

**RESOLUTION NO. 3736**

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2  
3 **A Resolution** of the Port of Seattle Commission establishing a Priority Hire  
4 Policy Directive; and amending the Policy Directive related to  
5 practices for construction labor for projects located on Port  
6 property adopted by Resolution No. 3725.  
7

8  
9 **WHEREAS**, the construction industry is forecasted to experience consistent growth in  
10 the King County region over the next decade; and  
11

12 **WHEREAS**, numerous studies show a widening gap between the demand for  
13 construction labor and the supply of skilled trade workers in the regional labor market  
14 for King County public agencies. The Regional Public Owners Group estimates there will  
15 be over sixty-seven billion dollars in public construction projects by 2042 with over  
16 seventy million labor hours needed to fulfill this demand for projects. It is projected that  
17 between 2018 and 2023 there will be a shortage of over 4100 skilled workers. Regional  
18 labor supply is forecasted to underserve demand by an average of 9 to 10 percent during  
19 2018-2042; and  
20

21 **WHEREAS**, the Port of Seattle has some of the largest investments in infrastructure  
22 projects in the region. In 2017, the Port of Seattle is projected to spend approximately  
23 \$180 million on construction projects and estimates continual growth in future years.  
24 The Port's capital investment dollars create the equivalent work hours of 10.89 jobs per  
25 one million dollars spent, providing enough total hours to equal approximately 950 full  
26 time jobs in Washington state in 2016; and  
27

28 **WHEREAS**, most recent data for 2016 indicates that over 80 percent of the construction  
29 workforce in King County are Caucasian males, while 19 percent are women and people  
30 of color. Representation of women and people of color is higher among new entrants to  
31 the labor force through Apprenticeships and accredited certificates of completion, such as  
32 those received for completing a Pre-Apprenticeship program. However, according to the  
33 analysis, women and people of color also have lower rates of Apprenticeship completion  
34 than do their Caucasian male counterparts; and  
35

36 **WHEREAS**, the Port of Seattle is committed to ensuring equity in the construction projects  
37 workforce where disparities exist between underrepresented workers' availability to work  
38 and their opportunity to be hired and establish a career in the construction trades; and  
39

40           **WHEREAS**, the Port of Seattle is a leader in workforce development and has found  
41 construction job training programs, including Apprentice and Pre-Apprenticeship  
42 programs, to be an effective way to prepare individuals for entry into construction jobs,  
43 and to ensure women, people of color, and otherwise disadvantaged individuals, can  
44 acquire the necessary job skills and be prepared to successfully pursue construction  
45 careers; and

46  
47           **WHEREAS**, the Port of Seattle was the first to adopt Apprenticeship Utilization Goals  
48 over three decades ago and is committed to achieving its Apprenticeship hiring goals set  
49 in Port policy and addressing the disproportionately low involvement by people of color  
50 and women in the construction labor force. Apprentice Utilization Goals for Port  
51 construction projects is 15 percent, of which includes a goal of 10 percent women and  
52 15 percent people of color. In 2016, Apprenticeship Utilization rates were 17 percent, of  
53 which 18 percent were women and 28 percent were people of color; and

54  
55           **WHEREAS**, on October 25, 2016, the Port of Seattle adopted Resolution No. 3725 that  
56 established the Port of Seattle Construction Labor Policy Directive that states that the  
57 Port shall establish appropriate apprentice and locality hiring goals and appropriate  
58 aspirational women and minority apprentice hiring goals; and

59  
60           **WHEREAS**, the Port of Seattle supports the City of Seattle and King County findings that  
61 King County has geographic areas of economic distress as evidenced by poverty  
62 indicators; including poverty levels, concentrated unemployment, and gaps in educational  
63 attainment. The Port of Seattle seeks to act effectively and expeditiously to encourage  
64 solutions toward economic growth and job creation in areas of the County that are  
65 economically distressed as evidenced by comparatively high levels of poverty,  
66 unemployment rates and education attainment; and

67  
68           **WHEREAS**, Priority Hire enhances community partnerships focused on inclusion and  
69 access to opportunities and services; expands opportunities for disadvantaged  
70 populations to advance equity and social justice; and ensures that Port construction  
71 projects are planned and implemented in a way that improves equity in local  
72 communities; and

