 ng/ml	500 ng/ml
BARBITURATES	300 ng/ml	200 ng/ml
COCAINE	300 ng/ml	150 ng/ml
OPIATES:		
CODEINE.....	1000 ng/ml	300 ng/ml
MORPHINE	300 ng/ml	300 ng/ml
THC (Marijuana)	100 ng/ml	15 ng/ml

NOTE:

- A. (1) Valid temperature range - 90.0 - 100.0
(2) Invalid specimen - tested for urine creatinine and urine PH (specimen density)
- B. Workers have the right to obtain test results from the corporate office.

4. PRE-EMPLOYMENT DRUG SCREENS -

4A. All PROSPECTIVE EMPLOYEES will be directed to the established laboratory or collection site to give a urine specimen for testing for the listed substances, prior to their commencement of work on Hoffman projects. Refusal to submit to the screening tests will constitute voluntary withdrawal of application for employment. Cost of testing is paid for by Hoffman. Time of employee spent for testing is per respective, applicable collective bargaining agreement.

4A1. In certain geographic locations, on site drug screen collection facilities will be established. All prospective employees will be directed to the on-site collection facility for testing, prior to their commencement of work on projects in these locations. Refusal to submit to the screening tests will constitute voluntary withdrawal of application for employment. In place of a Drug & Alcohol card, a job

specific identification badge may be issued by designated on site security services.

4B. All HOFFMAN AND SUBCONTRACTOR EMPLOYEES must provide proof upon arriving at a JOBSITE that they have taken a current DRUG & ALCOHOL TEST for Hoffman or under one of the Hoffman approved program's listed in ADDENDUM "A". Proof can be either be:

1. A DRUG & ALCOHOL CARD issued under the provisions of Section 4, subparagraph C(1) or;
2. An ALCOHOL AND DRUG CONSENT FORM issued by a designated collection site at the time a specimen is provided.

4C. TEST DOCUMENTATION PROCEDURES.

4C1. In certain geographic locations, CERTIFICATION CARDS will be issued to individuals who have tested NEGATIVE. Individuals shall receive a CARD certifying he/she has been tested and the date tested. Certification is valid for SIX MONTHS from the test date.

4C1.1 Records of all CARDS issued are maintained in the corporate office. Each CARD must be authorized by Tom Peterson (name stamp) and laminated before being issued. Incomplete cards, i.e., employee signature, social security number will be returned to the employee/employer for completion. The database is notated accordingly. CARDS issued for Hoffman's internal operating unit company employees are sent to the jobsite noted on their CONSENT FORM. CARDS for SUBCONTRACTOR'S employees are sent directly to the subcontractors. If we do not have an address for a subcontractor, the CARD will be sent to the job site listed on the ALCOHOL AND DRUG CONSENT FORM. If the jobsite can't locate an employee the CARD should be returned to the corporate office. It will be held for SIX MONTHS and then destroyed.

4C1.2 Should employees move to other job sites before they receive their DRUG AND ALCOHOL CERTIFICATION CARD, they should show their copy of the CONSENT FORM to the designated Hoffman representative.

4C2 All other Locations: Individuals will present a copy of their ALCOHOL AND DRUG CONSENT FORM to the designated Hoffman representative upon arrival to the jobsite. A CONSENT FORM must indicate that the test was taken within the past SIX MONTHS.

4C3 Designated Hoffman representatives: If the CONSENT FORM is for 1) A project other than yours or; 2) the individual has no proof of having taken the test - please call the corporate or designated regional office (503-221-8931) to verify that the individual is eligible to be on site.

4D. POST-TESTING VERIFICATION PROCEDURES - ALL JOBSITES:

4D1. NEGATIVE TESTS

4D1.1 All NEGATIVE TEST results are checked against the results database maintained in the corporate office of POSITIVE and INVALID TEST RESULTS.

4D1.2 Individuals who have a NEGATIVE TEST and have never had a POSITIVE TEST will be approved to work on Hoffman Projects in accordance with the provisions of Section 4, paragraphs C(1) or C(2).

4D2 PREVIOUS POSITIVE TEST WITH NO REHABILITATION TREATMENT - REQUIRES EXECUTION OF CONDITION OF EMPLOYMENT.

