Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2024-0083, **File Type:** Oral Report / Presentation **Agenda Number:** 16.

EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 15, 2024

SUBJECT: MANUFACTURING CAREERS POLICY (MCP) APPLICATION AND ENFORCEMENT ON THE HR5000 ROLLING STOCK CONTRACT

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE oral report on the MCP application and enforcement of the new HR5000 contract.

ISSUE

At the January 2024 Board Meeting, Director Solis requested a report back on the application and enforcement of the MCP on the HR5000 contract.

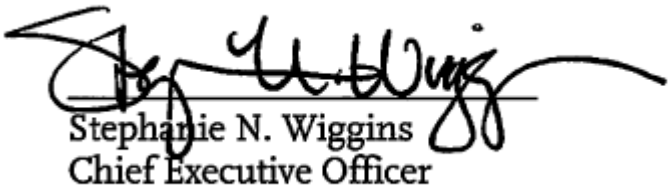
EQUITY PLATFORM

The Diversity and Economic Opportunity Department (DEOD) and Vendor/Contract Management (V/CM) collaborate with the Office of Equity and Race to identify and mitigate any concerns to ensure equitable outcomes relative to Rolling Stock contracts.

Prepared by: Michael Flores, Manager, DEOD (213) 922-6387
Wendy White, Director, DEOD (213) 922-2648
Wayne Okubo, Director, Contract Administration V/CM (213) 922-7466
Selena Landero, Executive Officer, Supply Chain V/CM (213) 418-3104
Tashai Smith, Executive Officer, DEOD (213) 922-2128
Debra Avila, Deputy Chief, V/CM (213) 418-3051

Reviewed by: Sharon Gookin, Deputy Chief Executive Officer (213) 418-3101

powered by Legistar™



Stephanie N. Wiggins
Chief Executive Officer

Manufacturing Careers Policy (MCP) Application and Enforcement of the new HR5000

Executive Management Committee
February 15, 2024

Manufacturing Careers Policy Overview

- At the January 2024 Board Meeting, Director Solis requested a report back on the application and enforcement of the MCP on the HR5000 (Hyundai Rotem) contract.

- The Manufacturing Careers Policy (MCP) establishes the internal guidelines for the US Employment Program (USEP) and Local Employment Program (LEP).

- Policy includes compliance and contractual enforcement

Metro

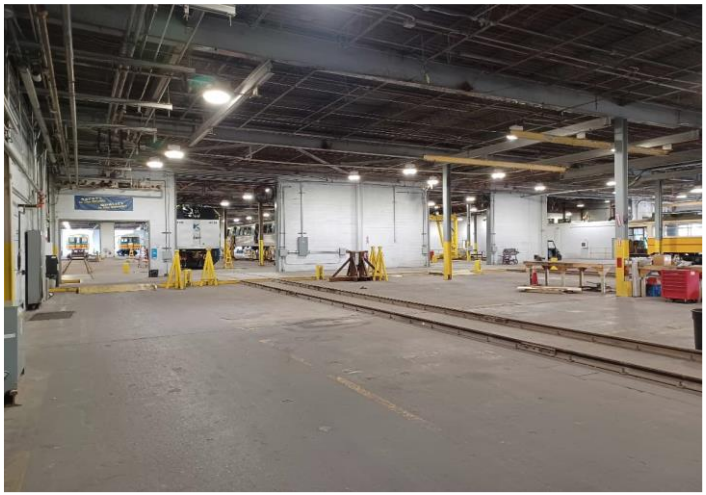
HR5000 HRV Acquisition Contract – US Employment Plan

- Hyundai Rotem US Corporation (Hyundai) is contracted to provide 182 new HRVs
- Hyundai has committed to a US Employment Plan under Metro's Manufacturing Careers Policy, that will create 165 new FTE jobs across the US
- Hyundai will assign a full-time manager to administer the plan

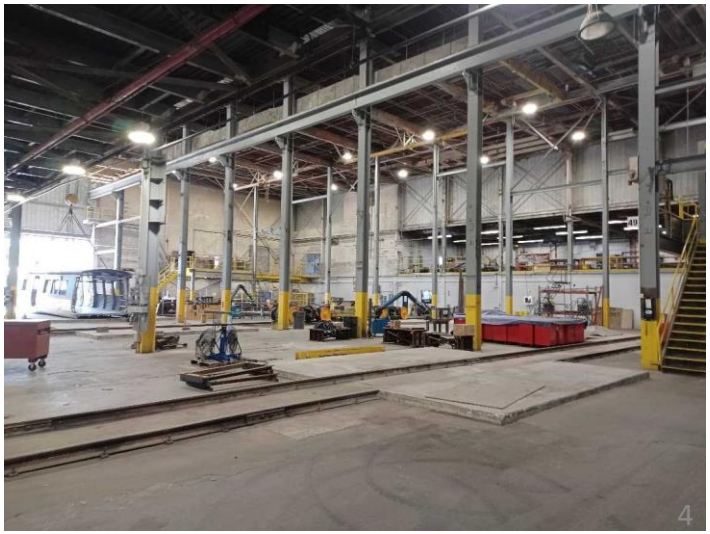
Metro

HR5000 HRV Acquisition Contract – US Employment Plan

- Hyundai's commitment includes hiring a minimum of 10% Disadvantaged Workers
- The new jobs creation translates to over $95M in wages and benefits as well as nearly $27M in facility improvements
- Plan highlights include:
  - Development of a new Propulsion facility to be built in California
  - Final Assembly to be performed by Kinkisharyo in New Jersey
  - Workforce development, apprenticeships and training programs



