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COMMISSION

AGENDA MEMORANDUM Item No. 10d

ACTION ITEM Date of Meeting November 8, 2022

DATE: September 1, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Luis Navarro, Workforce Development Director

Carl Hugle, Manager Workforce Development Construction Programs

SUBJECT: Request Authorization to Fund Construction Trades Training and Retention Initiatives

Amount of this request: \$4,750,000

Total estimated project cost:

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a series of contracts for worker outreach, training, retention and wraparound services in construction trades and green jobs, and for program evaluation. Contract terms will range from three years to seven years when including retention and navigation services, for an estimated total cost of \$4,750,000 million.

EXECUTIVE SUMMARY

For several years, the Port has contracted with regional training organizations that provide preapprenticeship and readiness programs. In addition, staff in workforce development has worked collaboratively with the City of Seattle, King County, and Sound Transit to increase access to training and job placement for underrepresented populations in the construction sector. This Regional Public Owners (RPO) group works as a regional system to strengthen the pipeline of skilled construction workers to meet current and future needs driven by Port and other public infrastructure projects. Programs are in place to support people of color and women who reside in zip codes with a low economic index, according to the Port's equity index map.

Leverage and partnerships – An underlying goal of Port investments is to partner with other entities. For example, in 2021, the Port partnered with the City of Seattle and Sound Transit to jointly issue a Request for Proposal (RFP) for construction worker outreach, training, and retention services that will increase the number of women, people of color, and those from economically distressed ZIP codes in the construction industry. This RFP was hosted by the City of Seattle's Department of Finance and Administrative Services (FAS), City Purchasing and Contracting Services (CPCS). The City, Sound Transit, and the Port jointly evaluated the proposals. Outcomes of this partnership include 237 enrollments, 151 graduates, and 81 placements with 60% of those participants representing BIPOC communities and 30% women.

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These investments are aligned with the Port's Century Agenda, and the Workforce Development Policy Directive under Resolution 3776 that provides guidance for investments in workforce development in the port sectors of construction trades, aviation, maritime, and green careers. Green economy skills – An important element of the contracts funded with this authorization is the support for green related skills in the trades. A recent analysis commissioned by the Port conducted by the research firm Seattle Jobs Initiative (SJI) determined that in-demand green jobs that require less than two-years of training are related to construction trades, and these are the target jobs for this funding request. The Port Commission adopted workforce development resolution #3776 includes the definition of green jobs/green careers, as follows:

"Green Job/Green Career" means a job or career needed to operate and sustainably manage Port assets. Green jobs/green careers provide the skilled and diverse workforce in King County required by the Port to satisfy environment and sustainability commitments identified in the Century Agenda and support the Port's operations. This workforce is created using principles of an inclusive green economy that concurrently enhance the environmental health and economic well-being of communities. Examples of Port-related green jobs/green careers may include but is not limited to: renewable and solar energy, stormwater management, habitat restoration and carbon banking, eco-tourism and sustainable transportation, environmental compliance and remediation, environmental policy, as allowable by law.

This authorization request is for the Executive Director to receive approval to execute contracts

for the following services related to the construction trades sector:

- (1) Outreach, assessment, and referral
- (2) Pre-apprenticeship training
- (3) Training in construction trades for green projects
- (4) Retention and navigation services
- (5) Delivery of wraparound services

JUSTIFICATION

In June 2020, the Port Commission adopted a workforce development policy under Resolution No. 3776 that provided additional guidance for investments in workforce development. In addition, the Port's continued investments in infrastructure projects, such as the new international terminal at Seattle Tacoma International Airport, and other capital developments rely on the availability of a skilled trades workforce.

According to a recent regional analysis conducted by the research firm Community Attributes, regional demand for construction workers between 2022 and 2026, is projected at about 159,000 workers per year on average. The projected annual gap for the Tri-County region (Snohomish, King, and Pierce counties) is about 8,400 workers or 5.6% of the average construction supply.

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[Annotation] Vann, Tunny

Can you add how some details on the investments others are making as part of this shared roadmap? It's unclear how this request fits into the larger efforts by the RPO.

[Annotation] Navarro, Luis

Additional language added. See paragraph above.

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Public and private construction activity has increased and is projected to continue to grow over the next five years. In the short term it is projected that there will be a shortage of over 5,400 skilled workers between 2022 and 2026.

These skilled labor shortages in construction trades will cause project delays and increase the overall cost to the Port as well as other public and private developers. Demand for trades workers is also growing in the manufacturing and maritime sectors who are reporting difficulty finding and retaining trades workers due to increased competition and wages being paid in the construction sector. The construction industry also includes new and emerging projects in clean energy that will require skilled labor to execute. It is among the occupations that have the highest growth potential and is essential to the focus of green career pathways. It is anticipated that nearly 2,300 new jobs in green careers will come by way of construction in the Tri-County region over the next ten years. Electricians and HVAC and Insulation Workers are among the occupations with the largest expected job creation in the industries. They are expected to have many new jobs offering a relatively high hourly wage (\$42 and \$31-\$49 respectively) in King County. This is part of a concerted regional effort to address the shortage of skilled workers in construction and trades-related industries in the Puget Sound Region. It addresses the increasing demand for not just skilled construction workers, but the need for more women and black, indigenous and people of color (BIPOC) to serve as first-line supervisors, the result of growing construction activity as well as an aging and changing workforce. The Port has worked with regional public owners (RPO) including Sound Transit, City of Seattle, King County, and WSDOT to develop a regional trades strategy.

RPO members have continued to fund pre-apprenticeship training programs with an emphasis on recruiting and training from underserved communities that include wraparound services. Each public agency has also adopted respectful or acceptable work language on their contracts that prohibits hazing, bullying, and harassment on the jobsite. To accompany that, each member of the RPO has adopted a training program for their workers to continue to receive bystander training along with practices that promote an inclusive and safe worksite. These steps are designed to support retention and improve worker productive and culture.

