2016 PRIORITY HIRE ANNUAL REPORT

Department of Finance & Administrative Services
City Purchasing & Contracting Services

City of Seattle

A Foreword by Mayor Ed Murray

In January 2015, following the positive results of a pilot program on the Elliott Bay Seawall project, the City adopted the Priority Hire Ordinance. As I said at the time, this law was a major move to support workforce development for areas in our region that were being left behind. We were aiming 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.

Implemented through a community workforce agreement (CWA) between the City and the building trade labor unions, priority hire requires that prime contractors on City public works construction projects of $5 million or more must ensure that a certain percent of project labor hours are performed by workers living in economically distressed areas of Seattle and King County. It also mandates apprentice utilization rates and includes goals for hiring women and people of color. The City also invested more than $1 million through contracts to community partners to support recruitment and training to ensure that the demand to hire these workers is met.

This report shows priority hire's success and that our regional partnership with labor unions, contractors and community partners is creating greater diversity on construction projects, providing well-paying jobs to local residents and preparing a new generation of workers for construction careers. Highlights include:

- Across all seven active CWA projects, workers living in economically distressed zip codes have performed more than 237,000 hours so far. At 21 percent of project hours, this performance is nearly double the percentage of hours performed on past projects.
- Since the Seawall project began, priority workers have earned more than $8.5 million in wages, bringing that money back into their communities. This is nearly $3 million more than typically brought into those communities from City construction jobs.
- At 12 percent, women on CWA projects are working more than double the percentage of hours compared to past City projects. Since priority hire began in late 2013, women have worked more than 130,000 hours.
- Women- and minority-owned business (WMBE) utilization, which was 15.9 percent through December 2016, represents more than $59 million paid to-date.

As with any new program, there have been challenges. However, many of the concerns prior to implementation did not play out, and we are already making adjustments and seeing improvements. I look forward to expanding the program, thus expanding opportunities in construction careers for members of our diverse community.

Sincerely,

Edward B. Murray
Mayor of Seattle

Date:	February 8, 2017
To:	Mayor Edward B. Murray
	Council President Bruce Harrell, Seattle City Council
From:	Nancy Locke, Director, City Purchasing and Contracting Services,
	Finance and Administrative Services
CC:	Fred Podesta, Director, Finance and Administrative Services
	Doug Carey, Deputy Director, Finance and Administrative Services
Subject:	2016 Priority Hire Annual Report

Responsive to Seattle Municipal Code (SMC) 20.37, the department of Finance and Administrative Services (FAS), through City Purchasing and Contracting Services (CPCS), submits this report regarding Priority Hire. CPCS is pleased to share the program's successes and challenges, modifications that CPCS will pursue in 2017, and recommendations for legislative changes.

Priority Hire is achieving the milestones and vision established in the Priority Hire Ordinance (SMC 20.37). The program collaborates with labor unions, contractors and community partners to increase the share of the City's construction work and training for women, people of color and residents living in economically distressed communities. The program continues to receive regional and national interest as an innovative leader providing these opportunities.

The Priority Hire initiative began in 2010, and a pilot Community Workforce Agreement (CWA) was launched with the Elliott Bay Seawall Project in 2012. In January 2015, City Council passed Priority Hire's enabling ordinance and Mayor Murray signed it into law. CPCS executed a CWA between the City and construction labor unions in April 2015. Including the Elliott Bay Seawall Project, seven projects are now covered.

We thank the committed associations, organizations and individuals that helped design, shape, implement and support the program (Attachment 8).

Under separate correspondence, CPCS will transmit the Priority Hire Advisory Committee (PHAC) report that provides its independent assessment and program recommendations. The PHAC recommendations are largely consistent with those herein. A cross-walk showing the commonalities is attached for your reference (Attachment 7).

Thank you for your support and don't hesitate to call with any questions you may have.

Overview and Summary

Recommendations for Legislative Change to Priority Hire

City Purchasing and Contracting Services (CPCS) recommends the Mayor and City Council consider ordinance changes to:

1. Reduce the number of core workers a contractor can bring onto a project from five to three, by modifying Seattle Municipal Code Ch. 20.37.050 (D), while retaining five core workers for women- and minority-owned (WMBE) contractors (a precedent set by the Seattle Housing Authority).
2. Exempt small contracts (or small contractors) from Community Workforce Agreement (CWA) requirements. The dollar threshold to define a small contract could be $100,000 in total value or a lesser threshold.

Requested Considerations

SMC 20.37 requested CPCS to review several program aspects. CPCS conclusions are:

1. The current thresholds in the ordinance of $5 million total construction dollars for projects to be covered by the Priority Hire Ordinance and CWA are appropriate and should be retained without change.
2. CPCS can and should impose contract provisions requiring liquidated damages when prime contractors fail to achieve Priority Hire worker* hours and potentially other requirements (see #5 below).

2017 CPCS Program Improvements

CPCS analysis shows areas for program improvements:

1. Eliminate harassment on job sites. There remains high risk of an inappropriate and/or discriminatory work environment, with behavior such as bullying or harassment. For 2017, CPCS is developing an innovative anti-bullying program.
2. Create pathways for experienced Priority Hire workers* to access union construction jobs and work on City projects.
3. Improve retention of pre-apprenticeship graduates into apprentice positions. Some pre-apprenticeship graduates face barriers for placement into apprenticeship, such as a suspended driver license and lack of income during training and prior to placement, which leads to attrition. During 2016 and into 2017, the City has focused resources on driver re-licensing. For 2017, CPCS will work on solving the income gaps that pre-apprenticeship graduates often experience as they await employment as an apprentice.
4. Improve retention of all Priority Hire workers* (pre-apprentice, apprentice and/or journey-level) through mentorship, case management and appropriate types of financial supports.
5. Modify contract provisions to assess liquidated damages when a prime contractor fails to achieve Priority Hire's or other requirements and improve the City's debarment ordinance.

*Priority Hire workers refer collectively to women, people of color and those from the designated economically distressed ZIP codes of Seattle and King County.

Summary of Program Successes and Challenges

1. Priority Hire* effectively and successfully increases diversity on CWA projects.
2. Communities with Priority Hire workers receive a meaningful increase to earnings.
3. Community-based organizations (CBOs) and CPCS are learning effective methods to recruit workers.
4. Pre-apprenticeship programs are successfully adding diverse workers into the pipeline; more workers will be needed to meet future goals.
5. Non-manual positions have not yet presented significant work opportunities.
6. WMBE contractors – and surprisingly open-shop WMBE contractors – continue to receive robust shares of work on CWA projects.
7. There is insufficient evidence to conclude that the CWA discourages prime contractors from bidding on CWA projects.
8. There is insufficient evidence to conclude that the CWA increases prime contractor bid prices.
9. The $5 million and above threshold for covering a project with the CWA and Priority Hire appears appropriate.
10. Dual benefit reimbursement appears to have a minimal cost impact to the City, yet is an important mitigation for open-shop contractors.
11. Administrative costs to the City to support, monitor and enforce the CWA are in line with those predicted in the 2014 legislative process.
12. There is insufficient data to conclude that the CWA speeds up project delivery.
13. There is insufficient data to conclude that the CWA improves worker safety.
14. CPCS updated the Priority Hire ZIP codes using recent data, which will add some additional distressed neighborhoods in south King County.
15. The Priority Hire Advisory Committee (PHAC) is committed, knowledgeable and effective.
16. Regional collaboration is important for long-term success.

**Priority Hire refers to both the ordinance and the accompanying CWA.*

Background and Introduction

The City of Seattle and its communities of color share a deep interest in improving worker diversification on construction projects in Seattle. Dating back to 1950, Mr. James McDonald led the Citizen's Committee for Fair Employment boycott of Safeway stores to protest hiring discrimination. In 1961, the Congress of Racial Equality launched similar boycotts of local department stores. In 1968, the Central Area Committee for Peace and Improvement, the Black Panthers and the Urban League of Metropolitan Seattle all rallied against hiring discrimination. By 1969, the Central Area Contractors Association, chaired by Tyree Scott, brought the issue directly to construction jobs on City projects. Such advocates continue to demand equity.

In 2010, the Construction Jobs Equity Coalition (CJEC) worked with the Mayor and City Council to elevate the issue within the City. The department of Finance and Administrative Services (FAS), through its City Purchasing and Contracting Services (CPCS) division, was tasked with developing strategies to increase construction career opportunities on City projects. CPCS approached this work in alignment with the principles of the City's Race and Social Justice Initiative to address the pervasive disparities faced by people of color and with the intention of achieving equity in this work.

CPCS worked with construction union leaders, contractors, including WMBE contractors, advocacy associations, construction training programs and community representatives to create pathways for people interested in construction careers. This resulted in a 2012 pilot Community Workforce Agreement (CWA) on the Elliott Bay Seawall Project, the largest public works project in City history. Construction started in 2013, and quite remarkably increased the share of work performed by Priority Hire workers when compared to traditional public works projects.

In 2015, City Council adopted the Priority Hire Ordinance (SMC 20.37), which required CPCS to include Priority Hire requirements in public works and directed a CWA. Mayor Murray signed the legislation and CPCS launched implementation. CPCS negotiated and executed a master CWA with the Seattle-King County Building Trades Council on April 8, 2015.

The Priority Hire Ordinance and CWA cover City public works projects estimated at $5 million or more. The CWA requires all contractors to "look and feel" like a union contractor while working on the project, though contractors and workers may maintain their open-shop status. Contractors must use workers who have been dispatched through the union dispatch hall, pay into trust funds and adhere to other administrative responsibilities.

The unions, through the CWA, convert their dispatch processes on Priority Hire projects; they agree to first call out workers living in economically distressed ZIP codes in Seattle and then King County before more senior union workers, and they also attend to aspirational goals for women and people of color.

Attachments

Attachment 1	Priority Hire Project Overview, City of Seattle, December 2016.
Attachment 2	Construction Outreach and Training Contracts, City of Seattle, December 2016.
Attachment 3	City of Seattle Construction Hiring Analysis – Analysis of Cost Data, Community Attributes Inc., November 2016.
Attachment 4	City of Seattle Construction Hiring Analysis – Contractor Survey, Community Attributes Inc., November 2016.
Attachment 5	City of Seattle Construction Hiring Analysis – Apprenticeship Analysis, Community Attributes Inc., December 2016.
Attachment 6	City of Seattle Construction Hiring Analysis – Spatial Analysis of Priority Workers and Distressed ZIP Codes, Community Attributes Inc., November 2016.
Attachment 7	PHAC/CPCS Annual Report Crosswalk, December 2016.
Attachment 8	Acknowledgements

Notes

The following notes are about the metrics and data reported herein.

- Metrics are measured in hours, not individuals hired, unless otherwise stated. This ensures transparency into actual work performed and avoids the risks that a “head count” creates, such as contractors hiring a worker for one day to improve their performance.
- In some cases, data is very limited given that most CWA projects are still under construction. This limits the confidence of conclusions. Metrics don’t always have an “apples to apples” comparison; such limitations are noted.
- People of color refer to workers who identify as African American, Asian, Latino/Hispanic, Native American and Other.
- In 2014, CPCS data collection newly allowed individuals to identify as Other or Not Specified. These changes complicate comparisons from previous years’ baselines; this is noted where it may influence interpretations of results.
- A generic term for a labor union agreement is project labor agreement (PLA). Although the City ordinance uses the term PLA, we more often use the term community workforce agreement (CWA), as it is the formal title of the signed agreement for the City.

Recommendations for Legislative Change

City Purchasing and Contracting Services (CPCS) recommends the Mayor and City Council:

1. Reduce the number of core workers a contractor can bring onto a project from five to three, by modifying Seattle Municipal Code Ch. 20.37.050 (D), while retaining five core workers for WMBE contractors (a precedent set by the Seattle Housing Authority).
2. Exempt small contracts (or small contractors) from CWA requirements. The dollar threshold to define a small contract could be $100,000 in total value or a lesser threshold.

