

Letter of Understanding
Between
Seattle Building and Construction Trades Council
Northwest Construction Alliance II
And
The Port of Seattle

Priority Hire/Dispatch

This Letter of Understanding seeks to support dispatch of workers to achieve the obligations and aspirational goals set forth pursuant to Port of Seattle Resolution No. 3736 dated November 28, 2017, which directs development of a Priority Hire program through an agreement executed between the Port of Seattle and Seattle King County Building and Construction Trades Council and Northwest Construction Alliance II. The Priority Hire LOU will be applied to projects the Port may select. Resolution No. 3736 is incorporated herein and attached as Exhibit A. The purpose of Resolution No. 3736 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 Projects for those workers.

The signatories to the PLA recognize that public agencies are working together as regional partners to better understand the workforce demand-supply gap for regional public infrastructure projects; to enhance access opportunities and to increase the diversity of pre-apprentices, apprentices and journey-level workers entering into the trades workforce; to support retention programs for current trades workers; and to improve performance data and systems of reporting for monitoring regional goals and initiatives.

The Designee will set a requirement for this project that directs the Prime Contractor to utilize workers from economically distressed ZIP codes for a specified share of total hours worked on the project by apprentices and journey-level workers. It is agreed that classifications of work performed under the selected PLA projects will be subject to the following additions and stipulations:

Section 1. PLA signatories shall make all reasonable efforts to comply with priority hire requirements and goals as memorialized in Port of Seattle Resolution No. 3736 dated November 28, 2017, as practicable given the needs of the work to be performed.

Section 2. The Port Designee will set a requirement for this project that directs the Prime Contractor to utilize workers from an Economically Distressed area (“Priority Workers”) for a specified share of total hours worked on the project by apprentices and journey-level workers. Workers that qualify towards those requirements shall be identified as “Priority Worker(s).” A Priority Worker is defined in Port of Seattle Resolution No. 3736 dated November 28, 2017, as an individual prioritized for recruitment, training and employment opportunities because the individual is a resident of an Economically Distressed Area.

Section 3. Contractors shall request and Unions shall dispatch Priority Workers who are residents of an Economically Distressed Area as defined by King County's Finance and Business Operations Division and published at <https://www.kingcounty.gov/council/news/2018/March/03-05-hiring.aspx> .

Section 4. Labor hours performed by workers living outside of Washington will be excluded from priority worker calculations that the Port performs when calculating whether required percentages of total Priority Worker hours were achieved.

Section 5. If Priority Hire requirements are not met, the Port will notify contractors and unions and request both to describe what measures may be taken to improve outcomes.

The Parties will make every effort to keep an open channel of communication to ensure that both parties are fully informed of the facts affecting the substance of this letter.

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**, 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 for King
14 County public agencies. The 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 to 10 percent during 2018-2042; and
19

20 **WHEREAS**, the Port 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 capital investment dollars create 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 State in 2016; and
26

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

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

39 **WHEREAS**, the Port of Seattle is committed to its values of conducting business with the
40 highest ethical standards. Our business practices shall reflect integrity, accountability, honesty,
41 fairness and respect at all levels; and
42

43 **WHEREAS**, the Port of Seattle is a leader in workforce development and has found
44 construction job training programs, including Career Connected Learning, apprenticeship and
45 pre-apprenticeship programs, to be an effective way to prepare individuals for entry into
46 construction jobs, and to ensure women, people of color, and otherwise disadvantaged
47 individuals, can acquire the necessary job skills and be prepared to successfully pursue
48 construction careers; and
49

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
57

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
62

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
69

70 **WHEREAS**, Priority Hire enhances community partnerships focused on inclusion and
71 access to opportunities and services; expands opportunities for disadvantaged populations to
72 advance equity and social justice; and ensures that Port construction projects are planned and
73 implemented in a way that improves equity in local communities; and
74

75 **WHEREAS**, the Port believes that establishing a Priority Hire policy ensures better access
76 to training programs and well-paying construction jobs for local workers, particularly those
77 from Economically Distressed Areas, as well as increases the diversity of the workforce on Port
78 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

83 experts about the challenges and opportunities of a Priority Hire program. The Port of Seattle
84 intends to use the information received from these meetings as a guide for implementing the
85 Priority Hire program and developing a regional agreement for use on public works projects;
86 and

87

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

91

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

96

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

101

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

108

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

111

112 SECTION 1. Section 1 of Resolution No. 3725, the policy directive related to practices for
113 construction labor for projects located on Port property, is hereby amended as follows:

114

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

118

119 And in Section II(C)(2), strike “locality hiring and” and insert a new subsection (D) as
120 follows: For contracts under a PLA with projected construction labor costs at or above
121 \$5 million, the Port shall establish Priority Hire goals.

