

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

0220-04878-0003

Date: April 30, 2015

To: The Mayor  
The City Council  
The Board of Water and Power Commissioners

From: Miguel A. Santana, City Administrative Officer



Reference: C.F. 14-1112 Motion Requesting Report Back on JTI/JSI

Subject: **RESULTS OF THE OPERATIONAL AND PERFORMANCE EVALUATION OF  
THE JOINT SAFETY INSTITUTE (JSI) AND JOINT TRAINING INSTITUTE (JTI)  
TRUSTS**

On November 12, 2014, the City Council, with the concurrence of the Mayor, approved a settlement agreement with the International Brotherhood of Electrical Workers (IBEW) Local 18, the Department of Water and Power, the Trustees of the Joint Safety Institute and Joint Training Institute Trusts, collectively referred to as the Trusts, the City Controller, and this Office. In accordance with the settlement agreement, this Office retained the services of BCA Watson Rice, LLP (BCA), to conduct an Operational and Performance Evaluation (Evaluation) of the Trusts.

Attached for your review is the final Operational and Performance Evaluation (Evaluation) of the Trusts completed by BCA Watson Rice, LLP. Contained within the evaluation are 36 recommendations for improvements in governance and oversight, organization structure and management, and policies and procedures that this office believes will improve the overall operational effectiveness and accountability of the institutes. The JTI/JSI Board of Trustees have also reviewed and concur with the recommendations of the performance and operational evaluation.

Enclosures

MAS: PXD: 08150062c

Cc: Trustees of the Joint Safety Institute  
Trustees of the Joint Training Institute



**City of Los Angeles – City Administrative Office**

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**Performance and Operational Evaluation  
of the  
Joint Training and Safety Institutes**

**February 2015**

**Final Report**

*Submitted by*

**BCA Watson Rice LLP**

***Certified Public Accountants & Management Consultants***  
21250 Hawthorne Blvd. Suite 150 Torrance, CA 90503  
PH 310.792.4640 FAX 310.792.4140



21250 Hawthorne Blvd. Suite 150  
Torrance, CA 90503  
www.bcawatsonrice.com

Telephone: 310.792.4640  
Facsimile: 310.792.4331

February 18, 2015

Miguel A. Santana, CAO  
Office of the City Administrator  
200 N. Main St. Suite 1500  
Los Angeles, CA 90012-4137

**RE: PERFORMANCE AND OPERATIONAL EVALUATION OF THE JOINT SAFETY  
AND TRAINING INSTITUTES**

Dear Mr. Santana,

BCA Watson Rice LLP is pleased to submit this report on our performance and operational evaluation of the Joint Safety and Training Institutes. Our report provides recommendations on improving governance and oversight, organization structure and management, and policies and procedures for the Institutes. Our report also provides recommendations on performance indicators for the Institutes to use in reporting accomplishments moving forward.

We appreciate the cooperation and assistance we received from members of the Board of Trustees, and the Administrators and staff of the Institutes.

Respectfully,

A handwritten signature in blue ink that reads 'Michael J. de Castro'. The signature is written in a cursive style with a large, circular flourish at the end.

Michael J. de Castro  
Managing Partner



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## 1. Executive Summary

### Background

In 2000 and 2002 the Los Angeles Department of Water and Power (LADWP) entered into agreements to create two Trusts with the International Brotherhood of Electrical Workers (IBEW). These Trusts created the Joint Safety Institute (JSI) and the Joint Training Institute (JTI).

The two Trusts were established as tax-exempt organizations, with governance by trustees with equal representation from the LADWP and IBEW. Management is similarly structured, with two equal administrators, one appointed by the LADWP and one by the IBEW. The Joint Safety Institute's mission relates to improving LADWP workplace health and safety. The Joint Training Institute's mission is to improve training for LADWP employees.

In November 2014 the City Council approved a settlement to end a legal stalemate between the City and the two Trusts. The agreement provided for access to 5 years of financial records for the Trusts, and for the resumption of City payments to the Institutes within 120 days following a review of these records by the City Controller. It also provided for the CAO to conduct this performance and operational evaluation.

### Scope and Methodology

The primary objective of this evaluation was to determine how effectively the two Institutes have been administered. This included identifying and evaluating Trust enabling documents, policies, procedures, and practices. It also included identifying what performance metrics have been used to objectively evaluate the performance of the two Trusts. Recommended key performance indicators for each of the Trusts to use moving forward were also developed. The scope of the performance evaluation covered the period from FY 2010 through FY 2014.

It is important to note that this performance evaluation did not include a review or evaluation of financial information. A separate financial audit is being conducted under the direction of the City Controller.

### Overall Conclusion

The Institutes have generally been administered consistent with the direction and requirements established by the Trust documents that created them. The Board of Trustees has provided leadership and direction for the Institutes, and the Institutes have been active in providing the functions and services envisioned when they were created. The Institutes have sponsored training classes with over 56,000 total attendees, and been involved in developing numerous safety and training programs and initiatives.

The Institutes overall operational effectiveness and accountability can be improved through changes in governance and oversight, organization structure and management, and policies and procedures. Below we discuss the more significant findings and



recommendations. More detail of these and other findings and recommendations are detailed in the body of this report.

## **Significant Findings and Recommendations**

Below we discuss the more significant findings and recommendations of our evaluation. More detail is contained in the body of this report. A summary of all findings and recommendations is provided beginning on page 8 below.

### **Governance of the Institutes**

Good governance requires that the responsibility for setting policy and making decisions be clearly defined, and that formal structures and practices define how the Board carries out its duties. It also requires clear lines between the policy role of the Board and the implementation role of management and staff. Much of the formal structure and practices for the Board of Trustees is defined in the Trust agreements for the two Institutes. These documents also provide some direction for Institute staff.

The Board has generally been effective in providing leadership and direction for the Institutes. However, the line of authority between the Board and Institute Administrators is not clear, and some Trustees often direct Administrators to take specific actions, a role that should be generally reserved for the entire Board. There has also been substantial turnover of management Trustees. A more formal means of managing the role of the Board could help with continuity of direction given this turnover. We recommend the Board strengthen governance by clearly developing a governance policy defining roles and responsibilities, and conducting annual reviews and discussion of the Board's governance effectiveness.

### **Strategic Planning**

A key role of the Board is to provide strategic focus and direction through effective strategic planning. Many of the basic elements of strategic planning were developed and outlined in the Trust documents creating the Institutes. This includes a clear mission, overall philosophy, and specific programs or goals for each Institute to accomplish. These are provided in Appendix B (JSI) and Appendix C (JTI) of this report.

The Board built upon this strategic foundation during three strategic planning sessions held during the five-year review period. These meetings are positive and provide opportunities to review priorities and directions and make any needed changes or course corrections. We recommend the Board enhance these strategic planning efforts including conducting annual strategic planning sessions, reviewing performance metric information, ensuring specific strategic initiatives are developed, and directing Institute Administrators to develop specific annual program plans.

### **Board Decision Making**

Effective ongoing Board decision-making requires that Board members have adequate time to review information in advance of decisions. It is common and best practice for materials related to decisions that must be made are received prior to Board meetings.



Other than the agenda, members of the Board of Trustees do not receive any information on decisions prior to the meetings. Formal documentation supporting decisions is limited, with decision items generally discussed and supported by verbal presentations. Formal documentation could also assist new Board members to review and understand past decisions. We recommend the Board require more formal information on items requiring Board decisions be provided to Board members a week in advance of meetings.

### **Trust Performance Indicators**

Performance measurement and reporting is an important oversight function of a Board, and can help to demonstrate the success or effectiveness of an organization or program. Much of the recent controversy regarding the Institutes has been the result of a lack of information and clarity on what was being achieved or accomplished by the Institutes with the funds provided. The Institutes developed and published reports describing each Institute, and provided information on what had been accomplished by each. These reports are provided as Appendix D (JSI) and Appendix E (JTI) of this report.

These reports provide valuable information and help to demonstrate that the level of activity provided by the Institutes has been substantial. However, the usefulness of these reports is limited due to the lack of a performance measurement framework; they provide activity information since the inception of the Institutes rather than by year; there is no ongoing performance measurement, monitoring, or reporting approach in place; and they provide no real information on the outcomes or effectiveness of the Institutes.

The settlement agreement between the City and the Trusts requires annual reports including "programs, activities, and efforts to achieve the goals and objectives set forth in the Trust agreements." We believe the following performance indicators will enhance the Institutes performance reporting:

**Activity Indicators** – to provide information on the level of effort provided during the year including number of training sessions held by type, number of DWP employees trained by type, number of new training programs / courses developed by type, number of safety tours conducted, and number of Joint Labor Management Committees (JLMC's) coordinated.

**Outcome Indicators** – to provide information on the actual results or effectiveness of the efforts including a summary of participant ratings of training provided, results of assessments of knowledge and skills before and after training, composite ratings of employees' safety perception in annual safety perceptions surveys, composite ratings of employees training level in annual training needs surveys/assessments, and annual employee injury rates (OSHA Recordable Injury Rates, Lost Workday Rates).

**Intervention Effectiveness Evaluations** – to provide information on the effectiveness and outcomes of specific interventions and initiatives of the Institutes



that do not lend themselves to ongoing or routine performance measurement or reporting.

We recommend the Board develop a performance measurement framework, a monitoring system, and annual reports that include activity indicators, outcome indicators, and intervention effectiveness evaluations.

### **Overall Structure of the Institutes**

The Institutes were created as separate legal and organizational entities with essentially identical structure and operations. The members of the Board of Trustees for the two Institutes are the same individuals, and the Board acts as if the two were one entity - meeting and making decisions for both during one meeting. The mission, goals, and operations of the two are very similar and complimentary. The Administrators of the two work well together, and in operations the two essentially work as one organization.

Since the two are currently separate legal entities each must maintain separate bank accounts, accounting records, insurance, and each must undergo an annual financial audit. If the two Institutes were merged operational efficiencies would be gained, including cost savings. We recommend the Board develop a plan and proposal for merging the two Institutes and present it to the Board of Water and Power Commissioners and City Council for approval. This would include reconciling differences in reporting requirements between the two Institutes.

### **Internal Management Organization and Staffing**

The Trust documents stipulated the organization structure of the two Institutes with Administrators all at the same level with the same level of authority. This structure provides no formal leadership or accountability structure. As a result, the Institutes lack any clear assignment of responsibility and accountability for the overall management, operations, and effectiveness of the Institutes. We recommend the Board establish a position of Executive Director as the formal leader of the Institutes.

The Trust Agreements also stipulate that there be an even number of Administrators of each Institute, one-half selected by Employer Trustees and one-half selected by Union Trustees. We found that the two Institutes currently have a total of five Administrator positions. We recommend the Board review the current staffing of Administrators and ensure compliance with the terms of the Trust agreement.

### **Program Planning and Accountability**

Administrators have not developed a consistent approach to annual program planning for the Institutes. Specific performance objectives have not been established for Administrators, and annual performance reviews of Administrators have not been conducted. We recommend the Board direct the Administrators to develop a format and approach to annual program planning and develop annual program plans for each Institute, develop annual performance objectives, and conduct annual performance reviews of Administrators.





## **Procurement and Contracting Policy**

Effective administration requires adoption of clear policies, procedures or approaches. This includes adequate controls to ensure adopted policies and procedures are being followed. The cost of goods and services procured by the Institutes are a substantial expenditure of Institute resources, with a combined contract value of \$6.1 million during the 5-year review period. Policies for procurement of goods and services have not been developed nor adopted, and the majority of the contracts during the review period were procured without any competitive or documented process to ensure reasonable price or value was received. We identified best practices for procurement and contracting policies and have detailed those best practices in the body of this report. We recommend the Board develop and implement written policies and procedures for procuring goods and services and entering into contracts consistent with best practices for such policies.

## **Travel and Expense Policy**

Trustees, Administrators and staff attend conferences and training sessions to identify effective and emerging safety and training strategies and initiatives. A comprehensive and effective policy for obtaining travel approval and payment of related expenses is important. The Institutes have developed a travel and expense policy. However, it needs to be substantially strengthened.

Documentation of formal approval of travel, travel expenses, and post-travel reporting to the Board on the results also could be improved. The current policy requires each of these three elements. We reviewed the travel files for all Institute travel during the five-year review period. Only two of the thirty-two travel files reviewed contained formal approvals of travel in advance and written reports on the results of the travel. None of the files contained formal reports or statements of travel expenses. We recommend the Board revise the Institutes' travel and expense policy to address travel expenses paid using Institute credit cards, require the completion of a travel expense statement form, require submission of expenses and return of any overpayment in a timely manner, and clarify requirements for pre-approval of travel.

## **Transportation (Vehicle) Policy**

The Institutes have adopted a policy for the use of vehicles for Institute business. The policy provides an option for Administrators to use their own vehicle and be paid a transportation allowance of \$500 per month. The policy does not state who is responsible for fuel and maintenance expenses. The practice has been for Administrators to be responsible for general maintenance of their vehicles, but for fuel and car washes to be charged using the Institute credit cards. This may or may not be a reasonable and equitable approach to covering these costs, but the policy should be clarified to specify who is responsible for these expenses. We recommend the Board clarify the Institutes policy on the use and reimbursement of personal vehicle costs.



### **Other Policies**

The Board of Trustees has also adopted conflict of interest, document retention, whistleblower, and investment policies for the Institutes. The whistleblower and investment policies are consistent with the requirements and best practices for such policies we identified. The other policies are consistent with most of the requirements and best practices identified.



### Summary of Findings, Recommendations, and Responses

The following exhibit summarizes all the evaluation findings and recommendations. The Board of Trustees of the Institutes concurs with all the recommendations. (See Appendix A: Board of Trustees Response Letter.)

	Finding	Recommendation
<b>Governance of the Institutes</b>		
1.	The Board of Trustees governance of the two Institutes could be strengthened and enhanced.	<p>The Board of Trustees should consider strengthening and enhancing its governance of the Institutes by:</p> <ul style="list-style-type: none"> <li>• Developing a governance policy that specifically defines roles and responsibilities of Board of Trustee members, decisions to be made by the Board, and the specific process for making those decisions.</li> <li>• Defining specific actions to be taken if members of the Board feel that other members of the Board are not adequately or appropriately fulfilling their governance responsibilities.</li> <li>• Prohibiting individual members of the Board of Trustees, including the Chairman, from directing Administrators or other Institute staff to take specific actions.</li> <li>• Conducting annual reviews and discussions of how the Board of Trustees is fulfilling its responsibility as the governance body for the Institutes, including identifying and resolving any governance issues.</li> <li>• Clearly defining the role and responsibilities of the Institute Administrators, including the line between the policy-making role of the Board and the direct management responsibility of the Administrators.</li> </ul>
<b>Strategic Planning</b>		
2.	The Board of Trustees strategic planning efforts could be strengthened and enhanced.	<p>The Board should consider strengthening and enhancing its strategic planning efforts by:</p> <ul style="list-style-type: none"> <li>• Conducting annual strategic planning sessions early enough to provide direction to the budget development process.</li> <li>• Reviewing performance metric information (discussed later in this report) and determining which strategic initiatives and Institute efforts are effective and which are not.</li> <li>• Ensuring specific strategic initiatives are developed, consistent with the Institutes' mission and goals, to be implemented during the upcoming year.</li> <li>• Directing Institute Administrators to develop specific annual program plans for implementing the strategic initiatives identified during strategic planning sessions.</li> </ul>



Finding		Recommendation
<b>Board Decision Making</b>		
3.	Information provided to Board of Trustee members to facilitate and support Board decision-making could be improved.	<p>The Board should consider requiring information on agenda items requiring Board approval be provided to Board members a week in advance of the meetings. This should include at a minimum:</p> <ul style="list-style-type: none"> <li>• Background information to provide a context for the decision,</li> <li>• Potential benefit to the Institutes, including contribution to specific Institute goals,</li> <li>• Information on any process used to arrive at the decision item (procurement process, personnel selection, assessment of conferences / travel)</li> <li>• Recommendation of Administrator(s) requesting the decision.</li> </ul>
<b>Trust Performance Indicators</b>		
4.	Performance measurement, monitoring and reporting for the Institutes could be improved.	<p>The Board and management of the Institutes should work together to:</p> <ul style="list-style-type: none"> <li>• Develop a performance measurement framework that includes activity and outcome indicators, and includes intervention effectiveness evaluations for specific initiatives and strategies.</li> <li>• Develop a performance metric monitoring system to begin tracking key performance indicators on an ongoing basis.</li> <li>• Develop and present annual performance reports to all Institute stakeholders and beneficiaries.</li> </ul>
<b>Organization Structure of the Institutes</b>		
5.	The current structure of two separate Institutes creates inefficiencies without benefit.	The Board for the two Institutes' should consider developing a plan and proposal for merging the two Institutes and present it to the DWP Board of Commissioners and City Council for approval.
<b>Internal Management Organization and Staffing</b>		
6.	The current structure of having Administrators all at the same level with the same level of authority provides no formal leadership or accountability structure.	The Board of Trustees should consider establishing one of the Administrator positions as the formal leader or Executive Director of the Institutes.
7.	The current staffing of the two Institutes with Administrators is not in accordance with the terms of the Trust agreement.	The Board of Trustees should review the current staffing of Administrators and ensure compliance with the terms of the Trust agreement.