1. Core Workers.

It is reasonable for the Mayor and Council to consider allowing fewer core workers except for WMBE contractors. This may improve Priority Hire placements, while sustaining the results WMBE firms bring through their own crews. The Seawall CWA allowed two core workers; the Priority Hire Ordinance and master CWA allow five core workers per contract. Per the CWA, core workers are defined as journey-level workers who:

- Worked for the contractor for at least 1,500 hours during the previous two years.
- Were active on the contractor's payroll for at least 60 of the 90 calendar days prior to dispatch.
- Hold all required licenses and certifications.

The issue is how many core workers a contractor can assign to work on a CWA project. Union contractors can bring as many of their own workers as they wish, recognizing that the prime contractor must still successfully deliver the mandated share of work performed by Priority Hire workers for the overall project. The City master CWA, per the SMC 20.37.060 (D), limits the number of core workers open-shop contractors can bring on the job to five, then they must request their remaining workforce from union dispatch. Generally, open-shop contractors are more comfortable with more core workers.

Each project labor agreement (PLA) in the country must negotiate and agree upon an approach to core workers. It is of significant importance to the labor unions; fewer core workers will ensure more union work under the PLA. It also is of significance to the signing entity, such as the City. The fewer core workers, the more the City achieves the benefits expected from a labor union workforce. It is of deep concern to open-shop contractors, who prefer to bring their own workers.

The maximum number of workers is a contentious question and has been discussed at length by the Construction Careers Advisory Committee (CCAC), contractors, City Council, the Priority Hire Advisory Committee (PHAC), WMBE contractors and labor unions. Consistent with CPCS' recommendations the PHAC report also recommends a reduction from five to three core workers. Public owners in the region have various core worker requirements.

Exhibit 1. Core Worker Requirements by Jurisdiction

Jurisdiction	Maximum Core Workers per Contract	Dispatch Process
City of Seattle	5	5 core workers up front.
King County	3	1 core and then 1 union until 3 core are placed.
Port of Seattle	5	1 core and then 1 union until 5 core are placed.
Seattle Housing Authority	3 5 for WMBEs	1 core and then 1 union until 3 core are placed. WMBEs have 2 core and then 2 union until 5 core are placed.
Sound Transit	5	1 core, 1 union, 2 core, 1 union until 5 core per craft are placed.

The analysis below describes the implications of reducing the maximum number of core workers allowed to be less than the five that are permitted in the current ordinance.

First, the data points to greater Priority Hire workforce diversity with fewer core workers, and by drawing more workers from union membership.

Union contractors have a stronger Priority Hire performance (including women, people of color and by ZIP code) on CWA projects than they do compared to City projects without the CWA, implying that union workers meet the Priority Hire definition (see Exhibit 2). The data disputes that they simply shift Priority Hire workers to CWA jobs; the overall share of such priority workers on all City projects combined (both CWA and non-CWA) is increasing above previous rates (see Exhibit 8).

Continuing along the theme of doing better with fewer core workers, we also see that all open-shop contractors do better as well, hiring at greater rates when they go through the CWA process (see Exhibit 2). Again, since we see the overall City share of work increasing for such workers, data implies these open-shop contractors are also not simply shifting workers to meet the requirement.

Exhibit 2. Open-Shop and Union Workers Per Contract (November 2013-September 2016)

Contractor Type	Workers from Economically Distressed ZIP Codes	Women	People of Color
Non-CWA Projects over $5 Million			
Open-Shop	17%	2%	20%
Union	14%	3%	21%
CWA Projects			
Open-Shop	20%	6%	23%
Union	26%	6%	25%

Source: City of Seattle, 2016.

The next question is why WMBE contractors, who also do better according to the data in the CWA environment, should remain at five core workers.

- WMBE contractors report a greater impact from the CWA than non-WMBE contractors. CPCS hired Community Attributes Inc. (CAI) to survey firms who worked on CWA projects (Attachment 4). Fifty-six percent of WMBE contractors reported a burden. Anecdotal reports and WMBE business advisors have also reported disproportional impacts.
- Maintaining five core workers for open-shop WMBE contractors maximizes Priority Hire workforce results given that open-shop WMBEs have a higher share of diverse Priority Hire workers than open-shop non-WMBE contractors, while maintaining WMBE utilization (see Exhibit 3).

Exhibit 3. Open-Shop Workers Per Contract (November 2013-September 2016)

Contractor Type	Workers from Economically Distressed ZIP Codes	Women	People of Color
Non-CWA Projects over $5 Million			
Open-Shop & WMBE	21%	5%	30%
Open-Shop & Non-WMBE	15%	1%	13%
CWA Projects			
Open-Shop & WMBE	23%	10%	29%
Open-Shop & Non-WMBE	17%	3%	17%

Source: City of Seattle, 2016.

The final question is whether three core workers is a reasonable count for open-shop non-WMBE contractors. CPCS analyzed data to determine what core worker count has the least impact on business, while maximizing Priority Hire performance. Based on limited data from newer CWA projects, open-shop contractors typically request three core workers in their pre-job paperwork. However, they eventually hire 13 workers. It is unclear whether open-shop contractors are using their own workforce for these extra workers, as may be allowed by unions on a case-by-case basis, or requesting workers from union dispatch. Assuming the additional workers are union members, three core workers would be sufficient to meet typical needs.

Contractors and our local open-shop apprentice program, the Construction Industry Training Council CITC), also have particular interest in permitting all open-shop contractors to bring up to five core workers when at least two of those five are registered apprentices and Priority Hire workers (those living in economically distressed ZIP codes, women, people of color and pre-apprenticeship graduates). This would require changing the core worker definition within the CWA. Currently, the CWA definition is limited to journey-level workers. This results in a greater challenge for placing open-shop Priority Hire apprentices who are trained at an open-shop apprenticeship such as CITC. CITC offers apprenticeship programs in eight crafts in King County and prepares a diverse group of apprentices (28 percent people of color) to work in commercial and residential construction, yet cannot be easily dispatched onto City work since they are not affiliated through the King County Building Trade unions that are the source for apprentice placements onto CWA projects.

2. Exempting small contracts (or small contractors) from the CWA.

CPCS recommends amending the ordinance to exempt small contracts from the CWA, while still including the hours of work done within such contracts as part of the project workforce goals. This ensures no reduction in total baseline labor hours upon which the Priority Hire requirements are applied. The CWA impacts contractors with small subcontracts disproportionately relative to their small share of work. These burdens may discourage contractors from bidding on small subcontracts. This is discussed in detail below. Note that CPCS is unaware of other PLAs that provide such an exemption. Small contracts provide no significant portion of Priority Hire employment, yet appear to have an outsized impact on the performance and potentially bidding environment for such small subcontracts.

CPCS analysis found that those most likely to hold small contracts report the greatest impacts. Some of this is not visible to the City through data, given the scarcity of subcontract data (due to the fact that the City has no appropriate place in the subcontract bid environment). However, CPCS has relied upon anecdotal information to support the likelihood that the CWA dampens the subcontract environment for particularly small contracts.

- As discussed during the 2014 legislative hearings, many WMBE, some open-shop and even a few small union contractors report that the CWA process poses an outsized burden due to:
    - Pre-job paperwork.
    - Mandatory pre-job meeting.
    - Dual benefits (situation created when the open-shop contractors pay an existing benefit plan and then must also pay into the union trust).
    - Trust payments and union representation fees.
    - Workers with reduction in take-home pay for trust benefits that they are likely not to receive direct benefit from unless significant hours are worked.
- CPCS also interviewed the Seattle Department of Transportation and FAS Capital Development and Construction Management (fire station projects), who both reported reluctance of bidders for small subcontracts.
- Finally, CPCS hired CAI to survey firms who worked on CWA projects (Attachment 4).
    - Fifty-six percent of WMBE contractors reported a burden.
    - Thirteen percent of all contractors reported they would not bid on future CWA projects (100 percent of these were small contractors).

CPCS analyzed project data to predict impacts of some choices about how to approach such an exemption – whether to do so by exempting small subcontracts (regardless of company size) or by exempting small contractors (regardless of contract size). During this analysis, CPCS considered an exemption for any small businesses certified by King County or state or federally certified small businesses, including WMBEs. CPCS found that posed some logic constraints; some small or WMBE contractors still win large contracts (such that their employees would have a large presence on the project and the contractors have a higher return on their investment of time toward the CWA requirements). CPCS also notes that the limited data available (given that there has only been seven projects to-date) gives an unreliable picture of how many labor hours this might exempt, and the data CPCS does have suggests it could be significant.

Exhibit 4. Exemption Options

Option	This option would exempt the following share of all project hours[1]	This option would exempt the following share of total project value[2]
1. Exempt contracts less than $100,000 or some lower threshold from CWA requirements.	6% - 8%	6%
2. Exempt all King County certified small contractors, regardless of contract size.	6% - 16%	4%
3. Exempt all state and federally certified small contractors including WMBEs, regardless of contract size.[3]	8% - 21%	6%

[1] Range is based on two data sets: the first for completed non-CWA projects, which would estimate the total impact over time; the second is based on active CWA projects. Two data sets were used to show the difference between completed and active projects.
[2] Completed non-CWA projects.
[3] State and federally certified small contractors include businesses that have been certified as a Small Business Enterprise (SBE), Minority Business Enterprise (MBE), Women's Business Enterprise (WBE), Minority Women's Business Enterprise (MWBE), Combination Business Enterprise (CBE), Disadvantaged Business Enterprise (DBE), or Socially and Economically Disadvantaged Business Enterprise (SEDBE). Some of these will also be King County certified, so option 2 is not additive to option 3.
Source: City of Seattle, 2016

As stated above, CPCS recommends a small contract exemption of $100,000 or a lesser value to address concerns about administrative burdens. The impact of various thresholds for Option 1 are in Exhibit 5 below.

Exhibit 5. Subcontract Thresholds on Non-CWA Projects (Option 1)

Subcontract Threshold	Share of Project Value	Share of All Project Hours	Share of Open-Shop Hours Among All Hours	Share of WMBE Hours Among All Hours	Share of Open-Shop WMBE Contracts Among All Subcontracts
<$100,000	6%	8%	4%	1.6%	0.9%
<$50,000	3%	4%	2.3%	1%	0.6%
<$25,000	1%	2%	1%	0.5%	0.3%
<$10,000	0%	1%	0.3%	0.1%	0.2%

Source: City of Seattle, 2016

Regardless of the type of exemption enacted, all workers would continue to receive prevailing wages, yet would be exempted from certain CWA-unique impacts. These exemptions may change the character of the project site to have some workers receiving union safeguards and others not.

Note: CPCS has no data, nor can we retrieve data, about subcontract bids because the prime contractor holds those bids and does not share them with the City. We therefore have no data we can retrieve to support anecdotal evidence of such reduced interest in bids or higher subcontract bids, however, we have anecdotal evidence from several sources as described previously.

2017 CPCS Program Improvements

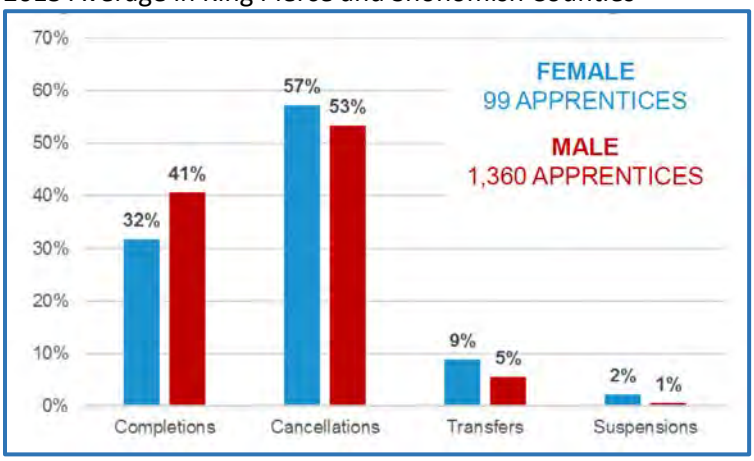
CPCS works hard at continual improvement of Priority Hire programming. CPCS is pursuing the following program improvements during 2017, which do not require ordinance modifications but may be improved programmatically through the ordinance authorities previously granted.