4D2.1 Individuals who have had a PREVIOUS POSITIVE TEST and have been off Hoffman projects for ONE YEAR (and who underwent no rehab) will not be issued a CARD during the two years after resuming employment.

4D2.2 Employee will retain a copy of their ALCOHOL AND DRUG CONSENT FORM to present to the designated Hoffman representative on site. When employee re-tests, (for two years after resuming employment) and the test is "negative", they will be issued a CARD, if the employee is working on project specified in Section 4, Subparagraph (C1), if not, the procedures of subparagraph C2 apply. The Corporate office will verify that "Condition of Employment" testing agreement has been completed and is on file. The document indicates that this individual has been off Hoffman projects for a year or more and authorizes Hoffman to retest this individual at any time for a period of TWO YEARS from rehire test date.

4D3 PREVIOUS POSITIVE TEST WITH REHABILITATION TREATMENT, REQUIRES EXECUTION OF REHABILITATION AGREEMENT

4D3.1 Individuals with a previous positive who have completed rehabilitation in accordance with the procedures outlined in Section 8, - REHABILITATION will not be issued a CARD for two years after resuming employment. If the employee is working on project specified in Section 4, Subparagraph (C1), the procedures of subparagraph C2 apply. When employee retests, (for two years after resuming employment) and all tests are "NEGATIVE", they will be issued a CARD. Corporate office will verify that "REHABILITATION TESTING AGREEMENT" has been completed and is on file. The document indicates that this individual has entered into or completed rehabilitation and authorizes Hoffman to retest this individual at any time for two years from rehire test date.

4D4 INVALID SPECIMENS:

4D4.1 When invalid specimens collected are outside the temperature limits identified in paragraph 3(A)(1) individuals will be given ONE other opportunity to give a specimen within ONE HOUR.

4D4.2 Specimens that have been tested, only to discover the PH or creatinine levels indicate that the specimen may have been adulterated, will be given ONE more opportunity to retest. The retest should take place within 24 hours of the time the employee is notified. The employee shall be told of invalid specimen and advised not to consume any liquids TWO HOURS prior to re-test. See A&D Exhibit F-1 that the designated Hoffman representative will provide to employer/employee. A copy of the completed form will be kept for project records. Refusal to submit a new specimen within the specified time period will constitute voluntary withdrawal of application for employment. Post-employment invalid specimen - Refusal to submit a new specimen will result in the individual being barred from all Hoffman Construction Company of Washington projects for a period of one year.

4D4.3 If the new specimen tests NEGATIVE, employee is considered to be eligible for employment.

4D4.4 If the new specimen tests POSITIVE or is again INVALID, employee is deemed to have FAILED THE TEST and will be removed from the site.

4D5 FAILURES:

4D5.1 Any employee who tests positive (over the cut-off values of the confirmation test. A 2nd test is performed only if the initial screening for substances is over the cut-off level) for any of the substances identified in Section 3 is subject to options specified in Section 4, subparagraph D5.6.

4D5.2 To maintain confidentiality, upon receiving positive or invalid test results, corporate or designated regional office shall immediately notify the designated Hoffman representative on the applicable project.

4D5.3 Notification Procedure: Designated Hoffman representative will personally request that the Hoffman and/or subcontractor foreman bring the employee to the Hoffman on-site office. The employee will be given written information regarding requirements for returning to work. See A&D Exhibit F-2.

4D5.4 Test failures due to prescription medication will be considered failures until a copy of the prescription for the medication and/or a letter verifying the prescription from the individuals' health care provider is received in the corporate office. The use of drugs/medicine prescribed by a licensed health care provider for the individual is permitted provided it will not affect the individual's ability to safely perform their job duties. Any individual who has been informed that the drugs/medicine could prevent them from safely performing their job duties, must inform his or her supervisor prior to using any such drug/medicine on the job.

If the individual cannot provide proof of a prescription, they are required to contact a certified counselor/evaluator/health care provider who will prescribe any appropriate treatment. The counselor/evaluator/health care provider who

completed the evaluation must, before any employee is allowed to return to the jobsite, confirm in writing that 1) the employee, based on information given to the counselor/evaluator/health care provider, is capable of returning to work, 2) recommendations for any follow-up treatment. See Section 8 - Rehabilitation.

If the evaluator determines that the individual does not require rehabilitation and/or follow up random testing, they will be allowed to re-test. Based on a negative re-test they will be allowed to return to the jobsite.