	Finding	Recommendation
<b>Institute Program Planning</b>		
8.	Institute Administrators have not developed consistent program plans outlining specific initiatives, tasks, or activities to be implemented.	The Board of Trustees of the two Institutes should consider directing the Administrators to develop a format and approach to annual program planning, and to develop annual program plans for each Institute. (This responsibility could be delegated to the Executive Director if such a position is created as recommended previously.)
<b>Accountability of Administrators</b>		
9.	Specific performance objectives have not been established for Institute Administrators, and annual performance reviews have not been conducted.	The Board of Trustees should consider developing annual performance objectives for Administrators of the two Institutes, and conducting annual performance reviews. (This responsibility could be delegated to the Executive Director if such a position is created as recommended previously.)
<b>Procurement and Contracting Policy</b>		
10.	Policies and procedures for procurement of goods and services and contracting have not been developed nor adopted for the Institutes. The majority of contracts during the 5-year review period have been procured without any competitive or documented process to ensure reasonable price or value was received.	The Board of Trustees should consider developing and implementing policies and procedures for procuring goods and services and entering into contracts consistent with best practices for such policies.
<b>Travel and Expense Policy</b>		
11.	The Institutes' travel and expense policy needs to be substantially strengthened.	The Board of Trustees should consider revising the Travel and Expense policy for the Institutes to include: <ul style="list-style-type: none"> <li>• Expanding the policy to specifically include travel expenses paid for using Institute credit cards,</li> <li>• Developing a travel expense statement form for submission of all travel expenses whether paid by credit card or for reimbursement,</li> <li>• Requirements for timely submission of travel expenses and a completed and signed travel expense statement,</li> <li>• Requirements for the timely return of any overpayment of expenses, either by Institute credit card or through reimbursement,</li> <li>• Requirements for pre-approval of travel, including a specific budget for travel for each individual, that travel approval by the entire Board of Trustees is required, and a specific process for obtaining such approval.</li> </ul>



	Finding	Recommendation
<b>Travel Policy Compliance</b>		
12.	Documentation of formal approval of travel, travel expenses and post-travel reporting to the Board on results of travel could be improved.	The Board of Trustees should consider requiring formal, written documentation for: <ul style="list-style-type: none"> <li>• Approval by the Board in advance of travel,</li> <li>• Formal reporting of travel expenses using a travel expense form, and</li> <li>• Reporting on the results of travel after completion.</li> </ul>
<b>Transportation (Vehicle) Policy</b>		
13.	The Institutes policy for transportation or use of vehicles needs to be clarified.	The Board of Trustees should clarify the transportation policy to clarify what expenses for personal vehicles are to be paid by the Institutes and which are the responsibility of the vehicle owner
<b>Conflict of Interest Policy</b>		
14.	The Institutes' have developed and adopted conflict of interest policies and procedures that are consistent with most of the best practices for such policies we identified.	The Board of Trustees should consider revising the Conflict of Interest policies for the Institutes to include a requirement that disclosures or resolution of conflicts of interest be reflected in the minutes.
<b>Conflict of Interest Policy Compliance</b>		
15.	Annual Conflict of Interest disclosure statements, as required by the Conflict of Interest policy, were completed for 2010, 2013 and 2014. These statements were not completed for 2011 and 2012.	The Board of Trustees should ensure that annual conflict of interest disclosure statements are completed by all trustees, management, and staff as required by policy.
<b>Document Retention Policy</b>		
16.	The Institutes' have developed and adopted a document retention policy that is consistent with most of the requirements and best practices for such policies we identified.	The Board of Trustees should consider revising the Record Retention policy for the Institutes to include identifying the record retention responsibilities of staff, volunteers, Board members, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.
<b>Whistleblower Policy</b>		
17.	The Institutes' have developed and adopted a whistleblower policy that is consistent with all of the requirements and best practices for such policies we identified.	The Board of Trustees should continue to use the Whistleblower policy for the Institutes.



	Finding	Recommendation
<b>Investment Policy</b>		
18.	The Institutes' have developed and adopted an Investment policy that is consistent with all of the requirements and best practices for such policies we identified.	The Board of Trustees should continue to use the Investment Policy to direct investment of the Institute's financial assets, annually review the policy, and update it as needed.



## **2. Background**

In 2000 and 2002 the Los Angeles Department of Water and Power (LADWP or DWP) entered into agreements to create two Trusts with the International Brotherhood of Electrical Workers (IBEW). These Trusts created the Joint Safety Institute (JSI) and the Joint Training Institute (JTI).

The two Trusts were established as tax-exempt organizations, with governance by trustees with equal representation from the LADWP and IBEW. Management of the Trusts is similarly structured, with two equal administrators, one appointed by the LADWP and one by the IBEW. The Joint Safety Institute's mission relates to improving LADWP workplace health and safety. The Joint Training Institute's mission relates to improving LADWP and related training.

The Institutes are funded solely by the LADWP. Funding of 10 cents per hour worked by an IBEW member is provided for the Joint Safety Institute. Funding of 15 cents per hour worked by an IBEW member is provided for the Joint Training Institute. Under the Trust agreements, once funds have been transferred to the Trusts they cannot be reverted back to LADWP or to the IBEW, and must be used by the Trustees for the benefit of the beneficiaries of the Trust.

The LADWP Commission, at its meeting on October 1, 2013, expressed concern about the two Institutes and requested management of the Trusts provide information on their operations and expenditures. The response provided by the former DWP General Manager at the Commission's November 19<sup>th</sup> meeting was determined to be incomplete and unsatisfactory. The Commission voted to suspend payments to the Institutes and requested the City Controller to conduct an audit of how funds provided were spent.

The City Controller initiated the audit as requested by the LADWP Commission. Requested information and documents were not provided. The City Controller subsequently obtained a subpoena for the Institutes to produce financial records. The Institutes filed a lawsuit, claiming they are independent entities and not subject to the City's oversight or authority.

In November 2014 the City Council approved a settlement to end the legal stalemate between the City and the two Trusts. The agreement provided for access to 5 years of financial records for the Trusts, and for the resumption of City payments to the Institutes within 120 days following a review of these financial records by the City Controller. The settlement also provided for the CAO to conduct this performance and operational evaluation of the two Trusts.





### 3. Objectives, Scope and Methodology

The primary objective of this evaluation was to determine how effectively the two Institutes have been managed and administered. This includes identifying and evaluating Trust enabling documents, policies, procedures, and practices. It also includes identifying what performance metrics have been used to objectively evaluate the performance of the two Trusts. Recommended key performance indicators for each of the Trusts and Institutes to use moving forward were also to be developed.

The scope of this performance evaluation covered the period from FY 2010 through FY 2014.

It is important to note that this performance evaluation did not include review or evaluation of financial information. A separate financial audit is being conducted under the direction of the City Controller.

In evaluating the two Trusts and Institutes, we:

- ✓ Obtained and reviewed each Institute's trust agreements, policies, and procedures to determine standards for the administration of each trust. This included both formal and informal information, developed by both the Trustees and Institute staff.
- ✓ Obtained and reviewed the agreements between the LADWP and IBEW creating the Institutes and the specific expectations created in terms of missions, goals, objectives, tasks, deliverables, etc.
- ✓ Obtained and reviewed information on the activities of each of the Institutes, including specific outcomes achieved and evaluated the extent to which established performance metrics, or any performance metrics, have been achieved.
- ✓ Conducted interviews with LADWP management, IBEW management and representatives, City officials, Institute management and staff, and key stakeholders of the two Trusts and Institutes to identify perspectives of the overall mission and objectives of the Trusts and Institutes, policies, procedures and practices.
- ✓ Obtained and evaluated information on employee work experiences and training at LADWP and determined if there are any trends or positive outcomes that could be the result of the efforts of the Trust / Institutes. Examples include employee work injuries, workers compensation claims, employee turnover, employee sick leave, etc.
- ✓ Obtained information on the role of each Institute in actual LADWP management or operations related to ensuring a safe and healthy work place and a well-trained workforce.
- ✓ Obtained information on internal LADWP performance metrics related to ensuring a safe and healthy work place and a well-trained workforce.
- ✓ Developed a recommended set of performance metrics for use by the Trusts / Institutes moving forward. These metrics include indicators of levels of activity (i.e. trainings held, persons trained, etc.), effectiveness (i.e. ratings and



assessments of training, perceptions of safety and training, work injuries, etc.) and intervention effectiveness evaluations.

- ✓ Developed a matrix outlining the established policies, procedures and practices of each of the Trusts / Institutes based on the information gathered.
- ✓ Obtained and reviewed information on the actual activities of the Trusts / Institutes over the past five fiscal years (FY 2009-10 to FY 2013-14).
- ✓ Selected a sample of Trust activities and reviewed the approach used to determine if these activities were consistent with the established policies, procedures, and practices. Determined the extent of any negative impact resulting from any non-compliance to the extent possible.
- ✓ Identified any policy and procedure minimum requirements (procurement, contracting, etc.) and compared with established policies, procedures, and practices.
- ✓ Identified best practices policies, procedures and practices for Trusts / Institutes similar to the JSI and JTI.
- ✓ Compared established policies, procedures and practices with minimum and best practice policies, procedures and practices to identify current gaps.
- ✓ Identified best practice policies, procedures and practices that would improve the effective and efficient administration of the Trusts.
- ✓ Developed conclusions, findings and recommendations.

Our evaluation efforts were targeted toward accomplishing the following tasks outlined in the Work Order Request:

1. Evaluate the extent to which the Trusts' purposes are efficiently advanced by documents, policies, procedures and practices.
2. Evaluate compliance with established policies, procedures and practices.
3. Determine the extent of any negative impact resulting from non-compliance with established policies, procedures and practices.
4. Recommend best practice policies, procedures, and practices for the effective and efficient administration of the Trusts.
5. Review, evaluate and determine the extent to which the Trustees established performance objectives and/or performance metrics to objectively evaluate the overall performance of the Trusts.
6. To the extent performance objectives and/or performance metrics were established, evaluate the extent to which these objectives and metrics were met.



## 4. Performance Evaluation Results

### Governance and Oversight

For any organization's operations to be effective requires several key components. These include a clear governance structure, and clear statement and understanding of the purpose of the organization, most often outlined in a mission statement with specific goals and objectives.

#### Governance of the Institutes

Basic principles of good governance require that the responsibility for setting policy and making decisions for an organization be clearly assigned. Effective governance also requires that formal structures and practices define how the Board carries out its duties. Many Boards have developed specific bylaws, policies, and procedures documents that clearly define the specific role of the Board and Board members, and what actions are appropriate in specific situations. Specific areas that policies are most often needed include the role of Board members, and the relationship between the Board and management.

Both Boards and organizations operate most effectively when there is a clear definition and understanding of the Board's role, management's role, and the line between the two. The Board's role should be to provide policy direction and oversight and management's role is to execute or implement that direction.

It is also important for the Board and its members to recognize that the Board's authority only exists when acting as a body. Individual members of the Board should have no authority to make decisions or direct the Administrators or other Institute staff. Only decisions and directives of the Board as a whole, acting as a body, are authoritative and binding.

***Finding 1: The Board of Trustees governance of the two Institutes could be strengthened and enhanced.***

The two Institutes are under the control of the Board of Trustees. Although the two Institutes are separate legal entities, the members of the Board of Trustees for the two Institutes are the same individuals, and the Board meets and makes decisions for the two Institutes during one meeting. They essentially act as a Board as if the two entities were one. This makes sense, and is much more efficient than holding two separate Board meetings.

The Trust Agreement provides for a minimum of two trustees appointed by management and two trustees appointed by labor. The agreement does not set a maximum number of trustees, only that the number must be equally divided between labor and management. Currently there are eight trustees, four from labor and four from management. A quorum constitutes two management trustees and two labor trustees. Failure to reach a quorum precludes the transaction of any Institute business.



Voting on matters before the Board requires consensus voting, with management having one vote and labor having one vote. In the event of a lack of consensus in the management members, the General Manager of LADWP shall cast the management vote, and similarly for the union the IBEW Business Manager will cast the final union vote. In the event management and labor do not reach consensus, a binding arbitration dispute resolution system is embedded in the Trust Agreement. It is important to note that the arbitration provision has never been exercised since the establishment of the Institutes.

Meetings of the Board of Trustees require written notice, a minimum of seven business days prior to the meeting. Meetings at least each quarter are required. Each year the Trustees select a Chairman and Secretary, with each role rotating between management and the union on a yearly basis. Copies of the approved minutes and proceedings are available to the Trustees, LADWP and IBEW.

The Trust documents provide limited direction on the role and responsibilities of the Administrators.

JSI - The Administrators shall be responsible for developing, recommending, and implementing Safety Programs, both general and site specific, to the Board of Trustees. In this regard they shall develop plans for Safety Programs, provide direction and assistance, and shall coordinate the purchase of goods and services.

JTI - The Administrators shall be responsible for assessing, developing, recommending, and overseeing the implementation of Training Programs and initiatives, both general and site specific, to the Board of Trustees. In this regard they shall develop plans for Training Programs, provide direction and assistance, oversee service delivery components, and coordinate the purchase of goods and services.

This direction provides very limited direct authority for the Administrators, with a primary focus on supporting the Board of Trustees. In discussions with the Administrators of the Institutes it became apparent that the distribution of roles and responsibilities of the Trustees versus the Administrators are not clear.

Administrators often stated that their role was to do what the Trustees told them to, and did not seem to have a clear understanding of their authority to develop and implement initiatives. The line between the two is not clear. The effectiveness of the Administrators would be enhanced if their level of authority were more clearly defined in developing and implementing safety and training initiatives and programs under the general policy direction of the Board of Trustees.

Individual Institute Trustees also often direct Administrators to complete specific assignments or take specific actions. This is defended as being required because of the lack of leadership resulting from LADWP management not fully engaging itself in the operations of the two Trusts. However, only the Board, acting as a whole should direct such assignments and actions. There has also been substantial turnover of



management Trustees. A more formal means of managing the role of the Board could help with continuity given this turnover.

**Recommendation 1: The Board of Trustees should consider strengthening and enhancing its governance of the Institutes by:**

- **Developing a governance policy that specifically defines roles and responsibilities of Board of Trustee members, decisions to be made by the Board, and the specific process for making those decisions.**
- **Defining specific actions to be taken if members of the Board feel that other members of the Board are not adequately or appropriately fulfilling their governance responsibilities.**
- **Prohibiting individual members of the Board of Trustees, including the Chairman, from directing Administrators or other Institute staff to take specific actions.**
- **Conducting annual reviews and discussions of how the Board of Trustees is fulfilling its responsibility as the governance body for the Institutes, including identifying and resolving any governance issues.**
- **Clearly defining the role and responsibilities of the Institute Administrators, including the line between the policy-making role of the Board and the direct management responsibility of the Administrators.**

### **Strategic Planning**

The role of any Board is to provide strategic focus and direction for the organization and to ensure decisions support the focus and direction. Oversight is also an important function for any Board, ensuring that organizational activities are consistent with legal requirements and its own policies and procedures.

Strategic planning is a disciplined effort to produce fundamental decisions and shape and guide what an organization is, what it does and why it does it. When the strategic plan is linked to operations, all groups in the organization have a clear understanding of its purpose, the strategies used to achieve that purpose and the progress being achieved.

Performance measurement and reporting demonstrates the success or effectiveness of organizational or program activities in addressing a specific need or attaining a specific goal. A meaningful performance measurement framework includes a balanced set of indicators, ensures the collection of sound and reliable indicator data, provides for the analysis and reporting of indicator information and drives service improvement efforts and the testing of new initiatives. Performance measures should generally be quantified, meaning a number, to allow for comparison of performance from year to year.



***Finding 2: The Board of Trustees strategic planning efforts could be strengthened and enhanced.***

Many of the basic elements of strategic planning were developed for the two Institutes' when they were created. The Trust documents clearly outline the mission for each Institute. The Trust documents also outline the overall philosophy driving each Institute, as well as specific programs or goals for each Institute to accomplish. The mission, philosophy, and goals for each Institute are provided in Appendix B (JSI) and C (JTI) of this report.

The elements contained in the Trust documents provide a strong strategic foundation for the Board of Trustees to build upon. During the five-year review period (FY 2009 to FY 2014) we found that the Board held three strategic planning sessions. These meetings were held in 2009, 2011, and 2013. During these meetings the Board of Trustees discussed current and potential strategic initiatives.

These meetings are positive, and provide major opportunities to review and discuss the current priorities and direction of the Institutes', and to make any needed changes in priorities or course corrections. We commend the Board of Trustees for these strategic planning efforts, and believe they can be further strengthened.

***Recommendation 2: The Board of Trustees should consider strengthening and enhancing its strategic planning efforts by:***

- ***Conducting annual strategic planning sessions early enough to provide direction to the budget development process.***
- ***Reviewing performance metric information (discussed later in this report) and determining which strategic initiatives and Institute efforts are effective and which are not.***
- ***Ensuring specific strategic initiatives are developed, consistent with the Institutes' mission and goals, to be implemented during the upcoming year.***
- ***Directing Institute Administrators to develop specific annual program plans for implementing the strategic initiatives identified during strategic planning sessions.***

**Board Decision Making**

Effective Board decision-making requires that Board members have adequate time to review information in advance of having to make a decision. This requires meeting materials be received by Board members prior to the Board meetings. It is a common and best practice for Board members to receive materials related to decisions that must be made from several days to a week prior to Board meetings. Typically, this would include each agenda item that requires approval of the Board. Examples are approval of contracts, contract payments, travel, and personnel changes.



***Finding 3: Information provided to Board of Trustee members to facilitate and support Board decision-making could be improved.***

Members of the Board of Trustees do not receive information on decision items prior to meetings. The only information provided to Trustees is copies of the agenda for the upcoming meeting. Formal information and documentation supporting Board decisions items are not provided during Board meetings. Agenda items are discussed, and verbal presentations and discussions made regarding each decision item. Board decisions are then made based on these informal presentations and discussions. Formal documentation could also assist new board members to review and understand past decisions. This is especially important given the frequent turnover of management Trustees.

***Recommendation 3: The Board of Trustees should consider requiring information on agenda items requiring Board approval be provided to Board members a week in advance of the meetings This should include at a minimum:***

- ***Background information to provide a context for the decision,***
- ***Potential benefit to the Institutes, including contribution to specific Institute goals,***
- ***Information on any process used to arrive at the decision item (procurement process, personnel selection, assessment of conferences / travel)***
- ***Recommendation of Administrator(s) requesting the decision.***

**Trust Performance Indicators**

The agreements between LADWP and the IBEW creating each of the Institutes established specific missions for each Institute. The agreements also included some specific goals for each, as well as fairly clear tasks for each to perform. These may be considered to be the outcomes or deliverables expected from each Institute. (See Appendices B and C.)

Performance measurement and reporting demonstrates the success or effectiveness of organizational or program activities in addressing a specific need or attaining a specific goal. A meaningful performance measurement framework includes a balanced set of indicators, ensures the collection of sound and reliable indicator data, provides for the analysis and reporting of indicator information and drives service improvement efforts and the testing of new initiatives. Performance measures should generally be quantified, meaning a number, to allow for comparison of performance from year to year.

***Finding 4: Performance measurement, monitoring and reporting for the Institutes could be improved.***

Much of the recent controversy regarding the Institutes has been the result of a lack of information and clarity on what was being achieved or accomplished by the Institutes



with the funds provided. In response to this controversy, the Institutes developed and published reports describing each Institute, including sections on what had been accomplished by each Institute. The reports are provided as Appendix D (JSI) and E (JTI) of this report.

The reports provide valuable information on the activities of the two Institutes, and help to demonstrate that the level of activity provided by the Institutes has been substantial. (The Institutes have sponsored training classes with over 56,000 total attendees, and been involved in developing numerous safety and training programs and initiatives.) However, the usefulness of these reports is limited due to several factors:

- There is no performance measurement framework to define types of performance indicators, and to put the performance information into context, nor specific performance indicators or metrics for the Institutes.
- The reports provide activity information since the inception of the Institutes (e.g. total employees trained) rather than providing information on activities by year. Without such information it is not possible to evaluate current levels of effort for the Institutes.
- There is no ongoing performance measurement, monitoring, or reporting approach in place.
- The reports provide information only on the activities of the Institutes, with no real information on the outcomes achieved through these activities, or the effectiveness of the Institutes.

The settlement agreement between the City and the Trusts states that:

Within 120 days of the close of each fiscal year, the Trusts shall commit to prepare and present annual reports to LADWP and the City Council detailing the Trusts' finances and their programs, activities, and efforts to achieve the goals and objectives set forth in the Trust agreements.