1. Eliminating harassment on job sites.

There remains high risk of an inappropriate work environment, from issues such as bullying or harassment, for this changing workforce. The CPCS monitoring resources and our union partners have both allowed us easier access to learn of such incidents. These show up throughout the region, and are not unique to the city of Seattle nor to CWA projects. However, our greater access and visibility allows us to learn of incidents that are usually "under the radar" for public agencies and contractor owners alike. Such harassment, bullying or inappropriate workplace conditions are among the factors reported to cause lower retention rates and increased cancellation by women and people of color from construction apprenticeship programs than white and male counterparts. Exhibits 6 and 7 show rates of apprentices graduating to journey-level work by gender and ethnicity.

Exhibit 6. Construction Apprenticeship Retention Rates by Gender

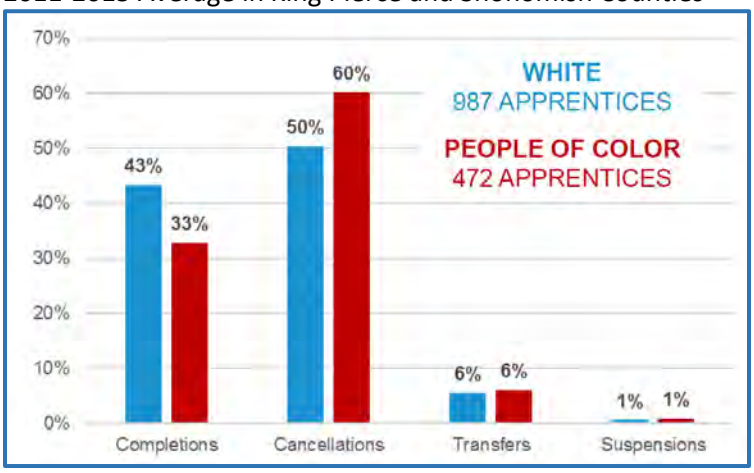
2015 Average in King Pierce and Snohomish Counties



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

Exhibit 7. Construction Apprentice Retention Rates for People of Color

2011-2015 Average in King Pierce and Snohomish Counties



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

CPCS – with the historical strong support of the Mayor and City Council – has used very proactive and robust contract enforcement mechanisms to respond and prohibit racist, sexist or other oppressive behaviors that are visible enough for the City to act upon and which negatively impact the success of a project. However, new visibility and access to see these incidents has allowed CPCS to create a much more aggressive approach to preventing, monitoring and enforcing them for 2017.

In 2017, CPCS will yet again intervene in a much more proactive way by imposing a more substantial intervention strategy as CPCS interviews workers and WMBE owners, and receives reports of harassment, bullying, isolation or other forms of aggression on a project. In 2017, CPCS will begin to:

- Define a level of inappropriate workplace behavior that will violate a City contract, regardless of if such behavior meets the greater criminal or civil legal standards necessary for a discrimination or Title 6 violation. Such inappropriate workplace behavior will be prohibited and enforced, and integrated as a violation of contract.
- Enhance job site monitoring, through the CPCS Contract Compliance Team, to interview, observe and document worker experiences as well as the same for WMBE owner experiences where appropriate, specific to harassment or inappropriate workplace environments.
- Ensure contractors (and workers) are aware of easy, safe and/or confidential ways to report complaints, especially for those that don't necessarily meet the threshold that merits Title 6 Civil Rights or Office of Labor Standards investigations.
- Investigate any observed or reported complaints immediately and issue notice to cure as an element of contract breach.
- Impose similar responsibilities onto the contract management staff or consultants who departments place onto the project for otherwise routine construction management responsibilities.
- Strengthen referral mechanisms for the Office for Civil Rights and Office of Labor Standards.

In alignment with PHAC recommendations, CPCS is also using 2017 to design and pursue an innovative anti-bullying training program to train construction contractors with intervention strategies when bullying is observed. Using experts that have implemented this program in the military, CPCS will build on an Oregon Department of Transportation and Oregon Tradeswomen pilot to create a nationally unique program for construction.

2. Pathways for experienced Priority Hire workers to access union construction jobs and work on City projects.

Community advocates are concerned that there are not yet good pathways for experienced workers of color into journey-level employment. CPCS intends to strategize improved pathways and conduct further analysis on current practices.

Journey-level people of color are not yet seeing gains from the CWA (see Exhibit 9). This is in some measure a retention issue, discussed above. Apprentice participation has been hugely successful for people of color, and over the next four years, these apprentices of color will eventually move into the journey-level workforce. Yet people of color with construction experience in light commercial and residential markets also need a faster and/or more effective pathway to journey-level union work.

Upcoming regional demand for labor will far exceed current training program capacity. Updating the information shared during the 2014 legislative process, CAI continues to find a likely labor shortage.

With Sound Transit 2, Sound Transit 3, the Port of Seattle airport renovations and the Washington State Department of Transportation highway package, there is over $76 billion in projects in the next 26 years. This excludes private development, which comprises about 83 percent of regional demand (CAI, Sound Transit Construction Workforce Analysis, March 2016). The Construction Workforce Analysis for King County and the Region in January 2016, also researched by CAI, projected a 4,630 shortage of construction workers by 2020.

In early 2017, PHAC, community-based organizations and others will join in further discussion about how best to accomplish the goal of increasing the number of experienced construction workers – particularly Priority Hire workers – gaining access to training and work. CPCS will respond with plans and strategies for improvements to experienced worker recruitment.

3. Improve retention rates by filling income gaps for Priority Hire candidates.

For 2017, CPCS will research strategies for temporary jobs that could help retain pre-apprenticeship graduates and other Priority Hire candidates who await apprentice or journey work. Pre-apprentice programs report that income is one of the greatest barriers to placement into apprenticeship. Such workers have no income during most pre-apprentices training, and income becomes even more of a need as the graduates await apprentice job openings and placements. As an apprentice, a worker is also usually faced with employment gaps because an apprentice (like most construction workers) moves from project to project, working a relatively small share of hours on each, until earning enough hours to become experienced journey-level workers. While pre-apprentice graduation rates averaged about 75 percent in 2015, CPCS estimates that 20 to 50 percent of pre-apprentice graduates must wait six months for an apprentice slot to open and need income to retain them during that wait. It is likely that some experienced journey-level workers also have such gaps, and the Priority Hire journey-level workers may not be retained as robustly in the worker pipeline as a result. While also seeking PHAC advice and recommendations, CPCS will work with City departments, construction labor unions and contractors in 2017 to identify possible options for temporary employment that "fills the gap."

4. Improve retention by providing mentorship, case management and financial supports needed to be successful in a construction career.

Several construction unions, including Carpenters, Sheet Metal Workers and Plumbers and Pipefitters are developing mentorship programs to retain apprentices. Likewise, CPCS will work with other local public agencies to develop stronger partnerships with WorkSource, the Washington Department of Social and Health Services and others to provide jobseekers and construction workers improved and more direct access to case management, financial supports and mentorship.

5. Modify City contract provisions to assess liquidated damages for failure to meet the Priority Hire and apprentice requirements and improve the debarment ordinance.

Most contractors are exceeding expectations (See Attachment 1). However, when performance is low, CPCS provides contractors assistance, alerts and advice. CPCS also can and will:

- Issue letters of concern and withhold payments pending corrective remedies.
- Issue deficient performance evaluations, which are considered if the City receives future bids by the contractor.
- Investigate a contractor for either rejection based on responsibility and/or debarment, which could prevent bidding on future public works projects if deficient performance reaches a level that is proven to merit debarment.

To date, the City has issued three letters of concern related to Priority Hire performance and has brought contractors into compliance without having to withhold pay.

The Priority Hire Ordinance directed CPCS to study imposing a small fee on non-compliant contractors. With the City Law Department, CPCS confirmed that City contracts can add provisions for liquidated damages from prime contractors that fail to achieve Priority Hire and other contract requirements. In 2017, CPCS will proceed with implementation.

Priority Hire Successes and Challenges

1. Priority Hire effectively and successfully increases diversity on CWA projects.

Priority Hire produces measurable improvement to worker diversity on City construction. The results are reasonably attributed to Priority Hire rather than the general increase in local construction work, since the most significant increase is on CWA projects alone although we also see a general rise among all projects. Some of the more dramatic successes include:

- Women work 12 percent of CWA project hours, compared to 5 percent in previous years.
- Apprentices of color work nearly 50 percent of all apprentice hours on CWA projects, compared to 32 percent on traditional past projects.
- African Americans work 9 percent of CWA project hours, compared to 3 percent on non-CWA projects and 4 percent on traditional past projects.
- Seattle residents doubled their percentage of hours: 12 percent on CWA projects compared to 5 percent on traditional past projects.
- Workers in economically distressed neighborhoods in Seattle perform 10 percent of CWA project hours, compared to 3 percent in traditional past projects.

Workforce diversity has improved as a whole on City projects (see Exhibit 8 below and Attachment 1). This likely eliminates the theory that a contractor is simply shifting diverse workers to CWA projects.

Exhibit 8. Priority Hire Performance (November 2013-December 2016)

	CWA Projects	Non-CWA Projects	All Projects (CWA & Non-CWA)	Past Performance Prior to CWA[1]
Economically Distressed ZIP Codes	21%	16%	18%	12%
Seattle	10%	5%	7%	3%
King County	11%	11%	11%	9%
All Women	12%	3%	7%	5%
All People of Color	26%	22%	24%	25%
All Apprentices	15%	13%	14%	13%
All Seattle Residents	12%	6%	9%	5%
Journey Women	8%	3%	5%	4%
Journey Workers of Color	22%	22%	22%	25%
Apprentice Women	32%	5%	18%	9%
Apprentices of Color	47%	24%	35%	32%

[1]Past performance if based on hours from a sample of projects from 2009-2013.
Source: City of Seattle, 2016.

African American workers perform a higher share of hours on CWA projects.

African Americans have the greatest increase in the share of hours performed on CWA projects – 9 percent compared to 3 percent on non-CWA projects that were performed during the same timeframe (See Exhibit 9).

Apprentices are more diverse on CWA projects.

Apprentices of color have realized a substantial increase in the share of work hours (47 percent of apprentice hours on CWA projects compared to 32 percent traditional past performance). It is difficult to untangle how much is due to Priority Hire alone, although it is reasonable to conclude that much of the increase can be so-attributed. CAI found that while the total active construction apprentices decreased from 2000 to 2015, the share of apprentices of color increased from 22 percent in 2000 to 30 percent in 2015 (see Attachment 5). With the general increases, one would therefore expect no more than 30 percent, however the City under Priority Hire is incurring 47 percent on CWA projects.

Women, including women of color, have a significant increase in the share of hours.

Women performed 8 percent of CWA journey hours and 32 percent of apprentice hours, which is much greater than the 4 percent and 9 percent past performance on City projects, respectively. Women average 492 hours on CWA projects compared to 166 hours on non-CWA projects. This means we are not necessarily seeing many more women, but those who are participating receive many more hours than was typical without a CWA.

Most economically distressed ZIP codes correlate to people of color and women construction workers.

Per CAI's Spatial Analysis of Priority Workers and Distressed ZIP Codes (Attachment 6), construction workers living in Seattle's economically distressed neighborhoods are nearly 80 percent people of color and 50 percent women. Data on CWA projects shows that workers from economically distressed ZIP codes in Seattle and King County tend to be largely people of color, ranging from 74 to 98 percent of all hours from those neighborhoods, with the highest including:

- Central District (98122).
- Rainier Valley/Rainier Beach (98118).
- Rainier Beach/Skyway (98178).
- Kent (98030).
- SeaTac/Tukwila (98188).

CWA projects also have high utilization rates for women from economically distressed ZIP codes:

- North Beacon Hill (98144), with women serving 68 percent of the total hours from that ZIP code.
- Kent/Auburn (98002), with women working 53 percent of the total hours from that ZIP code.

Seattle residents, particularly in economically distressed ZIP codes, have a significant increase in the share of hours.

