

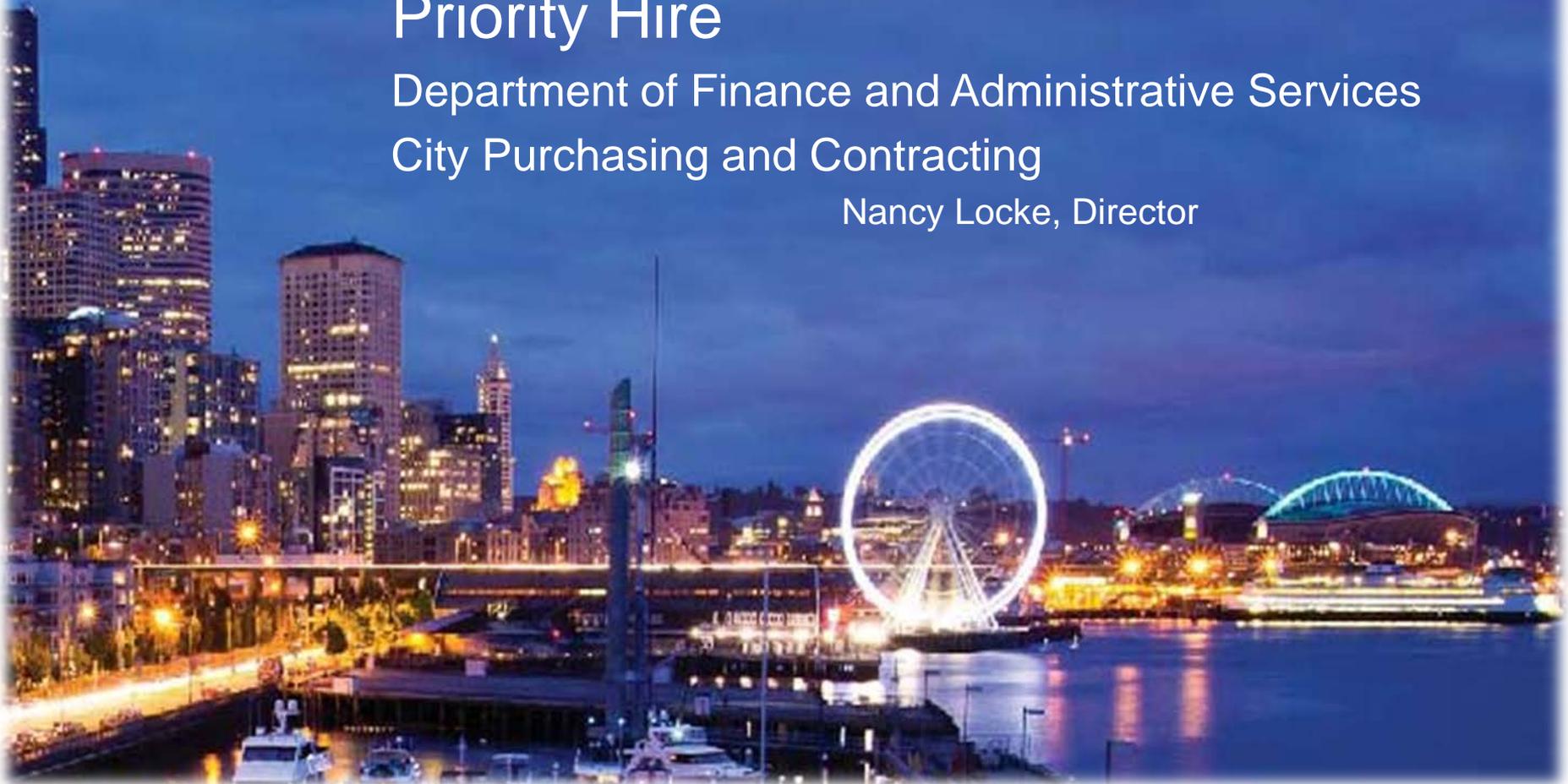


CITY OF SEATTLE

Priority Hire

Department of Finance and Administrative Services
City Purchasing and Contracting