Reporting on the Trusts' and Institutes' programs, activities, and efforts should include activity indicators, outcome indicators, and Intervention effectiveness evaluations. Each of these is discussed in the following sections.

### **Activity Indicators**

Activity indicators provide information on the level of effort provided during a period of time, typically one year. This information can be tied to the budget for the Institutes, and can also drive performance objectives and evaluations for Institute management and staff. The following are the primary activities of the Institutes that we recommend the Institutes track, monitor, and report on:

***Number of training sessions held by type*** – The Institutes conduct or sponsor numerous training sessions each year. The number of each of these sessions provided should be tracked and reported. This is currently being done, but is not reported on an annual basis.





**Number of DWP employees trained by type** – The Institutes currently track the number of DWP employees that attend each training provided, and have compiled this information. This information should also be reported on an annual basis. The number of DWP employees trained since the inception of the Institutes by type of training course are shown in the Institutes' progress reports contained in Appendices D and E.

**Number of new training programs / courses developed by type** - Much of the work of the Institutes is in the design, development, and implementation of safety and training programs. When training programs are fully developed the curriculum is given to the LADWP for continued use. The training programs that are created can last up to four years in duration. This can involve extensive time in capturing the best available information and organizing it into the most effective training programs possible.

**Number of safety tours conducted** – JSI has developed a process where managers and workers conduct "Safety Tours" at various work sites, interacting with employees and sharing information regarding safe work performance, as well as conducting job safety analysis. Managers and labor representatives have equal roles in the Worker Safety Group I Safety Tour process, and the focus is on two-way communication with employees regarding safety issues in the workplace. WSGs were created through the JSI to ensure direct participation of labor and management in safety communication in the workplace, with an emphasis on solving issues that directly affect the front line employee.

**Number of Joint Labor Management Committees (JLMC's) coordinated** – The JTI currently coordinates more than 100 committees. This includes selecting the labor members and subject matter experts for all JLMCs, helping to create the Mission and Vision Statements for the JLMCs in conjunction with LADWP management, and attending JLMC meetings as needed. The JTI ensures that Mutual Gains Bargaining Techniques and the Ground Rules for the committees are adhered to, and helps to resolve issues and disputes that arise at the meetings.

### **Outcome Indicators**

Outcome indicators provide information on the actual results or effectiveness of the efforts of the Institutes. It is important to note that the Institutes do not have complete control over either safety or training at the DWP. Additionally, there is substantial focus and effort by DWP resources to improve safety and training. However, the Institutes do serve as important catalysts and focal points for both safety and training. The effectiveness of the Institutes is dependent on how well they work with their counterparts and partners within the DWP. As such, it is appropriate to measure their effectiveness based on the level of safety and training performance within the DWP.



A best practice for training evaluation is to evaluate the effectiveness of training on the following four levels<sup>1</sup>:

- **Reaction** – measures how participants felt about the training or learning experience. This can easily be evaluated using participant evaluation and feedback forms. Their reaction is important because participants will more likely learn in situations where they feel positive about the learning experience.
- **Learning** – is the extent to which there was an increase in knowledge as a result of the class. This is important to evaluate if the information being provided is being absorbed by the participants.
- **Behavior Change** – is the extent to which participants are applying what they learn when they are on the job. This is important to determine the effectiveness of the training in actually improving skills and behaviors.
- **Results** – is the impact of the training on the results the organization is trying to achieve. In this case, the desired result would be reduced on-the-job related accidents.

We have developed the following recommended outcome performance indicators consistent with these levels.

**Summary of participant ratings of training provided** – Participant satisfaction with training provided is a basic performance indicator for training. It is generally accepted that there is some correlation between participant satisfaction and actual learning during training. This information can be useful in determining the quality of individual training classes, as well as overall quality. The Institutes currently conduct participant evaluations at the end of each course provided to obtain feedback on the usefulness of training provided, and areas for improvement. However, these evaluations have not been compiled nor reported.

**Results of assessments of knowledge and skills before and after training** – Many of the training sessions provided by the Institutes are intended to improve the knowledge and/or skill levels of those participating in this training. Assessing the knowledge and skills of participants before and after training can be a good way of measuring the effectiveness of the training provided. Such assessments can be performed through tests of knowledge and skills, through the observations of interested parties such as supervisors, or through self-assessments conducted by the participants themselves.

**Composite rating of employees' safety perception in annual safety perceptions surveys** – The JSI conducted a safety perception survey of DWP employees in 2013 through a contract with Caterpillar Safety Services. This survey measured the views of

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<sup>1</sup> Kirkpatrick, Donald L. and James D., *Evaluating Training Programs: The Four Levels*, Berrett-Koehler Publishers; 3rd edition, January 1, 2006



DWP management, supervisors, and line employees regarding safety within the Department. The Safety Perception Survey can be used to assess various safety culture indicators statistically proven to impact safety performance. The survey also provides a baseline from which to begin a continuous improvement process.

The exhibit on the following page shows the summary results of the DWP Safety Perceptions Survey. As this exhibit shows, there were numerous areas that were in need of immediate attention, numerous areas that were in need of improvement, and only one area that was rated as having strong performance. The survey results identify specific areas, by rank that should be the focus of ongoing and future safety efforts of both the DWP and the JSI.

Exhibit 1						
Safety Perception Survey Data						
Percent Positive And Perception Gaps						
Category	Score			Perception Gap		
	Emp.	Sup.	Mgr.	Emp. Sup.	Emp. Mgr.	Sup. Mgr.
Discipline	66.6	67.4	71.2	1.2	6.9	5.6
Recognition for Performance	68.6	70.6	71.0	2.9	3.5	0.6
Substance Abuse	69.1	69.2	69.8	0.1	1.0	0.9
Inspections	69.9	77.4	78.9	10.9	13.0	1.9
Supervisor Training	70.1	74.6	73.2	6.4	4.4	1.9
Goals of Safety Performance	72.9	72.6	68.9	0.4	5.4	5.1
Quality of Supervision	74.8	82.8	80.9	10.6	6.1	2.3
Involvement of Employees	74.9	77.4	80.0	3.4	6.8	3.3
New Employees	75.3	79.4	82.2	5.5	8.3	3.6
Awareness Programs	75.6	78.7	80.7	4.2	6.6	2.5
Operating Procedures	76.3	78.4	75.3	2.6	1.4	4.0
Support for Safety	77.5	82.0	82.5	5.8	6.4	0.6
Attitude Towards Safety	77.6	84.8	87.3	9.2	12.5	2.9
Hazard Correction	78.1	83.4	86.2	6.8	10.5	3.4
Employee Training	78.6	82.4	85.1	4.8	6.2	3.2
Communication	79.4	82.6	83.9	4.0	5.7	1.8
Safety Climate	80.0	83.4	84.2	4.2	5.2	0.9
Management Credibility	80.8	85.1	83.2	5.3	3.0	2.2
Incident Analysis	83.1	86.6	89.9	4.2	6.2	3.9
Safety Contacts	86.4	91.6	89.7	6.0	3.9	2.0
Combined Score	75.6	79.5	80.2	4.9	6.5	2.6
Respondents	3,019	637	134			

<span style="display:inline-block; width:15px; height:15px; background-color: #d9534f; border: 1px solid black;"></span> Needs immediate attention (< 75%)	<span style="display:inline-block; width:15px; height:15px; background-color: #e74c3c; border: 1px solid black;"></span> Needs attention (≥ 14% perception gap)
<span style="display:inline-block; width:15px; height:15px; background-color: #f1c40f; border: 1px solid black;"></span> Needs improvement (75%-89%)	
<span style="display:inline-block; width:15px; height:15px; background-color: #27ae60; border: 1px solid black;"></span> Strong Performance (≥ 90%)	

Source: Safety Perception Survey Report for the for Los Angeles Department of Water & Power, Caterpillar Safety Services, September 2013.

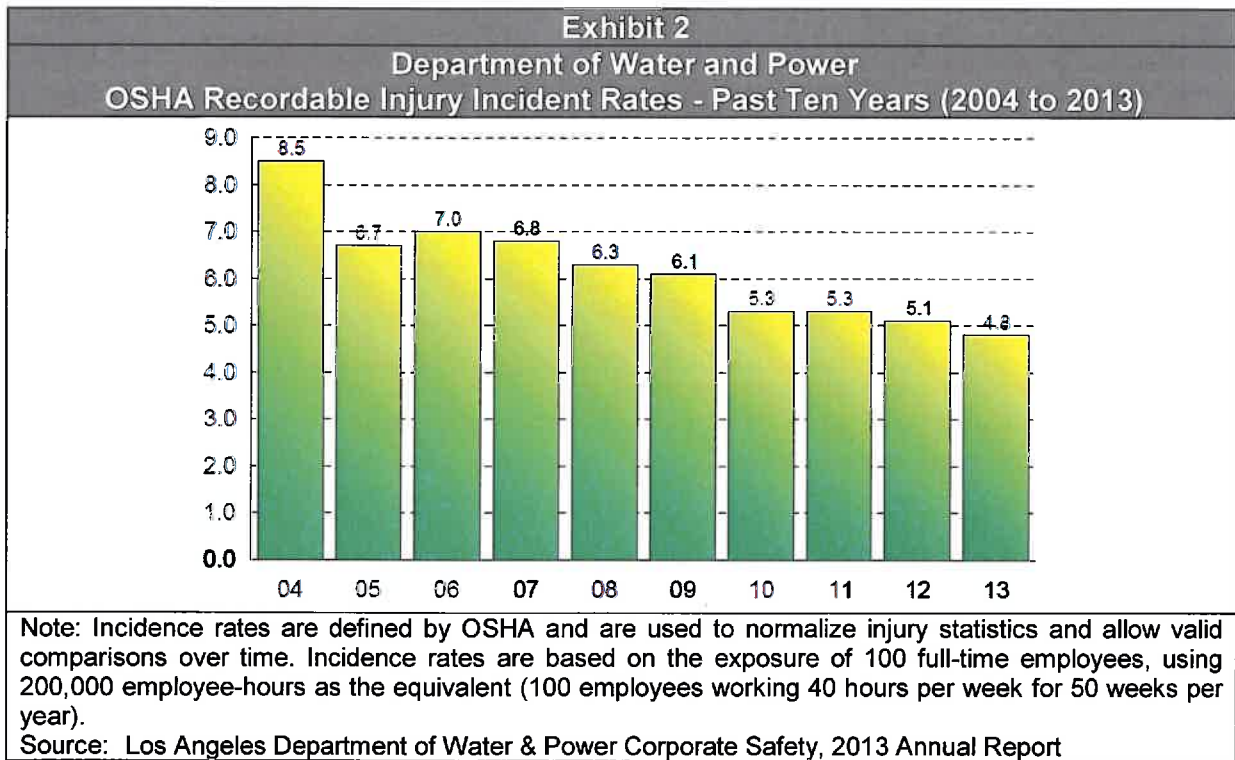


This safety perceptions survey, if completed annually, can provide valuable information on progress made in the safety climate or culture, as well as safety operations of the DWP. Performance reports should track and report on the number of areas requiring immediate attention, needing improvement, and having strong performance. The ideal would be the number having strong performance would increase over time, and the number requiring immediate attention or improvement would decrease over time. The performance reports should also track and report changes in the combined scores.

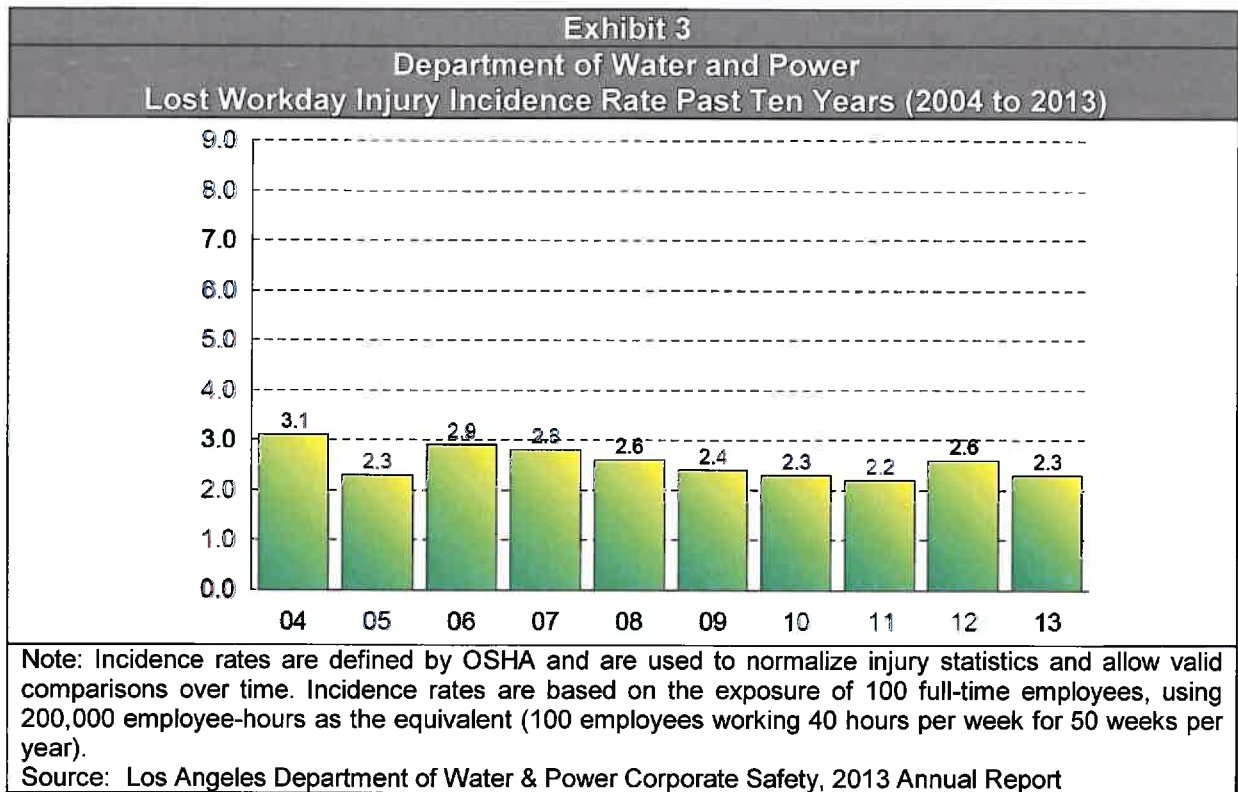
**Composite rating of employees training level in annual training needs surveys/assessments** – The JTI has discussed conducting a training needs survey and assessment for a number of years, but neither JTI nor DWP management have completed such a survey or assessment. A training needs survey and assessment can be used to measure training needs, much like the safety perceptions survey discussed previously. The training survey and assessment can also provide a baseline from which to begin a continuous improvement process. A training needs survey and assessment, if completed annually, can provide valuable information on progress made in meeting the training needs of DWP personnel.

**Annual employee injury rates (OSHA Recordable Injury Rates, Lost Workdays Rates)** - An effective safety and training program can reduce the number of injuries and deaths, property damage, legal liability, illnesses, workers' compensation claims, and missed time from work. The DWP Corporate Health and Safety Division tracks injuries involving DWP employees and report these injuries to the Occupational Safety and Health Administration (OSHA). This information can be used to evaluate the overall safety record of the DWP. The JSI, if effective in implementing safety programs and initiatives, should have a positive impact on these rates.

The following exhibit shows the OSHA recordable injury incident rates for the DWP over the past ten years. An OSHA recordable injury is an injury requiring medical treatment beyond the first aid. The rate is the number of such injuries per 100 full-time employees or 200,000 work hours. As this exhibit shows, the rate of OSHA recordable injuries has decreased from 8.5 in 2004 to 4.8 in 2013.



The following exhibit shows the lost workday injury incident rates for the DWP over the past ten years. A lost workday injury is an injury in which the employee is absent for one or more workdays (starting on the day following the day of injury). The rate is the number of such injuries per 100 full-time employees or 200,000 work hours. As this exhibit shows, the rate of lost workday injury incidence rates has decreased from 3.1 in 2004 to 2.3 in 2013.



### **Intervention Effectiveness Evaluations**

Much of the work of the Institutes is in intervening in emerging issues and concerns. The Institutes play an important role as an idea/program incubator researching, developing and implementing programs relatively quickly to address specific issues or concerns. Specific examples of these interventions include:

- **"Safe Start" Program** - Designed to address strains/sprains injuries that represent over half of the DWP's active claims. This program is provided to all 9,000 DWP employees, and involves training employees to be mindful of the safety risks they experience in their workplace, and increase awareness of safe practices.
- **New Electrical Safety Observer policies and approaches** - Recently, DWP employees have experienced a number of electrical contact injuries. These injuries result from individuals making accidental electrical contact, and can result in severe injuries or death. The JSI played a leadership role in developing and implementing new policies requiring all Power System facilities to use an Electrical Safety Observer (ESO) when non-qualified or non-electrical workers must perform work within 10 feet proximity to high-voltage equipment circuits or systems. This policy includes qualifications for ESO's, safe work procedures,



minimum safe approach distances, responsibilities of the ESO and crew, and the responsibilities of supervisors.

- **New Engineering Associate Training** – JTI provided the leadership to develop this program which provides new Engineering Associates on-the-job training through job rotations through various engineering units as well as centralized training classes. The intent of the training program is to provide new engineers a larger perspective of the DWP system and a better operational understanding of the various components.

The specific interventions described above, and others implemented by the Institutes, are valuable contributions of the Institutes. However, these initiatives do not lend themselves to ongoing or routine performance measurement or reporting. It is important that the effectiveness and outcomes from these interventions be tracked and reported. This can best be accomplished through conducting intervention effectiveness evaluations for each such major intervention effort.

The purpose of such an effectiveness evaluation is to determine the extent to which the intervention or initiative has resulted in its intended effect. This type of evaluation is the “check” portion of the plan-do-check-act continuous improvement cycle. The basic steps to conducting such an evaluation include<sup>2</sup>:

- Identifying the problem and objectives of the intervention strategy.
- Developing the evaluation and measurement methodology.
- Measuring the baseline values or outcomes prior to the intervention or initiative being implemented.
- Measuring the values or outcomes after implementation of the intervention or initiative.
- Analyzing and interpret the results of the evaluation.
- Drawing conclusions and identify the effectiveness of the intervention or initiative, as well as potential improvements to increase that effectiveness.

**Recommendation 4: The Board of Trustees and management of the Institutes should work together to:**

- **Develop a performance measurement framework that includes activity and outcome indicators, and includes intervention effectiveness evaluations for specific initiatives and strategies.**

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<sup>2</sup> Guide to Evaluating the Effectiveness of Strategies for Preventing Work Injuries; How to Show Whether a Safety Intervention Really Works, published by the Centers for Disease Control and Prevention, National Institute for Occupational Safety and Health, April 2001.