As seen in Exhibit 8, the share of work from workers living in Seattle's economically distressed ZIP codes more than doubled (10 percent on CWA projects, compared to 3 percent past performance). This is likely due to workers living in economically distressed ZIP codes receiving more opportunities on CWA projects; on CWA projects, 83 percent of all Seattle hours came from economically distressed ZIP codes, compared to 60 percent in the past.

Journey workers of color have no increase in share of hours overall.

- The data metrics were adjusted to accommodate new software, which added some new ethnicity reporting options (Other and Not Specified). As a result, people of color may be reported under Not Specified. CPCS found high correlation between workers of color and economically distressed ZIP codes, therefore it is unlikely the introduction of Priority Hire ZIP codes resulted in the rate reduction recorded for journey people of color.
- Latino journey workers registered the greater recorded drop in the share of hours worked (See Exhibit 9). However, that is the population most likely to be affected by the change in ethnicity options and less likely to be a result of fewer worker placements.
- The program anticipated slow growth in journey hours during initial implementation given the time it takes for a more diverse workforce to complete apprenticeship.
- Since June 2016, journey workers of color on CWA projects performed 24 percent of the hours as compared to 22 percent over the past two and a half years. This is a trend in the right direction that CPCS will monitor closely.

CPCS updated the ZIP codes using recent data, which is another new programmatic change that will expand the reach and impact of Priority Hire for communities of color. This change added areas in King County that have notable people of color population densities and one ZIP code in Seattle (See page 23). In addition, CPCS intends to work with community and labor partners to create more pathways for experienced Priority Hire workers of color to gain access to union construction jobs and work on City projects (See page 12).

Exhibit 9. Share of Journey Hours by Ethnicity (November 2013-December 2016)

Ethnicity	CWA Projects	Non-CWA Projects	All Projects (CWA & Non-CWA)	Past Performance Prior to CWA[1]
African American	7%	3%	5%	3%
Asian	2%	2%	2%	3%
Caucasian	72%	68%	70%	76%
Hispanic	8%	14%	11%	16%
Native American	2%	2%	2%	3%
Other	3%	1%	2%	N/A
Not Specified	6%	10%	8%	N/A
All People of Color	22%	22%	22%	24%

[1]Past performance is based on hours from a sample of projects from 2009-2013.
Source: City of Seattle, 2016.

2. Communities with Priority Hire workers receive a meaningful increase to earnings from CWA projects.

Over the past three years, CWA workers living in economically distressed ZIP codes earned over $8.5 million in wages. This is nearly $3 million more than typically brought into those communities from City construction jobs. Exhibit 10 shows the shift to those with Priority Hire demographics.

Exhibit 10. Priority Hire Impact (November 2013-December 2016)

	CWA Actual Hours	Extrapolated Estimate using Past Performance	Difference Between CWA Actual Hours and

			Extrapolated Estimate
Economically Distressed ZIP Codes	237,299	137,250	100,049
Seattle	113,485	34,312	79,173
King County	123,814	102,937	20,877
All Women	134,040	52,311	81,729
All People of Color	301,351	295,264	6,087
All Apprentices	172,761	155,769	16,992
All Seattle Residents	136,599	58,123	78,476
Journey Workers			
Journey Women	78,798	43,547	35,251
Journey Workers of Color	219,890	249,404	-29,514
Apprentices			
Apprentice Women	55,242	15,721	39,521
Apprentices of Color	81,461	54,592	26,869
Preferred Entry Apprentices[1]	31,873	N/A	31,873

[1]Only CWA projects have preferred entry requirements, which requires one in five apprentices to be pre-apprenticeship graduates.
Source: City of Seattle, 2016.

3. Community-based organizations and CPCS are learning effective methods to recruit workers.

With support from Mayor and City Council, CPCS has invested more than $1.1 million, with approximately $860,000 permanently funded annually for recruitment, training and support services for priority workers. Partners with current agreements are in Exhibit 12. FAS and these partners will continue to refine which methods, strategies and investments produce the greatest program results, but these contracts have provided us early and collaborative work toward understanding the best way to invest these resources.

Exhibit 11. Outreach and Construction Training Contracts

Outreach and Referral	Construction Training and Support Services
Casa Latina	ANEW
Got Green	Ironworkers
Legacy of Equality, Leadership and Organizing (LELO)	Legacy of Equality, Leadership and Organizing (LELO) – driver re-licensing
Rainier Beach Action Coalition (RBAC)	YouthBuild
Regional Area Youth Development Organization (RAYDO)	PACE
Urban League of Metropolitan Seattle (ULMS)	SVI PACT

CPCS and outreach providers are partnering to create a collaborative relationship. See Attachment 2 for additional contract information.

4. Pre-apprenticeship programs are successfully adding diverse workers into the pipeline; more workers will be needed to meet future goals.

CPCS funding of ANEW, Ironworkers, PACE, PACT and YouthBuild pre-apprenticeship programs successfully increases the number of graduates with Priority Hire demographics. Pre-apprenticeship graduates receive preferred entry on CWA projects. Currently, only one out of every 14 apprentices meet this requirement, which is well below the goal of one out of five. The greatest challenge with placing pre-apprenticeship graduates on CWA projects comes from timing the contractor's need with the pre-apprentice's availability and an open apprenticeship slot. In addition, pre-apprenticeship graduates must work 700 hours on large projects and 350 hours on small projects to count toward preferred entry requirements. This can be challenging for smaller projects with a large variety of scopes of work. CPCS is increasing the student head-count, improving student readiness, increasing placement efforts and improving the jobsite culture to retain apprentices. The ongoing infusion of resources in training and placement services not only will help to increase success, but also aligns with PHAC recommendations. CPCS anticipates reporting back to the Mayor and Council in 2017 with more complete data on preferred entry performance once the first wave of CWA projects are complete.

Exhibit 12. Pre-Apprenticeship Program Diversity (January 2015-September 2016)

Program	Total Apprentice Placements[1]	Women Apprentice Placements		Apprentice of Color Placements		Preferred Entry on CWA Projects[2]	Pre-Apprentice Graduates on CWA Projects
ANEW	56	56	100%	31	55%	12	20
Ironworkers	79	5	6%	49	62%	0	10
PACE	11	3	27%	8	73%	2	3
PACT	31	2	7%	30	97%	11	22
YouthBuild	11	2	18%	9	82%	1	3
Total	**188**	**68**	**37%**	**124**	**68%**	**26**	**58**

[1]Apprenticeship placements include construction employment placements. However, PACE began in 2016, so only 2016 data is included for that program.

[2]Pre-apprenticeship graduates count toward the preferred entry requirement if they work a minimum number of hours on a CWA project and are early in their apprenticeship.

Source: Pre-apprenticeship programs, 2016; City of Seattle, 2016.

5. Non-manual positions are not yet significant.

By ordinance, non-manual workers – such as those in supervisory, administrative, engineering or management positions – living in economically distressed ZIP codes can be credited for up to 10 percent of required hours with FAS approval. No contractors have requested non-manual position credit to date and CPCS has identified only limited numbers of non-manual positions on larger CWA projects. Because this is less impactful than other program improvements, we have not focused heavily on this aspect of the program. During 2017, CPCS will encourage prime contractors to consider non-manual positions as another access route and systematize ways to connect contractors to qualified non-manual applicants.

6. WMBE contractors – and surprisingly open-shop WMBE contractors – continue to receive robust shares of work on CWA projects.

Exhibit 13. WMBE Spend on CWA and Non-CWA Projects (January 2014-September 2016)

Project Type	Total Spent[1]	WMBE Spent	WMBE Utilization
CWA Projects	$335,883,904	$50,293,539	15%
Non-CWA Projects	$594,776,239	$85,511,485	14%

[1]This data set combined two analyses and exclude a couple of payments made in 2015.
Source: City of Seattle, 2016

In addition to steady WMBE utilization, CWA projects have a greater share of WMBE contractors participating on the projects.

Exhibit 14. WMBE Subcontracts on CWA and Non-CWA Projects (November 2013-September 2016)

	Open-Shop Subcontracts of All Subcontracts	WMBE Subcontracts of All Subcontracts	Open-Shop WMBE Subcontracts of WMBE Subcontracts	Unique WMBE Contractors of All Contractors
CWA Projects	51%	40%	69%	39%
Non-CWA Projects Over $5 Million	47%	30%	47%	24%

Source: City of Seattle, 2016.

There is insufficient evidence to conclude that the CWA has reduced the share of WMBE contractors bidding and working on CWA projects. Although data is very limited and does not provide a direct correlation to draw an indisputable conclusion, the experience to-date suggests that the City still receives a very high number of WMBE contractors on all projects, regardless of whether a CWA applies. CPCS sees a large "head count" of WMBE contractors participating, and does not see fewer WMBE contractors, nor a few WMBE contractors earning disproportionately or larger shares of the total work. It remains very likely, and anecdotally supported, that some WMBE contractors are deeply opposed to working on a CWA project. However, overall, CPCS finds that it is not reducing the participation of WMBE firms when looking at the overall utilization rates and numbers.

- There is a higher rate of unique WMBE contractors on CWA projects than non-CWA projects over $5 million.
- Forty percent of WMBE contractors that worked on a non-CWA project over $5 million also worked on a CWA project.
- Of the 55 unique WMBE contractors that worked on CWA projects, 45 percent were also in King County's Small Contractors and Suppliers (SCS) Directory.

7. There is insufficient evidence to conclude the CWA discourages prime contractors from bidding on CWA projects.

Exhibit 15 indicates that, on average, there appears to be no reduction in prime bidders for CWA projects. More project data and experience with more projects in the future, would be necessary to draw definitive conclusions.

Exhibit 15. Average Number of Prime Contractor Bids (January 2014-September 2016)

	Non-CWA Projects Under $5 Million	Non-CWA Projects Over $5 Million	CWA Projects
Average Number of Prime Bidders	3.5	3.8	3.7

Source: City of Seattle, 2016.

CPCS supplemented this data with an independent survey performed by CAI (Attachment 4). All responding prime contractors indicated they would bid on future CWA projects, saying that the "CWA is part of doing business." Subcontract bid data is not available to CPCS, though the same survey found that 25 percent of subcontractors surveyed said their company would not bid on future CWA projects, at least given the current ordinance requirements (see Recommendations for Legislative Changes).

8. There is insufficient evidence to conclude higher prime contractor bid prices on CWA projects.

CPCS reviewed prime contractor bid pricing, and did not find a remarkable differential between CWA and non-CWA projects. CAI independently found the same (see Attachment 3). However, given the limited number of comparable projects and the many variables (i.e., year a project was bid and marketplace variations), a definitive conclusion would require more experience and more projects.

9. The $5 million and above threshold for covering a project with the CWA and Priority Hire Ordinance appears appropriate.

The ordinance directed CPCS to analyze the suitability of the $5 million threshold. CPCS recommends maintaining the $5 million threshold:

- The $5 million threshold captured 70 percent of public works spend since January 2015, totaling $148 million in awarded dollars.
- The threshold captures projects with greater shares of union primes and subcontractors (as opposed to open-shops), reducing impacts on small and WMBE contractors. Almost 60 percent of subcontracts on projects between $1 million and $5 million were held by open-shop contractors, while open-shop contractors hold approximately 50 percent of subcontracts on projects over $5 million.
- Projects under $5 million are more likely to have smaller subcontracts, which would result in subcontracts with an administrative and trust payment burden less likely to be recovered by the benefits of the program (see Recommendations for Legislative Changes).
- Since the Seawall pilot launched in 2013, CPCS has observed that a project's ability to perform well under Priority Hire may have little to do with the size of the project. Projects in the $5-$10 million range and above seem most successful when the prime is committed and the project requires a consistent crew.
- During the 2014 legislative process, CPCS predicted the number of projects covered with low reliability and labor hours with greater reliability. CPCS' predictions about hours worked under

the CWA were accurate, however the project count was less reliable. To date, the CWA covers seven of the 18 predicted projects. One was delayed, six were below the $5 million threshold and five were ineligible due to federal funding. CPCS predicted 1,100 workers from economically distressed ZIP codes working about 200 hours each (220,000 hours). Through September 2016, 768 workers from economically distressed ZIP codes worked an average of 266 hours each (204,288 hours). So, while fewer projects have been covered with fewer workers than predicted, those workers have received more hours, resulting in more meaningful work opportunities.

