| 1  |   | RESOLUTION NO. 3736   |  |  |
|----|---|---|--|--|
| 2  |   |   |  |  |
| 3  | A Resolution  | of the Port of Seattle Commission establishing a                        |  |  |
| 4  |   | Priority Hire Policy Directive; and amending the                        |  |  |
| 5  |   | Policy Directive related to practices for                               |  |  |
| 6  |   | construction labor for projects located on Port                         |  |  |
| 7  |   | property adopted by Resolution No. 3725.                                |  |  |
| 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, numero   | us studies show a widening gap between the demand for                   |  |  |
| 13 | construction labor and the s  | supply of skilled trade workers in the regional labor market for King   |  |  |
| 14 | County public agencies. The   | e Regional Public Owners Group estimate there will be over sixty-       |  |  |
| 15 | seven billion dollars in public construction projects by 2042 with over seventy million labor hours |   |  |  |
| 16 | needed to fulfill this demand for projects. It is projected that between 2018 and 2023 there will   |   |  |  |
| 17 | be a shortage of over 4100 skilled workers. Regional labor supply is forecasted to underserve       |   |  |  |
| 18 | demand by an average of 9 t   | to 10 percent during 2018-2042; and                                     |  |  |
| 19 |   |   |  |  |
| 20 |   | of Seattle makes among the largest investments in infrastructure        |  |  |
| 21 | projects in the region. In 2017, the Port of Seattle is projected to spend approximately \$180      |   |  |  |
| 22 | million on construction projects and estimates continual growth in future years. The Port's         |   |  |  |
| 23 |   | reate the equivalent work hours of 10.89 jobs per one million dollars   |  |  |
| 24 | spent, providing enough total hours to equal approximately 950 full time jobs in Washington         |   |  |  |
| 25 | 5tate in 2016; and  |   |  |  |
| 26 |   |   |  |  |
| 27 |   | ent data for 2015 indicates that over 80 percent of the construction    |  |  |
| 28 |   | are Caucasian males, while 19 percent are women and people of           |  |  |
| 29 |   | men and people of color is higher among new entrants to the labor       |  |  |
| 30 |   | ps and accredited certificates of completion, such as those received    |  |  |
| 31 |   | nticeship program. However, according to the analysis, women and        |  |  |
| 32 |   | wer rates of apprenticeship completion than do their Caucasian male     |  |  |
| 33 | counterparts; and   |   |  |  |
| 34 |   |   |  |  |
| 35 |   | of 5eattle is committed to ensuring equity in the construction projects |  |  |
| 36 |   | exist between underrepresented workers' availability to work and        |  |  |
| 37 | their opportunity to be hired   | and establish a career in the construction trades; and                  |  |  |
| 38 |   |   |  |  |

WHEREAS, the Port of Seattle is committed to its values of conducting business with the
 highest ethical standards. Our business practices shall reflect integrity, accountability, honesty,
 fairness and respect at all levels; and

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WHEREAS, the Port of Seattle is a leader in workforce development and has found construction job training programs, including Career Connected Learning, apprenticeship and pre-apprenticeship programs, to be an effective way to prepare individuals for entry into construction jobs, and to ensure women, people of color, and otherwise disadvantaged individuals, can acquire the necessary job skills and be prepared to successfully pursue construction careers; and

50 WHEREAS, the Port of Seattle was the first to adopt apprenticeship utilization goals over 51 three decades ago and is committed to achieving its apprenticeship hiring goals set in Port 52 policy and addressing the disproportionately low involvement by people of color and women in 53 the construction labor force. Apprentice utilization goals for Port construction projects is 15 54 percent, of which includes a goal of 10 percent women and 15 percent people of color. In 2016, 55 apprenticeship utilization rates were 17 percent, of which 18 percent were women and 28 56 percent were people of color; and

58 WHEREAS, on October 25, 2016, the Port of Seattle adopted Resolution No. 3725 that 59 established the Port of Seattle Construction Labor Policy Directive that states that the Port shall 60 establish appropriate apprentice and locality hiring goals and appropriate aspirational women 61 and minority apprentice hiring goals; and