The Regional Trades Partnership developed a shared roadmap and workforce investment plan that focuses on four priority goals:

- Expand available pathways to apprenticeships
- Align and champion for greater workforce diversity
- Strengthen apprentice placement, retention, and apprenticeship completion rates
- Support the implementation of "Safe and Acceptable" workplace rules
- Share accountability for common outcomes

The Port Commission adopted Resolution No. 3736, Priority Hire Policy Directive to ensure that workers from distressed zip codes are called first on Port capital projects. The Priority Hire Policy

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is an integral part of increasing demand for pre-apprenticeship and apprenticeship training programs. While Priority Hire aims to diversify and increase the construction workforce, more effort is needed to increase access and retention for underrepresented individuals. The need for these services is documented in the Resolution.

DETAILS

The total investment for seven years is estimated at \$4.75M, and it includes both direct contracts with training organizations and community-based organizations, and the Port's share of future joint contracts with regional public owners. Program evaluation and assessment will be conducted to ensure that outcomes are meeting the established goals of strengthening the skilled workforce pipeline.

Scope of Work and Investments

(1) Outreach and Assessment Events - \$250,000 over three years

Recruitment, screening and refer individuals to enroll in construction pre-apprentice or apprentice training programs to increase the number of underrepresented groups (women, people of color, and those in economically distressed neighborhoods). This includes assessing individuals' skills, readiness, ability to meet minimum qualifications for entrance and any barriers they may have to entering or succeeding in construction training and/or employment. This will involve working with pre-apprenticeship/apprenticeship training organizations and community-based organization to ensure those recruited have no barriers to entry into the trades. Outreach will also be done to recruit for women and BIPOC apprentices and journeypersons for training in leadership roles such as project management and foreman training.

(2) Pre-Apprenticeship, Career Readiness, and Leadership Development Training - \$3.5M over three years

Classroom and hands-on training to prepare individuals enter apprenticeship. Curricula includes construction math, safety and orientation and exposure to different trades occupations and culture of the industry. Additionally, the training programs focus on building job readiness skills, challenges of working in the industry, and addressing barriers to employment and retention (e.g., transportation, childcare, and financial management). Programs also must develop and maintain relationships with construction contractors, apprenticeship programs, trade associations and unions. Moreover, this program will also include the recruitment and training for women and BIPOC that will be placed in project management and foreman positions on the construction job site. Separate funding will be available for any registered construction apprenticeship program vs. apprenticeships that specifically focus on clean and renewable energy.

(3) Navigation and Retention Services - \$1M over seven years

A variety of strategies to support apprentices in navigating and the construction environment, including strengthening mentoring and networking opportunities for apprentices, training for

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employers and journey workers on coaching and inclusive work environments, case management, and referrals and work related and other support services such as work boots, transportation childcare. This will also include youth that have graduated with constructionbased and green career-based training in CTE programs taught in our area school districts and credentialed by the Washington State Apprenticeship Training Council (WSATC).

Outcomes and Deliverables

Each contract will include specific number of outreach events

Training (up to three years commitment with training organizations)

(1) Enrollment 600

(2) Training Completion 575

(3) Placements 540

Navigation and Retention Services (up to four years for each cohort participant)

(1) Enrolled 540

(2) Retained 378

Schedule

Activity

- Commission approval for multi-year investments – November 2022
- Complete requests for proposal (RFP's) – November 30, 2022
- Issue first batch of RFP's – January 15, 2023
- Review and negotiate proposals – March 30, 2023
- Execute first group of contracts – April 2023

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Procure support for construction worker outreach, training, and retention through an exclusive Port RFP with a single training organization

Pros:

(1) This would give the Port complete control over the services delivered and outcomes expected

Cons:

(1) This approach would be time consuming to ensure that one organization can handle all tasks

(2) A stand along RFP may increase costs for training and retention services

(3) Services may overlap or duplicate other partner contracts

This is not the recommended alternative.

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Alternative 2 – Postpone funding for RFP and consider later in the year.

Pros:

(1) Delaying investments in workforce development would save the Port money and staff time.

Cons:

(1) This option will not support the intent of the Workforce Development Policy under Resolution No. 3776.

(2) The opportunity to invest in a meaningful partnership to support construction trades workforce development will be lost

(3) This approach could increase costs by not supporting the pipeline of a skilled workforce in construction trades.

This is not the recommended alternative.

Alternative 3 – Execute contracts with training organizations and service providers for an aggregate amount of \$4.75 million selected from a pool of qualified candidates following Port contracting guidelines, including direct contracts and/or joint RFPs with other public owners.

Pros:

(1) This option leverages Port investments and strengthens the construction trades pipeline of skilled workers, and connecting community members to jobs, in particular BIPOC and women.

(2) This approach will enable the Port to collect important data on those supported with training, navigation and retention programs, to learn about their career journey and associated barriers.

Cons:

(1) The construction sector may enter an unexpected slowdown, leaving trained individuals without placement opportunities.

(2) Trained individuals may choose to leave the construction sector for other sectors.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds:

- Source of funds: Tax Levy
- Average annual cost: \$670k

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ATTACHMENTS TO THIS REQUEST

(1) Executive Summary

(2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- November 28, 2017 – The Commission adopted Resolution No. 3736 – Establishing a Priority Hire Policy Directive
- February 13, 2018 – The Commission approved a \$3 million multi-year investment package for construction trades workforce development
- June 23, 2020 – The Commission adopted the Workforce Development Policy Directive under Resolution No. 3776
- July 14, 2020 – Port staff presented to the Commission a three-year (2021-2023) workforce development strategic plan

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