

2014 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
4	1	A	1

**Budget Action Title:** Increase appropriations in FAS by \$100,000 to develop, implement, and enforce a community workforce agreement for conservation contracts issued by City Light

Has CIP Amendment: No Has Budget Proviso: Yes

Councilmembers: Clark; Harrell; O'Brien

Staff Analyst: Tony Kilduff; Rashad Morris

Council Bill or Resolution:

Date		Total	SB	BH	TR	RC	TB	NL	JG	SC	MO
	Yes										
	No										
	Abstain										
	Absent										

**Summary of Dollar Effect**

See the following pages for detailed technical information

	2013 Increase (Decrease)	2014 Increase (Decrease)
<b>General Subfund</b>		
<b>General Subfund Revenues</b>	\$0	\$0
<b>General Subfund Expenditures</b>	\$0	\$0
<b>Net Balance Effect</b>	\$0	\$0
<b>Other Funds</b>		
<b>Finance and Administrative Services Fund (50300)</b>		
<b>Revenues</b>	\$0	\$0
<b>Expenditures</b>	\$0	\$100,000
<b>Net Balance Effect</b>	\$0	(\$100,000)
<b>Total Budget Balance Effect</b>	\$0	(\$100,000)

**Budget Action description:**

This green sheet would increase appropriation in the Department of Finance and Administrative Services' (FAS) City Purchasing and Contracting Services BCL by \$100,000 (drawn from FAS' fund balance) to develop, implement, track, and enforce a community workforce agreement (CWA) for conservation contracts issued by City Light that include incentives and would impose provisos. The

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
4	1	A	1

on-going cost (after 2014) of monitoring and enforcement of the CWA would be paid for by City Light through the City's central cost allocation mechanism.

The purpose of the CWA is to ensure that contractors build a diverse, quality workforce to keep pace with the increasing demand for workers in the construction and conservation fields. The CWA will include provisions that support the participation of minorities, women, and trade apprentices from the local community. Signatories to the CWA would include the Seattle King County Building and Construction Trades, primary contractors performing energy conservation work, and City Light.

Up to \$40,000 of the funding would be used to contract with a 3rd party non-profit entity to develop a CWA for certain commercial energy conservation projects funded by incentives from City Light.

The 3rd party non-profit would:

- convene stakeholders including community organizations representing people of color and women, construction trade unions, pre-apprenticeship training programs, contractors, and City Light;
- engage in negotiations with those contractors interested in participating in the program;
- facilitate cooperation between contractors;
- on an as-needed basis train contractors, unions, and City Light on the terms of the agreement; and
- review the agreement on an ongoing basis for the first year of its implementation.

The CWA would take effect following signature by all stakeholders and adoption by the Council by resolution. The Council expects to review the CWA by the end of the first quarter 2014.

The CWA would be reviewed by the stakeholders every 6 months for the first year and adjusted as agreed by all stakeholders. This review should include a comparison of the CWA to any targeted local hire provisions that may be adopted by the City in 2014 (based on recommendations from the Target Hire Advisory Committee) to align the efforts, where possible. Twelve months after the implementation of the agreement, FAS will deliver a report detailing the performance of the CWA to the City Council for review.

Up to \$60,000 of the additional appropriation would be used by FAS to monitor contractor compliance with the CWA following implementation. FAS would develop: compliance standards; a compliance reporting system; contractor training; staff support; and reports for City Light and the City Council. (Note that \$60,000 may not be sufficient to support the body of work envisioned.)

Since conservation kilowatt-hours have a sizeable labor component, a CWA of this type has the potential to increase the cost of acquiring those kilowatt-hours. It would also have the offsetting benefit of providing greater access to high-quality jobs for Seattle workers. Without a specific agreement it is impossible to determine the full extent of potential impacts to conservation costs. However, to the extent that the CWA does increase costs we can identify two consequences that the Council should consider. First, increased costs would make fewer kilowatt-hours of conservation cost-effective to acquire, thus reducing the pool of conservation available to City Light. Second, it would raise the cost to City Light to acquire the conservation that remained cost effective, requiring

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
4	1	A	1

either a reduction in its conservation target (provided it did not drop below the state-mandated I-937 level) or an increase in City Light rates relative to the status quo to allow it to continue to achieve the currently-assumed level of conservation.

The potential consequences for conservation acquisition by City Light would be central to the Council’s review of the CWA prior to adopting it by resolution.

This green sheet would impose the following budget provisos:

“No more than \$40,000 appropriated in the 2014 budget for the Department of Finance and Administrative Services’ City Purchasing and Contracting Services BCL may be spent for contracting with a 3rd party non-profit entity to convene stakeholders, develop, and review a community workforce agreement for certain commercial energy conservation projects funded by incentives from Seattle City Light.”

And:

“No more than \$60,000 appropriated in the 2014 budget for the Department of Finance and Administrative Services’ City Purchasing and Contracting Services BCL may be spent to develop compliance standards for, and monitor compliance with, an executed community workforce agreement for commercial energy conservation projects funded by incentives from Seattle City Light.”

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
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**Budget Action Transactions**

**Budget Action Title:** Increase appropriations in FAS by \$100,000 to develop, implement, and enforce a community workforce agreement for conservation contracts issued by City Light

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Increase appropriation in FAS to develop and enforce a community workforce agreement				FAS	City Purchasing and Contracting Services	A4540	50300	2014		\$100,000
2	Increase use of working capital to develop and enforce a community workforce agreement				FAS	Use of (Contribution To) Fund Balance	379100	50300	2014	\$100,000	