63 WHEREAS, the Port of Seattle supports the City of Seattle and King County findings that 64 King County has geographic areas of economic distress as evidenced by poverty indicators; 65 including poverty levels, concentrated unemployment, and gaps in educational attainment. The 66 Port of Seattle seeks to act effectively and expeditiously to encourage solutions toward economic 67 growth and job creation in areas of the County that are economically distressed as evidenced by 68 comparatively high levels of poverty, unemployment rates and education attainment; and

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WHEREAS, Priority Hire 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; and

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

79

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

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88 WHEREAS, Priority Hire focuses on workforce participation by apprentice and journey-89 level construction workers and is therefore directly connected to the Port's existing 90 apprenticeship program; and

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92 WHEREAS, the Port is committed to fostering an acceptable worksite on public works 93 projects that is inclusive and focuses on anti-discrimination and anti-harassment behaviors and 94 procedures and encourages positive relationships between employers and employees, and 95 among employees; and

97 WHEREAS, over the last two years, the Port of Seattle has participated as member of 98 the Regional Public Owners Group with the City of Seattle, King County, Sound Transit, the City 99 of Tacoma and the Washington State Department of Transportation, focused on public agencies 100 working together as regional partners; and

WHEREAS, the purpose of the Regional Public Owners Group is to better understand and narrow the workforce demand-supply gap for regional public infrastructure projects; enhance access opportunities and increase the diversity of pre-apprentices, apprentices and journey-level workers entering into the trades workforce; support retention programs for current trades workers, especially women and people of color; and improve performance data and systems of reporting for monitoring regional goals and initiatives;

- 108
- 109NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle as110follows:
- 111

112 <u>SECTION 1.</u> Section 1 of Resolution No. 372S, the policy directive related to practices for 113 construction labor for projects located on Port property, is hereby amended as follows: 114

In Section I(D)(1) of the policy directive, strike "and locality" and insert a new subsection
 (E) as follows: For contracts under a PLA with projected construction labor costs at or above \$5
 million, the Port shall establish Priority Hire goals.

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And in Section II(C)(2), strike "locality hiring and" and insert a new subsection (D) as follows: For contracts under a PLA with projected construction labor costs at or above \$5 million, the Port shall establish Priority Hire goals.

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And in Section III(B)(2)(b), strike "locality hiring and" and insert a new sub-subsection (3) as follows: For contracts under a PLA with projected construction labor costs at or above \$5 million, the Port shall establish Priority Hire goals.

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127 SECTION 2. A Priority Hire Policy Directive is hereby established as shown in Exhibit A, attached.

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SECTION 3. The Policy Directive contained in Exhibit A and attached to this resolution shall be labeled and catalogued as appropriate, together with other Commission Policy Directives, and shall be made readily available for use by Port staff and members of the public as a governance document of the Port of Seattle.

ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held this 28 day of <u>November</u>, 2017, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

| 137 |        | (K)A            |                   |
|-----|--------|-----------------|-------------------|
| 138 |        | 4/3)            | TOLIALENO         |
| 139 | +      | myran           |                   |
| 140 |        | Matt            | JOHN CREIGHTON    |
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| 142 | Ch     | TAINS           |                   |
| 143 | CA STA | 1 Contract The  | COURTNEY GREGOIRE |
| 144 |        | -9 GN160        | FOCA              |
| 145 |        | ( Spipe follow  | FRED FELLEMAN     |
| 146 | ч<br>Б |                 |                   |
| 147 |        | AUN             | STEPHANIE BOWMAN  |
| 148 |        | Port Commission |                   |
|     |        | $\bigcirc$      |                   |
|     |        |                 |                   |

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## **EXHIBIT A**

150 SECTION 1. Purpose.

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

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

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- 163 <u>SECTION 2.</u> Definitions.
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165 When used in this Policy Directive, the following words and phrases shall have the meanings 166 given below unless the context in which they are included clearly indicates otherwise:

- 168 "Apprentice" means a person who has signed a written apprenticeship agreement with and 169 -enrolled in an active state-registered apprenticeship training program approved by the 170 Washington State Apprenticeship and Training Council.
- 171
- 172 "City" means City of Seattle.
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"Construction labor costs" means the labor cost component of the estimated construction budget
for the project to be paid to contractors at the time of bid or, if absent a bid, at the time of the
contract award.