73  
74           **WHEREAS**, the Port believes that establishing a Priority Hire policy ensures better access  
75 to training programs and well-paying construction jobs for local workers, particularly  
76 those from Economically Distressed Areas, as well as increases the diversity of the  
77 workforce on Port construction projects; and

78

79           **WHEREAS**, in 2017, the Port of Seattle convened community stakeholder meetings and  
80 received input from contractors, labor union representatives, community advocates,  
81 small contracting and supplier businesses, training providers, City of Seattle and King  
82 County policy experts about the challenges and opportunities of a Priority Hire program.  
83 The Port of Seattle intends to use the information received from these meetings as a  
84 guide for implementing the priority hire program and developing a regional agreement  
85 for use on public works projects; and

86  
87           **WHEREAS**, Priority Hire focuses on workforce participation by Apprentices and journey-  
88 level construction workers and is therefore directly connected to the Port’s existing  
89 Apprenticeship program; and

90  
91           **WHEREAS**, the Port is committed to creating an acceptable worksite on public works  
92 projects that is inclusive and focuses on anti-discrimination and anti-harassment  
93 behaviors and procedures; and

94  
95           **WHEREAS**, over the last two years, the Port of Seattle has participated as member of  
96 the Regional Public Owners Group with the City of Seattle, King County, Sound Transit,  
97 the City of Tacoma and the Washington State Department of Transportation, focused on  
98 public agencies working together as regional partners; and

99  
100           **WHEREAS**, the purpose of the Regional Public Owners Group is to better understand the  
101 workforce demand-supply gap for regional public infrastructure projects; enhance  
102 access opportunities and increase the diversity of Pre-Apprentices, Apprentices and  
103 journey-level workers entering into the trades workforce; support retention programs  
104 for current trades workers, especially women and people of color; and improve  
105 performance data and systems of reporting for monitoring regional goals and initiatives;  
106 and

107  
108           **NOW, THEREFORE, BE IT RESOLVED** by the Port Commission of the Port of Seattle as  
109 follows:

110  
111           **SECTION 1. Resolution No. 3725 is amended as follows:**

112  
113           A. In Section 1.D. strike “and locality” and in Section 1 insert new language: “E. For  
114 contracts under a PLA with projected construction labor costs at or above \$5 million, the Port  
115 shall establish Priority Hire goals.”

116

117 B. In Section II.C.2. strike “locality hiring and” and in Section II insert new language: “D. For  
118 contracts under a PLA with projected construction labor costs at or above \$5 million, the Port  
119 shall establish Priority Hire goals.”

120  
121 C. In Section III.B.2. strike “locality hiring and” and Section III.B. insert new language: “3.  
122 For contracts under a PLA with projected construction labor costs at or above \$5 million, the  
123 Port shall establish Priority Hire goals.”

124  
125 **SECTION 2. Establish the Priority Hire Policy Directive as shown in Exhibit A.**

126  
127  
128 **ADOPTED** by the Port Commission of the Port of Seattle at a duly noticed meeting  
129 thereof, held this \_\_\_\_\_ day of \_\_\_\_\_, 2017, and duly authenticated in open session by the  
130 signatures of the Commisisoners voting in favor thereof and the seal of the Commission

131  
132  
133 \_\_\_\_\_  
134 \_\_\_\_\_  
135 \_\_\_\_\_  
136 \_\_\_\_\_  
137 \_\_\_\_\_

138 Port Commission

139 **EXHIBIT A**

140 **SECTION 1.1** Purpose

141  
142 To provide good family wage jobs to qualified construction workers from Economically Distressed  
143 Areas of King County by increasing access to Port of Seattle Covered Projects. This leads to  
144 economic growth and job creation in areas of King County that are experiencing economic  
145 distress. In addition, it will provide jobs to those historically underrepresented in the construction  
146 industry, such as women and people of color.

147  
148 To develop a Priority Hire program implemented through a Project Labor Agreement (PLA) and to  
149 foster closer cooperation with the Regional Public Owners Group to ensure uniform application of  
150 Priority Hire terms and Contractor and Union compliance with Priority Hire requirements. This  
151 supports the Port of Seattle’s continued efforts on workforce development.

