

## Community High-Road Agreement: for Seattle's Residential Retrofit Programs

### INTRODUCTION

The City of Seattle is developing a program for weatherization of the city's single family homes, using federal stimulus dollars to support local efforts. The key elements of the residential program include subsidized home energy performance audits and a revolving loan program to finance retrofit work. The Seattle Neighborhood WEB (Weatherize Every Building) Initiative will save energy, reduce carbon emissions, and create green jobs and training opportunities.

In early 2010, Mayor Michael McGinn charged a diverse group of Seattle stakeholders with the task of coming to agreement on a set of high-road standards for this program. High-road standards are program requirements that (i) ensure broad access to the program's economic opportunities for all types of businesses and workers; (ii) support quality training programs that set trainees on long-term, sustainable, career paths; and (iii) ensure high-quality work and efficient program operation. This Stakeholder Committee met regularly for three months and developed the set of standards set forth in this Community High-Road Agreement.

The high-road employment and contracting standards in this Agreement will direct employment and training opportunities to community residents, while imposing quality standards on training programs, working conditions, and contractor performance. Together, these standards will ensure that the City's program creates high-quality and broadly-accessible jobs for area residents, while maximizing the environmental benefits of the program. In addition, the Agreement creates mechanisms for stakeholders to play a central role in the ongoing implementation, evaluation, and adjustment of the program. This ensures that the program benefits from diverse expertise in the community, while also strengthening accountability and democracy.

The City hopes to create a national model for high-road residential conservation programs, combining strong, workable employment and contracting standards with substantial and measurable environmental, economic, and consumer benefits.

## The Agreement

Whereas, the City of Seattle aims to be a national model for saving energy, creating jobs, improving homes, reducing carbon emissions and promoting equity by creating economic opportunities and career pathways for low-income people, people of color, women, veterans and other historically underrepresented-groups; and

Whereas, the City and the Stakeholder Committee are committed to growing green businesses and a green economy that puts people back to work and provides new employment opportunities to disadvantaged communities; and

Whereas, the City and the Stakeholder Committee recognize that well-trained workers earning decent wages and benefits produce quality work as they contribute to the good of the community; and

Whereas, the City and the Stakeholder Committee support creating contracting, subcontracting, training and employment policies that will strive to:

- Provide pathways to prosperity for all workers;
- Offer family-supporting wages that lead to a lasting career-track;
- Involve stakeholders and community members in developing and enacting policies and processes;
- Drive accountability and continuously evaluate performance towards goals; and

Whereas, the City and the Stakeholder Committee believe that green jobs are a key component of the regional economy, with products and services related to clean energy providing living-wage jobs throughout the area; and

Whereas, the City and the Stakeholder Committee have worked hard in a short period of time to identify the ways in which the City's residential retrofit programs can maximize environmental benefits and save residents money on energy bills, while setting high standards for inclusive economic development and broad community benefits; and

Whereas, the Stakeholders' process has been marked by an impressive degree of collaboration among and contributions from public, private, nonprofit, community, and labor institutions; and

Whereas, the Stakeholder Committee's recommendations are consistent with the Obama Administration's goals for implementation of the American Recovery and Reinvestment Act (ARRA); and

Whereas, by incorporating high-road standards into its programs Seattle will be a leading example of 21<sup>st</sup> century sustainability practices – practices that focus simultaneously on environmental protection, economic development, and equitable opportunity; and

Whereas establishing high-road standards in the City's residential retrofit programs can serve as a model for other programs around the country as well as other City-sponsored energy efficiency projects and programs;

**NOW, THEREFORE,** it is the determination of the undersigned parties that the following high-road standards and practices should be adopted by the City of Seattle for use in residential retrofits initiated through the Seattle Neighborhood WEB Initiative.

**I. High-Road Goals for the Program.**

The Stakeholder Committee agreed on the following high-road goals for program, which will be advanced through the standards and program elements set forth in this Agreement:

- A. Maintain sustainability and consistency of job and sector growth and investment;
- B. Keep the program simple and predictable, especially for Contractors;
- C. Maintain balance between creating jobs for entry-level Targeted Workers and for the existing skilled workforce, so that at least 33% of technical work hours are performed by Targeted Workers;
- D. Achieve business participation rates of: 80-100% Small Business participation, at least 30% Minority-owned Business participation; at least 10% Women-owned Business participation; and close to 100% Local Business participation; and increase opportunities for employee-owned and Veteran-owned Businesses;
- E. Ensure that Contractors provide high-quality work;
- F. Ensure that program jobs lead to Career Pathways; and
- G. Ensure that program jobs pay a family-supporting wage.