122

123 And in Section III(B)(2)(b), strike “locality hiring and” and insert a new sub-subsection (3)
124 as follows: For contracts under a PLA with projected construction labor costs at or above
125 \$5 million, the Port shall establish Priority Hire goals.

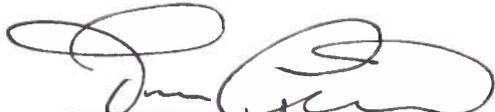
126

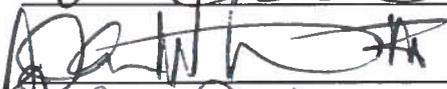
127 SECTION 2. A Priority Hire Policy Directive is hereby established as shown in Exhibit A, attached.

128
129 SECTION 3. The Policy Directive contained in Exhibit A and attached to this resolution shall be
130 labeled and catalogued as appropriate, together with other Commission Policy Directives, and
131 shall be made readily available for use by Port staff and members of the public as a governance
132 document of the Port of Seattle.

133
134 **ADOPTED** by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held
135 this 28 day of November, 2017, and duly authenticated in open session by the signatures of
136 the Commissioners voting in favor thereof and the seal of the Commission.



137
138  **TOM ALBRO**

139  **JOHN CREIGHTON**

140  **COURTNEY GREGOIRE**

141  **FRED FELLEMAN**

142  **STEPHANIE BOWMAN**

143
144
145
146
147
148

Port Commission

149 **EXHIBIT A**

150 **SECTION 1.** Purpose.

151
152 The purpose of this Policy Directive is to provide good family wage jobs to qualified construction
153 workers from Economically Distressed Areas of King County by increasing access to Port of Seattle
154 Covered Projects. This leads to economic growth and job creation in areas of King County that are
155 experiencing economic distress. In addition, it will provide jobs to those historically
156 underrepresented in the construction industry, such as women and people of color.

157
158 To develop a Priority Hire program implemented through a Project Labor Agreement (PLA) and to
159 foster closer cooperation with the Regional Public Owners Group to ensure uniform application of
160 Priority Hire terms and Contractor and Union compliance with Priority Hire requirements. This
161 supports the Port of Seattle’s continued efforts on workforce development.

162
163 **SECTION 2.** Definitions.

164
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:

167
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.

173
174 “Construction labor costs” means the labor cost component of the estimated construction budget
175 for the project to be paid to contractors at the time of bid or, if absent a bid, at the time of the
176 contract award.

177
178 “Contractor” means any person, firm, partnership, owner operator, limited liability company,
179 corporation, joint venture, proprietorship, trust, association or other legal entity that employs
180 individuals to perform work on covered projects, including general contractors, subcontractors of
181 all tiers, and both union and non-union entities.

182
183 “Core Employee” means an employee of an open-shop contractor that meets the core employee
184 criteria established under a PLA.

185
186 “Covered Project” means a Port of Seattle construction project under a PLA with construction
187 labor costs at or above \$5 million.

188
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.

193 “Economically Distressed Area” means a geographic area defined by zip code in King County and
194 found to have high population concentrations: 1) Living at or below 200 percent of the federal
195 poverty level, 2) Unemployed, 3) Those over 25 years of age without a college degree, compared
196 to other zip codes. King County zip codes with a high density per acre of at least two out of the
197 three criteria will be identified as Economically Distressed Areas. These zip codes are updated and
198 published by King County’s Finance and Business Operations Division.
199

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.
203

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.
209

210 “Labor hours” means hours performed on covered projects by workers who are subject to
211 prevailing wages.
212

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.
216

217 “Pre-apprentice” means a student enrolled in a construction pre-apprentice training program
218 recognized by the Washington State Apprenticeship and Training Council.
219

220 “Priority Hire Program” means a program on Port of Seattle major construction contracts that
221 focuses on recruitment, training and employment of workers who reside in Economically
222 Distressed Areas as defined by King County.
223

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.
226

227 “Project Labor Agreement” means an agreement authorized under the National Labor Relations
228 Act (NRLA), 29 U.S.C., which provides a means for aligning interests of public owners such as the
229 Port with those of construction labor unions.
230

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

237 current trades workers, especially women and people of color; and to improve performance data
238 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.

243

244 SECTION 3. Scope and Applicability.

245

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

248

249 SECTION 4. Responsibilities.

250

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

255

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

264

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

269

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.