152 **SECTION 1.2** Definitions

153  
154  
155 When used in this Policy Directive, the following words and phrases shall have the meanings  
156 given below unless the context in which they are included clearly indicates otherwise:

157  
158 “Apprentice” means a person who has signed a written apprenticeship agreement with and  
159 enrolled in an active state-registered apprenticeship training program approved by the  
160 Washington state Apprenticeship and Training Council.

161  
162 “City” means City of Seattle.

163  
164 “Construction labor costs” means the labor cost component of the estimated construction budget  
165 for the project to be paid to contractors at the time of bid or, if absent a bid, at the time of the  
166 contract award.

167  
168 “Contractor” means any person, firm, partnership, owner operator, limited liability company,  
169 corporation, joint venture, proprietorship, trust, association or other legal entity that employs  
170 individuals to perform work on covered projects, including general contractors, subcontractors of  
171 all tiers, and both union and non-union entities.

172  
173 “Core Employee” means an employee of an open-shop contractor that meets the core employee  
174 criteria established under a PLA.

175  
176 “Covered Project” means a Port of Seattle construction project under a PLA with construction  
177 labor costs at or above \$5 million.

179 “Dispatch” means the process by which a union refers workers for employment to contractors  
180 under the authority of a collective bargaining agreement. The process typically mandates the  
181 distribution of work via a “first in, first out” priority but can be legally adjusted via special  
182 agreements to allow for out of order dispatching and priority worker hiring.

183  
184 “Economically Distressed Area” means a geographic area defined by zip code in King County and  
185 found to have high population concentrations: 1) Living at or below 200 percent of the federal  
186 poverty level, 2) Unemployed, 3) Those over 25 years of age without a college degree, compared  
187 to other zip codes. King County zip codes with a high density per acre of at least two out of the  
188 three criteria will be identified as Economically Distressed Areas. These zip codes are updated and  
189 published by King County’s Finance and Business Operations Division.

190  
191 “Jobs Coordinator” means either one of the following: a Port of Seattle employee, an employee  
192 that is considered a shared resource between government agencies, or a third party entity that  
193 facilitates the hiring of Priority Workers in collaboration with Contractors and Union Dispatch.

194  
195 “Journey-level” means an individual who has sufficient skills and knowledge of an occupation,  
196 either through a formal apprentice training program or through practical on-the-job work  
197 experience, to be recognized by a state or federal registration agency and/or an industry as being  
198 qualified to perform the work of the occupation. Practical experience must be equal to or greater  
199 than the term of apprenticeship.

200  
201 “Labor hours” means hours performed on covered projects by workers who are subject to  
202 prevailing wages.

203  
204 “Open-shop contractor” means a contractor that is not a signatory to a collective bargaining  
205 agreement with a union representing the trade(s) of the contractor’s workers, also known as non-  
206 union contractors.

207  
208 “Pre-apprentice” means a student enrolled in a construction pre-apprentice training program  
209 recognized by the Washington State Apprenticeship and Training Council.

210  
211 “Priority Hire Program” means a program on Port of Seattle major construction contracts that  
212 focuses on recruitment, training and employment of workers who reside in Economically  
213 Distressed Areas as defined by King County.

214  
215 “Priority Worker(s)” means an individual prioritized for recruitment, training, and employment  
216 opportunities because the individual is a resident in an Economically Distressed Area.

217

218 “Project Labor Agreement” means an agreement authorized under the National Labor Relations  
219 Act (NRLA), 29 U.S.C., which provides a means for aligning interests of public owners such as the  
220 Port with those of construction labor unions.

221  
222 “Regional Public Owners Group” means the group including the City of Seattle, King County,  
223 Sound Transit, the City of Tacoma and the Washington state Department of Transportation,  
224 focused on public agencies working together as regional partners to better understand the  
225 workforce demand-supply gap for regional public infrastructure projects; to enhance access  
226 opportunities and to increase the diversity of pre-apprentices, apprentices and journey-level  
227 workers entering into the trades workforce; to support retention programs for current trades  
228 workers, especially women and people of color; and to improve performance data and systems of  
229 reporting for monitoring regional goals and initiatives.

