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COMMISSION

AGENDA MEMORANDUM Item No. 11c

BRIEFING ITEM Date of Meeting July 9, 2024

DATE: June 13, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Brian Sweet, Director of Engineering- Construction Management

Sheri Cook, Construction Labor Group Manager

Samuel Pierce, Apprenticeship and Priority Hire Manager

SUBJECT: 2023 Apprenticeship and Priority Hire Annual Report

EXECUTIVE SUMMARY

The Port of Seattle (Port) is a regional and national leader in equity and social justice. This commitment is part and parcel to promoting economic inclusivity and social responsibility. In line with this commitment, the Port strives to identify barriers and eliminate disparities across our Port-related workforce sectors. The Port promotes economic fairness by ensuring all workers have the same opportunities and resources. The Port's Apprenticeship and Priority Hire programs provide a pipeline for workers from all backgrounds and from economically distressed areas to obtain on-the-job training, classroom instruction, family-sustaining wages with annual increases, health care benefits and retirement. These two programs contribute to the economic revitalization of our communities. The Port and our regional partners continue to provide opportunities for those who can't overcome significant hurdles on their own. From connecting disenfranchised workers with an overall support system that includes finding training, counseling, and basic needs assistance, to job search and placement for these workers. The Port continually evaluates these programs to increase our impact with more opportunities to all. Focusing on issues such as disconnected youth, aligning efforts with regional agencies, targeting disparity zip codes, addressing employment opportunities and other programs raises the awareness that high paying careers in construction are careers worth pursuing.

The 2023 Apprenticeship and Priority Hire Annual Report was published on (Insert date when known). This briefing to the Commission will share the Port's 2023 results of both programs on our major works projects, and the oncoming and upcoming work.

BACKGROUND AND GOALS

Port Commission Resolution 3725 recognized that effective and economical execution of the Port's capital program depended on a healthy and diverse market of contractors and suppliers, and on the availability of a skilled, experienced, and capable construction labor workforce. To

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meet the construction needs, the Port recognized that this workforce must include participation by women, workers of color and those living in economically distressed neighborhoods.

Apprenticeship, Pre-apprenticeship and Priority Hire programs together play a key role both in providing fair access for individuals and supplying enough trained and capable workers.

Resolution 3725 also requires the establishment of apprenticeship goals, and aspirational women and workers of color apprentice hiring goals. Resolution 3736 establishes a Priority Hire policy that ensures family wage construction jobs for local workers from economically distressed areas and can increase the diversity of the workforce on Port construction projects.

CONSTRUCTION APPRENTICESHIP PROGRAM

The Port of Seattle's commitment to Apprenticeship utilization was first adopted thirty years ago and continues to be 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 (non-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 to increase percentages for people of color and women for projects with a Project Labor Agreement. The apprentice utilization goals for Project Labor Agreement (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 goals are in alignment with the other Regional Public Agencies.

2023 Apprenticeship Performance Summary

- In 2023 the Port exceeded our overall construction workforce development goals on our capital projects.

- o 20.7% apprenticeship utilization

- There were 50 active projects with apprenticeship goals that resulted in:

- o 202,160 total apprenticeship hours that included four Tenant

- Reimbursable contracts (up from 140,916 hours in 2022)

- o 188,211 total apprenticeship hours were performed under Twenty-two (22) projects were under a Project Labor Agreement (PLA). This is a 93.1% of all apprentice hours. In 2022 87.5% of apprentice hours were performed on PLA projects.

- o In total, contractors paid over \$61 million in wages and benefits to construction workers on these 50 Port projects with over \$9.3 million paid to 525 apprentices.

CONSTRUCTION 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 Priority Hire program expands opportunities for disadvantaged populations to advance equity and social

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justice and ensures that Port construction projects are planned and implemented in a way that improves equity in local communities.

The Priority Hire program, which is only administered on PLA projects, 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% or more below the federal poverty level
- High concentration of unemployed people per acre or share of total residents
- 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. 2023 was the fourth year we applied a Priority Hire program to new non-FAA Project Labor Agreements.

2023 Priority Hire Performance Summary

- There were 10 active projects with Priority Hire goals that resulted in:
 - o 51,496 Priority Hire hours (up from 17,056 in 2022).
 - o 283 Priority Hire workers were paid \$2.98 million in wages and benefits.
 - o Priority Hire workers performed 24.3% of all labor hours on these projects.

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 Hire worker utilization for people of color was 40.15% up from 34.8% in 2022.
- Priority Hire worker utilization for women was 6.07% up from 1.9% in 2022.

ATTACHMENTS TO THIS BRIEFING

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

June 13, 2023– The Commission was briefed on the 2022 Apprenticeship and Priority Hire Annual Report

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