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

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183 "Core Employee" means an employee of an open-shop contractor that meets the core employee184 criteria established under a PLA.

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"Covered Project" means a Port of Seattle construction project under a PLA with construction
 labor costs at or above \$5 million.

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189 "Dispatch" means the process by which a union refers workers for employment to contractors 190 under the authority of a collective bargaining agreement. The process typically mandates the 191 distribution of work via a "first in, first out" priority but can be legally adjusted via special 192 agreements to allow for out of order dispatching and Priority Worker hiring. "Economically Distressed Area" means a geographic area defined by zip code in King County and found to have high population concentrations: 1) Living at or below 200 percent of the federal poverty level, 2) Unemployed, 3) Those over 25 years of age without a college degree, compared to other zip codes. King County zip codes with a high density per acre of at least two out of the three criteria will be identified as Economically Distressed Areas. These zip codes are updated and published by King County's Finance and Business Operations Division.

200 "Jobs Coordinator" means either one of the following: a Port of Seattle employee, an employee
201 that is considered a shared resource between government agencies, or a third party entity that
202 facilitates the hiring of Priority Workers in collaboration with Contractors and Union Dispatch.

204 "Journey-level" means an individual who has sufficient skills and knowledge of an occupation, 205 either through a formal apprentice training program or through practical on-the-job work 206 experience, to be recognized by a state or federal registration agency and/or an industry as being 207 qualified to perform the work of the occupation. Practical experience must be equal to or greater 208 than the term of apprenticeship.

210 "Labor hours" means hours performed on covered projects by workers who are subject to 211 prevailing wages.

213 "Open-shop contractor" means a contractor that is not a signatory to a collective bargaining 214 agreement with a union representing the trade(s) of the contractor's workers, also known as non-215 union contractors.

217 "Pre-apprentice" means a student enrolled in a construction pre-apprentice training program
 218 recognized by the Washington State Apprenticeship and Training Council.

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

224 "Priority Worker(s)" means an individual prioritized for recruitment, training, and employment
 225 opportunities because the individual is a resident in an Economically Distressed Area.

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

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231 "Regional Public Owners Group" means the group including the City of Seattle, King County, Port 232 of Seattle, Sound Transit, the City of Tacoma and the Washington State Department of 233 Transportation, focused on public agencies working together as regional partners to better 234 understand the workforce demand-supply gap for regional public infrastructure projects; to 235 enhance access opportunities and to increase the diversity of pre-apprentices, apprentices and 236 journey-level workers entering into the trades workforce; to support retention programs for current trades workers, especially women and people of color; and to improve performance data
 and systems of reporting for monitoring regional goals and initiatives.

239

240 "Union" means a representative labor organization whose members collectively bargain with 241 employers to set the wages and working conditions in their respective trade or covered scope of 242 work.

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244 SECTION 3. Scope and Applicability.

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

249 SECTION 4. Responsibilities.

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

8. The Designee, with the Executive Director's written concurrence and upon notice to the 256 Commission, may reduce or waive requirements or goals of this Policy Directive when impractical 257 for a Covered Project for one or more of the following reasons: when required due to an 258 emergency, when subject to limitations of a sole source, when requirements or goals would be 259 inconsistent with an agreement with a public agency, when requirements or goals are 260 inconsistent with federal funding or other funding sources, when the project is in a remote 261 location, when superseded by safety or other legal requirements, when other conditions arise 262 such as the goals become impractical, or absent an executed PLA. 263

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C. The Designee shall be responsible for identifying, monitoring, and mitigating risks within his/her authority; and propose mitigation actions to the Executive Director if additional authority is required. The Designee shall enforce the requirements in this Policy Directive and may use actions as deemed appropriate.