- *Develop a performance metric monitoring system to begin tracking key performance indicators on an ongoing basis.*
- *Develop and present annual performance reports to all Institute stakeholders and beneficiaries.*





## Organization Structure and Management of the Institutes

Effective organizations are structured to be both effective and efficient. They should also have management approaches and systems in place that ensures adequate program planning and accountability of personnel. The following sections discuss both the separate structure of the two Institutes, as well as the Institutes' internal management structure and approach.

### Overall Structure of the Institutes

The Joint Safety and Joint Training Institutes were created as separate legal and organizational entities, one in 2000 and the other in 2002. The structure and operations of the two Institutes are essentially identical, with Board of Trustee appointment and membership, as well as appointment of "Administrators" for each Institute being the same.

***Finding 5: The current structure of two separate Institutes creates inefficiencies without benefit.***

The members of the Board of Trustees for the two Institutes are the same individuals, and the Board meets and makes decisions for the two Institutes during one meeting. They essentially act as a Board as if the two entities were one. This makes sense, and is much more efficient than holding two separate Board meetings.

The mission, goals, and operations of the two Institutes are very similar and complimentary. The majority of the initiatives and efforts of both institutes involve training. This is because training is one of the most effective means of addressing safety issues and concerns. The Administrators of the two Institutes work together well, and coordinate their initiatives and activities. In operations, the two work as one organization.

Since the two Institutes are currently separate legal entities each must maintain separate bank accounts, accounting records, insurance, and each must undergo an annual financial audit. If the two Institutes were merged into one Institute, operational efficiencies would be gained, including cost savings.

There is a significant difference in the terms of the Trust documents that would require resolution prior to a merger. The Trust document for the JTI requires the JTI Board to report information on the activities of the JTI to the Board of Water and Power Commissioners, and the JTI books, records and accounts are required to be available upon request to all parties to the Agreement. The Trust document for the JSI does not include these requirements.

***Recommendation 5: The Board of Trustees for the two Institutes' should consider developing a plan and proposal for merging the two Institutes and present it to the Board of Water and Power Commissioners and City Council for approval.***



## Internal Management Organization and Staffing

An organization's structure should provide a framework of functional areas within which individuals can achieve the organization's goals. An effective organizational structure clearly reflects the priorities of the organization, facilitates effective service delivery and problem solving, ensures consistency of direction and management control, minimizes obstacles and barriers to performance, and stimulates a culture of shared accomplishment and teamwork. This includes having a formal leadership and accountability structure. For an organization to be most effective there must be a unity of command – meaning direction is provided from only one individual. For the Institutes, ideally this individual would be an Executive Director, consistent with the policy direction provided by the Board of Trustees.

The Trust documents that created both of the Institutes stipulated the organization structure of the two Institutes. According to the Trust documents, each Institute is to have an even number of "Administrators", with one-half appointed by the Employer (DWP Management) Trustees, and one-half appointed by the Union (IBEW) Trustees. The Board did approve one additional "Administrator for the Joint Training Institute to coordinate the Joint Labor Management (JLM) Committees.

Currently, the two Institutes have a total of five Administrator positions. Union representatives fill three of these Administrator positions, DWP Management fills one, and one management position is vacant. The Trust document stipulates that the salaries, benefits, authority, and responsibilities of the Employer appointed Administrators and the Union appointed Administrators shall be equal unless otherwise determined by the Board of Trustees.

***Finding 6: The current structure of having Administrators all at the same level with the same level of authority provides no formal leadership or accountability structure.***

The result of all Institute Administrators at the same level is a lack of formal leadership, responsibility, and accountability for the overall management, operations, and effectiveness of the Institutes. One of the Administrators has been informally designated as the lead for the Institutes. However, this informal designation does not provide any real authority. Without a formal designated leader, there is no consistent management approach to achieving the Institutes' goals, there is no consistent review or oversight of Institute policies and procedures, and some issues go unresolved.

***Recommendation 6: The Board of Trustees should consider establishing one of the Administrator positions as the formal leader or Executive Director of the Institutes.***

***Finding 7: The current staffing of the two Institutes with Administrators is not in accordance with the terms of the Trust agreement.***

The Trust agreements creating each of the two Institutes states:



There shall be an administrative staff consisting of an even number of employees of the Safety / Training Institute, who shall have the title of "Administrators."

The Administrators shall be selected, one-half by the Employer Trustees, and one-half by the Union Trustees.

As stated previously in this report, the two Institutes currently have a total of five Administrator positions. Union representatives fill three of these Administrator positions, DWP Management fills one, and one position that should be filled by DWP Management is vacant.

**Recommendation 7: The Board of Trustees should review the current staffing of Administrators and ensure compliance with the terms of the Trust agreement.**

### **Institute Program Planning**

The Trust documents creating the two Institutes established specific responsibilities for the Administrators of each Institute. Specifically, the Trust documents state:

The Administrators shall be responsible for developing, recommending, and implementing (Safety Programs / Training Programs), both general and site specific, to the Board of Trustees. In this regard, they shall develop plans for (Safety Programs / Training Programs), they shall provide direction and assistance, oversee service delivery components, and shall coordinate purchasing of goods and services.

**Finding 8: Institute Administrators have not developed consistent program plans outlining specific initiatives, tasks, or activities to be implemented.**

The Administrators have developed various lists and matrices of initiatives and activities. However, there has not been a consistent approach to annual program planning for the Institutes.

**Recommendation 8: The Board of Trustees of the two Institutes should consider directing the Administrators to develop a format and approach to annual program planning, and to develop annual program plans for each Institute. (This responsibility could be delegated to the Executive Director if such a position is created as recommended previously.)**

### **Accountability of Administrators**

Establishing clear expectations through performance objectives, and conducting periodic formal employee performance evaluations is a basic element of organizational and human resource management. Regular performance evaluations are an important way of keeping employees informed as to where they stand in relation to expectations and documents how their performance compares to specific job standards.

**Finding 9: Specific performance objectives have not been established for Institute Administrators, and annual performance reviews have not been conducted.**



Without annual written performance evaluations employees do not clearly know how well or poorly they are performing and where improvements are required. The lack of consistent performance evaluations generally tends to result in staff performing below the optimal performance levels. An employee performance management process is part of a positive, performance-based culture. It fosters employee competence and productivity, supports achievement of organizational goals and objectives, and provides documentation of employee's strengths and areas needing improvement.

***Recommendation 9: The Board of Trustees should consider developing annual performance objectives for Administrators of the two Institutes, and conducting annual performance reviews. (This responsibility could be delegated to the Executive Director if such a position is created as recommended previously.)***



## Policies and Procedures

Effective administration of organizations requires clear articulation of the policies, procedures or approaches to be implemented to effectively and efficiently accomplish the mission, goals and objectives. An effective organization must have mechanisms in place to provide adequate controls to ensure adopted policies and procedures are being followed. The following sections discuss the policies and procedures for the Institutes, as well as compliance with them.

### Procurement and Contracting Policy

The costs of goods and services acquired by procurement and contracting are a substantial expenditure of the two Institutes' resources. Developing and maintaining adequate policies and procedures for procurement and contracting are important to ensure Institute resources are protected and goods and services are procured in the best interest of the Institutes and their beneficiaries. These policies include competitive bidding requirements, negotiating prices and change orders, and providing contract oversight and compliance.

Documentation of the procurement process is necessary in order to ensure compliance with the procurement requirements. Contract compliance and oversight is also important to ensure that contractors are providing the goods or services they are being paid for within the constraints provided by the contract.

***Finding 10: Policies and procedures for procurement of goods and services and contracting have not been developed nor adopted for the Institutes. The majority of contracts during the 5-year review period have been procured without any competitive or documented process to ensure reasonable price or value was received.***

We requested copies of the Institutes' policies on procurement and contracting and were informed that such policies and procedures had not been developed nor implemented. We reviewed the contract files for each contract entered into during the five-year review period (FY 2009 to FY 2014).

The Joint Safety Institute had entered into a total of sixteen contracts (including extensions and change orders) with a total contract value of approximately \$1.6 million. We found no documentation of the process used to procure these contracts, or to ensure that these contracts reflect a reasonable price or value for the Institute.

The Joint Training Institute had entered into a total of forty-one contracts (including extensions and change orders) with a total contract value of approximately \$4.5 million. We were able to find documentation of the process used to procure these contracts for only one of these contracts. For the remaining contracts we found no documentation of the process used to procure these contracts, or to ensure that these contracts reflect a reasonable price or value for the Institute. The one contract that was procured through a documented process was done so through issuance of Requests for Proposals and evaluation of the proposals submitted.



The impact of not having procurement and contracting policies and procedures in place is there is no assurance that Institute resources are protected and goods and services are procured in the best interest of the Institutes and their beneficiaries. There is also no assurance that a reasonable price or value is received for the goods and services purchased.

We identified best practices for procurement and contracting policies. The following exhibit shows these best practices.

Exhibit 4	
Procurement and Contracting Policy Best Practices	
1.	<b>Establish internal controls</b> - Internal controls are mechanisms in the procurement process that help reduce exposure to inappropriate, unauthorized or unlawful expenditures. Internal controls help ensure that purchases have been authorized, that goods or services have actually been received, and that funds exist to meet the expenditure. Assigning responsibilities and establishing an approval authority schedule are essential internal controls that promote the integrity of the procurement process.
2.	<b>Plan before purchasing</b> - Organizations should plan adequately for all purchases, whether they are recurring or onetime purchases. Identify what product or service the organization requires, or if the requirement can be filled using existing resources, an estimate of the total cost of the procurement, the procurement method (informal, invitational, open competitive or non-competitive), internal approvals and timeline to complete the purchase, and the duration of the contract.
3.	<b>Develop Criteria</b> - Organizations should have a process in place to review bids before the competitive process begins. This includes specifying what criteria prospective vendors have to meet in order to qualify for a contract award for goods or services. The organization should determine the importance of each criterion and assign a weighting, i.e., "number of points" for each item. The organization should also determine if there are any mandatory criteria that must be met for a bid to be considered. To maintain fairness and transparency, the criteria and weighting should be set prior to the start of the procurement. For more substantial procurements, an evaluation team should be assigned, and a description of how the winning contractor will be selected.
4.	<b>Canvass the Market</b> - Gather information about potential vendors prior to procuring goods or services in order to ensure that the organization is as wellinformed as possible. This may include using a Request for Information or Request for Proposals.
5.	<b>Purchase</b> - The organization should "right size" the procurement method to the procurement's value and risk. For example, it would be impractical for an organization to seek Board of Directors' approval for each low dollar, routine purchase. Conversely, procurements of medium to high dollar value should be managed utilizing the appropriate procurement strategy to ensure appropriate value for money. The procurement can be informal, or formal and competitive depending on the value of the procurement.
6.	<b>Document the transaction</b> - At the end of the selection process, a contract between the organization and the successful supplier should be drawn up. A contract is the formal agreement between the two parties that includes the product details or the service to be provided, and the payment schedule.
7.	<b>Keep records</b> - Organizations should keep records of procurement, as well as any other pertinent information, for reporting and auditing purposes.
8.	<b>Manage contracts responsibly</b> - The agreement between the organization and the



Exhibit 4	
Procurement and Contracting Policy Best Practices	
successful vendor should be formally set out in a contract signed by the parties. The contract should include items specified in the procurement documents, such as cancellation and termination clauses, any options to extend the agreement and a dispute mechanism. The organization should monitor the vendor's performance and verify all invoices and payments against the terms of the contract.	
9. <b>Review and improve</b> - Develop a time frame, for example, once a year, to review procurement policies to make sure they still apply to the organization's present business and operational needs. Monitor procurement expenditures, such as invoices, regularly, based on budget allocation or business plan. Monitor contracts, vendor performance and satisfaction with the procurement process regularly, and introduce improvements as necessary.	
Source: Procurement Best Practices published by the BPS Supply Chain Secretariat, Toronto, ON	

**Recommendation 10: The Board of Trustees should consider developing and implementing policies and procedures for procuring goods and services and entering into contracts consistent with best practices for such policies.**

**Travel and Expense Policy**

The Trustees, Administrators, and staff of the two Institutes frequently attend conferences and training sessions sponsored by safety or training associations in order to identify effective and emerging safety and training strategies and initiatives. It is important that the Institutes have a comprehensive and effective policy defining the process for obtaining approval for such travel, and for payment of related expenses.

**Finding 11: The Institutes' travel and expense policy needs to be substantially strengthened.**

We reviewed the travel policy developed and adopted by the Institutes' Board of Trustees and compared it with both requirements and best practices for such policies. The following exhibit shows these requirements and best practices, and shows the results of our comparison with the Institutes' policy.

Exhibit 5	
Travel Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
1. A procedure is used for reimbursing employees for expenses such as meals, entertainment, travel, and transportation incurred for business purposes on behalf of an employer. <sup>1</sup>	Partial, policy provides for reimbursement of expenses. However, most travel expenses are paid for using the Institutes' credit cards, without adequate travel expense reconciliation.
2. A plan is an accountable plan if the employer requires the employee to adequately account for all business expenses and to return any excess reimbursements. <sup>1</sup>	Partial, policy requires submission of an approved travel expense statement. However, there is no form for such a statement and such statements are not completed.
3. The expense must have a business connection. Expenses must be incurred while performing services as an employee on behalf of the employer. <sup>1</sup>	Yes, policy requires reimbursement of expenses attributed to the purpose of the trip, and requires expenses be authorized in advance.



Exhibit 5	
Travel Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
4. Expenses must be submitted timely. Expenses must be adequately accounted for within a reasonable period of time. <sup>1</sup>	No, policy does not require timely submission.
5. Overpayment of expenses must be returned in a timely manner. Any excess reimbursement or allowance paid to an employee must be repaid to the employer within a reasonable period of time. <sup>1</sup>	No, policy does not require timely return of overpayment of expenses.
6. Plan covers both payments and reimbursements. <sup>2</sup>	No, plan only covers reimbursements, does not cover payments made with the Institute credit cards.
7. Require pre-approvals by requiring employees to provide justification in advance of the funds being spent. This provides a significant savings through cost avoidance. Then, once the actual expenses are incurred, they can be tied to the Pre-Approval upon submission and any variance can be examined. <sup>3</sup>	Partial, policy requires all travel and travel expenses be authorized in advance. However, the lack of a travel expense statement results in an inability to match pre-approved expenses with those incurred.
8. Use a corporate credit card, with a requirement that all expenses be tied to expense reports prior to payment. <sup>3</sup>	No, policy does not address the use of the Institute credit card. Expense reports are not completed prior to payment.
9. Clearly document the approval process including clearly defined roles, responsibilities, and delegation of authority and a clear approval matrix. <sup>3</sup>	No, policy states that all travel and travel expenses must be approved in advance, but does not specify who is authorized to make such approval, nor the process for obtaining approval.
Source: Requirements obtained from the <sup>1</sup> Internal Revenue Service Instructions for Form 990, Return of Organization Exempt From Income Tax, Best practices for Travel policies obtained from the <sup>2</sup> National Council of Non Profits ( <a href="http://www.councilofnonprofits.org">www.councilofnonprofits.org</a> ), and excerpts from <sup>3</sup> Top 10 Travel Expense Management Best Practices published by Anne Becknell.	

As this exhibit shows, the travel policy developed and adopted by the Institutes needs to be substantially strengthened. This includes addressing expenses paid using Institute credit cards, developing and using a travel expense statement form, requiring submission of expenses and return of any overpayment in a timely manner, and clearer requirements for pre-approval of travel.

**Recommendation 11: The Board of Trustees should consider revising the Travel and Expense policy for the Institutes to include:**

- **Expanding the policy to specifically include travel expenses paid for using Institute credit cards,**
- **Developing a travel expense statement form for submission of all travel expenses whether paid by credit card or for reimbursement,**
- **Requirements for timely submission of travel expenses and a completed and signed travel expense statement,**





- **Requirements for the timely return of any overpayment of expenses, either by Institute credit card or through reimbursement,**
- **Requirements for pre-approval of travel, including a specific budget for travel for each individual, that travel approval by the entire Board of Trustees is required, and a specific process for obtaining such approval.**

### **Travel Policy Compliance**

The current travel policy for the two Institutes requires three key elements, pre-approval of travel, submission of an approved travel expense statement, and reports of travel and attendance at conferences and other approved events at the next meeting of the Board of Trustees.

***Finding 12: Documentation of formal approval of travel, travel expenses and post-travel reporting to the Board on results of travel could be improved.***

We reviewed the travel files for all Institute travel during the five-year review period (FY 2009 to FY 2014). Trustees, Administrators and Institute staff attended a total of thirty-two conferences or other events during this time period for organizations such as the National Safety Council (NSC), the Association for Training and Development (ASTD), and the Electric Power Research Institutes (EPRI). Formal approvals in advance of travel were only found in three of these cases. We were not able to identify any formal reports of travel expenses. And, we only found two cases where there was written reporting on the results of the travel.

The practice of the Institutes has been to informally discuss travel to conferences at Board of Trustee meeting, and the minutes of Board meetings often reflect these discussions. However, there is most often no formal or documented approval of travel and related expenses. The impact of this is a lack of accountability regarding business related travel expenses paid for with Institute funds.

***Recommendation 12: The Board of Trustees should consider requiring formal, written documentation for:***

- ***Approval by the Board in advance of travel,***
- ***Formal reporting of travel expenses using a travel expense form, and***
- ***Reporting on the results of travel after completion.***

### **Transportation (Vehicle) Policy**

In 2004, a Transportation Policy was developed and adopted by the Institutes that set conditions for the use of vehicles for Institute business. The policy gives Institute Administrators options to use a DWP take home vehicle or to use a personal vehicle.

***Finding 13: The Institutes policy for transportation or use of vehicles needs to be clarified.***



The policy provides an option for Administrators to use their own personal vehicle and be paid a transportation allowance of \$500 per month. If this option is selected the policy requires the vehicle owner to provide a copy of a current automobile insurance coverage.

The practice has been for the Administrators to be responsible for maintenance of their vehicles, but for fuel and car washes to be charged using the Institute credit cards. This may or may not be a reasonable and equitable approach to covering the transportation costs associated with Institute business. Either way, the policy should be clarified to specify who is responsible for these expenses.

**Recommendation 13: The Board of Trustees should clarify the transportation policy to clarify what expenses for personal vehicles are to be paid by the Institutes and which are the responsibility of the vehicle owner.**

### Conflict of Interest Policy

According to the Internal Revenue Service (IRS), a conflict of interest arises when a person in a position of authority over an organization, such as an officer, director, or manager, can benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. A conflict of interest policy defines conflict of interest, identifies the classes of individuals within the organization covered by the policy, facilitates disclosure of information that can help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest.

**Finding 14: The Institutes' have developed and adopted conflict of interest policies and procedures that are consistent with most of the best practices for such policies we identified.**

We reviewed the conflict of interest policy developed and adopted by the Institutes' Board of Trustees and compared them with both requirements and best practices for such policies. The following exhibit shows these requirements and best practices, and shows the results of our comparison with the Institutes' policies.