230  
231 “Union” means a representative labor organization whose members collectively bargain with  
232 employers to set the wages and working conditions in their respective trade or covered scope of  
233 work.

234  
235 SECTION 1.3 Scope and Applicability

236  
237 A. This Policy Directive pertains to Covered Project(s) for the remainder of this Policy  
238 Directive.

239  
240 SECTION 1.4 Responsibilities

241  
242 A. The Executive Director (1) will assign a designee (referred to as “Designee” for the  
243 remainder of the Policy Directive) and subsequent designated office to implement and administer  
244 this Policy Directive, and (2) may, through the Designee, develop and adopt rules consistent with  
245 the requirements of this Policy Directive.

246  
247 B. The Designee, with the Executive Director’s written concurrence, may reduce or waive  
248 requirements or goals of this Policy Directive when impractical for a Covered Project for one or  
249 more of the following reasons: when work is required due to an emergency, when work is subject  
250 to limitations of a sole source, when requirements or goals would be inconsistent with an  
251 agreement with a public agency, when requirements or goals are inconsistent with federal  
252 funding or other funding sources, when the project is in a remote location, when superseded by  
253 safety or other legal requirements, when other conditions arise such as the goals become  
254 impractical, or absent an executed PLA.

255  
256 C. The Designee shall enforce the requirements in this Policy Directive and may use  
257 actions as deemed appropriate.

258 D. In lieu of establishing a priority hire advisory committee to operate in an advisory role  
259 to the Port of Seattle for implementation and effectiveness of this Policy Directive, the  
260 Designee shall participate in the previously established Regional Public Owners Group and may,  
261 under a Memorandum of Understanding (MOU) with one or more other government entities  
262 with Priority Hire programs, establish and participate in a regional priority hire advisory  
263 committee.

264

265 SECTION 1.5 Policy

266

267 A. For Covered Projects that are not found impractical under Section 2.4 B, the Designee  
268 shall establish in the bid documents the: (1) required percentage of labor hours to be performed  
269 by Priority Workers, and (2) aspirational goal percentage of labor hours to be performed by  
270 Priority Workers. Contractors and Dispatch under a PLA shall seek to first hire and dispatch  
271 Priority Workers so as to meet or exceed the required and aspirational goal percentages.

272

273 The Designee shall establish the percentages separately for apprentices and for journey-level  
274 workers.

275

276 B. For each Covered Project, the Designee shall establish the greatest practicable required  
277 percentage of labor hours to be performed by Priority Workers by using past utilization  
278 percentages on similar construction projects from the most recent project previous calendar  
279 year, and shall establish the percentage for the following year based on past performance. The  
280 Designee shall adjust these required percentages annually.

281

282 C. In order to achieve the intended impact in Economically Distressed Areas, the Designee  
283 shall set project-specific requirements and an aspirational goal percentage of no less than 20  
284 percent for all labor hours performed annually by Priority Workers on the total of Covered  
285 Projects for the year. Annual percentage rates will be measured January 1 – December 31 of each  
286 applicable year.

287

288 D. In order to meet the percentage of labor hours to be performed by Priority Workers,  
289 the Designee shall require Contractors and Dispatch under a PLA to seek to employ a Priority  
290 Worker who is a resident of an Economically Distressed Area in King County, and then workers  
291 from any other Economically Distressed Areas as needed to meet the percentage labor hours to  
292 be performed by Priority Workers. The specific process by which Contractors, Dispatch and the  
293 Port of Seattle Job Coordinator(s) will collaborate in order to facilitate the hiring of Priority  
294 Workers shall be established by the Designee.

295

296



297 E. For Covered Projects, the Designee shall ensure the availability of a Jobs Coordinator(s)  
298 to perform the following functions: maintain a database of pre-qualified Priority Workers for  
299 referral to work on a Covered Project; network with various work source centers, community,  
300 non-profit and faith-based organizations to facilitate the identification of priority workers; and  
301 facilitate referral and coordination around training and employment of Priority Workers between  
302 Contractors, Unions and training programs. In addition, the Designee shall explore development  
303 of a third party to manage regional Priority Hire efforts.