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270 D. As part of establishing a Priority Hire advisory committee to operate in an advisory 271 role to the Port of Seattle for implementation and effectiveness of this Policy Directive, the 272 Designee shall participate in the previously established Regional Public Owners Group and may, 273 under an agreement with one or more other government entities with Priority Hire programs, 274 establish and participate in a regional Priority Hire advisory committee.

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276 SECTION 5. Policy.

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

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

B. For each Covered Project, the Designee shall establish the greatest practicable required percentage of labor hours to be performed by Priority Workers by considering anticipated workforce availability and past utilization percentages on similar construction projects from the most recent project previous calendar year, and shall establish the percentage for the upcoming year. This shall be included in the PLA and other Port agreements as appropriate and progress monitored by the Designee. The Designee shall adjust these required percentages annually, based on performance and reasonably anticipated changes in worker availability.

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

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

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

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F. Per Resolution 3725, as amended, contracts \$1 million in value or greater requires apprenticeship utilization goals. The goal is no less than 15 percent of all contract labor hours are to be performed by apprentices.

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(1) For individual projects, the Designee will determine the apprenticeship utilization goal and may consider such factors as project size, project duration, labor hours

324 325 anticipated for the project, skills required, the likely crafts required for the project, historic utilization rates and apprentice availability.

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(2) The Designee shall establish aspirational percentage goals for apprentices who are women and people of color using similar factors. Contractors may be allowed to offer utilization below the aspirational percentage goals by substituting other efforts to meet the intent of building a trained construction workforce for a portion of the utilization percentages for women and people of color.

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G. When determining whether the percentage of Priority Hire requirements has been achieved, the Designee shall exclude from the calculation labor hours performed by residents of states other than the state of Washington. The Designee shall track labor hours performed by residents of states other than the state of Washington and shall review this percentage annually with the previously established Regional Public Owners Group and any future regional Priority Hire advisory committee that may be established under an agreement with one or more other government entities with Priority Hire programs.

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

I. The Port shall review and recommend how the intent of Priority Hire can be
 implemented throughout the Port beyond the Covered Projects, including future leases,
 concession agreements, and procurement contracts by September 1, 2018.

350 351 <u>SECTION 6.</u> Program Evaluation.

A. The Designee shall establish benchmarks and metrics to evaluate the program, such as project costs; completion times, workplace safety; utilization rates and graduation rates of Priority Workers, women and people of color from pre-apprentice and apprentice training programs; and changes in the amount of contracting dollars paid to Small Business and Women and Minority Business Enterprises (WMBE) firms working on Covered Projects and the number of Small Business and WMBE firms under contract.

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360 B. Port efforts in pursuit of the objectives of this Policy Directive will be incorporated into 361 the Port's Long Range Plan (LRP) to the fullest extent reasonable, including incorporation into the 362 LRP scorecards, reports, and LRP updates. Further, the Designee shall prepare and publish an 363 annual report each year titled Apprenticeship and Priority Hire Annual Report.

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365 The report shall include, but not be limited to the following:

366

| 367        | (1) The number and kinds of construction projects and contracts on which apprenticeship  |  |  |
|------------|--|--|--|
| 368        | and Priority Hire requirements were established;   |  |  |
| 369<br>370 | (2) The percentage of labor hours actually worked by apprentices and Priority Workers on<br>each such project and the total number of labor hours on each project;         |  |  |
| 371        | (3) The number of apprentices and Priority Workers by contractor broken down by trade  |  |  |
| 372        | and craft category, the wages paid by category of work or trade, the number and  |  |  |
| 373        | percentage of women and people of color utilized as apprentices and Priority Workers   |  |  |
| 374        | and the degree of compliance with the percentage requirements and aspirational   |  |  |
| 375        | goals to be established under this Policy Directive;   |  |  |
| 376        | (4) The number of apprentices and Priority Workers per Port dollar spent on the program;   |  |  |
| 377        | (4) The number of apprentices and thority trankers per Fort donal spent on the program;<br>(5) A description of problems encountered in the implementation of the program; |  |  |
| 378        | (6) A description of barriers encountered by participating apprentices and Priority  |  |  |
| 379        | Workers and steps taken to resolve those problems and to ensure their continued  |  |  |
| 380        | participation in the program;  |  |  |
| 381        | participation in the program,  |  |  |
|            | C. The Commission, Executive Director, and Designee will review program results annually   |  |  |
| 382        |  |  |  |
| 383        | as part of the LRP update to determine if the program should be expanded or amended by   |  |  |
| 384        | increasing or decreasing requirements and aspirational goals.  |  |  |
| 385        |  |  |  |
| 386        | SECTION 7. Fiscal Implications.  |  |  |
| 387        | This Bullion Disputing has freed to allocations as freedback and the film associate sector will be recarded to   |  |  |
| 388        | This Policy Directive has fiscal implications as funding and staffing requirements will be needed to   |  |  |
| 389        | implement the Priority Hire program. Fiscal implications will be reviewed by the Designee  |  |  |
| 390        | annually, at a minimum, to determine if additional funding and/or resources are required and   |  |  |
| 391        | shall submit a budget request, as appropriate.   |  |  |
| 392        |  |  |  |
| 393        | SECTION 8. Research Findings   |  |  |
| 394        | the second se  |  |  |
| 205        | Decad an studies summittee and by the City of Castle and Ving County and their   |  |  |

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

- A. In January 2015, following the positive results of a pilot program on the Elliott Bay Seawall project, the City of Seattle adopted Ordinance No. 124690, an Ordinance relating to establishing a Priority Hire policy to ensure better access to training programs and well-paying construction jobs for local workers, as well as to increase the diversity of the workforce on City projects.
- B. The City implemented the Priority Hire Ordinance through a Community Workforce
   Agreement (CWA) between the City and the building trade labor unions, and that agreement
   requires that prime contractors on City public works construction projects of \$5 million or

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411 more, must ensure that a certain percent of project labor hours are performed by workers 412 living in Economically Distressed Areas of Seattle and King County.

- 413 414 C. In May 2016, the King County Executive directed county agencies to Implement a 415 Priority Hire pilot program that prioritized economically disadvantaged local workers for 416 inclusion on large King County capital construction projects. King County is considering a 417 permanent Priority Hire program implemented through a CWA.
- 418
- 440

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

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

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433 F. King County completed The Construction Workforce Analysis in December 2016 and 434 found that the county may reasonably anticipate a reduced surplus of gualified labor and possible 435 labor shortages in certain construction trades by 2020. That is the result of a projected shortfall 436 forecast between demand and supply of four thousand six hundred thirty [4,630] workers by 2020. The county is concerned that these labor shortages will increase reliance on out-of-state 437 construction workers and that the demand for new construction workers may increase 438 construction costs on the county's public works projects unless the county supports efforts to 439 440 increase the supply of trained apprentices and journey level workers for local public works 441 projects.

- The analysis also found that 81 percent of the construction workforce in King County in 2016 were white males, while 19 percent were people of color and women. Representation of women and people of color is higher among new entrants to the labor force through apprenticeships and accredited certificates of completion, such as those received for completing a pre-apprenticeship program. However, according to the analysis, women and people of color also have lower rates of apprenticeship completion than do their white male counterparts.
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G. The City of Seattle commissioned the Construction Industry Labor Market Assessment, which found that women, irrespective of race, are underrepresented in the construction industry. Between 2009 and 2013, 10 percent fewer women finished their apprentice training program than males. The assessment also found that between 2009 and 2013, 14 percent fewer racial minority apprentices finished their apprentice training program than white apprentices. In addition, it also found that underrepresented workers face barriers to completing apprentice training. Between 2009 and 2013, 65 percent of the racial minorities exiting apprenticeships did not complete the programs compared to 51 percent of the white apprentices who failed to complete the program. During that same time period, 65 percent of all women, irrespective of race, failed to complete their programs compared to 55 percent of all men.