## II. Definitions.

- A. **Auditor** means an individual or business retained to perform an inspection of a home, conduct diagnostic tests, generate a report containing recommendations, and possibly to evaluate performance after retrofit work is complete; and not to perform or direct the performance of retrofit work.
- B. **Barriers to Employment** means homelessness; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; having a criminal record or other involvement with the criminal justice system; or being historically disenfranchised or disadvantaged by previous policies and practices and as a result being disproportionately represented in dropout rate, unemployment, lack of business ownership and criminal justice systems.
- C. **Career Pathway** means a stepwise progression in training, skill and compensation in a particular field that allows lower skilled workers to achieve self-sufficiency and long-term sustainability within that field. Adequate and clear articulation of training, as well as clear opportunities to advance, are critical to successful pathways.
- D. **Contractor** means an individual or business that enters into a contract (aka, the prime contractor, or general contractor) to perform retrofit work under the City's WEB Residential Programs, and that is not an Auditor.
- E. **Crew Chief** means a supervisory worker with credentials and responsibilities as determined by the Mayor's Stakeholder Evaluation and Implementation Committee (SEIC).
- F. **Entry-level Worker** means an individual who has less than one year's experience working on weatherization, retrofit, or home performance work and is working at the installer/technician level under a crew-lead or crew chief.
- G. **Key Staff** means leadership positions within the company, including supervisors, managers, and/or owners.
- H. **Local Business** means a business whose primary operations are located within King, Pierce or Snohomish Counties.
- I. **Low-Income Individual** means an individual living at or below 200% of Federal Poverty Level.
- J. **Low-Income Neighborhood** means a neighborhood where 51 percent or more of resident households have incomes which are less than or equal to 80 percent of area median income (based on Census tract or other identified source).

- K. Minority-owned Business** means a business that is at least fifty-one percent owned by minority (including, but not limited to, African Americans, Native Americans, Asians, and Hispanics) group members.
- L. New Entry Level Hire** means an Entry Level Worker that has not worked for the hiring Contractor in the last twelve months.
- M. Stakeholder Evaluation and Implementation Committee (SEIC)** means a committee appointed by the Mayor to work with City staff to implement, evaluate, and adjust the programs and standards described in the Community High-Road Agreement.
- N. Similar Job** means a residential energy retrofit or other home renovation project completed as a licensed Contractor, and that required one or more skills that comprise major components of residential retrofits, including: (a) installing insulation; (b) air sealing; and (c) duct sealing.
- O. Small business** means a business that employs less than fifty individuals.
- P. Subcontractor** means an individual or business that enters into a contract with a Contractor to assist in performance of work under the City's WEB Residential Programs.
- Q. Targeted Worker** has the meaning set forth in Section V.B., below.
- R. Woman-owned Business** means a business that is at least fifty-one percent owned by women.
- S. Workplace Laws** mean state and federal laws and regulations regarding workplace conditions and employment relationships, including the Occupational Safety and Health Act and wage and hour laws.
- T. Veteran-owned business** means a business that is at least fifty-one percent owned by veterans.

### III. Contractor Standards.

**A. Contractor Pool.** The following standards will be implemented by the City's maintenance of a pool of Contractors prequalified to participate in the program. This system is essential to advancing high-road standards in the City's program. The system involves the following:

1. Contractors apply to become part of Contractor Pool;
2. In the application process, Contractors demonstrate that they meet Minimum Standards in order to be admitted (minimum standards are described below);

3. Contractors are awarded points in the application process for different attributes and commitments (described below);
4. The City admits Contractors to the pool who satisfy the minimum standards and also attain a certain number of application points; and
5. Contractors must comply with established program requirements in order to stay in the pool.

