

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: September 8, 2025

To: The Honorable Members of the Personnel and Hiring Committee

From: Matthew W. Szabo, City Administrative Officer 

Malaika Billups, General Manager
Personnel Department 

Subject: **COUNCIL FILE C.F. [19-1150-S1](#) REPORT BACK REGARDING THE OVERVIEW OF MEMORANDUM OF UNDERSTANDING NO. 35 RELATIVE TO HIRING HALL PRACTICES**

RECOMMENDATION

That the City Council note and file this report.

BACKGROUND

On August 14, 2024, the City Council adopted a McOsker-Blumenfield motion ([C.F. # 19-1150-S1](#)) calling for a report from the Office of the City Administrative Officer (CAO) and the Personnel Department (Personnel), with assistance from the Office of the City Attorney (City Attorney), addressing hiring hall practices specific to exclusive and non-exclusive hiring agreements between the contractor and the union and the frequency of the utilization of hiring halls for construction projects. The motion also called for the CAO, Personnel, and City Attorney to develop a policy framework that includes the establishment of exclusive and non-exclusive arrangements with hiring halls for key skilled craft apprenticeship programs through the Targeted Local Hire Program, including funding if necessary.

Non-Exclusive Hiring Arrangement

The following outlines the City of Los Angeles' (City) non-exclusive hiring arrangement for as-needed craft workers through Memorandum of Understanding (MOU) No. 35 (Craft Workers / Hiring Hall) negotiated and adopted in 1989 between the City and the Los Angeles/Orange Counties Building and Construction Trades Council AFL-CIO (Trades Council). [MOU 35](#) provides no expiration date unlike most other MOUs. Rather, the agreement continues until cancelled at the request of the City or Trades Council.

MOU 35 was originally designed to hire temporary craft workers into City service for a duration not to exceed one year to supplement the existing City workforce in addressing work backlogs. While the initial intent was for short-term employment to manage temporary workload increases, MOU 35 workers have been utilized more frequently and for durations that exceed one year. The agreement currently allows for the hiring of craft workers ranging from apprentice to journeyman levels.

A City department that needs additional, temporary help from MOU 35 makes a request for temporary craft workers directly to the MOU 35 signatory unions responsible for the specific craft, e.g., Cement Masons Local 627. The union hiring hall then dispatches candidates to the City so that they may participate in the department's hiring process. Candidate referrals are made without regard to location or socioeconomic characteristics. If a union is unable to refer hiring hall applicants, the City is permitted to secure applicants without using the union's referral system. This means that employing departments may seek applicants using external sources for candidates, such as job boards and online platforms, or other recruitment agencies. However, all MOU 35 provisions still apply to such hires. Once hired, employing departments may assign craft workers to one or more projects. Hiring hall craft workers may also pursue permanent City employment through the civil service process or alternative pathways to employment, such as the City's Targeted Local Hire or Bridge-to-Jobs programs. When MOU 35 unit members have completed their temporary assignment or are no longer needed to conduct business for the City, they are assigned a different temporary assignment or are returned to their respective hiring hall for subsequent dispatch to a different job and/or employer.

Aside from administering their respective hiring halls, unions are responsible for their member's progression through apprenticeship programs, as well as for tracking and auditing wage and fringe benefit rates for compliance with labor agreements and/or California prevailing wage requirements. The MOU 35 non-exclusive hiring arrangement has provided the City with flexibility in hiring and a reliable source of available skilled journey-level trades persons required on short notice to address the City's changing operational demands.

MOU 35 unit members are unlike full-time or part-time City employees. The City is not the sole employer of hiring hall craft workers and the hiring halls worker lists are administered by the unions, not the City. Unlike full time and part-time employees who qualify for City benefits, MOU 35 unit members pay into social security and are not members of any of the City's three retirement or pension plans. Furthermore, base wage compensation is set by the Union's Master Labor Agreement as opposed to being negotiated through the bargaining process established through the Meyers-Milias-Brown Act and the City's Employee Relations Ordinance. Promotion in the craft levels from apprentice to journeyman is determined by the respective union responsible for the craft expertise, not the City. In addition, with the exception of statutory benefits that are provided by the City, the unions set and administer all fringe benefits, such as health and medical insurance coverage, paid time off, supplemental pensions, and training, for their respective crafts.