Exhibit 16. Current CWA Projects (November 2013-December 2016)

Project	Construction Budget	Prime Contractor	Status	Hours Worked To-Date
Blue Ridge Conduit Installation – Phase 1	$5 million	Olson Brothers Excavating	11 out of 13 months	20,235
Buried Reservoir – Maple Leaf & Myrtle	$6 million	J.W. Fowler	Contract near completion	17,611
Denny Network	$44 million	Shimmick	10 out of 23 months	62,416
Denny Substation	$73 million	Walsh Group	10 out of 23 months	109,191
Elliott Bay Seawall	$488 million	Mortenson Manson Joint Venture	37 out of 43 months	905,157
Fire Station 22	$8.5 million	Par-Tech Construction	9 out of 15 months	12,861
Fire Station 32	$11.5 million	Balfour Beatty	10 out of 14 months	34,988
Total	**$636 million**			**1,162,459**

Source: City of Seattle, 2016.

In addition to the $636 million with already covered projects, the City may have nine additional CWA projects totaling $76.7 million that could start construction in 2017.

Exhibit 17. Upcoming CWA Projects

Project	Estimated Construction Budget	Estimated Construction Start
Buried Reservoir – Beacon Reservoir	$7.3 million	Q1 2017
AAC – Third Avenue	$5.3 million	Q1 2017
Blue Ridge Conduit Installation Phase 2	$7 million	Q1 2017
AAC – Fourth Avenue South	$9 million	Q2 2017
Cedar Falls Administration Building	$7.2 million	Q2 2017
South Park Pump Station	$5.9 million	Q2 2017
Ship Canal Ballard Early Work	$10 million	Q2 2017
Technical Training Center	$9 million	Q3 2017
Pier 62 Reconstruction	$16 million	Q4 2017
Total	**$76.7 million**	

Source: City of Seattle, 2016. Project information is subject to change.

10. Dual benefit reimbursement appears to have a minimal cost impact to the City, yet it is an important mitigation for open-shop contractors.

Open-shop contractors can pay worker benefits in cash on public works projects, or offer an equivalent health care program. The state of Washington prevailing wage law requires a minimum level of compensation, which may be delivered through cash payment (i.e., an increased wage rate) or the equivalent in health care and retirement programs. Under prevailing wage, workers are given comparable compensation, regardless of whether a portion goes to a worker paycheck or benefit plan. On CWA projects (whether the City or any other public agency), this creates a duplicative responsibility for open-shop contractors that already offer their own benefit plan, because they must also pay into the union benefit plan for their workers. To mitigate these dual payments, the Priority Hire Ordinance allows open-shop contractors to receive City reimbursement for those costs incurred to retain the worker on the contractor-sponsored benefit plan.

In the FAS 2014 fiscal note, CPCS very accurately estimated dual benefit reimbursement costs between $150,000 and $275,000 annually. Over the past year and a half, $144,396 has been dispersed to open-shop contractors, representing less than .05 percent of project payments.

Exhibit 18. Dual Benefit Reimbursement Payments (November 2013-October 2016)

Project	Total Paid on Project	Dual Reimbursement Paid on Project	Share of Project Payments	Number of Workers Receiving Dual Benefits
Buried Reservoir – Maple Leaf & Myrtle	$5,275,160	$88,363	1.68%	8
Elliott Bay Seawall Project	$283,163,041	$56,033	.02%	42
Total	**$316,459,949**	**$144,396**	**.05%**	**50**

Source: City of Seattle, 2016.

Through October 2016, five out of 48 open-shop contractors on two CWA projects requested and received dual benefit reimbursement. However, many CWA projects are early in construction, and such dual benefit reimbursement requests are likely to be submitted later in the projects.

11. Administrative costs to the City to support, monitor and enforce the CWA are in line with those predicted in the 2014 legislative process.

CPCS has a budget of $1.5 million for Priority Hire, which includes staff time and consultant budget to contract with outreach and training providers. The Labor Equity Team within CPCS consists of seven positions that implement Priority Hire in CPCS by:

- Monitoring CWA compliance.
- Performing job-site interviews.
- Educating contractors on working in a CWA environment.
- Reporting on progress.
- Overseeing the PHAC and Joint Administrative Committee (JAC).
- Building relationships to strengthen the construction pathway and number of Priority Hire workers on CWA projects.
- Overseeing contracts with community organizations and pre-apprenticeship training providers to recruit and train Priority Hire workers for construction careers.

The administering departments that own the construction management of CWA projects report no substantial new administrative costs. Seattle Department of Transportation (SDOT) reported that staff time peaked at five hours a week at the beginning of the Elliott Bay Seawall Project, when subcontractor bidding was underway. For the remainder of the project, SDOT staff time for the CWA is typically two hours a month for Joint Administrative Committee (JAC) attendance.

12. There is insufficient data to conclude that the CWA speeds up project delivery.

To date, one CWA project has completed all work (Buried Reservoir – Maple Leaf & Myrtle) and did so on time. CPCS will need additional completed projects to analyze completion times. During a time of labor shortage, CWA projects avoided impacts that affected other job sites with the two regional work stoppages in 2016 (Glaziers strike and Teamsters picket).

13. There is insufficient data to conclude that the CWA improves worker safety.

There are very few injuries on City projects, regardless of being covered by a CWA. Per reports given by contractors at the JAC, only six incidents on CWA projects required medical attention on-site; of those six incidents, one required a hospital visit. Data for a reasonable sample of non-CWA projects is not available. However, as discussed previously in the report, the CWA has influenced and promoted a more appropriate job site and worker conditions, which has an indirect benefit to worker safety.

14. CPCS updated Priority Hire ZIP codes using recent data, which will expand the reach of Priority Hire into other distressed neighborhoods of south King County.

CPCS and CAI updated data to ensure Priority Hire ZIP codes captured communities most in need (see Attachment 6). Five ZIP codes were added:

- Interbay/Queen Anne (98109).
- Pacific (98047).
- Renton (98057).
- Northeast Renton (98056).
- West Kent (98032).

15. The Priority Hire Advisory Committee is committed, knowledgeable and effective.

The PHAC is comprised of 15 stakeholders appointed by Mayor Murray to advise CPCS on Priority Hire implementation and effectiveness. PHAC stakeholders represent construction labor unions, community organizations, contractors, training providers, regional partners and other at-large members that have been placed beyond the ordinance in order to assure a fair, representative balance of membership and access to all the various viewpoints necessary for a robust deliberation. Concurrent to this report, PHAC has developed an in-depth report on its findings and recommendations, which can be found on CPCS' website (www.seattle.gov/priorityhire) and will be provided under separate cover to the Mayor and City Council by FAS. CPCS concurs with all PHAC recommendations; see Attachment 7 for a crosswalk between CPCS and PHAC recommendations.

16. Regional collaboration is important to long-term success.

In 2015, CPCS, Sound Transit, the Port of Seattle, King County, the Washington State Department of Transportation and the City of Tacoma developed a vision and plan to collectively coordinate the shared intent. The group has aligned resources, shared best practices and begun standardizing reporting.

In addition, CPCS created the Regional Pre-Apprenticeship Collaboration to bring pre-apprenticeship programs, public agencies, apprenticeship training coordinators, union representatives and local community-based organizations together. Prior to convening, information-sharing and collaboration among pre-apprenticeship programs was limited; however, within a year, this initiative has strong local participation. The Regional Pre-Apprenticeship Collaboration has:

- Shared best practices in recruitment, training and mentorship.
- Established an online calendar of enrollment and graduation dates for apprentice training, career fairs and other events.
- Developed recommendations to support the City's driver relicensing efforts.
- Worked on developing higher-quality training standards.
- Shared information about support services and improved access to them.
- Applied collectively for continued funding that benefits all pre-apprenticeship programs.
- Developed a draft Apprenticeship Guidebook that contains a description and entry requirements for each trade. The Apprenticeship Guidebook has an anticipated release date in early 2017.

Attachment 1

CITY OF SEATTLE – PRIORITY HIRE PROJECT OVERVIEW

January 2017 **KEY:** Meeting or exceeding Not meeting

Project	Prime Contractor	Est. Project Completion	Total Hours	Priority Hire ZIP Codes		Women		People of Color		Apprentice Utilization	Preferred Entry	WMBE Utilization
				Requirement	Performance	Goal	Performance	Goal	Performance	15% Req.	20% Req.	
Blue Ridge Conduit	Olson Brothers Excavating	11 out of 13 months	20,235.3	App – 5% Jour – 19%	App – 11.1% Jour – 19.6%	App – 6% Jour – 4%	App – 59.5% Jour – 10.9%	App – 50% Jour – 21%	App – 54.8% Jour – 23.5%	21.9%	0.0%	13.2%
Denny Network	Shimmick	10 out of 23 months	62,415.8	App – 5% Jour – 19%	App – 2.6% Jour – 25.9%	App – 6% Jour – 4%	App – 38.8% Jour – 9.9%	App – 50% Jour – 21%	App – 77.5% Jour – 27.2%	9.0%	0.0%	14.2%
Denny Substation	Walsh	10 out of 23 months	109,190.9	App – 4% Jour – 12%	App – 5.0% Jour – 15.8%	App – 4% Jour – 3%	App – 40.7% Jour – 6.0%	App – 19% Jour – 16%	App – 49.5% Jour – 25.6%	9.6%	2.3%	12.4%
Elliott Bay Seawall	Mortenson Manson Joint Venture	37 out of 43 months	905,157.3	15%	18.4%	12% App – 12%	12.2% App – 32.1%	21% App – 21%	25.2% App – 46.1%	15.6%	12.6%	15.9%
Fire Station 22	Par-Tech	9 out of 15 months	12,860.6	App – 5% Jour – 12%	App – 1.6% Jour – 11.4%	App – 4% Jour – 3%	App – 1.4% Jour – 0.2%	App – 23% Jour – 16%	App – 44.6% Jour – 44.7%	18.0%	0.0%	38.1%
Fire Station 32	Balfour Beatty	10 out of 14 months	34,987.9	App – 4% Jour – 12%	App – 1.5% Jour – 10.7%	App – 4% Jour – 3%	App – 1.8% Jour – 0.3%	App – 19% Jour – 16%	App – 23.2% Jour – 13.4%	19.2%	2.0%	7.2%
Completed Projects												
Buried Reservoir – Maple Leaf & Myrtle	J.W. Fowler	9 out of 9 months	17,610.8	App – 14% Jour – 33%	App – 15.0% Jour – 15.5%	App – 16% Jour – 3%	App – 35.0% Jour – 0.9%	App – 39% Jour – 22%	App – 62.6% Jour – 28.0%	13.0%	0.0%	25.1%
Total			**1,162,458.6**		**App – 7.6% Jour – 13.1%**		**App – 32.0% Jour – 8.0%**		**App – 47.7% Jour – 22.2%**	**14.9%**	**8.5%**	**15.8%**

Attachment 2

Construction Outreach and Training Contracts (through December 2016)

Organization	Amount	Start Date	Term	Expected Outcomes
Outreach and Referral				
Casa Latina	$35,511	April 2016	1 year	40 referrals to construction training programs
Got Green	$15,846	April 2016	1 year	20 referrals to construction training programs
LELO[1]	$99,491	April 2016	1 year	60 referrals to construction training programs
RAYDO	$47,333	April 2016	1 year	60 referrals to construction training programs
RBAC	$31,711	April 2016	1 year	40 referrals to construction training programs
ULMS	$100,000	May 2016	1 year	100 referrals and 32 placements in construction training programs
Construction Training[2]				
ANEW	$120,000/year	January 2016	2 years	104 apprenticeship/construction employment placements
Ironworkers	$73,000/year	December 2016	1 year	17 apprenticeship/construction employment placements
PACE	$120,000/year	January 2016	2 years	22 apprenticeship/construction employment placements
PACT	$113,000	September 2016	1 year	23 apprenticeship/construction employment placements
YouthBuild	$71,000	May 2016	17 months	13 apprenticeship/construction employment placements
Support Services				
LELO	$71,000	April 2016	1 year	60 driver licenses obtained/regained

[1]LELO originally managed subcontracts with Casa Latina, Got Green, RAYDO and RBAC; the $124,328 includes payments made to those subcontracts. In October 2016, CPCS, LELO, Casa Latina, Got Green, RAYDO and RBAC redesigned the contracts so each organization has an individual contract with CPCS.
[2]ANEW's contract includes extra shop and classroom instruction for all students, so its outcomes are based on total program performance. However, PACE's contract covers 30 actual slots, so the outcomes are based on those slots only.
Source: City of Seattle, 2016.