Nancy Locke, Director



What this program will do

- Prioritize hiring of residents living in economically distressed areas.
- Provide access to high-paying construction careers.
- Focus squarely on:
 - Disenfranchised men and women,
 - Those of color and
 - Those living in areas of poverty.
- On City projects, address underutilization by private contractors of:
 - Journey-level women and minorities, and
 - Those from poverty neighborhoods in Seattle.
- Provides mitigation to changes in business practices (dual benefit reimbursement, core workers and technical assistance).

Definitions

- **Terms: Project Labor Agreement**

Agreement signed between the City and local construction trade labor unions about workforce management on construction projects.

- **Priority Hire**

Policy to support, build careers and require hiring of residents from low-income neighborhoods in Seattle and King County, with priorities and aspirations for women and people of color, as well as in construction trades.

- **Pre-Apprentice**

Local training programs which recruit and train these same individuals to be highly competitive for construction careers and placement into apprenticeship programs, including Seattle Vocational Institute and ANEW for women.

Outcome

Meets Seattle's social equity needs

- Requires hiring local residents living in areas of poverty.
- Improves hiring of women and minorities, as apprentices and higher-paid journey level positions.

Meets City's economic and business needs

- Prepares for construction labor shortage by training residents matching City's policy values.
- Reduces likely supply-demand labor cost increases.
- Strengthens & prepares WMBE firms for the regional market.

Policy process

- Council resolution established a Construction Careers Advisory Committee to make policy and program recommendations.
 - Voting members included WMBE firms, Associated General Contractors, labor union representatives, community advocates.
- Converted recommendations into draft legislation for Mayor and Council consideration.
- Elliott Bay Seawall Project PLA serves as a pilot.

Proposed legislation

For City projects with engineer's construction budget estimate (with contingency) at/above \$5 million, the proposed legislation:

- Requires hiring of construction workers from economically distressed neighborhoods (ZIP codes) first in Seattle then King County, to meet required share of total hours worked.
- Requires good faith effort to hire minorities and women to meet aspirational goals for share of total hours worked.
- Requires hiring of graduates from pre-apprentice programs (1:5).
 - Hired from existing programs, including Seattle Vocational Institute (SVI) and ANEW.
 - SVI graduates are: 93% people of color; 15% female; 100% low-income

(more)

Proposed legislation (continued)

For City projects with engineer's construction budget estimate (with contingency) at/above \$5 million, the proposed legislation:

- Increases apprentice cap from 15% to 20% of total project hours.
- Sets goals for minority and women apprentice hours and provides support to pre-apprenticeship programs
- Allows open-shop contractors to employ as many as five core workers (likely every-other).

Comparative results

| | PAST PERFORMANCE ON CITY PROJECTS | PROJECT LABOR AGREEMENT (Seawall PLA) |
|----------------------------------|-----------------------------------|---------------------------------------|
| Seattle resident hours | 5% | 14% |
| Distressed ZIP residents hours | 12% | 22% |
| Apprentices | 13% | 16% |
| Women – hours | 5% | 15% |
| Minorities – hours | 25% | 27% |
| WMBE – dollars (first-tier only) | 14% | 25% |

^[1] Past Performance on City Projects is based on hours from a sample of projects from 2009-2013. Sources are the Worker Profile in City of Seattle Construction Projects report and City of Seattle – Construction Workforce Diversity Report.

^[2] Percentages listed in the Goal column reflect goals in the Elliott Bay Seawall Project Community Workforce Agreement.