**B. Minimum Standards.** In order to be admitted to the Contractor Pool, each Contractor must:

1. Be licensed and bonded and meet other applicable Washington State requirements;
2. Agree to comply with the hiring standard described in Section III, below;
3. Demonstrate that Key Staff performing work in the company possess BPI certification or comparable certification (as determined by the SEIC), and agree to ensure that each Subcontractor's Key Staff will possess such certification for work performed by that Subcontractor;
4. Demonstrate as part of application that it has successfully performed at least two Similar Jobs (Staff experience with Similar Jobs may qualify under standards to be determined by the SEIC);
5. Demonstrate that it has not had excessive violations of Workplace Laws in the past three years, nor been debarred from bidding on public contracts by any jurisdiction in the past three years;
6. Agree to perform complete warranty service on all program retrofits, for a period of one year from completion of each retrofit.
7. Agree that for all program work it will pay wages and provide or pay for training as follows and as detailed in Wage and Training Requirements, Section C, below, and require Subcontractors to do the same.
  - a. Payment of Davis-Bacon wages is not currently required for this program by the federal government, nor are Washington State prevailing wages required for this program. Rather, the wage standards will be adopted voluntarily by the City in operation of this program.
  - b. The program will develop enforcement mechanisms for this standard that are efficient, non-burdensome, and effective.

- c. As with standard prevailing wage systems, Contractors may either provide specified employee benefits or pay an increased wage if benefits are not provided.

### **C. Wage and Training Requirements**

1. **Base Pay Rate:** Employees performing weatherization work not fitting into one of the categories described below must be paid at least \$21.50 per hour plus \$2.50 per hour in benefits or additional wages.
2. **Exception for Entry-level Workers that are not enrolled in State-registered Apprenticeship Programs.**
  - a. Entry-level Workers who are graduates of Qualified Training Programs and who are not enrolled in State-registered apprenticeship programs must be paid at least \$15.50 per hour, plus \$2.50 per hour in benefits or additional wages.
  - b. No individual can be compensated under subsection 2.a for more than one year's worth of work for one or more Contractors that are in the program's Contractor Pool.
  - c. A Contractor compensating an Entry-level Worker under subsection 2.a. must pay for or provide at least 80 hours of classroom training to that worker during the first year of employment of that worker. The SEIC will determine standards for training to meet this requirement.
3. **Exception for Workers Enrolled in State-registered Apprenticeship Programs**
  - a. Workers who are enrolled in state-registered apprenticeship programs may be paid at rates specified by the state-registered program.
  - b. Workers who are enrolled in state-registered apprenticeship programs shall receive employer-funded training as specified by the program.
4. **Higher Pay Rates for Specialized Work.**
  - a. Certain types of work required in some home energy retrofit projects are highly specialized and require particular licensing and training. For these specialized types of work, Contractors shall pay wage and benefits level specified in Washington State prevailing wage laws.
  - b. The SEIC will list and circulate to Contractors the specific, specialized tasks that trigger the wage requirements described in Subsection 4.a. above, and the

corresponding minimum pay rates and licensing requirements. The SEIC will not list tasks falling into the following “general weatherization work” definition: “minor repairs, batt insulation, blown insulation, window and door repair, weather stripping, solar film insulation, air sealing, caulking, minor or incidental structural repairs, duct sealing, air sealing, installation of light bulbs, and installation of smoke detectors.” All tasks not listed by the SEIC as triggering heightened wage requirement are subject only to the Base Pay Rate.

- c. As these requirements are imposed by the City through this program, rather than through state law, the Washington State Department of Labor and Industries will not be involved in enforcing these requirements or resolving jurisdictional disputes. Enforcement and specifics of wage requirements will be established by the City and the SEIC.

**D. Points in Application Process.** The point system should be used in three ways: 1) to set a reasonably high-bar for entry into the pool of qualified Contractors; 2) to create a diverse pool of Contractors that bring different strengths to meeting the different high-road goals of the program; and 3) to provide consumers with information about the Contractors beyond their essential qualifications.

Contractors applying to the qualified Contractor Pool will get additional points in the application process for the following factors (exact standards for achieving extra points, and the amounts of extra points, will be determined by the SEIC):

1. being Local Businesses;
2. being Small Businesses;
3. being Minority-owned Businesses;
4. being Women-owned Businesses;
5. being Veteran-owned Businesses;
6. being an employee-owned cooperative business;
7. being a nonprofit corporation or social enterprise;
8. quality-assurance certifications beyond the program minimums, including employing a certified workforce and other quality indicators ;
9. demonstrating substantial subcontracting relationships with Minority-, or Women-owned Businesses that will be utilized in work performed under this program;



10. demonstrating a history of employing Targeted Workers (Targeted Workers as defined in Section IV, below), especially Targeted Workers drawn from community-based job training programs;
11. demonstrating that they provide continuing education to all employees;
12. demonstrating utilization of state registered apprentices;
13. providing specified benefits to employees, with additional points awarded for each of the following:
  - a. Provision of fully-employer paid health insurance to employees
  - b. Provision of dental and vision insurance to employees
  - c. Provision of health insurance for workers' families
  - d. Provision of pension benefits for employees;
14. demonstrating a track record of quality performance of residential retrofits.