Kinkisharyo facility for production car Final Assembly

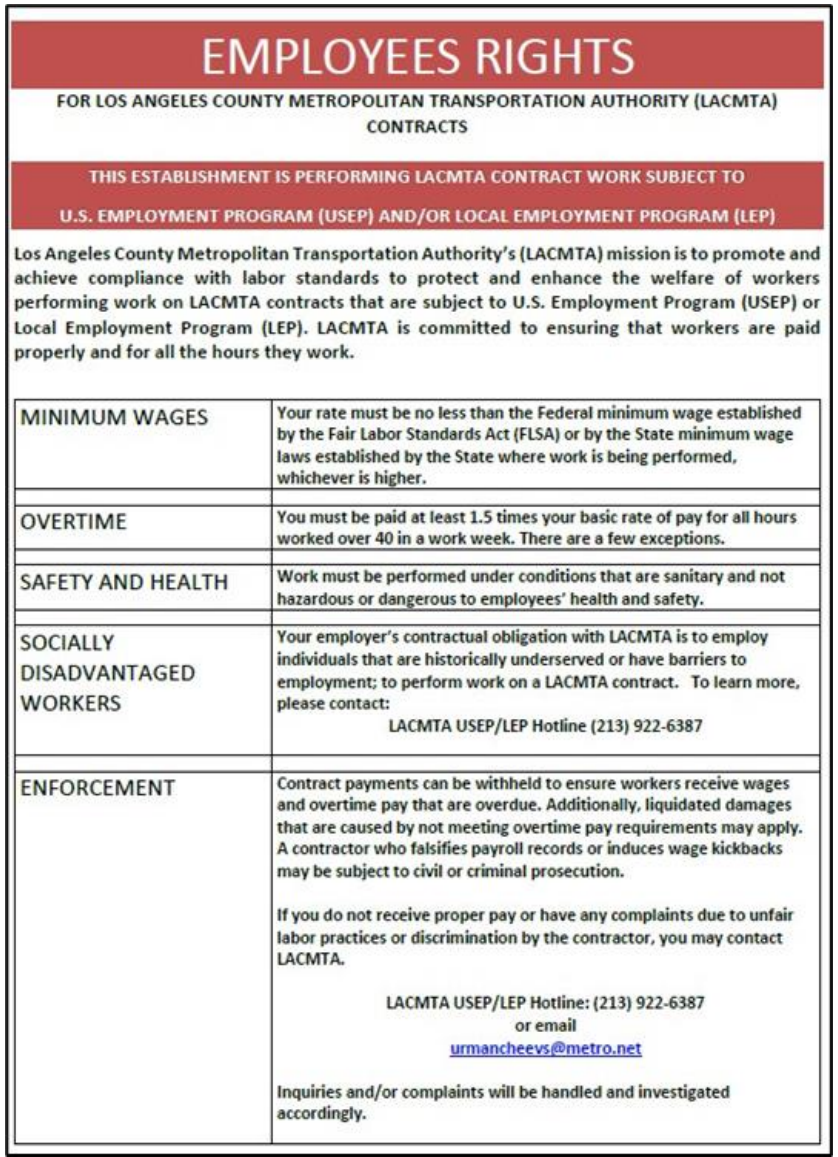


Metro

Manufacturing Careers Policy (MCP)

MCP Compliance Requirements:

- Employee Complaint Program
- USEP/LEP Wage Reporting (CPR)
- Training Mechanisms for New and Retained Workers



EMPLOYEES RIGHTS

FOR LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) CONTRACTS

THIS ESTABLISHMENT IS PERFORMING LACMTA CONTRACT WORK SUBJECT TO U.S. EMPLOYMENT PROGRAM (USEP) AND/OR LOCAL EMPLOYMENT PROGRAM (LEP)

Los Angeles County Metropolitan Transportation Authority's (LACMTA) mission is to promote and achieve compliance with labor standards to protect and enhance the welfare of workers performing work on LACMTA contracts that are subject to U.S. Employment Program (USEP) or Local Employment Program (LEP). LACMTA is committed to ensuring that workers are paid properly and for all the hours they work.

MINIMUM WAGES	Your rate must be no less than the Federal minimum wage established by the Fair Labor Standards Act (FLSA) or by the State minimum wage laws established by the State where work is being performed, whichever is higher.
OVERTIME	You must be paid at least 1.5 times your basic rate of pay for all hours worked over 40 in a work week. There are a few exceptions.
SAFETY AND HEALTH	Work must be performed under conditions that are sanitary and not hazardous or dangerous to employees' health and safety.
SOCIALLY DISADVANTAGED WORKERS	Your employer's contractual obligation with LACMTA is to employ individuals that are historically underserved or have barriers to employment; to perform work on a LACMTA contract. To learn more, please contact: LACMTA USEP/LEP Hotline (213) 922-6387
ENFORCEMENT	Contract payments can be withheld to ensure workers receive wages and overtime pay that are overdue. Additionally, liquidated damages that are caused by not meeting overtime pay requirements may apply. A contractor who falsifies payroll records or induces wage kickbacks may be subject to civil or criminal prosecution. If you do not receive proper pay or have any complaints due to unfair labor practices or discrimination by the contractor, you may contact LACMTA. LACMTA USEP/LEP Hotline: (213) 922-6387 or email urmancheevs@metro.net Inquiries and/or complaints will be handled and investigated accordingly.

Metro

Manufacturing Careers Policy (MCP)

MCP Oversight Guidelines:

- Quarterly Review of USEP/LEP Wage Reports
- Annual Audits (MASD)
- Site Visits

MCP Contractual Enforcement:

- Issuances of Non-Compliance Notices with corrective action request
- Withholding of Milestone Payments
- Assessment of Liquidated Damages

Metro

Thank you