304  
305 F. Per Resolution 3725, as amended, contracts \$1 million in value or greater requires  
306 Apprenticeship Utilization goals. The goal is no less than 15 percent of all contract labor hours  
307 are to be performed by Apprentices.

308  
309 i. For individual projects, the Designee will determine the Apprenticeship Utilization  
310 goal and may consider such factors as project size, project duration, labor hours  
311 anticipated for the project, skills required, the likely crafts required for the project,  
312 historic utilization rates and Apprentice availability.

313  
314 ii. The Designee shall establish aspirational percentage goals for Apprentices who are  
315 women and people of color using similar factors. Contractors may be allowed to  
316 offer utilization below the aspirational percentage goals by substituting other efforts  
317 to meet the intent of building a trained construction workforce for a portion of the  
318 utilization percentages for women and people of color.

319  
320 G. When determining whether the percentage of priority hiring requirements has been  
321 achieved, the Designee shall exclude from the calculation labor hours performed by residents of  
322 states other than the state of Washington. The Designee shall track labor hours performed by  
323 residents of states other than the state of Washington and shall review this percentage  
324 annually with the previously established Regional Public Owners Group and any future regional  
325 priority hire advisory committee that may be established under a MOU with one or more other  
326 government entities with Priority Hire programs.

327  
328 H. Per Resolution 3725, as amended, the Designee shall support the inclusion of  
329 Priority Hire provisions in the PLA standard language to be approved by the Commission  
330 Projects and Procurement Committee. In furthering Resolution 3725, as amended, Port staff  
331 will seek a MOU with regional partners to develop a framework to achieve operational  
332 efficiencies through uniform Priority Hire requirements and by sharing priority hire resources  
333 and data and advancing workforce development efforts.

334  
335 I. The Port shall explore ways priority hire can be implemented on Port construction  
336 projects outside a Covered Project, where applicable.

337 SECTION 1.6 Program Evaluation

338  
339 A. The Designee shall establish benchmarks and metrics to evaluate the program, such as  
340 project costs; completion times, workplace safety; utilization rates and graduation rates of  
341 Priority Workers, women and people of color from pre-apprentice and apprentice training  
342 programs; and changes in the percentage of dollars paid to Women and Minority Business  
343 Enterprises (WMBE) contractors working on Covered Projects.

344  
345 B. The Designee shall report findings to the Commission and Executive Director annually.  
346 In order to facilitate the timely delivery of information for reporting to the Commission and to  
347 better serve the public, it is in the interest of the Port of Seattle to prepare a single annual report  
348 each year by April 30 titled Apprenticeship and Priority Hire Annual Report.  
349 The report shall include, but not be limited to the following:

- 350
- 351 i. The number and kinds of construction projects and contracts on which Apprenticeship  
352 and priority hire requirements were established;
  - 353 ii. The percentage of labor hours actually worked by Apprentices and Priority Workers on  
354 each such project and the total number of labor hours on each project;
  - 355 iii. The number of Apprentices and Priority Workers by contractor broken down by trade  
356 and craft category, the wages paid by category of work or trade, the number and  
357 percentage of women and people of color utilized as Apprentices and Priority Workers  
358 and the degree of compliance with the percentage requirements and aspirational  
359 goals to be established under this Policy Directive;
  - 360 iv. The number of Apprentices and Priority Workers per Port dollar spent on the  
361 program;
  - 362 v. A description of problems encountered in the implementation of the program;
  - 363 vi. A description of barriers encountered by participating Apprentices and Priority  
364 Workers and steps taken to resolve those problems and to ensure their continued  
365 participation in the program;
- 366

367 C. The Commission, Executive Director, and Designee will review program results annually  
368 to determine if the program should be expanded or amended by increasing or decreasing  
369 requirements and aspirational goals.

370  
371 SECTION 1.7 Fiscal Implications

372  
373 This Policy Directive has fiscal implications as funding and staffing requirements will be needed  
374 for the implementation of the Priority Hire program.

375

376 A Full-Time Employee (FTE) for Priority Hire in Capital Development has been included in the  
377 proposed 2018 Budget.