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

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I. A PLA is an effective tool to manage public works projects when reducing the risk of
 project delays and reducing the potential of labor disruptions and labor shortages.

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J. Priority Hire is an effective tool to create local jobs, enhance workforce diversity, andimprove overall working conditions.

| 1        |   |   |  |
|----------|---|---|--|
| 2        |   |   |  |
| 3        | Resolution No. 3746   |   |  |
| 4<br>5   | A Resolution  | of the Port of Seattle Commission amending the Policy Directives on                 |  |
| 6        |   | Construction Labor Practices for Projects Located on Port of Seattle                |  |
| 7        |   | Property and Priority Hire created by Resolutions 3725 and 3736,                    |  |
| 8        |   | respectively, to change the threshold for applying project labor                    |  |
| 9        |   | agreements to Port projects and related definitions.                                |  |
| 10       |   |   |  |
| 11       | WHERE   | AS, the Port of Seattle established its Construction Labor Policy in 2016 to help   |  |
| 12<br>13 | ensure timely a   | nd efficient delivery of construction projects; and                                 |  |
| 15<br>14 |   | AS, the Port of Seattle Commission established a Priority Hire policy that requires |  |
| 14<br>15 |   | regional partners to increase participation in the workforce by women and           |  |
| 16       | minorities; and   |   |  |
| 10       | minorities, and   |   |  |
| 18       | WHERE   | AS, the Port of Seattle can further align with King County and the City of Seattle  |  |
| 19       |   | dollar threshold for the assumption in favor of a Project Labor Agreement;          |  |
| 20       |   |   |  |
| 21       | NOW, T  | HEREFORE, BE IT RESOLVED by the Port Commission of the Port Seattle as              |  |
| 22       | follows:  |   |  |
| 23       |   |   |  |
| 24       | Section 1.  |   |  |
| 25       |   |   |  |
| 26       | The Policy Dire   | ective on Construction Labor Practices for Projects Located on Port of Seattle      |  |
| 27       | Property (created by Resolution 3725) is hereby amended as follows: |   |  |
| 28       |   |   |  |
| 29       | Strike a  | and replace Section 1(A)(1) to read: The assumption will be in favor of             |  |
| 30       |   | A for construction contracts that are anticipated to be in excess of \$5 million at |  |
| 31       | the time of bid   | or, if absent at bid, at the time of the contract award.                            |  |
| 32       |   |   |  |
| 33       |   | Section 1(E), strike "with projected construction labor costs at or above           |  |
| 34       | \$5 million"  |   |  |
| 35       |   |   |  |
| 36       |   | Section 2(D), strike "with projected construction labor costs at or above           |  |
| 37       | \$5 million"  |   |  |
| 38       | : ا   | Socian 2/D/(2) strike "with prejected construction labor costs at an above          |  |
| 39<br>40 |   | Section 3(B)(3), strike "with projected construction labor costs at or above        |  |
| 40       | \$5 million"  |   |  |
| 41       |   |   |  |

42 <u>Section 2.</u>

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44 The Priority Hire Policy Directive (created by Resolution 3736), is hereby amended as follows:

In Section 2, Definitions, strike the following: "Construction labor costs" means the labor
cost component of the estimated construction budget for the project to be paid to contractors
at the time of bid, or, if absent a bid, at the time of the contract award.

50 And in Section 2, Definitions, under "Covered Project" strike "with construction costs at 51 or above \$5 million" and insert: as defined in the Policy Directive on Construction Labor 52 Practices for Projects Located on Port of Seattle Property.

ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held this  $2^{\mu n}$  day of \_\_\_\_\_\_, 2018, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

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|----|--------------------|----------------------------|
| 59 |                    | RYAN CALKINS               |
| 60 |                    | MAN GALLAND                |
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| 62 | · · ·              | STEPHANIE BOWMAN           |
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| 65 |                    | FRED FELLEMAN              |
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| 68 | •                  | Deman PETER STEINBRUECK    |
| 69 |                    | Port of Seattle Commission |
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