275

276 SECTION 5. Policy.

277

278 A. For Covered Projects that are not found impractical under Section 2.4 B, the Designee
279 shall establish in the bid or other solicitation documents the: (1) required percentage of labor
280 hours to be performed by Priority Workers, and (2) aspirational goal percentage of labor hours to

281 be performed by Priority Workers. Contractors and Dispatch under a PLA shall seek to first hire
282 and dispatch Priority Workers so as to meet or exceed the required and aspirational goal
283 percentages.
284

285 The Designee shall establish the percentages separately for apprentices and for journey-level
286 workers.
287

288 B. For each Covered Project, the Designee shall establish the greatest practicable required
289 percentage of labor hours to be performed by Priority Workers by considering anticipated
290 workforce availability and past utilization percentages on similar construction projects from the
291 most recent project previous calendar year, and shall establish the percentage for the upcoming
292 year. This shall be included in the PLA and other Port agreements as appropriate and progress
293 monitored by the Designee. The Designee shall adjust these required percentages annually, based
294 on performance and reasonably anticipated changes in worker availability.
295

296 C. In order to achieve the intended impact in Economically Distressed Areas, the Designee
297 shall set project-specific requirements and an aspirational goal percentage of no less than 20
298 percent for all labor hours performed annually by Priority Workers on the total of Covered
299 Projects for the year. Annual percentage rates will be measured January 1 – December 31 of each
300 applicable year.
301

302 D. In order to meet the percentage of labor hours to be performed by Priority Workers,
303 the Designee shall require Contractors and Dispatch under a PLA to seek to employ a Priority
304 Worker who is a resident of an Economically Distressed Area in King County, and then workers
305 from any other Economically Distressed Areas as needed to meet the percentage labor hours to
306 be performed by Priority Workers. The specific process by which Contractors, Dispatch, and the
307 Port of Seattle Job Coordinator(s) will collaborate in order to facilitate the hiring of Priority
308 Workers shall be established by the Designee.
309

310 E. For Covered Projects, the Designee shall ensure the availability of a Jobs Coordinator(s)
311 to perform the following functions: maintain a database of pre-qualified Priority Workers for
312 referral to work on a Covered Project; network with various work source centers, community,
313 non-profit and faith-based organizations to facilitate the identification of Priority Workers; and
314 facilitate referral and coordination around training and employment of Priority Workers between
315 Contractors, Unions, and training programs. In addition, the Designee shall explore development
316 of a third party to manage regional Priority Hire efforts.
317

318 F. Per Resolution 3725, as amended, contracts \$1 million in value or greater requires
319 apprenticeship utilization goals. The goal is no less than 15 percent of all contract labor hours
320 are to be performed by apprentices.
321

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

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

326
327 (2) The Designee shall establish aspirational percentage goals for apprentices who are
328 women and people of color using similar factors. Contractors may be allowed to
329 offer utilization below the aspirational percentage goals by substituting other efforts
330 to meet the intent of building a trained construction workforce for a portion of the
331 utilization percentages for women and people of color.

332
333 G. When determining whether the percentage of Priority Hire requirements has been
334 achieved, the Designee shall exclude from the calculation labor hours performed by residents of
335 states other than the state of Washington. The Designee shall track labor hours performed by
336 residents of states other than the state of Washington and shall review this percentage
337 annually with the previously established Regional Public Owners Group and any future regional
338 Priority Hire advisory committee that may be established under an agreement with one or
339 more other government entities with Priority Hire programs.

340
341 H. Per Resolution 3725, as amended, the Designee shall support the inclusion of Priority
342 Hire provisions in the PLA standard language to be approved by the Commission Projects and
343 Procurement Committee. In furthering Resolution 3725, as amended, Port staff will seek an
344 agreement with regional partners to develop a framework to achieve operational efficiencies
345 through uniform Priority Hire requirements and by sharing Priority Hire resources and data and
346 advancing workforce development efforts.

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

350
351 **SECTION 6. Program Evaluation.**

352
353 A. The Designee shall establish benchmarks and metrics to evaluate the program, such as
354 project costs; completion times, workplace safety; utilization rates and graduation rates of
355 Priority Workers, women and people of color from pre-apprentice and apprentice training
356 programs; and changes in the amount of contracting dollars paid to Small Business and Women
357 and Minority Business Enterprises (WMBE) firms working on Covered Projects and the number of
358 Small Business and WMBE firms under contract.

359
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.