378  
379 Attachment A: New Budget Request Form must be submitted on an annual basis should  
380 additional resources be required.

381  
382 SECTION 1.8 Research Findings

383  
384 Based on studies commissioned by the City of Seattle and King County and their  
385 implementation of priority hire programs, and numerous public discussions, the Port  
386 Commission finds that it is in the Port's and the public's best interest to increase the supply of  
387 qualified construction workers, particularly those historically underrepresented in the  
388 construction industry, including those who live in Economically Distressed Areas in King County  
389 and also within that group, women and people of color.

390  
391 Attachment B: Research findings of fact and declarations of intent

392  
393 SECTION 2

394  
395 This Policy Directive shall be labeled and codified as appropriate, together with subsequent Policy  
396 Directives, and shall be made readily available for use by Port staff and members of the public as  
397 a government document of the Port of Seattle.



406

## 2018 Budget/Initiative Request Form

**Please double click data table for input**

Summary Information																																														
<b>Division</b>	Corporate		<b>Requesting Amount</b>	\$95,780																																										
<b>Department Name</b>	Engineering		<b>Overtime</b>	No																																										
<b>Requesting Manager</b>	Tina Soike		<b>Priority (H/M/L)</b>	H																																										
<b>Org</b>	1630		<b>Subclass</b>	1630/1690																																										
<b>Request Title</b>																																														
<b>Short Description</b>																																														
Non-FTE/Payroll Requests																																														
		Amount Requested			Subclass Allocation																																									
<b>Account</b>	<b>2018</b>	<b>2019</b>	<b>2020 &amp; Beyond</b>	<b>% Subclass</b>																																										
<b>Total</b>	\$0	\$0	\$0	0.0%																																										
FTE Requests																																														
<b>Position Title</b>				<b>EOY Annual Salary</b>																																										
<b>Start Date</b>	4/1/2018			<b>% to Capital</b>	50% to overhead class 1630																																									
<b>Bargaining Unit</b>	NUN			<b>Salary/Wage</b>	95780																																									
<b>Grade Level</b>	25			<b>Number of FTEs</b>	1.0																																									
<b>FTE Related Expenses</b>		<b>2018</b>	<b>Subclass Allocation</b>																																											
Salary/ Wages* (5XXXXX)		\$67,692	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td>Benefits (5XXXXX)</td> <td></td> <td style="text-align: right;">\$28,088</td> <td style="text-align: center;">1630</td> <td style="text-align: right;">50.0%</td> </tr> <tr> <td>Computer (61760)</td> <td></td> <td></td> <td style="text-align: center;">1690</td> <td style="text-align: right;">50.0%</td> </tr> <tr> <td>Training (65600)</td> <td></td> <td></td> <td colspan="2" style="text-align: right;"><b>Total</b></td> </tr> <tr> <td>Membership (65700)</td> <td></td> <td></td> <td colspan="2" style="text-align: right;"><b>100.0%</b></td> </tr> <tr> <td>Telephone (66500)</td> <td></td> <td></td> <td colspan="2"></td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td colspan="2"></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$</b></td> <td style="text-align: right;"><b>95,780</b></td> <td colspan="3"></td> </tr> </table>								Benefits (5XXXXX)		\$28,088	1630	50.0%	Computer (61760)			1690	50.0%	Training (65600)			<b>Total</b>		Membership (65700)			<b>100.0%</b>		Telephone (66500)					Other					<b>Total</b>	<b>\$</b>	<b>95,780</b>			
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\* Salary is based on mid-point of grade level.

407

408

409

410 **Budget Request Justification Write-up**

411

412 **1) Request Description/Background** - Provide Full Description and or Background.

413

414

415

416

417 **2) Justification** - Why is this request needed? Include any regulations or other references  
418 and benefits to the Port.

419

420

421

422

423 **3) Alternatives** - What would the impact be of not approving this request? How could it be  
424 done differently?

425

426

427

428 **ATTACHMENT B**

429

430 The Commission makes the following research findings of fact and declarations of intent:

431

432 A. In January 2015, following the positive results of a pilot program on the Elliott Bay  
433 Seawall project, the City of Seattle adopted Ordinance No. 124690, an Ordinance relating to  
434 establishing a Priority Hire policy to ensure better access to training programs and well-paying  
435 construction jobs for local workers, as well as to increase the diversity of the workforce on City  
436 projects.