Exclusive Hiring Arrangement

The City actively utilizes contractor-based multiyear Project Labor Agreements (PLAs) for construction projects across various departments, including but not necessarily limited to the Department of Public Works (DPW), Los Angeles World Airports (LAWA), the Port of Los Angeles (POLA), and for various ballot measures, such as Proposition HHH for the Permanent Supportive Housing and Facilities Infrastructure Stabilization Ordinance (Proposition HHH), and Proposition JJJ for the Build Better LA Initiative.

City PLAs are written to comply with labor standards primarily established by City ordinances and policies, as well as applicable state and federal laws, such as the Fair Labor Standards Act (FLSA), California workers' compensation, local hire requirements, and adherence to state and federal apprenticeship, dispute resolution, non-discrimination, and workplace safety standards. Such standards also relate to using licensed contractors, paying prevailing wages, and hiring workers from local and disadvantaged areas and state-approved – and in the case of a project which receives federal funds – federally-approved Apprenticeship Programs. City PLAs are designed to streamline construction projects, ensure labor stability, and provide local employment and training opportunities, particularly for disadvantaged residents.

Under PLAs, workers sourced through union hiring halls are employed by construction contractors, not the City. As such, contractors have sole responsibility of work assignments related to their projects, contrasted to employing City departments which are responsible for all work assignments under MOU 35. Under PLAs, unions are generally designated as the primary source of all craft labor employed on the project. Unions are responsible for recruiting and referring sufficient numbers of skilled workers, and if unable to fill requisitions under a specified timeframe, contractors may seek workers from other sources.

Unlike MOU 35, a key component of the City's PLAs include quantitative targeted hiring goals for specific areas and demographics. The objective of such goals are to combat poverty and stimulate economic reinvestment by expanding access to prevailing wage jobs for "unemployed and underemployed City residents" ([DPW Infrastructure Stabilization Ordinance, Sec. 10.45](#)). Specific hiring percentages are set for local residents, apprentices, and Transitional Workers. Contractors are required to submit extensive documentation and maintain records to demonstrate compliance with hiring goals. PLAs generally contain language on the ratio that contractors must meet between union-dispatched workers (hiring hall) and other employees. Other workforce-related goals of the City's PLAs include "expanding the field of competent construction workers" and addressing the "problems associated with a significant local unemployed, under-employed and unskilled workforce" (DPW Infrastructure Stabilization Ordinance, Sec. 10.45). This includes promoting training opportunities, recruiting, and encouraging impact area residents, minorities, and women to commence and progress in apprenticeship programs.

Craft Worker Utilization

MOU 35 encompasses eighteen (18) unions, collectively represented by the Trades Council. The City employs a variety of craft types under this MOU, including but not limited to carpenters, electricians, painters, plumbers, roofers, and laborers. As of July 31, 2025, 425 MOU 35 unit members were on the City's payroll, spread across eight departments. Of this workforce, 386 were journeyman-level workers, and 39 were apprentices. To achieve journeyman status in any trade, individuals must complete either a state-approved trainee program or an apprenticeship program that meets federal and state standards, acquire on-the-job training, participate in classroom education, and obtain any necessary licenses and certifications for their craft. For additional context, regular full time craft workers represented in the Building Trades Rank and File Representation Unit (MOU 02) are hired in accordance with the City's civil service process and are also represented by the Trades Council. The City currently employs 977 MOU 02 unit members across ten City departments.

The following tables provide statistical information on the utilization of MOU 35 craft workers in Fiscal Year 2024-25:

Summary of MOU 35 Utilization							
Craft Level	Worker Count		Average Hours Per Worker		Total Annual Hours All Workers		Average Hourly Rate
			Biweekly	Annual			
Apprentice	71	13%	45	1,167	82,846	10%	\$43.42
Assistant	41	7%	56	1,470	60,246	7%	\$23.56
Helper	13	2%	33	853	11,085	1%	\$37.98
Journeyman	440	78%	57	1,494	657,208	81%	\$47.48
Total	565			1,436	811,402		\$44.22