**E. City Outreach and Technical Assistance.** The City will conduct outreach and provide technical assistance to targeted businesses listed above, and historically underrepresented business entities in an effort to increase their participation in the program. In addition the City will develop financial and other support mechanisms for participating Contractors.

#### **IV. Hiring Standard.**

**A. Hiring From Qualified Training Programs.** Program goals related to employing Targeted Workers can best be advanced by ensuring that Contractors are drawing new workers from designated, Qualified Training Programs, and ensuring that these training programs are training and graduating Targeted Workers. This allows the program to advance targeted hiring goals and also ensure quality job training for Targeted Workers.

**B. Hiring Standard.** Each Contractor must ensure that 100% of New Entry-Level Hires are graduates of Qualified Training Programs. Training programs are designated as qualified by the City as described in Section V, below. Qualified Training Programs can be a component of a state-registered apprenticeship programs or other training programs, as long as they meet training program standards. The SEIC will consider how this standard could apply to Subcontractors and ensure that participating Subcontractors are aware of opportunities to hire from Qualified Training Programs.

**C. Hiring & Retention Standard.** The SEIC will develop standards and practices to ensure the hiring and retention of Targeted Workers in accordance with the goals of this Agreement.

**V. Training Program Standards.**

**A. Qualified Training Programs.** In order to be designated by the City as qualified for this program, a training program must:

1. Agree to take all available steps within the program's admissions requirements to recruit and support progress of Targeted Workers, with a goal of having Targeted Workers as at least 50% of the program's metro Seattle area graduates.
2. Provide weatherization technician training that meets competencies set by the Weatherization Assistance Program (WAP) and includes an appropriate level of "job readiness" training.
3. Have defined partnerships with pre-apprenticeship programs or community organizations that provide wrap-around services, including case management and assistance with access to housing and transportation (including re-licensure), aimed at providing Targeted Workers the background to maximize chance of success in vocational training and construction careers. These partnerships should be set forth in writing; should require the pre-apprenticeship programs or community organizations to perform the primary recruitment and outreach services for program applicants; and should require that recruitment and outreach services be focused primarily on Targeted Workers.
4. Ensure that all graduates pass an approved test of WAP competencies until an appropriate national test is identified.
5. Provide training that includes health & safety, including lead safety and OSHA 10 for participants who lack experience in these areas.
6. Ensure that the program charges no fee or a modest fee (comparable to course fees for community colleges) to Targeted Workers.
7. Offer or refer participants to programs that offer mentoring, follow-up monitoring and/or other support to assure retention of participants in the program and in weatherization and/or construction careers.
8. Offer the possibility of continued skill development along an education/training pathway in which skill sets build upon each other in a sequentially-ordered career

pathway, and technical content that aligns with third-party, industry specific certifications.

These standards will apply to both apprenticeship programs and other training programs. The SEIC and the City will work together to develop criteria and qualifications for training programs that meet the standards, and to release a Request for Qualifications from programs wishing to be designated as Qualified Training Programs, and to review responses from potential programs. The SEIC will make recommendations to the City regarding which programs should be designated as Qualified Training Programs. Standards will be reviewed and adapted over time. At all times the list of training competency standards will build off the work of Northwest Energy Efficiency Workforce Opportunity Project (NEW OP) Residential Subcommittee and be consistent with the federal Home Star program.

**B. Definition of Targeted Workers.** For purposes of the program, “Targeted Workers” shall mean any of the following:

1. Low-income Individuals;
2. veterans and current members of the National Guard and Reservists;
3. individuals with Barriers to Employment.

The SEIC will consider how to target employment opportunities to Targeted Workers in the target district for the WEB Program.

**VI. Audit program standards.** The SEIC will develop standards for the audit program. These will include quality assurance, training requirements, and other high-road standards. Other standards delineated in this document apply only to retrofits financed through the City’s WEB Initiative.