Attachment 3

City of Seattle Construction Hiring Analysis

ANALYSIS OF COST DATA

November, 2016

President & CEO:
Chris Mefford

Lead Analyst:
Eric Viola

Analysts:
Spencer Cohen, PhD.
Madalina Calen

Community Attributes Inc.
1411 Fourth Ave, Suite 1401
Seattle, Washington 98101
www.communityattributes.com

OUTLINE

1 BID POOL

- Summary Statistics
- Data Challenges
- Addressing Data Challenges

2 DUAL BENEFIT REIMBURSEMENT

- City of Seattle Methodology
- Additional Data Analysis

EXISTING RESEARCH ON COMMUNITY WORKFORCE AGREEMENTS AND SIMILAR AGREEMENTS

The City of Seattle enacted its Community Workforce Agreement (CWA) in April 2015. CWAs and Project Labor Agreements (PLAs) are authorized under the National Labor Relations Act, and have been used in various forms in the United States since the 1930s.

As a result, there have been several research studies done on the impacts of CWAs and PLAs to project costs. These studies vary in the methodology employed, but all use project data from before and after PLAs or CWAs were enacted in order to better understand the impacts of PLAs and CWAs.

- The Employee Policy Foundation found that project costs under a PLA or CWA increase by up to 7% as a result of requiring contractors to pay their workers the union wage rate rather than the prevailing wage rate. (Cato Journal, 2010)
- A 2009 study by the Cornell University School of Industrial and Labor Relations found that PLAs and CWAs do not discriminate against employers and workers, limit the pool of bidders, or raise construction costs. (Cornell University School of Industrial and Labor Relations, 2009)
- The Beacon Hill Institute developed studies in 2003, 2004, and 2006, and found that costs increased by up to 20% for CWA or PLA projects in Connecticut, New York, and Massachusetts. (Beacon Hill Institute, 2003-2006)
- A 2009 study to determine whether these agreements should be used in Department of Veterans Affairs' projects found that costs would increase if CWAs or PLAs were used. Notable, this project found that costs would increase the highest in areas with low union presence, and would increase the lowest in areas with high union presence. IN San Francisco and New York, the study found that the high union presence might even result in cost savings under PLAs or CWAs. (Rider Levett Bucknall, 2009)

METHODOLOGY

CAI compared non-CWA projects from before the CWA was enacted with similar non-CWA projects after the CWA was enacted. This acts as a kind of control, attempting to distinguish if differences between project bids before and after the CWA were related to time.

ALL BIDS

- There were 18 bids across four projects.
- On average, bids were 13.1% lower than the engineer's estimate for each project, with a variance of 2.1%

PRE-CWA BIDS

- There were 11 bids on two projects before the CWA was enacted.
- On average, bids were 21.6% lower than the engineer's estimate with a variance of 1.3%.

CWA BIDS

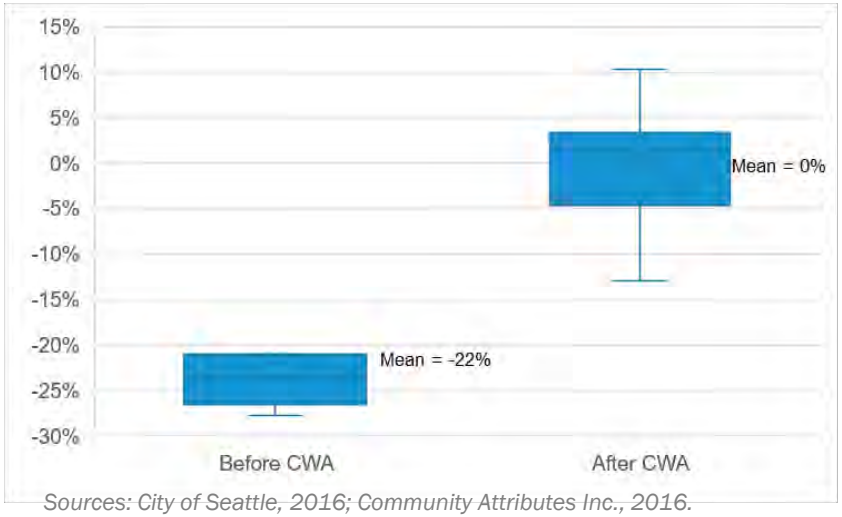
- There were 7 bids on two projects after the CWA was enacted.
- On average, bids were 0.2% higher than the engineer's estimate, with a variance of 0.5%.

CONCLUSION

Differences between contractor bids and engineer's estimates were higher in the time period after the CWA was enacted than they were in the time period before the CWA. However, the small sample size prevents any conclusions from being drawn on this observation. Additionally, the four projects analyzed here involved asphalt and concrete paving. The projects analyzed in the next section are for fire stations and buried reservoirs. These projects are significantly different from one another, and it is therefore difficult to compare Exhibit 1 and Exhibit 2.

EXHIBIT 1. BOXPLOT OF DIFFERENCES BETWEEN ENGINEER'S ESTIMATE AND BID

Non-CWA Projects Before CWA and Similar Projects Post-CWA



Sources: City of Seattle, 2016; Community Attributes Inc., 2016.

METHODOLOGY

In order to normalize bid data from pre-CWA projects and CWA projects, CAI chose to primarily investigate the differences between individual contractor bids and the engineer's estimate for each project. This limits inflation and cost of materials as confounding factors, as both are included in contractor bids and engineer's estimates.

The CWA was enacted in 2015. As a result, looking at post-2015 CWA projects and comparing them to similar pre-2015 projects may introduce time as a confounding variable: **Post-CWA projects could be more expensive due to external factors that may not be adequately captured in the engineer's estimate**.

Because the CWA was only recently enacted, there is too little data available on CWA project bids to draw statistically significant conclusions. In order to assess whether or not there was enough CWA bid data to draw conclusions, CAI performed simple statistical analyses, which is presented here. CAI looked at three CWA projects that had similar projects before the CWA was enacted. There were not enough similar projects that occurred in the same time frame to provide a truly accurate comparison group.

ALL BIDS

- There were 68 bids across 16 projects from 2011 to 2016.
- On average, bids were 13.5% higher than the engineer's estimate for each project, with a variance of 4.1%

PRE-CWA BIDS

- There were 59 bids on 13 pre-CWA projects.
- On average, bids were 13.0% higher than the engineer's estimate with a variance of 3.6%.

CWA BIDS

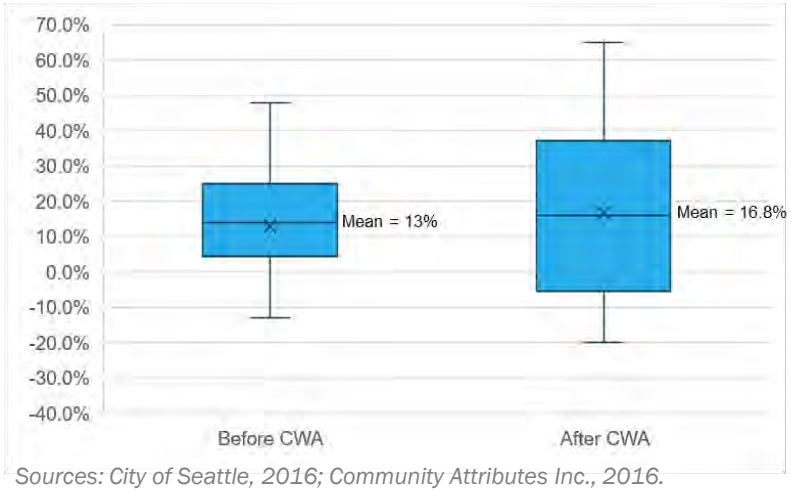
- There were 9 bids on 3 CWA projects.
- On average, bids were 16.8% higher than the engineer's estimate, with a variance of 7.7%.

CONCLUSION

While CWA bids were higher on average than pre-CWA projects, there is not enough data on CWA bids to conclude that the CWA is responsible for the increase in cost with statistical certainty. In addition, engineer's estimates are based on estimated costs while contractor bids are based on actual costs and the difference between the two fluctuates over time. Administrative costs in engineer's estimates are based on general industry information. Contractor's administrative costs, however, are specific to their business model, and vary by business.

EXHIBIT 2. BOXPLOT OF DIFFERENCES BETWEEN ENGINEER'S ESTIMATE AND BID

All CWA Buried Reservoir and Fire Station Projects and Similar Pre-CWA projects



Sources: City of Seattle, 2016; Community Attributes Inc., 2016.

1 DATA CHALLENGES

ENGINEER'S ESTIMATE

> Engineer's estimates are based on estimated costs. Contractor bids are based on actual costs.

ADMINISTRATIVE COSTS

> Administrative costs in engineer's estimates are incidental and are based on generalized industry analysis. Administrative costs (e.g. contractor's overhead, profit and social equity) in contractor bids are specific to their business model, and vary by business type and level of effort.

SAMPLE SIZE

> There were only 3 CWA projects that had comparable non-CWA projects. Additionally, there were only 9 bids on these CWA projects. As a result, analysis of the difference between pre-CWA and CWA project bids is not statistically significant.

Sources: U.S. Census Bureau, 2016; U.S. Department of Housing and Urban Development, 2016.

OUTLINE

1 BID POOL

- Summary Statistics
- Data Challenges
- Addressing Data Challenges

2 DUAL BENEFIT REIMBURSEMENT

- City of Seattle Methodology
- Additional Data Analysis

BACKGROUND

Open-shop contractors with existing employee benefit programs may request reimbursement for those costs for the hours worked on priority hire projects. When open-shop contractors contribute into both an existing employer-sponsored benefit plan while also making required payments into the trust fund, they are eligible for dual benefit reimbursement. This prevents them from paying more than other contractors.

CITY OF SEATTLE METHODOLOGY

It is important to note that, to date, no contracts under the CWA have been closed. As a result, there is no final project cost data to analyze.

The City of Seattle has provided data on the total amounts paid on CWA projects through September 2016 and the total dual reimbursement paid on CWA projects through October 2016. **Exhibit 3** summarizes this information. At this time, there are no pending dual reimbursement requests.

EXHIBIT 3. DUAL REIMBURSEMENT AND TOTAL PAID ON PROJECTS

All CWA Projects

Project	Total Paid on Project	Dual Reimbursement Paid on Project	Share
Elliott Bay Seawall	$283,163,041	$56,033	0.02%
Denny Substation	$13,265,295	$0	0.00%
Denny Network	$7,337,151	$0	0.00%
Fire Station 32	$3,695,368	$0	0.00%
Fire Station 22	$1,820,872	$0	0.00%
Buried Reservoir Seismic Program--Maple Leaf & Myrtle	$5,275,160	$88,363	1.68%
Blue Ridge Conduit Replacement	$1,903,052	$0	0.00%
Total	$316,459,939	$144,396.51	0.05%

Sources: City of Seattle, 2016; Community Attributes Inc., 2016.
Notes: Total Paid is accurate through September 2016 and Dual Reimbursement Paid is accurate through October 2016.

APPENDIX

1 BIBLIOGRAPHY

BIBLIOGRAPHY

Beacon Hill Study Finds PLAs Increase Cost of School Projects in Massachusetts (September 2003).