If the evaluator determines that the individual does require rehabilitation, all terms and conditions of Section 4.D.5 are applicable.

4D5.6 OPTIONS:

Individuals who have tested POSITIVE for any of the substances identified in Section 3 have TWO OPTIONS:

4D5.6.1 DEBARMENT. Be barred from any Hoffman project or facility for a period of ONE YEAR and the provisions of Section 4, subparagraph D2 unless the employee contacts an established, state certified, drug and alcohol rehabilitation counselor/evaluator/health care provider and be evaluated as to the degree, if any, of dependency.

Payment for the evaluation and any follow up rehab/classes, etc., will be the responsibility of the individual who failed the D&A test.

4D5.6.2 REHABILITATION: in accordance with all procedures outlined in Section 8.

4D6 SECOND FAILURE - If an employee tests positive for a second time, they will be permanently barred from working on any Hoffman job site.

5. POST INCIDENT TESTING

5A. Under the following circumstances any individual either directly or indirectly involved in an incident will be tested for the presence of alcohol and drugs:

5A1. Injury requiring off-site medical treatment. In certain geographic locations, on site drug screen collection facilities will be established. In these geographic locations, anyone who requires follow up medical treatment will be tested.

5A2. Involvement as a participant crew member in the circumstances surrounding an incident.

5A3. Incident involving damage to equipment and/or property. Requirement for test will be at the discretion of the Hoffman project superintendent.

5A4. Refusal to submit a specimen will result in the individual being barred from all Hoffman projects for a period of one year.

5B. Any injured worker requiring a drug test will be transported to the laboratory or medical facility by Hoffman's representative, with a collection kit. This representative is defined as the Project Superintendent or his designee. After testing is completed, the worker will be transported back to the project and arrangements will be made to transport the injured employee and/or his/her vehicle to their residence.

5C. If the results are negative, the worker will immediately be reinstated in his/her position, based upon the projects regular work schedule and no further action will be taken.

5D. Should the test be positive, the individual shall be terminated, (if a Hoffman employee), removed from the site and treated as any other person who has failed the ALCOHOL AND DRUG TEST. Subcontractor employees testing positive will be prohibited from entering the jobsite.

6. POST EMPLOYMENT TESTING - (See Paragraph 6 - Alcohol and Drug Policy Document)

7. RIGHT TO SEARCH - (See Paragraph 7 - Alcohol and Drug Policy Document)

8. REHABILITATION:

A. The certified counselor/evaluator/health care provider will prescribe appropriate treatment. The counselor/evaluator/health care provider who completed the evaluation must, before any employee is allowed to return to the jobsite, confirm in writing that 1) the employee, based on information given to the counselor/evaluator/health care provider, is capable of returning to work, 2) recommendations for any follow-up treatment.

B. When the employee provides written confirmation from the counselor/evaluator/health care provider that they have entered/or completed, (depending on the recommendations of their counselor/evaluator/health care provider), an approved (by Hoffman) drug and alcohol treatment program, the individual will be eligible to retest for employment, providing an opening exists.

C. Any individual having a POSITIVE Alcohol and Drug Test result who refuses or fails to comply with recommended rehabilitation treatment and after care will be terminated and will be barred from working on any Hoffman Construction Company of Washington jobsite for a period of one year.

D. Post Rehabilitation. The individual will arrange with the corporate office drug and alcohol staff to be retested at a designated facility. After the negative results are received, the individual will be eligible to return to Hoffman projects.

The designated Hoffman representative on-site will be notified by the designated employee in the Hoffman corporate office that the individual is eligible to return to work.

When the individual returns to the project site the designated Hoffman representative on-site will have that individual sign a Rehabilitation Testing Agreement. Any individual signing a Rehabilitation Testing Agreement agrees to be re-tested for a period of two years from rehire test date. The original copy of the agreement should be returned to the corporate office, a copy retained at the project site and a copy given to the employee.

E. Any individual who refuses to test during the two year period following their return to work will be barred from working on Hoffman projects for a period of one year.