437

438 B. The City implemented the Priority Hire Ordinance through a Community Workforce  
439 Agreement (CWA) between the City and the building trade labor unions, and that agreement  
440 requires that prime contractors on City public works construction projects of \$5 million or  
441 more, must ensure that a certain percent of project labor hours are performed by workers  
442 living in Economically Distressed Areas of Seattle and King County.

443

444 C. In May 2016, the King County Executive directed county agencies to implement a  
445 priority hire pilot program that prioritized economically disadvantaged local workers for  
446 inclusion on large King County capital construction projects. King County is considering a  
447 permanent Priority Hire program implemented through a CWA; and

448

449 D. Based on studies commissioned by the City of Seattle and King County and their  
450 implementation of Priority Hire programs, and numerous public discussions, the Port  
451 Commission finds that it is in the Port's and the public's best interest to increase the supply of  
452 qualified construction workers, particularly those historically underrepresented in the  
453 construction industry, including women, racial minorities, and those who live in Economically  
454 Distressed Areas of Seattle and King County.

455

456 E. King County completed a study in January 2016 documenting a widening gap between  
457 the demand for construction labor and the supply of skilled trade workers in the regional labor  
458 market for King County and other public entities. The gap reinforces the urgent need for  
459 developing a strategy to address the current and projected workforce shortages. The study also  
460 used economic data involving poverty levels, employment and educational attainment to  
461 determine Economically Distressed Areas, which are identified by zip code.

462

463 F. King County completed The Construction Workforce Analysis in December 2016 and  
464 found that the county may reasonably anticipate a reduced surplus of qualified labor and possible  
465 labor shortages in certain construction trades by 2020. That is the result of a projected shortfall  
466 forecast between demand and supply of four thousand six hundred thirty workers by 2020. The  
467 county is concerned that these labor shortages will increase reliance on out-of-state construction

468 workers and that the demand for new construction workers may increase construction costs on  
469 the county's public works projects unless the county supports efforts to increase the supply of  
470 trained apprentices and journey level workers for local public works projects.

471  
472 The analysis also found that 81 percent of the construction workforce in King County in  
473 2016 were white males, while 19 percent were people of color and women. Representation of  
474 women and people of color is higher among new entrants to the labor force through  
475 Apprenticeships and accredited certificates of completion, such as those received for completing  
476 a Pre-Apprenticeship program. However, according to the analysis, women and people of color  
477 also have lower rates of Apprenticeship completion than do their white male counterparts.

478  
479 G. The City of Seattle commissioned the Construction Industry Labor Market  
480 Assessment, which found that women, irrespective of race, are underrepresented in the  
481 construction industry. Between 2009 and 2013, 10 percent fewer women finished their  
482 apprentice training program than males. The assessment also found that between 2009 and  
483 2013, 14 percent fewer racial minority apprentices finished their apprentice training program  
484 than white apprentices. In addition, it also found that underrepresented workers face barriers  
485 to completing apprentice training. Between 2009 and 2013, 65 percent of the racial minorities  
486 exiting Apprenticeships did not complete the programs compared to 51 percent of the white  
487 apprentices who failed to complete the program. During that same time period, 65 percent of  
488 all women, irrespective of race, failed to complete their programs compared to 55 percent of all  
489 men.

490  
491 H. The City of Seattle has found that Priority Hire effectively and successfully increases  
492 diversity on City construction projects. The share of labor hours between November 2013 and  
493 April 2017 saw an increase of 233 percent in rate of hours performed by workers living in  
494 Seattle's economically distressed zones. In addition, it saw an over 300 percent increase in rate of  
495 hours performed by apprentice women and 200 percent increase in rate of hours performed by  
496 African Americans.

497  
498 I. A PLA with targeted priority hiring requirements is an effective tool to manage public  
499 works projects that reduces the risk of project delays, reduces labor disruptions and labor  
500 shortages, and improves job-site safety. In addition, it is also an effective tool to create local jobs,  
501 enhance workforce diversity and improve overall working conditions.