Exhibit 6	
Conflict of Interest Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
1. The policy should be in writing and the board (and staff) should review the policy regularly. <sup>1</sup>	Yes, Policy is written and states that each trustee and management employee shall annually sign a statement affirming such person: <ul style="list-style-type: none"> <li>• Has received a copy of the conflict of interest policy</li> <li>• Has read and understands the policy</li> <li>• Has agreed to comply with the policy.</li> </ul>
2. Require those with a conflict (or who think	Yes, requires an interested person to disclose



Exhibit 6	
Conflict of Interest Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
they may have a conflict) to disclose the conflict/potential conflict. <sup>1</sup>	the existence of a financial interest and given the opportunity to disclose all material facts.
3. Prohibit interested board members from voting on any matter in which there is a conflict. <sup>1</sup>	Yes, Transactions where a conflict exists may only be undertaken if the person with the conflict of interest is excluded from the discussion and approval.
4. Minutes of board meetings should reflect when a board member discloses that s/he has a conflict of interests and how the conflict was managed, such as that there was a discussion on the matter without the board member in the room, and that a vote was taken but that the “interested” board member abstained (board members with a conflict are “interested” – board members without a conflict are “disinterested”). <sup>1</sup>	No, there is no requirement in the policy that disclosures or resolution be reflected in the minutes.
5. Circulate a questionnaire each year to find out whether any board member (or staff member) has a conflict of interest. Typically the questionnaire asks board and staff members to disclose existing conflicts and reminds them to disclose any that may crop up in the future. <sup>1</sup>	Yes, questionnaire with 9 questions regarding potential conflicts incorporated as part of the policy. To be completed and signed by each Trustee and management personnel annually.
Source: <sup>1</sup> Best practices for Conflict of Interest Policies obtained from the National Council of Non Profits ( <a href="http://www.councilofnonprofits.org">www.councilofnonprofits.org</a> )	

As this exhibit shows, the conflict of interest policies developed and adopted by the Institute’s are consistent with four of the five identified best practices for such policies. The exception is the requirement in the policy that disclosures or resolution of conflicts of interest be reflected in the minutes.

**Recommendation 14:** *The Board of Trustees should consider revising the Conflict of Interest policies for the Institutes to include a requirement that disclosures or resolution of conflicts of interest be reflected in the minutes.*

### Conflict of Interest Policy Compliance

The Conflict of Interest policy developed and adopted by the Board of Trustees of the two Institutes requires that each trustee and management employee shall annually sign a statement affirming such person:

- Has received a copy of the conflict of interest policy
- Has read and understands the policy



- Has agreed to comply with the policy.

As part of this audit we reviewed all of the disclosure statements signed during the period of this audit (FY 2009 to FY 2014).

**Finding 15: Annual Conflict of Interest disclosure statements, as required by the Conflict of Interest policy, were completed for 2010, 2013 and 2014. These statements were not completed for 2011 and 2012.**

The intent of the policy and annual disclosure statements is to raise the level of awareness of Conflicts of Interest and the approach to disclosing and addressing these conflicts. The impact of non-compliance with the policy was that there was no assurance provided that no conflict of interest existed during those years that disclosure statements were not completed.

**Recommendation 15: The Board of Trustees should ensure that annual conflict of interest disclosure statements are completed by all trustees, management, and staff as required by policy.**

### Document Retention Policy

A document retention and destruction policy identifies the record retention responsibilities of staff, volunteers, board members, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.

**Finding 16: The Institutes' have developed and adopted a document retention policy that is consistent with most of the requirements and best practices for such policies we identified.**

We reviewed the document retention policy developed and adopted by the Institutes' Board of Trustees and compared it with both requirements and best practices for such policies. The following exhibit shows these requirements and best practices, and shows the results of our comparison with the Institutes' policy.

Exhibit 7	
Record Retention Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
1. Identifies the record retention responsibilities of staff, volunteers, board members, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records. <sup>1</sup>	No, only lists the type of records and retention period. Does not specify responsibilities.
2. Destruction of documents that are subject to review in litigation is prohibited. <sup>2</sup>	Yes, legal correspondence and other key documents must be retained permanently.
3. Identifying what types of paperwork (and electronic files) your nonprofit generates. <sup>3</sup>	No, does not identify electronic files generated.
4. Determining the appropriate (and legal) length of time to retain them. <sup>3</sup>	Yes, outlines the retention period for each type of record.



Exhibit 7	
Record Retention Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
5. Recording those retention times on a written schedule. <sup>3</sup>	Yes, the record retention is on a written schedule.
Source: Requirements obtained from the <sup>1</sup> Internal Revenue Service Instructions for Form 990, Return of Organization Exempt From Income Tax, <sup>2</sup> Sarbanes-Oxley Act of 2002, Best practices for Record Retention policies obtained from the <sup>3</sup> National Council of Non Profits ( <a href="http://www.councilofnonprofits.org">www.councilofnonprofits.org</a> )	

As this exhibit shows, the document retention policy developed and adopted by the Institute's are consistent with four of the five identified requirements and best practices for such policies. The exception is the requirement that the policy identifies the record retention responsibilities of staff, volunteers, Board members, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.

**Recommendation 16: The Board of Trustees should consider revising the Record Retention policy for the Institutes to include identifying the record retention responsibilities of staff, volunteers, board members, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.**

### Whistleblower Policy

According to the IRS, a whistleblower policy encourages staff and volunteers to come forward with credible information on illegal practices or violations of adopted policies of the organization, specifies that the organization will protect the individual from retaliation, and identifies those staff or board members or outside parties to whom such information can be reported.

**Finding 17: The Institutes' have developed and adopted a whistleblower policy that is consistent with all of the requirements and best practices for such policies we identified.**

We reviewed the whistleblower policy developed and adopted by the Institutes' Board of Trustees and compared it with both requirements and best practices for such policies. The following exhibit shows these requirements and best practices, and shows the results of our comparison with the Institutes' policy.

Exhibit 8	
Whistleblower Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
1. Encourages staff and volunteers to come forward with credible information on illegal practices or violations of adopted policies of the organization. <sup>1</sup>	Yes, policy states each Trustee, volunteer, and employee has an obligation to report questionable or improper accounting or auditing matters, other illegal practices and



Exhibit 8	
Whistleblower Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
	violations and suspected violations of the Code of Conduct.
2. Specifies that the organization will protect the individual from retaliation. <sup>1</sup>	Yes, policy states those that report a concern shall not be subject to retaliation.
3. Identifies those staff or board members or outside parties to whom such information can be reported. <sup>1</sup>	Yes, policy states that employees should first discuss their concern with their supervisor. If continues to have reasonable grounds, should report directly to the Chairman. Trustees and other volunteers should submit concerns in writing directly to the Chairman.
4. A prohibition of retaliation against whistleblowers. <sup>2</sup>	Yes, policy states those that report a concern shall not be subject to retaliation.
5. Adopt a set of principles to guide a nonprofit organization's decision making and activities, as well as the behavior of its employees, volunteers, and board members. These principles might be called the nonprofit's "statement of values" or "code of conduct." <sup>3</sup>	Yes, policy states the Code of Conduct requires the Trustees, other volunteers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the organization must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.
6. Provide employees, volunteers, and board members with guidelines for making ethical choices and to ensure that there is accountability for those choices. <sup>3</sup>	Yes, policy states the Code of Conduct requires the Trustees, other volunteers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the organization must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.
Source: Requirements obtained from the <sup>1</sup> Internal Revenue Service Instructions for Form 990, Return of Organization Exempt From Income Tax, <sup>2</sup> Sarbanes-Oxley Act of 2002, Best practices for Whistleblower policies obtained from the <sup>3</sup> National Council of Non Profits ( <a href="http://www.councilofnonprofits.org">www.councilofnonprofits.org</a> )	

As this exhibit shows, the whistleblower policy developed and adopted by the Institutes are consistent with the identified requirements and best practices for such policies.

**Recommendation 17: The Board of Trustees should continue to use the Whistleblower policy for the Institutes.**

### Investment Policy

An investment policy is intended to outline the policies for maximizing the efficiency of the cash management system, the prudent investment of funds, and to provide



guidelines for suitable investments. The primary goals of the investment policy are to provide protection of principal; maintain liquidity; and maximize investment income to enhance economic status.

**Finding 18: The Institutes’ have developed and adopted an Investment policy that is consistent with all of the requirements and best practices for such policies we identified.**

We reviewed the investment policy developed and adopted by the Institutes’ Board of Trustees and compared it with both requirements and best practices for such policies. The following exhibit shows these requirements and best practices, and shows the results of our comparison with the Institutes’ policy.

Exhibit 9	
Investment Policy Requirements and Best Practices, and Comparison with JSI / JTI Adopted Policies	
Requirement / Best Practice	In JSI/JTI Policies?
1. Outline the policies for maximizing the efficiency of the cash management system, the prudent investment of funds, and to provide guidelines for suitable investments. <sup>1</sup>	Yes, outlines policies in each of these areas, including investment objectives and specific investment goals.
2. The primary goals of the investment policy are to ensure compliance with the law; provide protection of principal; maintain liquidity; and maximize investment income to enhance economic status. <sup>1</sup>	Yes, primary objective established is preservation of capital to minimize the probability of loss of principal. The second objective is liquidity, to ensure the ability to meet all expected and unexpected cash flow needs.
3. Must define the investment objectives that will best support the nonprofit’s mission. <sup>2</sup>	Yes, investment objectives are consistent with the mission of the Institutes.
4. Write the objectives into an investment policy statement and use it continually as a guide for its investment managers and its own decisions. <sup>2</sup>	Yes, includes that the Board of Trustees plans to review the investment policy at least annually.
Source: Requirements obtained from the <sup>1</sup> California Government Code Section 53646 (Although this statute applies specifically to cities and not to non-profits, the principles apply.), <sup>2</sup> National Council of Non Profits ( <a href="http://www.councilofnonprofits.org">www.councilofnonprofits.org</a> ).	

**Recommendation 18: The Board of Trustees should continue to use the Investment Policy to direct investment of the Institute’s financial assets, annually review the policy, and update it as needed.**

**Appendix A:  
Board of Trustees Response Letter**

**BOARD OF TRUSTEES**

<b>Local 18, IBEW</b>	<b>LADWP</b>
Brian D'Arcy	Martin Adams
Dave Hanson	Marcie Edwards
David Donovan	Michael Coia
Jesse Mercado	David Wiggs



**Local 18, IBEW – LADWP  
JOINT SAFETY INSTITUTE  
JOINT TRAINING INSTITUTE**

11801 Sheldon Street  
Sun Valley, CA 91352

**ADMINISTRATORS**

John Vanacore (818) 771-4896 <a href="mailto:John.vanacore@jsi-jti.com">John.vanacore@jsi-jti.com</a>	Jon Pokorski (818) 771-4676 <a href="mailto:Jon.pokorski@jsi-jti.com">Jon.pokorski@jsi-jti.com</a>
Barry Poole (818) 771-4883 <a href="mailto:Barry.poole@jsi-jti.com">Barry.poole@jsi-jti.com</a>	Daniel Scorza (818) 771-14694 <a href="mailto:Daniel.scorza@jsi-jti.com">Daniel.scorza@jsi-jti.com</a>

February 17, 2015

Miguel A. Santana,  
City Administrative Office (CAO)  
200 N. Main St. Suite 1500  
Los Angeles, CA 90012-4137

Thank you for the opportunity to review the draft report on the Performance and Operational Evaluation of the Joint Training and Safety Institutes. We appreciate the efforts of BCA Watson Rice to assemble an objective and informative report.

The Board of Trustees concurs with the recommendations of the CAO's Performance and Operational Evaluation of the Joint Training and Safety Institutes.

Please let us know if we can be of further assistance.

**Brian D'Arcy**  
JSI/JTI Chairman, Board of Trustees

**Marcie Edwards**  
JSI/JTI Secretary, Board of Trustee



**Appendix B:**  
**Mission and Goals of the Joint Safety Institute**

**Mission:**

- To create and foster a culture and environment that continuously improves workplace health and safety to prevent injuries and illness to fellow workers.
- To promote open communication and mutual trust and respect between labor and management on issues of health and safety.

**Goals:**

- Assist in the development and delivery of safety programs.
- Enhance information sharing.
- Provide technical assistance.
- Research safety issues.
- Support the establishment of programs designed to continuously improve worker health and safety.

**Appendix C:**  
**Mission and Goals of the Joint Training Institute**

**Mission:**

- Assist the DWP to develop, implement and identify the training needs of IBEW employees.
- Conduct research on the necessity for new training programs to enhance career mobility, job satisfaction, and life-long learning to improve DWP services to the public.
- Identify operational areas and job classifications where retraining IBEW employees can provide value to the DWP.

**Goals:**

- Providing expert technical assistance on complex subjects and training program design.
- Researching best practices and best of class training programs.
- Developing training curriculum and materials.
- Providing demonstration training programs for possible inclusion in the Department core training offerings.
- Identifying front line employee training and knowledge gaps and recommending remedial programs.
- Developing training as a core value within the Department.

**Appendix D: JSI Progress Report**  
**IBEW LOCAL 18/LADWP JOINT SAFETY INSTITUTE**  
**December 17, 2014**

**I. HISTORY**

The International Brotherhood of Electrical Workers (IBEW) Local 18/Los Angeles Department of Water and Power (LADWP) Joint Safety Institute (JSI) is a tax exempt, contract-based, independent entity created by a trust agreement between the LADWP and the IBEW Local 18. It was established in 2000 as an outgrowth of the Joint Labor/Management Worker Safety Committee, previously formed in 1996. The JSI is modeled after the Health and Safety Institute that the Boeing Co. developed in conjunction with their partner, the International Association of Machinists (IAM) in 1989.

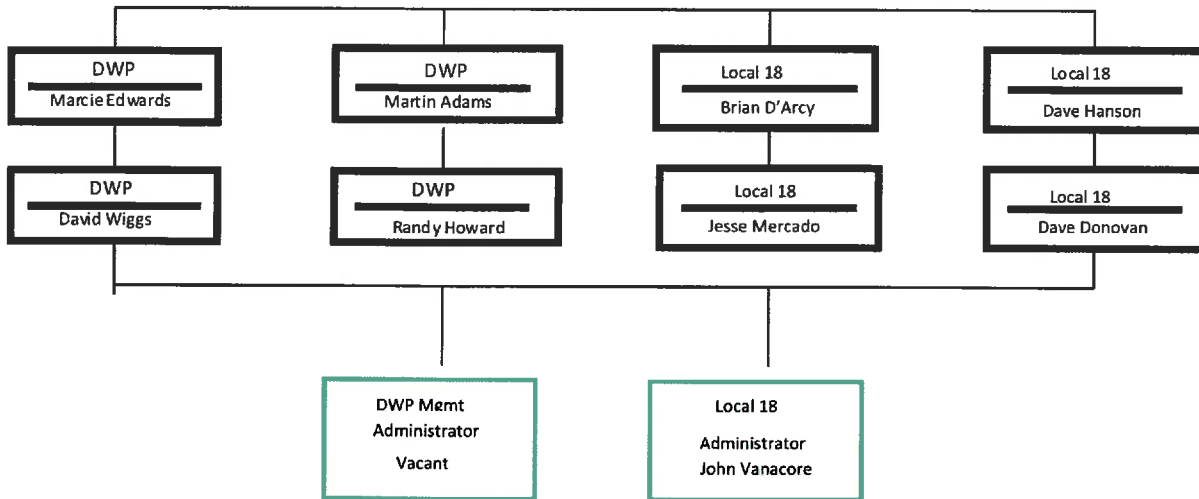
LADWP and IBEW Local 18 had begun developing a new way to partner in problem solving and addressing new challenges that faced the utility in 1996. Following the tenets of Mutual Gains Bargaining they worked together to develop a Joint Labor/Management Program to address important issues that made use of the knowledge and abilities of both management employees and labor employees. The initial formation of seven Joint Labor/Management Committees (JLMCs) created an innovative approach to dealing with issues important to both management and labor. A multitude of key initiatives have been addressed throughout the years, effectively saving the company millions of dollars in direct costs. Other less quantifiable improvements in work policies and procedures were addressed, resulting in a reduction in on-the-job illness and incidents, as well as providing for a more effective work force.

**II. STRUCTURE**

The JSI is governed by its board of Trustees that consists of four members of LADWP management, Marcie Edwards – General Manager, Martin Adams – Senior Assistant General Manager (Power System), Randy Howard – Senior Assistant General Manager (Water System), and David Wiggs – Chief Administrator Officer, and four members of IBEW Local 18, Brian D’Arcy - IBEW Local 18 Business Manager, David Hanson – Electrical Mechanic Supervisor, David Donovan – Electrical Distribution Mechanic Supervisor, Jesse Mercado – Protective Coating Worker. Working together, the Trustees shape the overall vision and direction of the Institute, plan for and oversee expenditures, and approve training initiatives that will benefit the covered employees of LADWP.

The operating staff of the JSI is composed of two Administrators, one selected by management, (Vacant), and one selected by labor, John Vanacore. In addition, support staff consists of one Senior Clerk Typist and one Management Analyst II. The Management Analyst’s duties are divided equally between the JSI and Joint Training Institute (JTI). The Administrators provide daily direction and coordination of all activities and functions. They also develop and implement the initiatives set forth by the board of Trustees.

**JSI GOVERNANCE**  
**JSI BOARD OF TRUSTEES**



**III. MISSION**

One of the JLMCs, the Worker Safety Committee, began working on a means to “institutionalize” the Joint Labor/Management process as an important resource supporting safety improvement at LADWP. Working with top management and union leadership, the committee researched successful programs and settled on the IAM/Boeing Joint Programs’ Health and Safety Institute as a model. That model focused on communication, leadership, training, and education. The JSI was developed based on these same concepts as represented by its mission statement:

*“Create and foster a culture and environment that continuously improves workplace health and safety to prevent injuries and illnesses to fellow workers.”*

*“Promote open communication and mutual trust and respect between labor and management on issues of health and safety.”*

**IV. FUNCTION**

The training function of the JSI involves a series of workshops sponsored by the JSI for LADWP employees. For example:

- Safety Information & Actions is a one-day basic class provided to all employees.
- Supervisor/Manager Safety Skills is a one-day workshop familiarizing supervisors and managers with safety roles and responsibilities.

- Incident Prevention and Investigation is a two day class that provides supervisors and others the skills and knowledge to effectively plan work to avoid incidents as well as incident investigation techniques that result in lessons learned in order to prevent recurrence.
- Field Ergonomics is a workshop that provides employees with the knowledge and skills to perform physical work in ways that minimize risk of ergonomic injury.
- The JSI has most recently embarked on a Department-wide effort to provide “Safe Start” awareness training to all 9000 plus employees.

**V. RESOURCES**

One of the unique and distinct advantages of the partnership between IBEW Local 18 and LADWP is the ability to leverage the streamlined approval process for award of contracts to facilitate the many activities coming out of the JSI. This allows for quicker access to safety and training contractors and programs.