ALCOHOL AND DRUG POLICY

**REINSTATEMENT OF ELIGIBILITY
LAST CHANCE AGREEMENT**

To: HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON

NAME: _____ OCCUPATION: _____

EMPLOYER: _____ S.S. No.: _____

HOME ADDRESS: _____

HOME TELEPHONE NUMBER: _____

PROJECT (NAME AND No.): _____

I HAVE READ AND UNDERSTAND THAT IN ACCORDANCE WITH THE ALCOHOL AND DRUG POLICY ADOPTED BY HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON THAT MY ELIGIBILITY TO ACCESS HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON PROJECTS HAS BEEN REINSTATED AS OF THIS DATE.

IN CONSIDERATION OF WORKING ON HOFFMAN PROJECTS, I AGREE THAT IN ADDITION TO ANY OTHER REQUIRED TESTING FOR ALCOHOL AND DRUGS, I SHALL GIVE SPECIMENS OF MY URINE TO ANY MEDICAL FACILITY, LABORATORY, OR MEDICAL PERSON DESIGNATED BY HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON, AND I SHALL GIVE SUCH SPECIMENS AT ANY TIME AND AS OFTEN AS REQUESTED BY THE HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON ALCOHOL AND DRUG TESTING ADMINISTRATOR.

I UNDERSTAND THAT FAILURE TO COMPLY WITH ANY ASPECT OF THE HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON ALCOHOL AND DRUG POLICY WILL RESULT IN LOSS OF MY ELIGIBILITY TO ACCESS ANY HOFFMAN CONSTRUCTION COMPANY OF WASHINGTON PROJECTS.

WITNESS SIGNATURE

EMPLOYEE/NON-EMPLOYEE SIGNATURE

DATE

DATE

HCC OF WASHINGTON
LAST CHANCE AGREEMENT.doc
REV. 7/2000

WHITE: MAIN OFFICE/YELLOW: FIELD/PINK: EMPLOYEE/NON-EMPLOYEE

ALCOHOL AND DRUG POLICY

Rehabilitation Testing Agreement

TO: GENERAL CONTRACTOR _____

Name: _____ Occupation: _____

Employer: _____ SS#: _____

Home Address: _____

Home Telephone Number: _____

Project (Name and Job Number): _____

I have read and understand that in accordance with the Alcohol and Drug Policy adopted by General Contractor that I am eligible to return to General Contractor's projects after 1) having enrolled in a recommended rehabilitation/treatment program; and 2) providing a valid specimen which has been confirmed by the designated laboratory as "negative." I further understand that I am responsible for notifying the rehabilitation/treatment facility if I am unable to continue the recommended program for any reason. Should I fail to comply with any aspect of my rehabilitation/treatment program my eligibility to work on General Contractor's projects shall immediately terminate and I will not be allowed to return to work on any of General Contractor's projects.

In consideration of working on General Contractor's projects, I agree that for a period of two years I shall give valid specimens of my urine to any medical facility, laboratory or medical person designated by General Contractor, and I shall give such valid specimens at any time and as often as requested by General Contractor.

Should I fail to give a valid specimen when requested or should my specimen be confirmed by the designated laboratory as "positive" for alcohol or drugs, my eligibility to

work on General Contractor's projects shall immediately terminate and I will not be allowed to return to work on any of General Contractor's projects.

Witness Signature

Employee/Non-Employee Signature

Date

WHITE: MAIN OFFICE / YELLOW: FIELD OFFICE / PINK: EMPLOYEE/NON-EMPLOYEE

For The Signatory Unions:

For King County:

By _____
Dave Johnson
Executive Secretary
Washington State Building and
Construction Trades Council, AFL-CIO

By: _____
Ron Sims
King County Executive

By: _____
Steve Koch
President
Northwest Washington Building
and Construction Trades Council

EXHIBIT 1

**LETTER OF ASSENT
PROJECT LABOR AGREEMENT
FOR THE
BRIGHTWATER TREATMENT SYSTEM**

The undersigned, as a Contractor or Subcontractor on a Contract which is part of the Brightwater Wastewater Treatment System Project, for and in consideration of the award of a Contract to perform work on said Project, and in further consideration of the mutual promises made in the Project Labor Agreement, a copy of which was received and is acknowledged, hereby:

(1) On behalf of itself and all its employees, accepts and agrees to be bound by the terms and conditions of the Project Labor Agreement, together with any and all amendments and supplements now existing or which are later made thereto, and understands that any act of non-compliance with all such terms and conditions, including but not limited to, evidence of compliance with the pre-employment controlled substance testing, will subject the non-complying Contractor or employee(s) to being prohibited from the Project Site until full compliance is obtained.