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Tuerck, David G. (Winter 2010). "Why Project Labor Agreements Are Not In The Public Interest". Cato Journal.

McGowan, John R. (2009). "The Discriminatory Impact of Union Fringe Benefit Requirements on Nonunion Workers Under Government-Mandated Project Labor Agreements" (PDF). The Truth About PLAs.

Rider Levett Bucknall (June 2, 2009). "Project Labor Agreements Impact Study for the Department of Veterans Affairs" (PDF). The Truth About PLAs.

Attachment 4

City of Seattle Construction Hiring Analysis

CONTRACTOR SURVEY

November, 2016

President & CEO:
Chris Mefford

Lead Analyst:
Eric Viola

Analysts:
Mark Goodman
Madalina Calen
Kristina Gallant

Community Attributes Inc.
1411 Fourth Ave, Suite 1401
Seattle, Washington 98101
www.communityattributes.com

OUTLINE

1 INFORMATION AND BACKGROUND

- Background
- Research Questions
- Terms and Concepts

2 EXECUTIVE SUMMARY

3 SURVEY

- Contractors and Subcontractors
- Open-Shop and Union

BACKGROUND

The City has received anecdotal information on the administrative and personnel costs and other impacts to contractors working under the CWA, and desires a more thorough review to better understand the actual impact. This analysis leverages stakeholder interviews and a survey to qualitatively assess impacts among City construction contractors, particularly open-shop and women- and minority-owned (WMBE) contractors, on existing and past work for the City.

RESEARCH QUESTIONS

What have CWA contractors and subcontractors experienced on their CWA projects compared to similar non-CWA public projects?

What are contractor and subcontractor perceptions of the CWA's impact to their respective administrative processes and related costs?

Based on contractor and subcontractor experience, will the CWA impact future bids from potential contractors and subcontractors? Will bids by WMBE contractors be impacted?

TERMS AND CONCEPTS

The Worker Dispatch Process is the process by which a union refers workers for employment to contractors under the authority of a collective bargaining agreement. The process typically mandates the distribution of work via a "first in, first out" priority but can legally be adjusted via special agreements, like a CWA, to allow for out of order dispatching and priority worker hiring.

Joint Administrative Committee (JAC) meetings are monthly meetings to address safety, targeted hiring, apprenticeship utilization, preferred entry, and job progress on covered projects. Only prime contractors are required to attend these meetings.

Pre-Job Meetings are required for all contractors on CWA projects. These meetings provide a setting for the City to explain the CWA and required documentation and subcontractors to explain their contract scopes and ask and answer questions. These may be one-time meetings: once a contractor attends one pre-job meeting, they may submit a waiver for similar scopes of work in the future.

METHODOLOGY

CAI employed two methods to elicit contractor feedback: a survey and a set of in-depth interviews.

The **survey** was deployed to 118 contractors, of which 32 provided responses (27% participation rate). While this represents a large sample size, it is important to note that contractors with strong opinions about the CWA may be more likely to respond to the survey. While the survey was representative of different subsets of contractors (e.g. union and open-shop, WMBE and non-WMBE, prime contractors and subcontractors, and a range of public-private revenue splits), the survey may not provide a complete picture of the perceptions and experiences of all contractors.

Additionally, CAI conducted eight **in-depth interviews** with contractors**.** These interviews focused on contractors' experiences working on CWA-covered projects, eliciting feedback through open-ended questions. As with the survey, contractors who had stronger opinions about the CWA may have been more likely to respond to the interview request than contractors who had a neutral experience.

OUTLINE

1 INFORMATION AND BACKGROUND

- Background
- Research Questions
- Terms and Concepts

2 EXECUTIVE SUMMARY

3 SURVEY

- Contractors and Subcontractors
- Open-Shop and Union

2 EXECUTIVE SUMMARY

Survey respondents revealed common concerns through responses to open-ended questions:

- Four respondents felt that small businesses are impacted more by the CWA than larger businesses. Three interviewees also expressed this sentiment.
- Six respondents said that they felt the worker dispatch process does not always work as intended due to a shortage of qualified union workers.
- Three respondents expressed apprehension at or frustration with working together with unions.

EXHIBIT 1. HOW DID YOUR ADMINISTRATIVE COSTS ON CWA PROJECTS COMPARE TO SIMILAR NON-CWA PUBLIC PROJECTS?

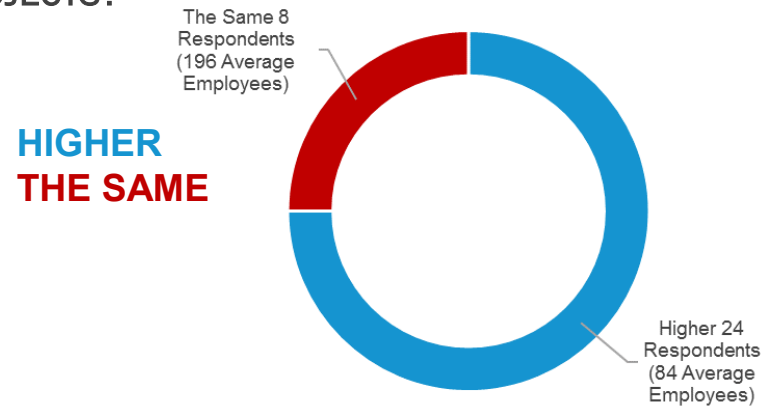
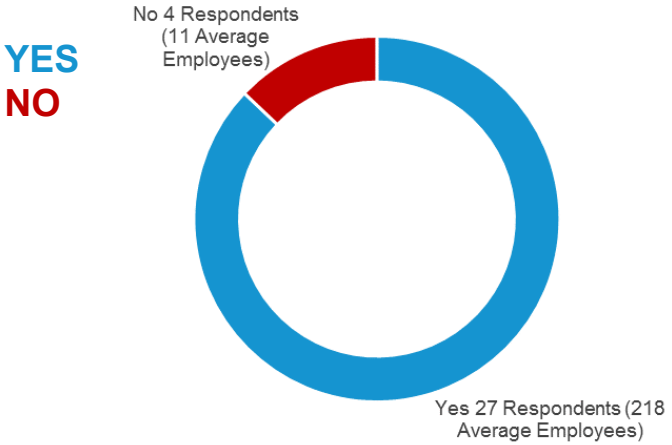


EXHIBIT 2. WILL YOU BID ON FUTURE CWA PROJECTS?



Source: Community Attributes Inc., 2016.

EXHIBIT 3. WMBE AND NON-WMBE RESPONDENTS WHO RATED AT LEAST ONE CWA TASK AS "VERY IMPACTFUL"

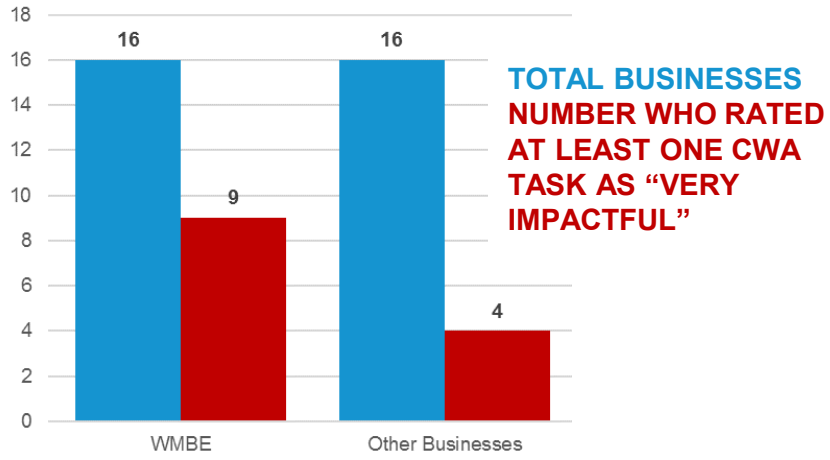


EXHIBIT 4. BASED ON YOUR EXPERIENCE, DOES THE CWA IMPACT THE NUMBER OF SUBCONTRACTORS WILLING TO BID?

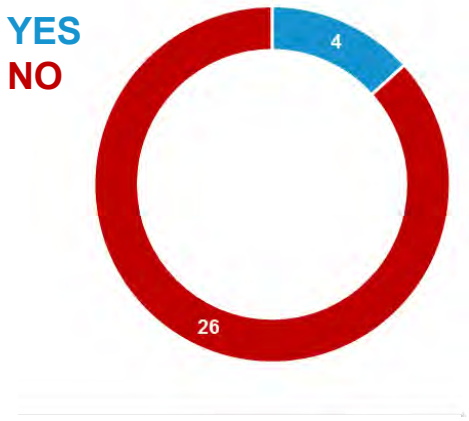
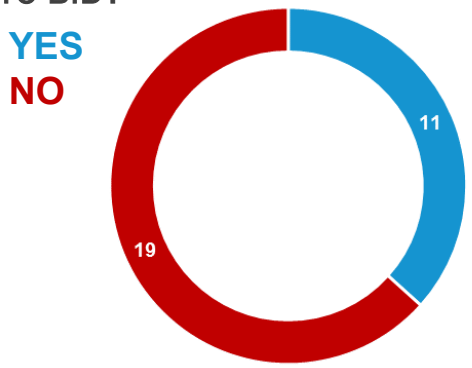


EXHIBIT 5. BASED ON YOUR EXPERIENCE, DOES THE CWA IMPACT THE NUMBER OF WMBE SUBCONTRACTORS WILLING TO BID?



Source: Community Attributes Inc., 2016.

OUTLINE

1 INFORMATION AND BACKGROUND

- Background
- Research Questions
- Terms and Concepts

2 EXECUTIVE SUMMARY

3 SURVEY

- Contractors and Subcontractors
- Open-Shop and Union

OTHER CWA OR PLA WORK

Overall, 23 of 32 respondents (72%) indicated that they had worked on another CWA or PLA project for another public agency. Four respondents said they didn't know, and five said they had not worked on a CWA or PLA project for another public agency.

A total of 79% of open-shop businesses and 67% of Union businesses said that they had worked on a PLA or CWA project. (**Exhibit 6**)

WMBE businesses were much more likely to have worked on another CWA or PLA project than non-WMBE businesses: 14 out of 16 WMBE respondents said they had worked on another CWA or PLA project compared to nine out of 16 non-WMBE businesses. (**Exhibit 7**)

Four out of seven Prime contractors and respondents who said they were both a prime contractor and a subcontractor on CWA projects said that they had worked on a CWA or PLA project for another agency (57%). Subcontractors were more likely to say yes to this question: a total of 19 out of 25 subcontractors said they had worked on a CWA or PLA project for another agency (76%). (**Exhibit 8**)