WMBE worker profiles

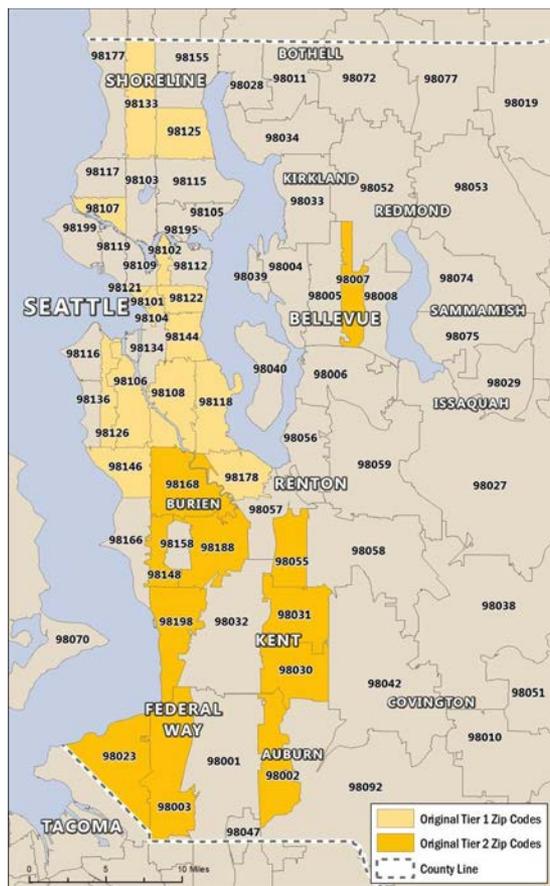
| | Apprentice hours | Distressed area resident hours | Minority worker hours | Women worker hours |
|----------|------------------|--------------------------------|-----------------------|--------------------|
| WMBE | 17% | 25% | 27% | 19% |
| Non-WMBE | 16% | 20% | 27% | 12% |

Core workers

- Legislation requires the PLA permit open-shops to employ as many as five core employees on a project.
 - This could have conflicting interpretations; we expect it means the PLA must allow five core workers before pulling from dispatch hall.
- Typical public works projects: Contractors (WMBE and non-WMBE) bring three.
- PLA experience: Unions appear to grant requests for more “core” workers.

ZIP code variables

Low education, high unemployment, greater poverty ratios



Tier 1 Seattle

| | | | |
|-------|------------------------------|-------|---------------------------|
| 98101 | Downtown | 98102 | Capitol Hill/Eastlake |
| 98104 | Downtown/ID | 98106 | Delridge |
| 98107 | Ballard | 98108 | S. Beacon Hill/South Park |
| 98118 | Rainier Valley/Rainier Beach | 98121 | Belltown |
| 98122 | Central District | 98125 | Northgate |
| 98126 | High Point | 98133 | Bitter Lake/NW Seattle |
| 98144 | N. Beacon Hill | 98146 | White Center |
| 98178 | Rainier Beach | | |

Tier 2 King County

| | | | |
|-------|------------------------|-------|----------------|
| 98002 | Kent/Auburn | 98003 | Federal Way |
| 98007 | Bellevue | 98023 | Auburn |
| 98030 | Kent | 98031 | Kent |
| 98055 | Renton | 98148 | Burien |
| 98168 | Boulevard Park/Tukwila | 98188 | SeaTac/Tukwila |
| 98198 | Des Moines | | |

Mitigation: PLA paperwork

Fill out pre-job paperwork and attend one meeting

Provide authorization to deduct union payments

Send trust fund payments for workers

Submit a dispatch hall request for worker(s)

Send dual benefit reimbursement invoice to City

Mitigation: PLA dual benefit cost

- Under PLA, contractors must pay union benefit costs for their workers while workers on project.
- Contractors with health care plans must concurrently pay benefits as normal.
- City will reimburse contractor for the duplicative cost.
- Seawall – one invoice received: \$5,500.

Open shop support

- Partnering with all other regional agencies (King County, Sound Transit, Port of Seattle) to teach and coach.
- Consistency among agencies.
- Technical assistance.
 - Help at time of bid and after award.
 - Paperwork and compliance software.

Thank you.

Labor Equity Program website:

<http://www.seattle.gov/city-purchasing-and-contracting/social-equity/labor-equity>