The contractors that the JSI has hired to facilitate the training described in this document are listed below with the associated expenditures as of December 5, 2014.

Contractor	Effective Dates of Contract (Duration)	Total Expenditures
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Safety Peak Performance	8/15/01-9/5/13	\$4,651,055
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**Scope of Work:** One of the first efforts of the newly formed JSI was to address the poor safety record of LADWP at the time. Although LADWP had many in-place safety procedures and provided excellent personal protective equipment, employees were still getting injured. In an analysis of the types of injuries occurring, the majority were determined to be due to an individual’s personal behavior. While researching the establishment and operations of the Boeing JSI, their safety program was also reviewed. They had achieved substantial success in improving their safety record, and the main program materials and training delivery was developed with the assistance of the Safety Peak consulting firm.

After several interviews and discussion with the principal consultant, a customized program for LADWP was developed and implemented for the entire organization. The safety training modules were delivered in a classroom setting by the consultants along with key lead LADWP personnel in attendance to reinforce labor and management commitment to this process.

Over the next several years, all LADWP employees were required to attend these classes. The topics were divided into three main areas:

**Safety Information and Action workshop** – In this module, employees attended a multi-day workshop reviewing LADWP safety statistics, specific division safety performance data, and the main types and causes of accidents and injuries occurring the most

frequently. Employees were encouraged to open up and discuss their opinions why so many injuries were occurring. The workshop utilized a personal workbook for each employee, for them to record notes and at the end of the training, complete a personal "My Action Plan" where they specifically listed what steps they would take to improve their safety behavior, as well as assist others to work safely at all times. This plan would be reviewed at a subsequent workshop to monitor progress and identify any additional support each person needed to make their work sites safer.

Safety for Supervisors – In this module, employees at the level of supervisor attended a multi-day workshop to clearly understand their role and responsibilities as a supervisor as required by Cal-OSHA and LADWP regulations. These frontline leaders were also encouraged to open up and discuss not only their regulatory safety responsibilities, but their personal and moral obligations as well to their employees and co-workers. This customized class was developed closely with LADWP Corporate Health and Safety staff and was especially critical due to the fact that many employees in a supervisory capacity had minimal actual field experience and training in this area. This effect was caused by the loss of many supervisors with decades of experience caused by two major employee separation incentive packages administered in the late 1990s. As with the Safety Information and Actions class, supervisors were required to develop a personal "My Action Plan" for their next steps to improve safety in their specific areas once they returned to work.

Worker Safety Group Tours – A critical piece of the overall strategic plan developed with Safety Peak Performance was the implementation of the worker safety group tour process. These safety tours consisted of a joint jobsite tour by a labor and management representative to look at safety procedures or processes utilized on the jobsite and to document areas of good, as well as poor, practices. A form was used to document these findings and an informal discussion as conducted at the end of the tour to further engage employees for their opinions on how to make the job safer or address any other problems they may be experiencing. Any follow up corrective actions were noted in the form, and these corrective actions were monitored by JSI Administrators to ensure they were completed. If the item was not completed in 30 days, the issue was elevated by JSI staff to the next level for resolution. This monitoring and review period would continue until the item was completed or eventually be brought to the attention of the respective System Head for final resolution.

Safety Action Request Process:

In conjunction with Safety Peak Performance, the "Safety Action Request" process was implemented as a mechanism for individuals to report directly to the JSI any safety problems that were occurring in the office or field and not being resolved. This process followed the same 30 day monitoring and review period by JSI staff outlined in the aforementioned worker safety group tour process. Again, unresolved issues were elevated to the next level in the respective organization's chain of command until the deficiency was resolved.

Safety in Motion	4/5/07-4/2/13	\$159,527
<p><b>Scope of Work:</b> LADWP personnel continued to have high incidence rates of soft tissue injuries, sprains, and strains. The Safety in Motion consultant was hired to deliver train-the-trainer programs whereby LADWP personnel were trained to deliver easy to use techniques to properly position themselves in their specific lines of work to prevent self-injury caused by the use of improper body mechanics.</p> <p>Specific programs were tailored for job classifications performing work in varied field scenarios. Employees that went through the training were given easy to carry palm cards reminding them of the simple techniques to employ when performing field work, such as reaching, lifting, stretching, and methods/tools to use to reduce risk of soft tissue injury. Over 3,600 employees have since been trained by LADWP trainers on the comprehensive elements of this program.</p>		

MPRI –L3 Driving Simulator	11/30/07-7/1/08	\$151,330
<p><b>Scope of Work:</b> LADWP continually had a high number of preventable motor vehicle accidents. At the time, the existing safety and accident prevention process in this area was to conduct a post review of the incident and determine if the accident was preventable or non-preventable. Preventable accidents required employees to take a safe driving class, as well as face discipline for serious incidents. In order to take a proactive approach in this area, a mobile driving simulator was purchased by the JSI to allow employees with extensive driving requirements for their job to experience situational driving scenarios in the mobile unit to improve their defensive driving skills <i>before</i> an accident occurred.</p> <p>Specific customized simulation modules were developed for the types of congested urban driving experienced in the Los Angeles area. Groups who had above average accident rates were identified and the simulator class was deployed at the job reporting location to minimize employee travel time and reduce operational disruptions. Since the implementation, over 600 employees have been trained and the unit has been deployed permanently to the Fleet Services Section of LADWP for further utilization.</p>		

Webilent	12/6/11-7/8/13	\$229,030
<p><b>Scope of Work:</b> Secure technical services for the purposes of development, maintenance, and security of the JSI and JTI servers. The services are to include technical support for the computers, printers, scanner, website development, learning Management Systems development, and database development.</p>		

Electrolab Systems	Training	11/28/12-7/2/13	\$1,559,309.92
<p><b>Scope of Work:</b> LADWP employees were becoming complacent with the principles and training concepts administered in the Safety Information and Action workshops provided by Safety Peak Performance since 2001. JSI administrators researched and selected a new corporate safety program to implement across the organization to further drive down and reduce the safety accident rate indices in all divisions. After an extensive search for best practices in safety programs, the Safe Start program was selected for</p>			

deployment in 2012.

To date, over 6,853 employees have been trained on the concepts of the Safety Start program using an LADWP train-the-trainer approach to improve acceptance and practice of these principles in everyday life on a 24/7 basis. The contract provisions include 61 leader binders, 9,600 + manuals, and 100 Spanish manuals.

Caterpillar	5/13/13-7/11/13	\$43,425
<u>Scope of Work:</u> Implementing a Safety Perception Survey that will measure 20 categories. Identify safety strengths and weaknesses, and provide a baseline from which to develop an improvement plan. Survey results will be compiled for an interpretation of the overall findings and onsite report-out in the last quarter of 2013.		

EPRI		
<u>Scope of Work:</u> The Electric Power Research Institute (EPRI) is a non-profit, un-owned organization established to assist electric utilities in conducting research in specialized power system operations, equipment, and best practices. Traditionally, LADWP's participation in these programs was focused on traditional technical issues and not employee needs. The JSI Administrators reviewed programs available through the EPRI portfolio and in conjunction with LADWP Corporate Health and Safety staff, made a recommendation to the Trustees to join the program which enables LADWP personnel to join other utility representatives for webinars, symposiums, and access research documents to assist LADWP in attaining best practices in regards to safety programs and processes to improve the safety program at LADWP.		

This expenditure was authorized as an addition to the current LADWP/EPRI program contract agreement to jumpstart this process. This program will be integrated into the formal LADWP/EPRI partnership agreement when it is renewed in 2014.

AHS   Ropes that Rescue	8/12/10-9/14/10	\$46,171
<u>Scope of Work:</u> Equip LADWP Transmission employees with the skills and expertise to perform tower rescues from LADWP high voltage transmission towers using multiple methods that would cover the different situations that these employees would be working in. To training LADWP Transmission Section employees as instructors/trainers in high voltage transmission tower rescue in order to train future employees of the Transmission section and to conduct annual refresher training as required by OSHA/Cal OSHA. (AHS was used to purchase the equipment needed for the training \$46,170.84). The JSI was utilized to secure the training and equipment for the rescue work to meet a critical timeframe for an upcoming tower project.		

Joel A. Fadem and Associates	6/30/11	\$3,735
<u>Scope of Work:</u> Facilitate the Safety Summit (one-time).		

Clement Communications, Inc.	8/24/01-2/12/13	\$201,073
<u>Scope of Work:</u> This company provides a newsletter for LADWP employees who		



supervise, for incorporation into tailgate safety meeting topics. An employee would receive the newsletter after attending the "Supervising Safety Skills" training.

Written specifically for today's supervisor, Safety and the Supervisor is a monthly publication that focuses on the real-life situations and problems front-line managers and supervisors actually encounter on the job. Each issue analyzes common safety-related problems and offers solutions. It presents new ideas and training techniques and gives managers easy-to-follow procedures so they can work to prevent accidents and injuries on the job.

In every issue there are articles such as:

- How supervisors can train their people to prevent back injuries
- How one company prevents slips, trips, falls and lifting injuries
- How to prepare for an OSHA inspection
- The single most important item to check first thing in the morning
- 4 ways to effectively sell your safety budget to the top brass
- How to spot dangerous worker fatigue

Commercial Programming Systems, Inc.	12/17/04-8/18/05	\$26,000
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**Scope of Work:** The scope of CPS work shall involve the following tasks /deliverables: Meet with Business Units to define requirements and content. Evaluate current LADWP Intranet web sites and online information currently available and review content, format, and presentation of training and training-related information contained in those sites. Research other web sites for functionality, application, templates, and graphics. Gather feedback from users on the proposed portal. Work with the JTI on the project requirements and determine detailed scope of initial implementation and future enhancements. Create a system specification, preliminary project plan, and implementation proposal including cost and time for each phase for review and approval of JTI. Develop site design and information architecture, and design web front end and graphical user interface including screen layouts, icons, templates, navigations, etc. Create a prototype system to demonstrate the capabilities of the proposed system. Code, develop, and test full bloom system in coordination with the LADWP Information Technology Services Business Unit and secure users acceptance and testing. Provide system maintenance and support documentation during and after the development stages. Develop training documentation and user guidelines. Provide advice and related services to the JTI on an as-needed basis.

CorpInfo	Sept 2010-Sept 2012	\$92,551.19
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**Scope of Work:** Build and install a server for JSI and JTI to conduct trust business.

Target Leadership	One Time	\$8,194.11
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**Scope of Work:** Motivational safety speaker that appeared at Code of Excellence event, to reinforce personal judgment behavior and accountability for keeping oneself and their coworkers safe.

Peter Rashkin	April 2000 – October 2003	\$5,762.50
<u>Scope of Work:</u> Assist in construction of the JSI/JTI Newsletter.		

Phoenix Management, Inc.	Safety	11/8-10/2005	\$142,989.71
<u>Scope of Work:</u> A contract with Charles Moorecraft to deliver the safety presentation entitled "Remember Charlie," an emotional presentation given by Mr. Morecraft detailing his personal experience in a life changing burn accident which severely affected him and his family, caused by taking a safety shortcut in a routine work assignment.			

Video Service Unlimited	March 1, 2011	\$2,679.00
<u>Scope of Work:</u> Provide live feed video screen and two camera coverage of evening being held March 1, 2011. Post Production includes a full post with special effects and graphics, music scoring as necessary using VSU owned music, Graphics library VSU owned, Final Production available on DVD and files available for internet usage.		

**VI. MAJOR ACCOMPLISHMENTS / ACTIVITIES**

Safety Leadership is required to create the culture change necessary to dramatically reduce workplace injuries. Safety leaders need to be on the front line, where injuries occur. LADWP's Worker Safety Groups (WSGs) are developing safety leaders through a process where managers and workers conduct "Safety Tours" at various work sites, interacting with employees and sharing information regarding safe work performance, as well as conducting job safety analysis. Managers and labor representatives have equal roles in the Worker Safety Group / Safety Tour process, and the focus is on two-way communication with employees regarding safety issues in the workplace. WSGs were created through the JSI to ensure direct participation of labor and management in safety communication in the workplace, with an emphasis on solving issues that directly affect the front line employee.

The communication effort of the JSI involves providing safety resources at all levels within LADWP. This includes direct work with the Corporate Health and Safety organization, working with Power System and Water System safety personnel, close participation with the Joint Labor Management Worker Safety Committee, and interacting directly with LADWP employees and managers, serving as advisors on all issues such as regulatory compliance, and safe work policy and procedures.

The JSI Administrators provide safety resources to over 9000 employees. JSI Administrators perform safety presentations, attend safety meetings, and participate in field safety tours. Administrators respond directly to requests from employees and supervisors and maintain a website on the LADWP intranet that is accessible Department-wide. The website contains the annual JSI Workshop training calendar, a training database, WSG support and resource pages, and Safety Smart Online - a training and safety meeting information service. The website also contains the database of the Worker Safety Group Tour Forms through an online interactive process. When

safety issues cannot be resolved directly through the safety tour, the JSI can and does provide support and resources to assist local management to help resolve those issues. The JSI coordinates facilities, instructors, and all support necessary to provide safety classes. Some examples of the classes and the number of employees benefitting (as of October 22, 2013) are summarized below.

Training Classes	No. of Employees Trained
Safety Information & Actions	7,873
Supervisor & Manager Safety Skills	1,425
Supervisor Safety Follow-Up	405
Safety Tour Skills	1,344
Field Ergonomics	3,620
Safety By Design	403
Incident Prevention/Accident Investigation	527
Job Safety Analysis	128
Safety Communication Skills	259
High-5 Module (Ergo Train-the-Trainer)	114
High-5 Module Recertification	36
Venomous Snake Training	300
SafeStart Train-the-Trainer	112
SafeStart Module 1	6,853
SafeStart Module 2	6,434
SafeStart Module 3	5,898
SafeStart Module 4	5,294
SafeStart Module 5	4,669
EAU 1	750
EAU 2	251
TOTAL	46,695

## **VII. RESULTS**

Since the inception of the JSI, significant progress has been made. Over 7,800 attendees have participated in the Safety Information & Actions workshop and 1,425 employees have attended Supervisor/Manager Safety Skills. There are dozens of Worker Safety Groups in existence and since 2005, there have been more than 6000 Worker Safety Tours conducted. One measure of the JSI's impact at LADWP can be taken from Lost Workday statistics as compiled by the Corporate Health and Safety Section. In 1999 the total number of Lost Workdays at LADWP was more than 15,000, equating to nearly 70 employees off work every day due to work-related injury or illness. By 2005, that number had been reduced to less than 5000 Lost Workdays. The JSI cannot take credit alone for such improvement, but it is widely believed that the focus, drive and partnering effort the JSI provides has been a major part of that change.

**Appendix E: JTI Progress Report**  
**IBEW LOCAL 18/LADWP JOINT TRAINING INSTITUTE**  
**December 5, 2014**

**VIII. HISTORY**

The International Brotherhood of Electrical Workers (IBEW) Local 18/Los Angeles Department of Water and Power (LADWP) Joint Training Institute (JTI) is a tax exempt, contract-based, independent entity created by a trust agreement between the LADWP and the IBEW Local 18. It was established in 2002 as an outgrowth of the Joint Labor/Management Committee concept, previously formed in 1996. The JTI is modeled after the Training Institute that the Boeing Co. developed in conjunction with their partner, the International Association of Machinists (IAM), in 1989 and the Joint Safety Institute.

LADWP and IBEW Local 18 had begun developing a new way to partner in problem solving and addressing new challenges that faced the utility in 1996. Following the tenets of Mutual Gains Bargaining they worked together to develop a Joint Labor/Management Program to address important issues that made use of the knowledge and abilities of both management employees and labor employees. The initial formation of seven Joint Labor/Management Committees (JLMCs) created an innovative approach to dealing with issues important to both management and labor. A multitude of key initiatives have been addressed throughout the years, effectively saving the company millions of dollars in direct costs. Other less quantifiable improvements in work policies and procedures were addressed, resulting in a reduction in on-the-job illness and incidents, as well as providing for a more effective work force.

Management and labor could see that training was essential to the LADWP because of the highly complex skills necessary to maintain a reliable, safe, and cost effective utility. Training was often reduced during times of economic difficulty. Forming this trust would ensure that training was not compromised - not only for regular operation, but also in difficult times. It also allowed quicker access to training contractors and programs through a streamlined approval process.

In light of the current situation with many senior level employees leaving the LADWP, knowledge capture to create new training programs for new and experienced employees has become essential. Training new employees and experienced employees in technologies that can properly and efficiently maintain the system is especially critical at this time because it is the best way to mitigate the loss of experience at the LADWP and keep the operation running as smooth as possible.

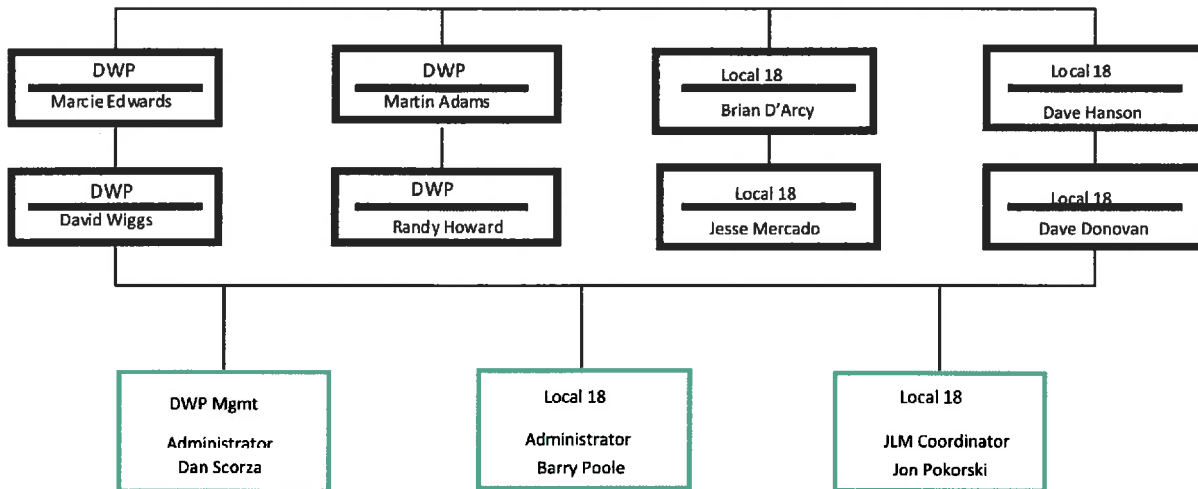
## IX. STRUCTURE

The JTI is governed by its board of Trustees that consists of four members of LADWP management, Marcie Edwards – General Manager, Martin Adams – Senior Assistant General Manager (Power System), Randy Howard – Senior Assistant General Manager (Water System), and David Wiggs – Chief Administrator Officer, and four members of IBEW Local 18, Brian D’Arcy - IBEW Local 18 Business Manager, David Hanson – Electrical Mechanic Supervisor, David Donovan – Electrical Distribution Mechanic Supervisor, Jesse Mercado – Protective Coating Worker. Working together, the Trustees shape the overall vision and direction of the Institute, plan for and oversee expenditures, and approve training initiatives that will benefit the covered employees of LADWP.

