



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11b

BRIEFING ITEM

Date of Meeting May 24, 2022

DATE: May 17, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Janice Zahn, Assistant Director of Engineering, Construction Services
Sheri Cook, Manager, Construction Labor Group
Samuel Pierce, Apprenticeship and Priority Hire Manager

SUBJECT: 2021 Apprenticeship and Priority Hire Annual Report

EXECUTIVE SUMMARY

The Port's Priority Hire and Construction Apprenticeship programs have been established to improve access to quality, family-wage careers in construction. Targeting access to opportunities will lead to sustainable economic growth and job creation in economically distressed areas and underserved communities that are experiencing economic distress and disparities.

The Port of Seattle is committed to equity and removing disparities in the construction workforce, so underrepresented workers have opportunities to be hired and establish a career in the construction trades.

The Apprenticeship and Priority Hire Annual Report to the Commission will provide the Port's 2021 results for both programs administered on our major works projects. The overall goals established for apprenticeship and priority hire utilization for 2021 have been met, although several individual projects did not meet all of their project-specific goals.

BACKGROUND AND GOALS

In October 2016, Port Commission Resolution No. 3725 recognized that effective and economical execution of the Port's capital program depended on a healthy and diverse market of general contractor, sub-contractors, and suppliers, and on the availability of a skilled, experienced, and capable construction labor workforce. To meet labor supply needs and to ensure equality of opportunity, the Port recognized the construction labor workforce must include participation by women, workers of color and those living in economically distressed neighborhoods. To help create economic prosperity across the region, the Port recognized jobs generated by Port activity are quality jobs on which workers can build their careers and support their families. Apprenticeship and pre-apprenticeship programs, as well as Priority Hire programs, play a key role both in providing fair access for individuals aspiring to have family wage construction jobs and in supplying enough trained and capable workers to meet construction needs of the Port and other public and private owners.

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Resolution No. 3725 requires the establishment of apprenticeship goals, and aspirational women and workers of color apprentice hiring goals. There are apprenticeship requirements on Port of Seattle major construction and tenant-reimbursement contracts of \$1 million in value or greater, and goals for prioritizing local workers living in economically disadvantaged neighborhoods.

Resolution No. 3736 establishes a Priority Hire policy that ensures better access to training programs and family wage construction jobs for local workers from economically distressed areas, with a focus on increasing the diversity of the workforce on Port construction projects.

CONSTRUCTION APPRENTICESHIP PROGRAM

The Port of Seattle was the first to adopt apprenticeship utilization goals over three decades ago and is committed to achieving its apprenticeship hiring goals set in Port policy and addressing the disproportionately low involvement by people of color and women in the construction labor force.

Apprentice utilization goals for non-Project Labor Agreement (PLA) major works construction projects are set at 15% and includes a goal of 10% of apprenticeship hours for women and 15% for people of color. In 2018, the Construction Labor Group negotiated new goals for projects with a Project Labor Agreement to increase percentages for people of color and women. The apprentice utilization goals for PLA projects are now set at 15% per craft, which includes a goal of 12% of apprenticeship hours for women and 21% for people of color. These new goals are in alignment with the other Regional Public Agencies.

2021 Apprenticeship Performance Summary

In 2021, there were 18 contracts that included a Project Labor Agreement and 22 non-PLA contracts with Apprenticeship utilization goals.

Overall apprentice utilization on the 40 projects with Apprenticeship goals in 2021 was 21.8% overall based on project duration.

- 9 of 40 projects are meeting their overall apprenticeship goals

Apprenticeship utilization for people of color was 32.4% overall based on project duration.

- 22 of 40 projects are meeting their inclusion goal for people of color apprentices

Apprenticeship utilization for women was 9.9% overall based on project duration.

- 13 of 40 projects are meeting their inclusion goal for women apprentices

Our efforts have resulted in increased participation by women on our Port projects with performance close to our established goals and rising participation in each of the last 4 years. Overall utilization and the utilization for people of color have consistently exceeded the goals we have set when evaluated at a program level.

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PRIORITY HIRE PROGRAM

The Port of Seattle supports the City of Seattle and King County findings that King County has geographic areas of economic distress as evidenced by poverty indicators. The Port of Seattle seeks to act effectively and expeditiously to encourage solutions toward economic growth and job creation in areas of the County that are economically distressed as evidenced by comparatively high levels of poverty, unemployment rates and education attainment. The Priority Hire program enhances community partnerships focused on inclusion and access to opportunities and services; expands opportunities for disadvantaged populations to advance equity and social justice; and ensures that Port construction projects are planned and implemented in a way that improves equity in local communities.

The Priority Hire program requires contractors to hire workers from economically distressed areas of King County. Priority Hire ZIP codes are defined by King County as having a high concentration of residents based on these three criteria:

- People living 200% below the Federal poverty level
- Unemployment rate
- People without a college degree

King County ZIP codes with a high density per acre of the three criteria are identified as Economically Distressed Areas (EDA) and included on the Priority Hire ZIP code list published by King County’s Finance and Business Operations Division.

The goal for Priority Hire utilization is 20% annually and is administered only through a Project Labor Agreement. 2021 was the first full year we applied a Priority Hire program to new Project Labor Agreements.

2021 Priority Hire Performance Summary

Overall priority worker utilization on the 8 projects with Priority Hire goals in 2021 was 25.3% overall.

- 5 of 8 projects met their overall Priority Hire goal

Inclusion goals for apprentices, journey workers, women, or people of color have not been established, but tracking of performance in these areas is ongoing to better understand performance of these programs.

Priority Worker utilization for Apprentices was 21.8% of total Priority Hire hours in 2021.

Priority Worker utilization for Journey Workers was 78.2% of total Priority Hire hours in 2021.

Priority Worker utilization for people of color was 41% of total Priority Hire hours in 2021.

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Priority Worker utilization for women was 3.3% of total Priority Hire hours in 2021.

LOOKING FORWARD

In addition to the established program and project goals, we are also considering other goals or adjustments to strengthen the Apprenticeship and Priority Hire programs.

Hearing from our community along with industry partners (labor and contractors) is critical to our programs. We collaborate closely with other public agencies, like the City of Seattle and King County, to ensure our programs are as successful as possible. This includes attending the King County and City of Seattle Priority Hire Advisory Committee. As we learn from these peer agencies, this will inform the Port’s exploration of a joint Regional Priority Hire Advisory Committee.

The development of enhanced data analytics and dashboards is another way we have been learning about the program and the participants. We can use these tools to evaluate the programs and inform our decisions such as adding subgoals for women and workers of color for the Priority Hire program or increasing our overall goals.

While we have a mature Apprenticeship program, our Priority Hire program is still largely in its infancy. We are excited to grow our community impact, and make sure our most underserved communities have access and opportunity to these living wage construction jobs and careers.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- 2020 Apprenticeship and Priority Hire EWFD Committee Briefing – July 2021
- 2020 Apprenticeship and Priority Hire Annual Report - July 2021
- 2021 Apprenticeship and Priority Hire EWFD Committee Briefing – April 2022