(2) Certifies that it has no commitments or agreements which would preclude its full compliance with the terms and conditions of said Project Labor Agreement.

(3) Agrees to secure from any Subcontractor, of any tier (as defined in said Project Labor Agreement), a duly executed Letter of Assent in form identical to this document prior to commencement of any work.

Dated: _____

(Name of Contractor/Company)

(Signature of Authorized Representative)

(Print Name and Title)

(Phone Number)

(General Contractor)

(Billing Address)

(City, State and Zip Code)

(King County Contract Number)

EXHIBIT 2

LETTER OF UNDERSTANDING
ON PREFABRICATION

April 21, 2005

Steve Koch, President
Northwest Washington Building and Construction
Trades Council, AFL-CIO
1700 No. State Street
Bellingham, Washington 98225

Re: Brightwater Project Labor Agreement
Article 6 Management Rights
Letter of Understanding

Gentlemen:

This letter will confirm the discussion we had during the negotiations of the PLA and the clarification we reached concerning the application of Article 6, Section 6.4 of the Agreement. Consistent with the provisions of that Article, the on-site installation or application of such items shall be generally performed by the craft having jurisdiction over such work.

Whenever the Owner or Contractor selects materials, equipment, machinery, package units, pre-casts, pre-fabricated, pre-finished, or pre-assembled materials, tools, or other labor-saving devices, which are non shelf items and are subject to Washington State Prevailing Wage Laws (RCW 39.12) or the Davis Bacon Act (Public Law 74-403 as amended), the Owner or Contractor agrees to make every effort possible to insure that such products, components, materials and/or equipment are made in full compliance with those laws.

The signatory crafts agree to install on-site any components fabricated pursuant to the terms of this letter without limitation. The parties will make every effort to keep an open channel of communications to insure that both parties are fully informed of the facts affecting the substance of this letter.

Letter of Understanding
Prefabrication
Steve Koch
April 21, 2005
Page #2

If you agree that this letter accurately sets forth the substance of our understanding and provides the basis for resolving any questions concerning the interpretation and application of Article 6, Section 6.4, of the Project Labor Agreement, please indicate your acceptance in the space provided below.

Sincerely,

Christie True, Manager
Major Capital Improvement Program

AGREED AND ACCEPTED

Steve Koch, President
Northwest Washington Building and Construction Trades Council, AFL-CIO

EXHIBIT 3

LETTER OF UNDERSTANDING ON CEMENT MASON'S FRINGE BENEFIT CONTRIBUTION TO TRUST

April 21, 2005

Mr. Steve Koch, President
Northwest Washington Building and Construction
Trades Council, AFL-CIO
1700 No. State Street
Bellingham, Washington 98225

Re: Letter of Understanding
Cement Mason's Trust Fund Payments

Gentlemen:

This letter is intended to clarify the agreement we reached in the negotiations of the King County Brightwater Treatment Plant PLA regarding the Cement Mason's Trust Fund Payments.

King County Brightwater recognizes that the Cement Mason's Trust Fund which are responsible for collection and distribution of all Trust Fund payments for work covered by Cement Mason's only accept payments based on one-half (1/2) hour increments.

Accordingly, King County Brightwater agrees to instruct all contractors signatory to this PLA that all Cement Trust Fund payments will be made on one-half (1/2) hour increments on the monthly submittal for each member listed on the form.

Should you have any questions regarding this clarification please feel free to contact the undersigned.

Very Truly Yours,

Christie True, Manager
Major Capital Improvement Program
King County Wastewater Division
Department of Natural Resources and Parks

EXHIBIT 4

LETTER OF UNDERSTANDING CONCRETE PLACEMENT

April 7, 2005

Mr. Steve Koch, President
Northwest Washington Building and Construction
Trades Council, AFL-CIO
1700 No. State Street
Bellingham, Washington 98225

Re: Letter of Understanding
Concrete Placements

Gentlemen:

This letter is intended to clarify the agreement we reached in the negotiations of the King County Brightwater PLA regarding Cement Masons working on concrete placements.

Start of Placement: The Cement Mason crew must be on the project at the start of the shift in which finishing will be required and assist with the placement on slab work or work preparatory to concrete finishing coming within the jurisdiction of the Cement Masons.