The operating staff of the JTI is composed of two Administrators, one selected by management, Dan Scorza, and one selected by labor, Barry Poole. There is also a Joint Labor/Management Administrator - Jon Pokorski who oversees all JLMCs. In addition, support staff consists of one Senior Clerk Typist and one Management Analyst II. The Management Analyst’s duties are divided equally between the Joint Safety Institute (JSI) and JTI. The Administrators provide daily direction and coordination of all activities and functions. They also develop and implement the initiatives set forth by the board of Trustees.

### JSI GOVERNANCE

#### JSI BOARD OF TRUSTEES



## **X. VISION / MISSION / GUIDING PHILOSOPHIES**

The founding statements of the JTI define its purpose:

### *VISION*

- To develop and retain a workforce with competencies that shape and foster the LADWP's business goals.
- To provide a work environment that encourages personal growth and development for all employees.

### *MISSION*

- To create and foster a culture and environment of labor and management partnership that continuously educates and trains employees on competencies and skills that elevate productivity, enhance career growth, and that add to their value as LADWP's most important asset.
- To promote open communication and mutual trust and respect between labor and management regarding issues of education and training.

### *GUIDING PHILOSOPHIES*

- Labor and management must commit to open communication and clear goals and expectations that foster mutual trust and respect.
- Safety is a core value that must be promoted and integrated in training programs.
- Training is a key investment in human capital.
- Employees must be given opportunities to improve their jobs and their lives through extensive employee involvement and participation in joint training initiatives.
- Employees' training needs must be effectively met in a safe, healthy, and responsible manner.
- Well-trained and competent employees provide value to the LADWP and to the citizens of Los Angeles.

## **XI. ROLES AND FUNCTIONS**

- Provide advice and consultation on training needs, career mobility, job satisfaction, and life-long learning opportunities.
- Assist in the design of training programs that develop employee skills, increase productivity, and add value to the business.
- Establish accessible, flexible, and enhanced learning opportunities that promote career and personal growth, and serve as an educational advocate and liaison for employees in their relationship with external educational providers.
- Communicate training trends and best practices.

- Serve as a resource and mentor to trainers.
- Identify specialized targeted training for core job classifications that are difficult to recruit and retain.
- Recommend potential outreach efforts to communities on training programs that develop skills for gainful employment.
- Partner with the JSI on safety training to ensure a safe and healthy workplace.

**JOINT LABOR/MANAGEMENT COMMITTEES (JLMCs):**

The JLMC Administrator - Jon Pokorski oversees more than 100 committees. He selects the labor members and subject matter experts for all JLMCs. He also helps create the Mission and Vision Statements for the JLMCs in conjunction with LADWP management. He attends as many meetings as is necessary. At these meetings, he ensures that Mutual Gains Bargaining Techniques and the Ground Rules for the committees are adhered to. He also helps to resolve issues and disputes that arise at the meetings. If he or the JLMCs are not able to resolve the issues, the issues will be routed to the appropriate group by Mr. Pokorski for resolution.

The JLMC Group, in conjunction with the JTI, offers classes in Mutual Gains Bargaining to IBEW Local 18 and management employees who will participate in the Joint Labor/Management Process. To date, over 1,000 employees have been trained in this process.

**XII. RESOURCES**

One of the unique and distinct advantages of the partnership between IBEW Local 18 and LADWP is the ability to leverage the streamlined approval process for award of contracts to facilitate the many activities coming out of the JTI. This allows for quicker access to training contractors and programs.

Some of the contractors that the JTI has hired to facilitate the training described in this document are listed below with the associated expenditures as of December 5, 2014.

Contractor	Effective Dates of Contract (Duration)	Total Expenditures
ETOP, Inc.	11/20/03-8/22/06	\$115,110
<b>Scope of Work:</b> ETOP agrees to perform Phase I of a comprehensive training needs analysis relative to targeted interviews and focus groups for stakeholders impacted by existing and future training programs for employees represented by IBEW Local18.		
Decision Point, Inc.	12/19/03-4/28/04	\$59,342
<b>Scope of Work:</b> DPI agrees to perform Phase II of a comprehensive training needs analysis relative to development and administration of a custom-designed questionnaire for all employees represented by IBEW, Local 18 (approximately 6,500 employees).		
BDev Group LLC	11/29/05-6/14/06	\$1,950
<b>Scope of Work:</b> Set up server for joint use for the JSI/JTI. Install Windows server 2003		

and new domain for up to 10 users. Set up remote access for approx. 8 Windows XP Pro Clients through internet. Set-up internet access for approx. 7 users through wireless network. Provide graphic cards upgrade. Provide maintenance.

Information, Inc.	7/14/06-6/19/09	\$75,750
<p><b>Scope of Work:</b> A monthly on-line newsletter that consists of up to 12 abstracts of news and information gathered according to the criteria established by JTI.</p> <p>Topics pertained to Water and Power that were relevant to the Department of Water and Power employees.</p>		

Pasadena Web Design	9/18/06-8/19/08	\$9,719
<p><b>Scope of Work:</b> Set up server for joint use for the JSI/JTI. Install Windows server 2003 and new domain for up to 10 users. Set up remote access for approximately eight Windows XP Pro Clients through internet. Set-up internet access for approximately seven users through wireless network. Provide graphic cards upgrade. Provide maintenance.</p>		

The Whitener Group, Inc.	4/17/07-9/13/07	\$12,781
<p><b>Scope of Work:</b> Used on an as-needed basis, EGI agrees to perform training and skills needs analyses as well as recommended assessments and skill certifications for existing and future training programs for employees represented by IBEW Local 18. WGI also agrees to serve as a resource for the JTI in the areas of education and training.</p>		

Antioch University	8/14-07-8/27/08	\$220,968
<p><b>Scope of Work:</b> Phase I: Antioch shall conduct a detailed job task analysis of the six levels of trainers to uncover the key tasks that each level performs and the underlying knowledge, skill and attitudes required to perform the job well. Phase II For Phase II, Antioch will design and develop a Train-the-Trainer curriculum specifically tailored to the needs of LADWP's internal trainers. Prior to the curriculum development. Contractor terminated before contract is completed.</p>		

Solutions Strategies, Inc.	8/24/07-6/12/08	\$133,700
<p><b>Scope of Work:</b> Provide Peer Mentoring workshops and assist the JTI in institutionalizing the program concept and its tools. This training will be offered to employees who, as part of their responsibilities, are required to training or teach other employees on-the-job. Workshop will serve as the basic foundational training for all trainers in the Department. The purpose of the Workshop is to improve the delivery quality of on-the-job training and to reduce the amount of time it takes to bring an apprentice/trainee up to speed.</p>		

Stephen Kaye	10/27/09-4/20/11	\$3,656
<p><b>Scope of Work:</b> Facilitate specified meetings and lessons sessions, conduct pre-meeting interviews as necessary, hand over all meeting notes, meeting materials to</p>		



LADWP or JTI upon completion of work, a final report shall be submitted to LADWP and/or JTI summarizing the meeting or sessions, and shall clearly indicate issues, suggestions or recommendations from the event.

Penn Foster	11/12/09-4/19/10	\$16,171
<b>Scope of Work:</b> This one-time expenditure was for the purchase of 34 technical course programs used to augment the newly updated curriculum for the Machinist Apprentice training program.		

Haig Barrett, Inc.	4/12/10 – 10/25/10	\$428,774
<b>Scope of Work:</b> To conduct a complete review of the Service Planning organization, along with internal and external stakeholders, to identify problems, potential improvements, and make recommendations for permanent process improvements throughout the organization.		
<p>Joint Labor/Management teams were established to identify areas for improvement, look at best practices from other utilities, and validate recommendations for implementation. These teams identified 14 areas for improvement. These recommendations fell under six major categories:</p> <ol style="list-style-type: none"> <li>1) Enhance customer handling and access to Power System organization.</li> <li>2) Manage jobs more effectively across the full customer cycle.</li> <li>3) Educate customers and communicate new messages for installations.</li> <li>4) Build organizational momentum and leadership.</li> <li>5) Training and Education: Build individual and team capabilities.</li> <li>6) Enhance internal communication.</li> </ol> <p>Major improvements implemented at LADWP to address these recommendations include the:</p> <ul style="list-style-type: none"> <li>• Creation and staffing of a Customer Connect Center to directly respond to customer service requests, provide immediate status of service requests, and get the right person the first time.</li> <li>• Modification and upgrade of the Work Management Information System (WMIS) to enable customers to view online the status of their job request and to whom it is assigned.</li> <li>• Improvement of the customer website</li> <li>• Centralization and coordination of “hot jobs”</li> <li>• Enhancement of internal communication with pole setter and support groups to reduce cycle times for service installations.</li> <li>• Development and launch of customer service training modules for Service Planning staff.</li> </ul>		

Corpinfo	9/29/10-1/23/12	\$63,152
<b>Scope of Work:</b> Build and install a server for JSI and JTI		

Allison Rossett & Assoc.	9/26/11-1/23/12	\$119,000
<p><b>Scope of Work:</b> Provide a comprehensive analysis and report with briefing to Information Technology (IT), labor and management personnel to identify and overcome skill and knowledge gaps of existing veteran IT employees to implement, update and maintain newer IT network programs and software, which were to be deployed in LADWP to replace aging mainframe legacy systems.</p>		

3D Internet	11/28/11-complete	\$198,000
<p><b>Scope of Work:</b> To evaluate the quality and effectiveness of training software developed by the 3D Internet company that was being utilized by other utilities. The system program is a computer based program available on the web which allows high voltage electrical workers to navigate through mock three phase transformer installations to correctly wire these units and eliminate the potential for improper voltage results or catastrophic failures/explosions.</p> <p>The 3D Internet company was engaged to make a proposal for a slightly customized version using LADWP distribution system requirements. Their proposal was developed in conjunction with the Electric Distribution Mechanic Trainee (EDMT) training staff and a final product was produced and accepted for installation and implementation. Now all employees including trainees and journey-level workers in the field can access the program at any time to improve their performance and set up mock hook-ups <i>before</i> actual work is done to ensure safety and customer requirements are met. The program is also now a mainstay embedded in the EDMT curriculum to teach and evaluate trainee skills and knowledge to correctly wire three phase systems.</p> <p>Currently, the JTI is coordinating with LADWP training staff to develop, build, and implement modules using this interactive format for Substation Operations, large transformer oil processing best practices, and various simulated scenarios, such as pole top, aerial lift, and underground vault employee rescue.</p> <p>The contract expenditures also cover a multi-year software maintenance fee to install system upgrades and any other program troubleshooting needs.</p>		

Aleks/Net Tutor – Link Systems	1/19/06-2/5/09	\$29,295
<p><b>Scope of Work:</b> Provide a ALEKS/Net Tutor, a web-based, individualized math system that offers an array of assessments, learning exercises, feedback, and live tutoring, to interested LADWP employees in each of the following math courses: Basic mathematics, Beginning Algebra, Intermediate Algebra, Algebra for College Students, Pre-Calculus, and Intro to Statistics.</p>		

InterAlliance Consulting, Inc.	10/20/09-10/3/11	\$580,850
<p><b>Scope of Work:</b> To conduct a complete review of the existing Electrical Repairer Apprenticeship program, which had not been used for several years? This program is under advisement of the JTI Administrators. The task also included critical knowledge capture</p>		

of specialized work, such a high voltage transformer and bushing overhauls, which were in danger of being lost with the pending retirement of expert employees.

InterAlliance, a learning management consulting company, was enlisted to accomplish this task. They reviewed the existing program and several management, supervision, and journey-level employees who work in the Electrical Repair section of the Integrated Support Services division. As a result, old learning modules were updated and new ones were created to address any pending knowledge gaps. The format of the modules underwent significant changes to ensure the learning materials were successfully understood and engrained by the new Electrical Repairer Trainees. The format improvements were the creation and addition of new on-the- job training modules for each learning concept module, and new training for instructors and field employees to objectively evaluate trainee progress and objectives.

The results of these efforts include the implementation of a new, revised course curriculum for the Electrical Repairer Apprentice program, consisting of 42 modules which couple classroom instruction and structural on-the-job field training. The program is a three year apprenticeship and the first class of trainees using this new material was hired in June 2009.

Coastal/DuPont	6/21/10-5/2/11	\$254,350
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Scope of Work: The JTI Administrators were issued the task of conducting a solicitation and selection of vendors to enable LADWP to implement a learning system utilizing off the shelf and customized computer based training modules which could be accessed by employees at any time to complement existing training programs. These modules could also be used by employees to learn fundamental and advanced knowledge in various subjects in related utility fields. The task also included ensuring a system was in place to enable LADWP to monitor the progress of each employee's usage of the system and their success rate in the completion of the modules. The Coastal/DuPont Company was selected to provide the content and services.

The Company had a catalog of over 100 modules covering subject areas such as basic math and English skills, electricity, mechanical systems, etc. The JTI worked with LADWP to create pilot learning suites of related topics whereby employees would enroll in an online learning management system to access the modules and complete them within a set period of time. Employees who elected to enroll in the system were required to meet a minimum number for successful completion of the modules, or risk being eliminated from the program.

The result of this initiative was the successful procurement of licenses for administrators, supervisors, and employees to access this extensive library of approved subjects to meet all the objectives outlined above.

This program has since transitioned to a new supplier Martech Media to the advantage of better pricing. The CBT modules are also an integral component of the Utility Pre-Craft Trainee (UPCT) program, to give these employees knowledge of critical subject

matter they need to successfully transition to a permanent LADWP position through the civil service exam process. UPCTs are required to successfully complete a pre-determined number of modules each month on their own personal time or be terminated from the program.

To date, over 1000 employees per year have participated in this program.

New Mexico University	8/30/11-10/9/12	\$12,702
<u>Scope of Work:</u> A university faculty expert provided presentations on Solar Photo Voltaic (PV) systems installations and national electrical code requirements to affected LADWP employees in order to assist them in improving their job skills in the design, installation, inspection, and operations of PV residential industrial systems.		

Webilent	12/6/11-8/2014	\$229,030
<u>Scope of Work:</u> Secure technical services for the purposes of development, maintenance and security of the Joint Safety and Joint Training Institutes' servers. The services are to include technical support for the computers, printers, scanner, website development, learning Management Systems development, and database development.		

Enterprise University	10/13/10-3/24/15	\$107,402.67
<u>Scope of Work:</u> Instructor led classroom computer training services to include the following but not limited to: getting started in Windows and Microsoft Office, Word, Excel, Outlook, Power Point, Access and Microsoft Project. This training was acquired by the JTI to ensure employees still were able to receive training on these common IT systems, due to the fact that previous budget cuts in the LADWP Human Resources section had resulted in the elimination of this type of training for future years.		

Belisle & Associates	10/4/11-5/15/15	\$90,213.75
<u>Scope of Work:</u> Writing Skills Curriculum for participants that will prepare our employees to be articulate, professional, well-trained writers. Program is designed to meeting potential future needs which could include, but not be limited to individual coaching proofreading, essay writing, e-mail writing and editing on a consulting level. These classes were previously administered and provided by the LADWP Human Resources section. However, past and present budget cuts resulted in the elimination of these courses provided through LADWP resources.		

Joel A. Fadem & Assoc. (aka Basin Ventures)	2/4/10-11/18/15	\$256,582.39
<u>Scope of Work:</u> Since the signing of the 1995 Memorandum of Understanding agreement with IBEW Local 18 to settle and end a work stoppage affecting the entire LADWP, the memorialization and implementation of the joint labor/management process was the foundation established to facilitate resolving future labor issues and grievances. Employee participation is also an integral component of this process. A key cornerstone to this approach is the utilization of the Mutual Gains Bargaining (MGB) process, whereby committee members objectively look at problems and party interests to formulate and implement solutions for these items. These MGB techniques also		

require that each participant have equal standing in the process and no one has rank over another individual on the committee. Mr. Joel Fadem was part of the original team from UCLA that taught LADWP employees the MGB process, as well as assist in facilitating subsequent contract labor agreement negotiations and the start up for any labor/management committees which are still in place and functioning today. This contract agreement utilizes Mr. Fadem to conduct MGB training for new participants from both labor and management in the JLMC process. Refresher training is also administered by Mr. Fadem to ensure employees continue to follow the principles and tenets of this process. Currently, over 1000 active LADWP employees have taken this training.

Omega Health System	<i>new – no invoices</i>	
<p><b>Scope of Work:</b> Customized Office Ergonomics &amp; Risk Management (software based) services at LADWP facilities. 4000 licensing agreements over a span of three years for ergonomic training and self-assessment tools to assist employees engaged in long term computer station work in following proper ergonomic techniques in order to prevent future chronic soft tissue injuries.</p>		

Martech Media	4/12/10-11/18/15	\$590,511
<p><b>Scope of Work:</b> Develop customized Computer Based Training (CBT) modules for specific training topics which previously have been instructor-taught on a frequent basis. The availability of these modules online allows field personnel more flexibility to take these courses remotely. The administration of these courses online also gives instructors more valuable classroom time with employees to focus on critical, more complex topics. The custom CBTs developed and implemented since the inception of this contract are:</p> <ul style="list-style-type: none"> <li>• Chemical Awareness for Water Treatment Operators</li> <li>• Operating Order 18</li> <li>• Ladder Safety Training</li> <li>• Fire Extinguisher Training</li> <li>• Spill Prevention Training (SPCC)</li> <li>• Metal Enclosed Switchgear and Operating Order 42 Training</li> <li>• Electrical Safety Observer</li> </ul>		

The Lewis Group	2/21/13-9/16/13	\$100,000
<p><b>Scope of Work:</b> The Integrated Resource Plan (IRP) for the Power System has been in use and improved upon for several years. This document serves as the guiding long term strategic map for the present and future requirements of the Power System to continue to provide safe, reliable electricity to the citizens of Los Angeles while meeting all stakeholder regulatory requirements. One key element overlooked in the past was the planning, forecasting, and requirement of the human capital necessary to implement the programs, equipment, and technologies outlined in the IRP. The consulting services of the Lewis Group were hired to assist in the development and creation of an Integrated Human Resource Plan (IHRP) to address these personnel needs.</p>		

The process to accomplish this consisted of several interviews of all stakeholders in this area, including key personnel throughout Power System divisions, training sections, and LADWP Human Resources group. The resulting IHRP document outlined the supply and demand factors for personnel in all Power System classifications, and initiatives and methods to streamline the critical path timeline needed to deliver trained employees into the workforce when they are needed to offset retirements and perform new functions in the future Power System. The IHRP was delivered and included as a chapter of the draft IRP for 2014 in November 2013.