364
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 (2) The percentage of labor hours actually worked by apprentices and Priority Workers on
370 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 (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

382 C. The Commission, Executive Director, and Designee will review program results annually
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

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

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

401

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

407

408 B. The City implemented the Priority Hire Ordinance through a Community Workforce
409 Agreement (CWA) between the City and the building trade labor unions, and that agreement
410 requires that prime contractors on City public works construction projects of \$5 million or

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

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

425

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

432

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 qualified 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
437 2020. The county is concerned that these labor shortages will increase reliance on out-of-state
438 construction workers and that the demand for new construction workers may increase
439 construction costs on the county's public works projects unless the county supports efforts to
440 increase the supply of trained apprentices and journey level workers for local public works
441 projects.

442

443 The analysis also found that 81 percent of the construction workforce in King County in
444 2016 were white males, while 19 percent were people of color and women. Representation of
445 women and people of color is higher among new entrants to the labor force through
446 apprenticeships and accredited certificates of completion, such as those received for completing
447 a pre-apprenticeship program. However, according to the analysis, women and people of color
448 also have lower rates of apprenticeship completion than do their white male counterparts.

449

450 G. The City of Seattle commissioned the Construction Industry Labor Market
451 Assessment, which found that women, irrespective of race, are underrepresented in the
452 construction industry. Between 2009 and 2013, 10 percent fewer women finished their
453 apprentice training program than males. The assessment also found that between 2009 and
454 2013, 14 percent fewer racial minority apprentices finished their apprentice training program

455 than white apprentices. In addition, it also found that underrepresented workers face barriers
456 to completing apprentice training. Between 2009 and 2013, 65 percent of the racial minorities
457 exiting apprenticeships did not complete the programs compared to 51 percent of the white
458 apprentices who failed to complete the program. During that same time period, 65 percent of
459 all women, irrespective of race, failed to complete their programs compared to 55 percent of all
460 men.

461
462 H. The City of Seattle has found that Priority Hire effectively and successfully increases
463 diversity on City construction projects. The share of labor hours between November 2013 and
464 April 2017 saw an increase of 233 percent in rate of hours performed by workers living in
465 Seattle’s economically distressed zones. In addition, it saw an over 300 percent increase in rate of
466 hours performed by apprentice women and 200 percent increase in rate of hours performed by
467 African Americans.

468
469 I. A PLA is an effective tool to manage public works projects when reducing the risk of
470 project delays and reducing the potential of labor disruptions and labor shortages.

471
472 J. Priority Hire is an effective tool to create local jobs, enhance workforce diversity, and
473 improve overall working conditions.

1
2
3 Resolution No. 3746
4

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 WHEREAS, the Port of Seattle established its Construction Labor Policy in 2016 to help
12 ensure timely and efficient delivery of construction projects; and

13
14 WHEREAS, the Port of Seattle Commission established a Priority Hire policy that requires
15 alignment with regional partners to increase participation in the workforce by women and
16 minorities; and

17
18 WHEREAS, the Port of Seattle can further align with King County and the City of Seattle
19 in updating the dollar threshold for the assumption in favor of a Project Labor Agreement;

20
21 NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port Seattle as
22 follows:

23
24 Section 1.

25
26 The Policy Directive 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 and replace Section 1(A)(1) to read: The assumption will be in favor of
30 employing a PLA 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 And in Section 1(E), strike "with projected construction labor costs at or above
34 \$5 million"

35
36 And in Section 2(D), strike "with projected construction labor costs at or above
37 \$5 million"

38
39 And in Section 3(B)(3), strike "with projected construction labor costs at or above
40 \$5 million"

42 Section 2.

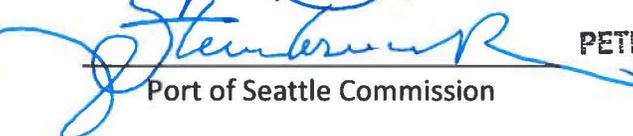
43
44 The Priority Hire Policy Directive (created by Resolution 3736), is hereby amended as follows:
45

46 In Section 2, Definitions, strike the following: "Construction labor costs" means the labor
47 cost component of the estimated construction budget for the project to be paid to contractors
48 at the time of bid, or, if absent a bid, at the time of the contract award.
49

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.
53

54
55 ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held
56 this 24th day of April, 2018, and duly authenticated in open session by the signatures
57 of the Commissioners voting in favor thereof and the seal of the Commission.
58



59  _____ **RYAN CALKINS**
60
61  _____ **STEPHANIE BOWMAN**
62
63  _____ **COURTNEY GREGOIRE**
64
65  _____ **FRED FELLEMAN**
66
67  _____ **PETER STEINBRUECK**
68
69 Port of Seattle Commission