Should you have any questions regarding this clarification please feel free to contact the undersigned.

Very Truly Yours,

Christie True, Manager
Major Capital Improvement Program
King County Wastewater Division
Department of Natural Resources and Parks

EXHIBIT 5

**LETTER OF UNDERSTANDING ON
CEMENT MASON WORKING FULL SHIFTS**

April 21, 2005

Mr. Steve Koch, President
Northwest Washington Building and Construction
Trades Council, AFL-CIO
1700 No. State Street
Bellingham, Washington 98225

Re: Letter of Understanding
Cement Masons Working Full Shifts

Dear Steve:

This letter is intended to clarify the agreement we reached in the negotiations of the King County Brightwater Treatment Plant PLA regarding the Cement Mason's ability to work a full shift.

During bargaining, a concern was expressed that contractors would schedule shifts of less than eight (8) hours (under normal shift operations) or less than ten (10) hours (under 4-10 shift operations) because of the reporting pay obligation that permitted payment of actual hours worked after four (4) hours.

It is agreed that the intent of this provision does not encourage nor does it permit the contractors to schedule work at less than the eight (8) hour or ten (10) hour workday.

King County Brightwater agrees to instruct all contractors signatory to this PLA to schedule their work accordingly.

Should you have any questions regarding this clarification, please feel free to contact the undersigned.

Very truly yours,

Christie True, Manager
Major Capital Improvement Program
King County Wastewater Division
Department of Natural Resources and Parks

EXHIBIT 6

SETTLEMENT OF JURISDICTIONAL DISPUTES IN THE CONSTRUCTION INDUSTRY "THE PLAN"

THE PLAN FOR THE SETTLEMENT OF JURISDICTIONAL DISPUTES IN THE CONSTRUCTION INDUSTRY

The Building and Construction Trades Department, AFL-CIO, on behalf of its fifteen affiliated National and International Unions and their Local Unions, have joined with five employer associations¹ to establish the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the Plan). The jurisdictional disputes procedure has been in effect since 1984 and replaced such predecessor plans as the Impartial Jurisdictional Disputes Board and the National Joint Board. The Building and Construction Trades Department's Constitution requires all jurisdictional disputes between crafts to be settled pursuant to the Plan. As the Plan is a voluntary dispute resolution mechanism, however, a case will not be processed unless the employer agrees to be bound to the Plan.²

When a jurisdictional dispute arises, the National or International Unions have five days to resolve the matter. Anytime within the five day period, the involved National or International Unions or the contractor responsible for making the assignment may request the matter be arbitrated. The parties then have three days to select an arbitrator from a permanent panel of arbitrators knowledgeable in the construction industry. Once selected, the arbitrator must hold the hearing within seven days. The arbitrator issues a decision within three days of the close of the hearing.³ The arbitrator may not award back pay or damages for miss-assignment of work nor may any party bring an independent action for damages based on the arbitrator's award. The losing party pays the fees and expenses of the arbitrator. The arbitrator's decision is final and binding. There is no appeal procedure.

The plan prohibits work stoppages, slowdowns, NLRB and court actions, and grievances under a collective bargaining agreement where the issue involves a jurisdictional dispute or assignment of work by a stipulated contractor. If a union

engages in such activity, the Plan provides for expedited arbitration to resolve the matter. Upon notice by the contractor of an impediment to job progress, the Administrator informs the appropriate General President. If the General President is unable to stop the impediment, the Administrator selects an arbitrator to hold a hearing within 24 hours. The sole issues at the hearing is whether there has been an impediment to job progress. The arbitrator must issue a decision within three hours after the close of the hearing. If court enforcement of an arbitrator's decision is necessary, the Administrator is authorized to file a court action to enforce the decision.

1 Mechanical Contractors Association, National Constructors Association, National Electrical Contractors Association, National Erectors Association, and Sheet Metal and Air Conditioning Contractors National Association.

2 An employer may stipulate to the Plan by the terms of a collective bargaining agreement, signing a separate form, or by membership in an employers' association which binds its members to the Plan.

3 The criteria utilized by Plan arbitrators in rendering decisions are: 1) whether a previous decision or agreement of record between the parties to the dispute governs; 2) if not, whether there is an applicable agreement between the crafts governing the case; and 3) if not, the arbitrator then considers the established trade practice and prevailing practice in the locality. In addition, the Plan provides that because efficiency, cost or continuity and good management are essential to the well-being of the industry, the arbitrator shall not ignore the interest of the consumer or the past practice of the employer.