Wachs Water Services, Inc.	11/26/12-12/20/12	\$85,400
<p><b>Scope of Work:</b> Provide "Large Valve" instructor led classroom/lessons and in-the-field training/lessons. LADWP operations personnel will use this material to train employees in both the classroom and the field over a six week period, on safe operating procedures and best practices for large valve operations in the LADWP Water System. This training was needed to ensure newer employees learned proper techniques to operate and maintain these large valves, a knowledge that was in risk of being lost with previous and pending retirements of veteran Water System employees.</p>		

### **XIII. MAJOR ACCOMPLISHMENTS / ACTIVITIES**

The majority of the work done by the JTI is in the design, development, and implementation of training programs. When fully developed, the training curriculum is given to the LADWP for their continued use. The training programs that are created can last up to four years in duration. This can involve extensive time in capturing the best available information and organizing it into the most effective training programs possible. This is done in conjunction with the JLMC process and the JTI under the direction of the Trustees.

Examples of Training Programs designed, developed, and implemented by the JTI and the number of employees benefitting from the programs (as of December 5, 2014) are summarized below. See Appendix A for details of each Training Program identified.

<b>TRAINING PROGRAM</b>	<b>NO. OF EMPLOYEES TRAINED</b>
New Engineer Associate Training Program	44
Electrical Tester Training Program	100
Electrical Repairer Training Program	60
Water System Large Gate Valve Training Program	40
Utility Pre-Craft Training (UPCT) Program	100
Hayden Electrical Course for UPCTs	33
Machinist Training Program	38
Metal Trades Apprenticeship Training Programs	33
Meter Setter Training Program	50
Qualified Line Clearance, Tree Surgeon Training Program	50
Driving Simulator Trainer	332
Mutual Gains	1,128
<b>TOTAL</b>	<b>2,008</b>

Other activities, events, classes and Training Programs in various stages of design, development and implementation include the following. See Appendix A for details.

#### TRAINING PROGRAMS/MODULES IN DEVELOPMENT

- Drafting Training Programs  
Workers Training Programs
- Waterworks Mechanics
- 3D Internet Training Simulators
- Heavy Equipment Operator Training
- Underground Distribution Construction Mechanic Training Program
- GIS Based Maps And Work Management Systems
- Electrical Service Representative Training Program

#### ADDITIONAL TRAINING PROGRAMS COMPLETED

- Budget And Finance Training
- Hayden Electrical Course
- NACE Training
- Surveyors Training
- UPCT Training Program
- Leadership Training
- Water System Protective Coating
- Large Valve Program
- Standards for Electrical Repairer
- Standards for Machinist
- New Engineer Associate Training (NEAT)

#### COMPUTER BASED TRAINING MODULES

- Chemical Awareness for Water Treatment Operators
- Operating Order 18
- Ladder Safety Training
- Fire Extinguisher Training
- Spill Prevention Training (SPCC)
- Metal Enclosed Switchgear and Operating Order 42 Training
- Electrical Safety Observer

#### SURVEYS

- Information Technology (IT). JTI Conducted A Survey Of Over 300 Employees Regarding Training Needs

The JTI also conducts training of employees. It coordinates facilities, instructors, and all support necessary to provide classes, many of which were previously conducted by LADWP before budget cuts were implemented in the last five years. Some examples of the classes and the number of employees benefitting (as of December 5, 2014) are summarized below. See Appendix B for details.

TRAINING / COURSES COORDINATED	NO. OF EMPLOYEES TRAINED
Solar Photo-Voltaic (PV) Training Classes	113
Computer Training	943
Written Communications Training	1,025
Train The Trainer Program	382
Ergonomics Self-Evaluation Software	4,000
Computer-Based Training	784
Aleks/Net Tutor	261
Budget Planning Process Overview	22
TOTAL	7,530

The JTI also consults on various aspects of training, human resource planning, task forces and surveys that are beneficial to the LADWP.

**10-Year Integrated Human Resource Plan:** A 10-year forecast is being created for all aspects of job prioritization and workforce requirements that will be needed to meet the Power Section's needs. JTI Administrator Barry Poole and Assistant General Manager Mike Coia were appointed as the Workforce Planning Coordinators.

**Integrated Human Resource Plan For Inclusion In The Power System Integrated Resource Plan:** The JTI working with Management has created a chapter to capture costs for Human Resources, and associated costs to be included in the Integrated Resource Plan to be published January 2014.

**Learning Management System (LMS) Consolidation:** Continued to meet and discuss with LADWP Power System IT, Water and Power System Safety & Training staff, and Trainers from the Water Section to consolidate all LMSs into one in-house LMS to house all Computer-Based Training programs under one LMS.

**Department Of Energy Grant:** Monitoring and advising the LADWP about Consortia involvement with USC, other academic institutions, and California Utilities on development of Solar System Design and System Planning Training Programs.

#### OTHER JTI PROGRAMS

**Utility Pre-Craft Trainees (UPCT) Computer Loan Program:** Created a procedure for providing laptop computers to UPCTs with economic hardships. The computers are used for accessing Computer-Based Training Programs and to access job opportunities through the City's Personnel website. Laptops are purchased and distributed as hardship needs are assessed.



**Home Energy Improvement Program (HEIP):** Continue to monitor and advise this program.

#### **XIV. JTI/LADWP INTEGRATION**

##### **JOINT LABOR/MANAGEMENT COMMITTEES**

**Computer-Based Training (CBT) Committee:** JTI Administrator Barry Poole is the co-chair of this committee. The goal of the committee is to develop CBT programs and new technology to deliver training and information to employees in a more efficient, cost effective method.

**Parent Training JLMC:** JTI Administrator Barry Poole is the co-chair of this committee. It monitors all training at the LADWP, and assists the training groups with issues that need resolution.

**Workforce Development Task Force:** A JLMC was started July 18, 2013. The committee plans to look at the "Critical Path" including the areas of: Job Classification, Recruitment, Selection, Training, Placement, Continuing Education, and Retention in the Power System. The committee is tasked with improving the quality and efficiency of the critical path. The goal is to achieve all workforce development targets on time and to facilitate knowledge transfer, best practices, and innovations, as well as to assess performance of the training programs. The committee is being led by JTI Administrator Barry Poole and Assistant General Manager Mike Coia.

## APPENDIX A

### COMPLETED TRAINING PROGRAMS:

**NEW ENGINEER ASSOCIATE TRAINING PROGRAM:** Currently the JTI is working with LADWP and IBEW Local 18 in the creation of four new training programs in this area. They are considered Master's level field training programs in Utility Engineering for these employees. Programs being developed and utilized in this area are the Electrical, Mechanical, Civil, and Structural programs. It is a two-year program that involves extensive classroom and field training. Currently there are (44) employees in training, and it is expected that in the future this new program will benefit new and existing Engineers at the LADWP.

**WATER SYSTEM PROTECTIVE COATING WORKERS TRAINING PROGRAMS:** Developed 15 Process Guides, Instructor Guides, Trainee Guides, and Task Evaluation Guides, and turned them over to the Water Section. These guides will be available for all Protective Coating Workers.

**ELECTRICAL TESTER TRAINING PROGRAM:** The JTI assisted in the development of the 36-month Electrical Tester training program, which provides training for field forces that test major electrical equipment such as meters, protective relays, and high voltage large generators, motors, and transformers. There are (100) plus journey and new apprentices who benefit from this program. New employees will also have an opportunity to participate in this training. The JTI continues to monitor and advise this program.

**ELECTRICAL REPAIRER TRAINING PROGRAM:** The JTI assisted in the development of a 36-month Electrical Repairer Training Program. There is extensive classroom and field training for field forces in repair of large, high voltage, generators, motors, and transformers. There are over (60) Electrical Repairers and Trainees who currently benefit from this program. It will also be available for new employees. The JTI continues to monitor and advise the Training Committee on this program.

**WATER SYSTEM LARGE GATE VALVE TRAINING PROGRAM:** A four-week training program was developed for Large Gate Valve operations for the Water System. It was implemented, and (40) people were initially trained on the operation of gate valves up to 12 feet in diameter that may operate at up to 300 psi. This program is now available for all future employees who will need training on Large Gate Valves.

**UTILITY PRE-CRAFT TRAINING (UPCT) PROGRAM:** The JTI developed an 18-month training program for UPCTs. There are currently approximately (100) people in training and this course will be available to all future UPCTs.

**HAYDEN ELECTRICAL COURSE FOR UPCTs:** The Hayden Electrical Course has been developed for the UPCTs. In 2012, (33)UPCTs were successfully trained and certified by the JTI for having completed seven volumes of the seven month Hayden

Basic Electricity Curriculum. The JTI will continue to support the ongoing Hayden Basic Electricity Training for all new UPCTs.

**MACHINIST TRAINING PROGRAM:** The JTI assisted in the development of a 48-month training program from which (38) existing machinists and new trainees will benefit. The JTI will continue to monitor and advise this program.

**METAL TRADES APPRENTICESHIP TRAINING PROGRAMS:** New Training Programs approximately three years long, which include Machinist, Sheet Metal Workers, Structural Steel Fabricators, and Welders were developed in cooperation with the JTI. These programs will benefit (33) existing journey-level and new trainees. New employees will have an opportunity to participate in this training. The JTI continues to monitor and advise this program.

**DRIVING SIMULATOR TRAINER:** The JTI developed a training course to increase awareness of safely operating Department vehicles and improving driving skills. The simulator was purchased by the JTI and the LADWP. The one-day simulator training class was attended by (332) employees before the simulator equipment was given to the LADWP Fleet Operations in 2012 to continue training. All existing and future LADWP employees will be eligible to participate in this training in the future.

**GENERATION SIMULATOR:** Research, design, and development of the Generation Simulators was done by the JTI.

**COMPLETED COMPUTER BASED TRAINING (CBT) PROGRAMS:**

**WATER TREATMENT OPERATORS:** The JTI developed a Chemical Awareness CBT Training Program. This program will benefit all Water Treatment Operators for the LADWP.

**OPERATING ORDER 18:** The JTI developed a CBT Program for Operating Order 18 (Admission to Stations and Plants) that is available to all LADWP employees.

**LADDER SAFETY TRAINING:** The JTI developed a CBT Program on Ladder Safety that is available to all LADWP employees.

**FIRE EXTINGUISHER TRAINING:** The JTI developed a CBT Program for use of Fire Extinguishers that is available to all LADWP employees.

**SPILL PREVENTION TRAINING (SPCC):** The JTI developed a CBT Program for Spill Prevention that is available to all LADWP employees.

**METAL ENCLOSED SWITCHGEAR AND OPERATING ORDER 42 TRAINING:** The JTI developed a CBT Program for working around and operating Metal Enclosed Switchgear that is available to all LADWP employees.

ELECTRICAL SAFETY OBSERVER: The JTI developed a CBT Program for Electrical Safety Observers that is available to all LADWP employees.

TRAINING PROGRAMS IN PROGRESS:

DRAFTING TRAINING PROGRAMS: Five new training programs are being developed in this area. They are Electrical, Mechanical, Civil, Structural, and Architectural. These are also two-year programs with extensive classroom and field instruction. The JTI is assisting with these programs.

BUDGET AND FINANCE TRAINING: Developed Budget and Finance Training. The first class will be held in November 2013.

WATERWORKS MECHANICS: A JLMC was formed and training documents are being created for knowledge capture of processes in that section. The documents include: Process Manuals, Instructors' Guides, Trainees' Guides, and Task Evaluation Guides. They will be available to all current and future Waterworks Mechanics section employees.

3D INTERNET TRAINING SIMULATORS: A simulator for wiring, testing, and operating transformers was developed. Currently two simulators for Substation Operations are being worked on and are near completion. Simulators for Substation Identification, Substation in the Black, 34.5kV Buss Clearance with a Buss Roll, Station Clearance, Bowsering, Solar, Wind Plant, Pole Top Rescue, Vault Rescue, and Bucket Rescue are being developed. These simulators are currently, or will be, available to all employees of the LADWP.

METER SETTER TRAINING PROGRAM: This is a new 18-month training program for which the JTI assisted in the development of the program and the curriculum. It will benefit (50) journey and trainee level Meter Setters. New employees will have an opportunity to participate in this training. The JTI continues to monitor and advise this program.

QUALIFIED LINE CLEARANCE, TREE SURGEON TRAINING PROGRAM: This is a new 24-month training program for which the JTI assisted in the development of the curriculum, which will benefit (50) journey and trainee level Tree Surgeons. New employees will have an opportunity to participate in this training. The JTI continues to monitor and advise this program.

LEADERSHIP TRAINING PROGRAM: The JTI is evaluating and developing Leadership training programs for Journey and Supervisory level employees throughout the LADWP.

HEAVY EQUIPMENT OPERATOR TRAINING PROGRAM: The JTI is working with management and IBEW Local 18 on developing a training program for Heavy Equipment Operators.

UNDERGROUND DISTRIBUTION CONSTRUCTION MECHANIC TRAINING PROGRAM: The JTI is conducting research and design for an Underground Distribution Construction Mechanic Training Program.

ELECTRICAL SERVICE REPRESENTATIVE TRAINING PROGRAM: The JTI researched the design and development of this program, which is being developed.

COMPUTER BASED TRAINING (CBT) PROGRAMS IN PROGRESS:

FIRST RESPONDER (HAZWOPER) TRAINING: The JTI is developing a CBT Program for the LADWP for First Responder Training.

CONFINED SPACE ENTRY TRAINING: The JTI is developing a CBT Program for the LADWP for Confined Space Entry Training.

UNDER EVALUATION:

INFORMATION TECHNOLOGY (IT): The JTI conducted a survey of over 300 employees regarding training needs. Training is being researched for this group.

GIS-BASED MAPS AND WORK MANAGEMENT SYSTEMS: The JTI met with the Water System about GIS systems and the associated training required for Water field personnel. Discussions are being held about the development of this program.

WATER SYSTEM COMPUTER LAB: A computer lab is being researched for the Water Training Program.

EVENT

TRAINING SUMMIT: A Training Summit was held July 29, 2013, with (60) people in attendance. Information was presented on different training programs at the LADWP, how the different programs could collaborate and share information, and best practices that were available from the different training programs. Additional information was presented on resources that were available including the Hayden Electrical Course, Computer-Based Training Programs, and Web-Based Simulators that could be used by all LADWP employees. Also discussed were best practices for training, including DACUM development, the use of tablets, consolidation of Learning Management Systems, and more.

## APPENDIX B

**HAYDEN ELECTRICAL COURSE:** The Hayden Electrical Course has been developed and will be administered by the JTI, which is working on an implementation policy. This course will be available to all LADWP employees, and is expected to begin in two months.

**SOLAR PHOTO-VOLTAIC (PV) TRAINING CLASSES:** Classes were provided for (113) Inspectors, Construction, Maintenance and Design personnel. Content included PV and National Electrical Code training for the design, installation, and maintenance of industrial, commercial, and residential PV systems.

**COMPUTER TRAINING:** The JTI continues to give computer training for Windows 7 and Microsoft Office 2010 products including Microsoft Project, Access, PowerPoint, Outlook, Excel, and Word. (629 employees trained)

**WRITTEN COMMUNICATIONS TRAINING:** The JTI continues to give these classes to LADWP employees. Courses offered are: Technical Writing Skills, Proofreading and Editing Workshops, Basic Writing Workshops, Business Writing Skills, E-mail Writing Skills, Web-based Communication, Customer-directed Writing Skills, and Essay Writing Skills. (612 employees trained)

**TRAIN THE TRAINER PROGRAM:** The JTI provided "Peer-to-Peer" training for (382) LADWP employees. Peer Trainers were taught the peer mentoring process and tools which build foundational skills. Also covered were: knowledge transfer flow, the trainer's role, and metrics to measure success.

**ERGONOMICS SELF-EVALUATION SOFTWARE:** This program is available for (4,000) LADWP employees to access Ergonomic Self-Evaluation Software.

**COMPUTER-BASED TRAINING (CBT):** Over 150 CBT courses are being offered by the JTI for up to 1,000 LADWP employees. There are currently (784) employees enrolled in the CBT training program, which is available to all LADWP employees. Courses include Industrial Safety Health and Sciences, Industrial Maintenance, Electrical Distribution, Industrial Electricity, Power Generating System and Operations, Industrial Instrumentation, Industrial Machining, Welding, Communications Fundamentals, NERC-FERC Regulatory Training, Math and Basic Electricity are some of the courses. Currently, (over 400) field employees use one or more CBT classes for Annual Refresher Course (ARC) CBT.

**ALEKS/NET TUTOR:** This at-home, online, self-paced math program allows employees to learn and improve their math skills. (261 employees trained)

**NACE TRAINING:** Employees involved with corrosion prevention for the LADWP attended a conference where design, installation, and repair of water, gas, and electrical systems were presented.

**SURVEYORS TRAINING:** Surveyors were reimbursed for the cost of books, training, and license fees in order for Surveyors to meet licensing requirements.

## APPENDIX C

**10-YEAR INTEGRATED HUMAN RESOURCE PLAN:** A 10-year forecast is being created for all aspects of job prioritization and workforce requirements to meet the Power Section's needs. JTI Administrator Barry Poole and Assistant General Manager Mike Coia were appointed as the Workforce Planning Coordinators.

**INTEGRATED HUMAN RESOURCE PLAN FOR INCLUSION IN THE POWER SYSTEM INTEGRATED RESOURCE PLAN:** Working with management, the JTI has created a chapter to capture costs for human resources, and associated costs to be included in the Integrated Resource Plan to be published January 2014.

**WORKFORCE DEVELOPMENT TASK FORCE:** A JLMC was started July 18, 2013. The committee plans to look at the "Critical Path" including the areas of: Job Classification, Recruitment, Selection, Training, Placement, Continuing Education, and Retention in the Power System. The committee is tasked with improving the quality and efficiency of the Critical Path. The goal is to achieve all workforce development targets on time; to facilitate knowledge transfer, best practices, and innovations; and to assess performance of the training programs. The committee is being led by JTI Administrator Barry Poole and Assistant General Manager Mike Coia.

**LADWP "NEW BUSINESS" – PROCESS AND CUSTOMER SATISFACTION REVIEW:** The JTI conducted a complete review of LADWP Service Planning and its associated stake holders, to make recommendations on "boosting customer service and satisfaction levels." Findings and opportunities for improvement included: identifying one person the customer can talk to, measurement of customer satisfaction level, use of technology to provide better tracking and information, internal and external improved process for handling priority jobs, agreed-to dedicated people, and improved time cycles for internal departments. Recommendations are being implemented and refined to achieve much improved results.

**LEARNING MANAGEMENT SYSTEM (LMS) CONSOLIDATION:** The JTI continued to meet and discuss with LADWP Power System IT, Water and Power System Safety & Training staff, and Trainers from the Water Section to consolidate all LMSs into one in-house LMS to house all CBT programs under one LMS.

**DEPARTMENT OF ENERGY GRANT:** The JTI continues monitoring and advising the LADWP about Consortia involvement with USC, other academic institutions, and California Utilities on development of Solar System Design and System Planning Training Programs.