**VII. Accountability.**

**A. Stakeholder Evaluation and Implementation Committee.** In order to promote achievement of high-road goals for this program, Mayor McGinn will appoint a Stakeholder Evaluation and Implementation Committee (SEIC) to assist the City in implementation of the program and this Agreement. This Committee will work to develop consensus recommendations and advice for the City staff for program implementation.

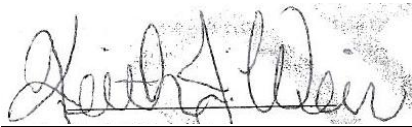
1. The signatory parties to this agreement will nominate members from among themselves for the SEIC.
2. The Mayor will appoint a committee of up to 15 people, maintaining balance of four stakeholder interest groups:
  - a. Contractors;
  - b. Training Providers;
  - c. Labor Unions; and
  - d. Community-based organizations
3. The Mayor will give the committee assignments and responsibilities, including working through remaining details of this Agreement, evaluating the operation of the program (including any unintended consequences), developing recommended minor adjustment of the program over time, and full evaluation of the program and recommended changes in one year, in accordance with the goals of this Agreement.
4. The Mayor and other signatory agencies will assign staff to support the work of the SEIC, including staff from the Office of Sustainability and Environment, Office of Economic Development, and others.
5. With the assistance of the SEIC, the City will put in place data collection and evaluation systems to track program progress, compliance with high-road standards, and fulfillment of all program objectives.
6. With the assistance of the SEIC, the City will put in place quality control systems to ensure high quality retrofit work and energy conservation, including requirements for post-retrofit audits and Energy Performance Scores for all City financed retrofits.
7. The City and the SEIC, working collaboratively, shall be accountable for progress toward, and enforcement of, the standards and commitments in this Agreement.

## **VIII. In Conclusion.**

It is the determination of the undersigned parties that the standards and program tools described in this Agreement should be adopted and utilized by the City of Seattle in residential retrofits initiated through the Seattle Neighborhood WEB Initiative. In addition, the undersigned parties pledge to work cooperatively and in good faith to make the program a success for all stakeholders and the City as a whole.



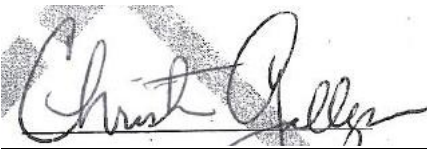
Charles Rolland  
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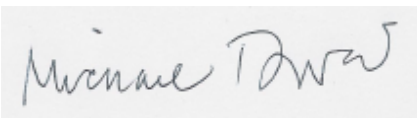
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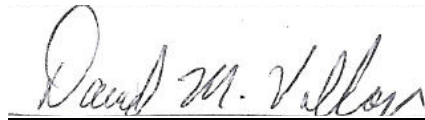
Stacia Jenkins  
Cement Masons & Plasters  
Sisters in the Building Trades



Michael Woo  
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Jeremy Hays  
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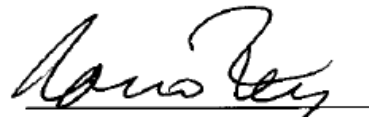
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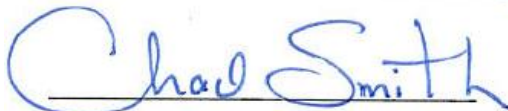
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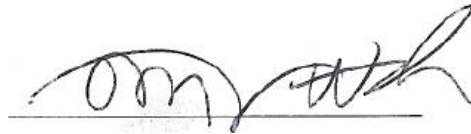


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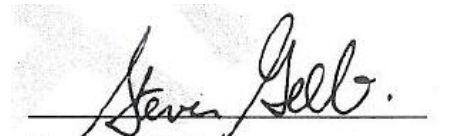


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Tom Veatch  
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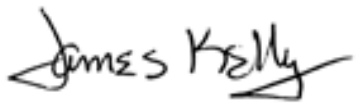
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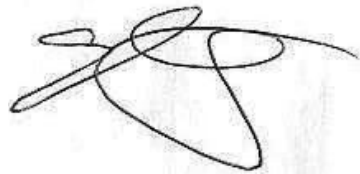
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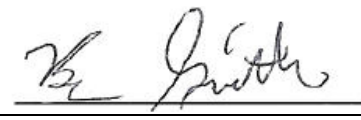
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James Kelly  
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Jermaine Smiley  
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