A third type of dispute processed under the Plan involves changes in original assignment. Under the Plan, a contractor may not change an assignment of work from one craft to another unless directed by a Plan arbitrator or there is agreement between the crafts involved. The Administrator decides all original assignment questions. The sole issue is whether there has been a change in assignment, not whether the assignment was correct. Any party may appeal an original assignment determination of the Administrator to a Plan arbitrator.

Exhibit 7

Contact list to obtain applicable craft Schedule "A"

<p>Mark "Dut" Riker Sheet Metal Workers Local #66 13513 NE 126th Place, Suite A-1 Kirkland, Washington 98034-8725 (425) 820-8725 (425) 820-2306 FAX Markr@smw66.org</p>	<p>Dan O'Connor Laborers Local #292 2810 Lombard Ave. Suite 100 Everett, Washington 98201 (425) 259-5077 (425) 252-3062 FAX Liuna292@aol.com</p>
<p>Sue Klinker Painters Local #300 2700 First Ave. Seattle, Washington 98121 (206) 441-6922 sue@ibpatdc5.org</p>	<p>Lonnie Moore Painters Local #339 1221 Riverside Dr. Mount Vernon, Washington 98273 (360) 336-3291</p>
<p>Craig Boag Electrical Workers Local #191 2701 Hoyt Ave. Everett, Washington 98201 (425) 259-3195 (425) 339-9188 FAX</p>	<p>Ole Olsen Pacific NW Regional Council of Carpenters 25120 Pacific Hwy So., Suite #200 Kent, Washington 98032 (253) 573-833 (253) 839-4908 FAX Contractadmin@nwcarpenters.org</p>
<p>Chuck Jewel Teamsters Local #38 2601 Everett Ave. Everett, Washington 98201 (425) 252-3800 (425) 252-3889 FAX julsr@teamsters38.org</p>	<p>Phil Wells Plumbers Local #26 5205 So. 2nd Ave. Everett, Washington 98203 (425) 252-3262 (425) 259-8064 FAX Phil@ua26.org</p>
<p>Jill Kirkpatrick Operating Engineers Local #302 18701 - 120 Ave. NE Bothell, Washington 98011-9514 1(800) 521-8882 Ext. 116</p>	<p>Steve Pendergrass Iron Workers Local #86 4550 So. 134th Place, Suite #102 Tukwila, Washington 98168 (206) 248-4246 (206) 248-4351 FAX</p>
<p>Roger Betterman Cement Masons Local #528 552 Denny Way, Suite #102 Seattle, Washington 98109 (206) 441-9386 (206) 441-9018 FAX CML528@qwest.net</p>	

EXHIBIT 8

**MEMORANDUM OF UNDERSTANDING -
BRIGHTWATER SMALL WORKS PROGRAM**

MEMORANDUM OF UNDERSTANDING

By and between

KING COUNTY BRIGHTWATER

And

**SEATTLE/KING COUNTY BUILDING AND
CONSTRUCTION TRADES COUNCIL**

And

**NORTHWEST WASHINGTON BUILDING AND
CONSTRUCTION TRADES COUNCIL**

BRIGHTWATER SMALL WORKS PROGRAM

This memorandum of understanding will confirm the discussions and commitments made during the contract bargaining for the Brightwater Conveyance System Project Labor Agreement negotiations.

In consideration of King County's withdrawal of its proposal to withhold \$1.0 million for small works projects and have that work exempt from the terms of the Project Labor Agreement and;

In consideration of the parties agreeing to Article X Hiring Procedures (10.8 (b)) "It is agreed that specific terms and conditions governing hiring and assignment of union workers in supplement to small Contractors existing core employees (who would be displaced by the local referral procedures) may be negotiated jointly by the Contractor and applicable Union."

The parties agree that when work becomes available through the King County or Brightwater Small Works Program the Project Administrative Committee will review the staffing needs of a small works contractor(s). Such review will be in the spirit of past practice of recognizing the staffing needs of such contractor(s) and the continued effort to foster the growth and success of new and immerging contractors and small businesses.

Agreed upon this ___ day of March, 2005