Top 10 <u>Journeymen</u> Assignments by Total Hours Worked				
Rank	Department	Work Order	Description	Hours
1	POLA	2573000	Parking Deck Waterproofing Improvement	46,869
2	POLA	2572000	Passenger Terminal Pedestrian Deck Coating	22,531
3	RAP	RAPX1806	Citywide Painting	14,052
4	POLA	2575800	Vehicular Ramp Corrosion Mitigation	14,006
5	POLA	2567900	Passenger Terminal Roof Replacement	13,118
6	PW BSS	M0015605	Pothole / SAR Repair	12,404
7	GSD	H4500100	BOE San Pedro CH Plaza / Renovation	10,968
8	POLA	5000002	Non-Project Asset Maintenance	10,187
9	POLA	2557600	Advance Electrical Infrastructure Demonstration	7,900
10	ZOO	CONSTRTN	Construction	7,848

Top 10 <u>Apprentice</u> Assignments by Total Hours Worked				
Rank	Department	Work Order	Description	Hours
1	ITA	3200928C	Mt. Lee Operations	10,178
2	ITA	PSC00057	Mobile Install – LAFD	6,793
3	ITA	CSRDAENG	CSR Data Network Engineering	5,719
4	ITA	PSC00041	Shop Services	5,168
5	PW BOS	SJDOOOOO	Buildings and Grounds	3,715
6	GSD	CFDSUP25	CFD Support Activity FY 2024-25	3,419
7	ITA	NEO00007	Alarm Maintenance	3,412
8	ITA	PSC00058	Mobile Install - LAPD	3,161
9	GSD	H4500100	BOE San Pedro CH Plaza / Renovation	3,082
10	GSD	F3130100	BOE ENG CO 23 / Seismic Retrofit	2,778

The City PLAs share specific hiring goals for various categories of workers on construction projects. The PLAs state that at least 30% of total project hours must be performed by local or impact-area residents, defined as living in specific zip codes with varying proximity to the project sites. The utilization of apprentices must comply with California Labor Code standards for public works projects. This involves providing proof of apprentice registration, paying prevailing wages and training fund contributions, and adhering to specific apprentice-to-journeyman ratios. City PLAs generally allow apprentices to comprise up to 20% of each craft's workforce. Additionally, some PLAs may require a minimum percentage of total apprentice utilization to be allocated to local or area impact residents (local apprentices). A minimum utilization rate of 10% of total project hours is required for Transitional Workers (formerly Disadvantaged Workers). This category broadly includes veterans, individuals with criminal justice system involvement, homeless individuals, or those facing multiple barriers to employment who are City of Los Angeles residents or live within targeted zip codes as stipulated in the agreements.

The following table provides utilization statistics for craft workers hired under the named PLAs. Statistics for local journeyman includes transitional workers.

City PLA Utilization				
Category	DPW PLA 2020-2030	POLA PLA 2017-2027	Prop HHH 2018-2023	Prop JJJ 2016
Projects	39	20	35	5
Total Project Hours	1,032,863	992,701	4,870,854	625,182
Local Workers				
Count	1,963	1,612	8,242	1,432
Total Hours Worked	449,816	367,436	2,204,330	252,010
Percent of All Project Hours (Local Residents)	44%	37%	45%	40%
Percentage of Hours Worked				
Local Apprentices / All Apprentice Hours	74%	63%	59%	46%
Apprentice / All Straight Time Hours	20%	20%	24%	16%
Transitional Workers / All Project Hours	19%	9%	20%	13%
Average Hourly Rate				
Local Apprentice	\$35.58	\$31.61	\$31.75	\$32.42
Local Journeyman	\$51.83	\$55.18	\$46.76	\$49.88
Source: PW Bureau of Contract Administration (https://bca.lacity.gov/pla_report)				

DISCUSSION

Memorandum of Understanding No. 35 / Project Labor Agreement Differences

Although non-exclusive hiring arrangements through MOU 35 and exclusive hiring arrangements through PLAs both involve union hiring halls and craft workers, they serve different purposes and have distinct operational frameworks within the City of Los Angeles. MOU 35 focuses on the City's use of union hiring halls to employ craft workers on a temporary as-needed basis to staff City departments to meet spikes in operational demands. By contrast, PLAs are long-term agreements designed for major public works construction projects or specific residential development projects receiving City planning approvals or funding. The core purpose of PLAs is to promote efficiency, ensure timely and economical completion, minimize labor disputes, and provide employment opportunities for local residents. A fundamental aspect of PLAs is the mandatory inclusion of specific hiring goals for local residents, apprentices, and transitional workers, which is not a requirement under MOU 35.

One of the primary goals of MOU 35 is to enable departments to effectively manage operational demands and reduce work backlogs. To achieve this, the MOU mandates that hiring halls dispatch skilled candidates to the City within 48 hours. If hiring halls are unable to source suitable workers within this timeframe, departments are authorized to secure applicants from alternative sources. The number of MOU 35 workers the City may employ is solely dependent on the availability of budgeted funds.

Under PLAs, unions serve as the primary source for all craft labor. Contractors are permitted to employ a limited number of “core workers,” who are existing employees meeting specific criteria related to prior employment and hours worked. To ensure a balance between core workers and union referrals, a specific ratio governs the hiring process. For instance, this ratio might allow one core worker for every one worker dispatched from the hiring hall, up to a maximum of five core workers per craft.

Union Hiring Halls / Targeted Local Hire Program Differences

The use of union hiring halls through MOU 35 and the City’s Targeted Local Hire Program (TLHP) serve different purposes and target different types of workers and career paths.

Union hiring halls primarily act as job referral systems, connecting their skilled building trades and craft worker members with temporary employment opportunities obtained through MOU 35 or PLAs. By contrast, the TLHP is a broader social initiative, designed to provide entry-level pathways to permanent civil service careers for individuals facing significant barriers to employment or from underserved populations. A key aspect of the TLHP is its strong emphasis on on-the-job training across a wide range of City job classifications, extending beyond just construction trades.

The hiring of craft workers to permanent City positions is primarily accomplished through the civil service process and is not exclusive to hiring halls as applicants are recruited through multiple sources. Although narrow in its current application, departments have alternate hiring paths for some craft job classifications through apprenticeship and the Bridge-to-Jobs Program. Employees in permanent civil service craft positions are covered by the Building Trades Rank and File Representation Unit (MOU 02), the Equipment Operation and Repair Representation Unit (MOU 09), and the Supervisory Building Trades and Related Employees Representation Unit (MOU 13).

Apprenticeships/Alternative Pathways Employment Programs

The Personnel Department has reviewed and identified job classifications within MOU 35 that have *existing* apprenticeship programs or alternative pathway employment programs, job classifications with *pending or in progress* apprenticeship programs, and job classifications that could potentially be added for future apprenticeships and/or an alternative pathway employment program based on the requirements.

1) *Existing* Apprenticeship Programs or Alternative Pathway Employment Programs

Classifications under MOU 35 with an existing apprenticeship program or designated alternative pathway employment program are as follows:

- **Electrical Craft Helper (0862-0)**
 - Alternative Pathway Employment Program available via the Bridge-to-Jobs Program

2) *Apprenticeship Programs or Alternative Pathway Employment Programs In Progress*

Classifications under MOU 35 with a ***pending or an in progress*** apprenticeship program or designated alternative pathway employment program are as follows:

- **Communications Electrician II (0861-0)**
 - Alternative Pathway Employment Program via the Bridge-to-Jobs Program
- **Electrician (0865-0)**
 - Apprenticeship Program via MOU 02

3) *Possibility for Future Apprenticeship Programs or Addition to an Alternative Pathway Employment Programs*

Classifications under MOU 35 that ***could be considered for future*** apprenticeships and/or an alternative pathway employment programs are as follows:

Apprenticeships:

- | | |
|--------------------------------|---|
| ● Air Conditioning Mechanic | ● Plumber II |
| ● Cabinet Maker (0857-0) | ● Roofer |
| ● Carpenter (0858-0) | ● Sheet Metal Worker |
| ● Electrical Mechanic (0863-0) | ● Ship Carpenter (0877-0) |
| ● Elevator Mechanic (0866-0) | ● Sign Painter |
| ● Masonry Worker (0869-0) | ● Street Lighting Electrician (0879-0) |
| ● Painter | ● Traffic Signal Electrician (0881-0) |
| ● Pile Driver Worker (0871-0) | ● Wastewater Treatment Electrician (0882-0) |
| ● Pipefitter III | |

Bridge-to-Jobs:

- | | |
|--------------------------------|-------------------------------------|
| ● Carpet Layer (0859-0) | ● Elevator Mechanic Helper (0867-0) |
| ● Electrical Repairer (0864-0) | ● Plasterer (0873-0) |

While these classifications do not have a current or pending apprenticeship program and are not being considered for inclusion into an existing alternative pathway employment program, the Personnel Department can further discuss this possibility and need with City departments, this Office, and labor unions, a potential limitation of which would be budget constraints.