EXHIBIT 7. OTHER CWA AND PLA PROJECT WORK

WMBE and Non-WMBE Contractors

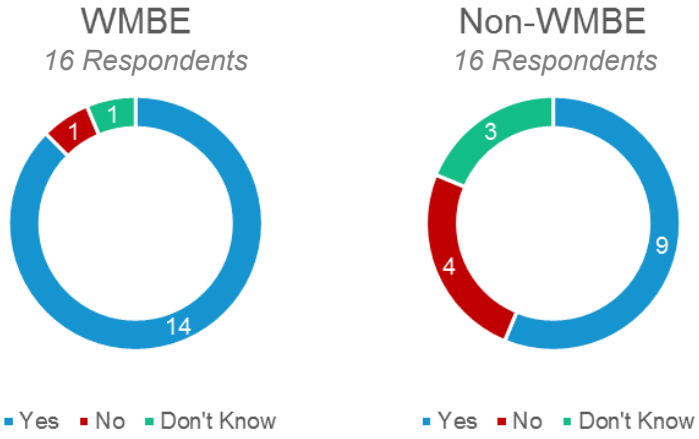


EXHIBIT 6. OTHER CWA AND PLA PROJECT WORK

Union and Open-Shop Contractors

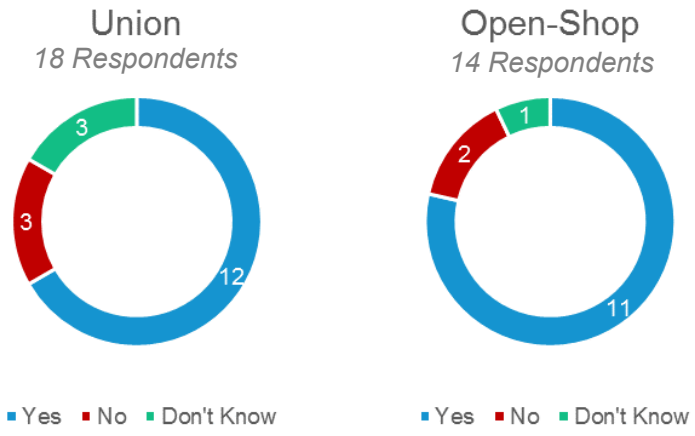
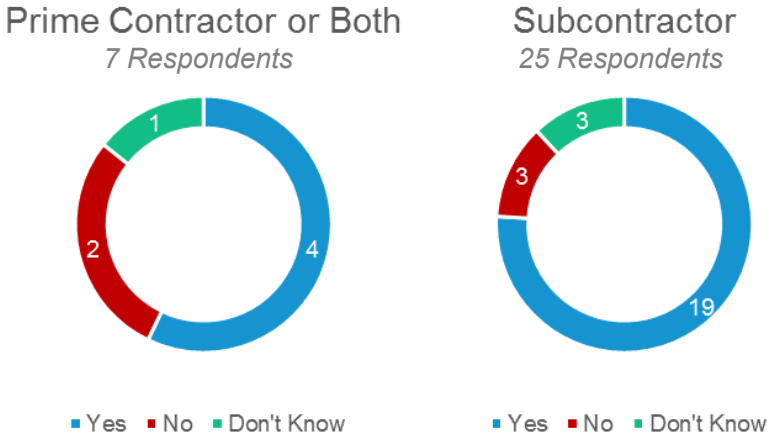


EXHIBIT 8. OTHER CWA AND PLA PROJECT WORK

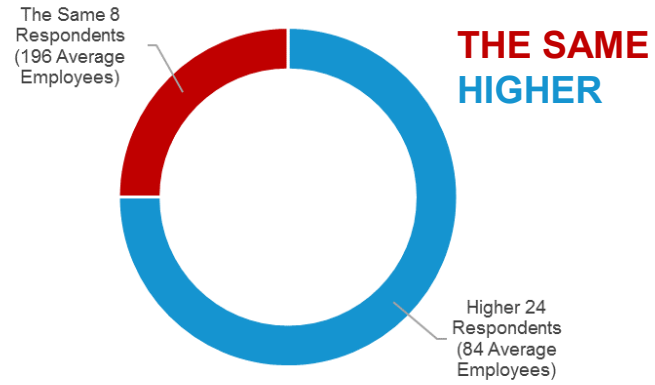
Subcontractors and Prime Contractors or Both



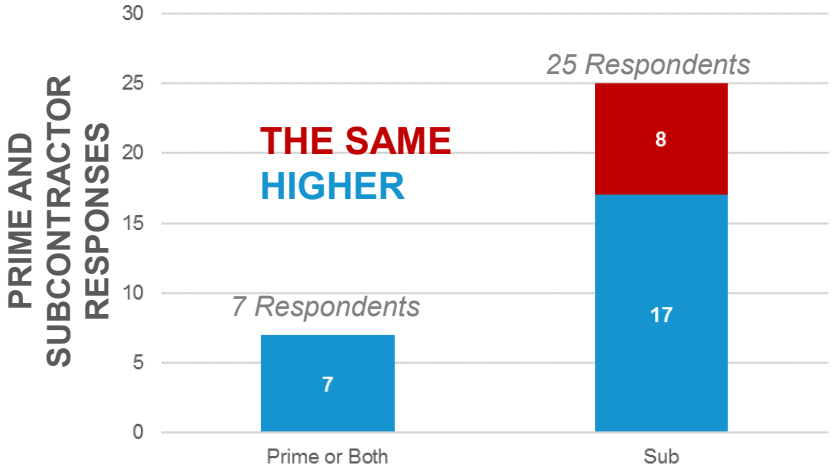
Source: Community Attributes Inc., 2016.

EXHIBIT 9. HOW DID YOUR ADMINISTRATIVE COSTS ON CWA PROJECTS COMPARE TO SIMILAR NON-CWA PUBLIC PROJECTS?

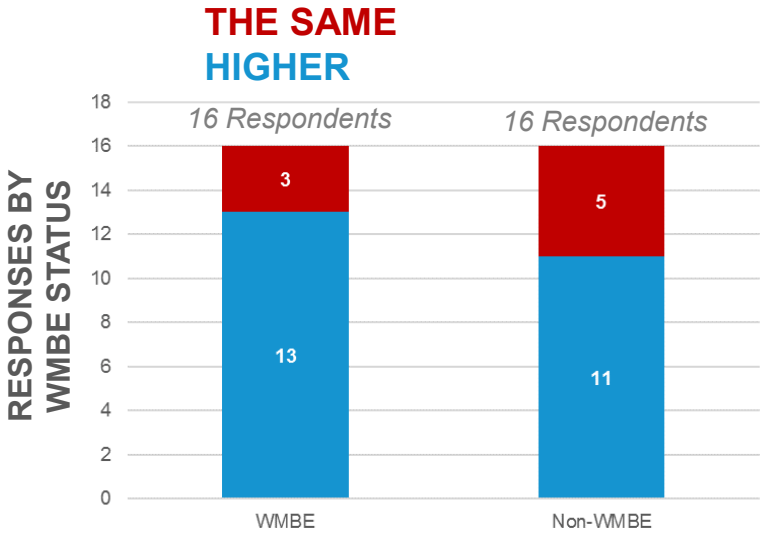
ALL CONTRACTORS



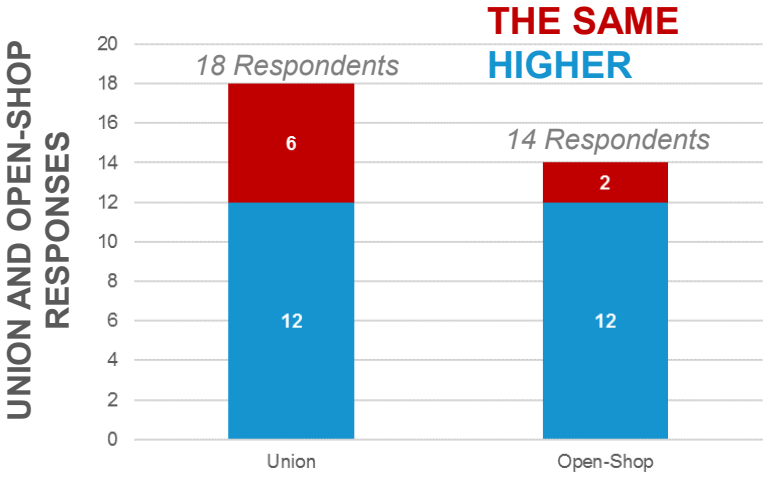
PRIME AND SUBCONTRACTOR RESPONSES



RESPONSES BY WMBE STATUS

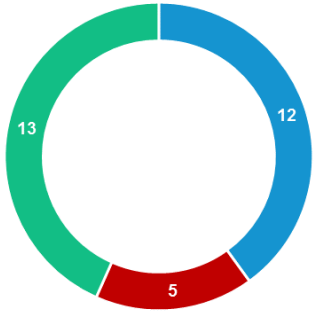


UNION AND OPEN-SHOP RESPONSES



Source: Community Attributes Inc., 2016.

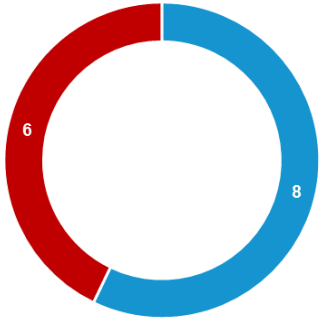
EXHIBIT 10. HOW DOES YOUR COMPANY MANAGE TRUST FUND PAYMENTS?



Trust Fund Payments are Taken out of the Prevailing Wage Rate
Trust Fund Payments are Made on Top of the Prevailing Wage Rate
Not Sure

Respondents in these three categories had similar splits between prime and subcontractors, union and open-shop status, employment size, and WMBE status.

EXHIBIT 11. DID THE CORE WORKER PROVISION IMPACT YOUR BUSINESS?



YES
NO

Two respondents indicated that the Seawall core worker provision was too small (two core workers), while others said it was the right amount. For projects after the CWA was implemented, the core worker provision allows five core workers.

EXHIBIT 12. DID YOU UNDERSTAND THE WORKER DISPATCH PROCESS?

YES
NO

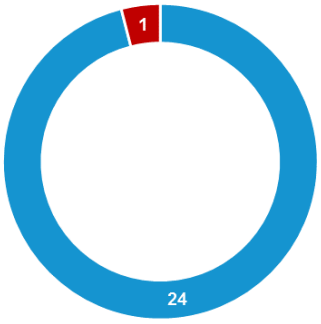
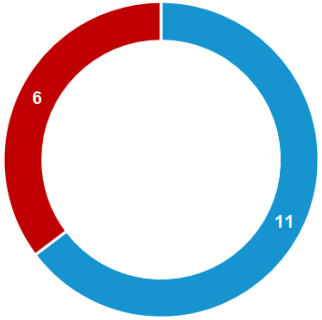


EXHIBIT 13. DID YOU RECEIVE THE WORKERS YOU REQUESTED?

YES
NO



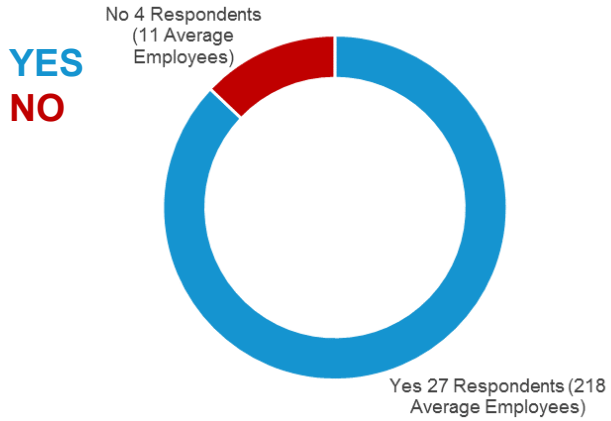
"They don't have the capacity, we are forced to recruit/train workers and give them to the union."

*"**Unions aren't set up to get these people into the programs**. Pre-apprenticeship takes 6 months alone, and it takes 4-5 months to train, but no company is going to request and hire these people 4-5 months ahead of a project they haven't even won yet. So there's a lag, a gap. It can be cumbersome. The unions said 'no problem, we can get you whatever you need' but that's easier said than done"*

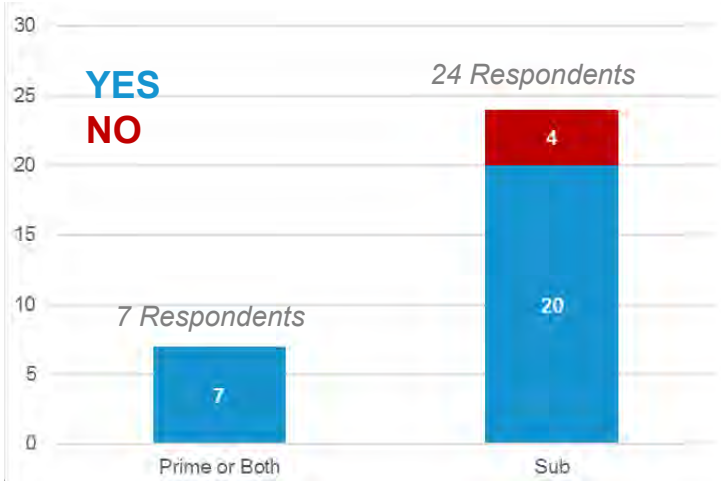
Source: Community Attributes Inc., 2016.

EXHIBIT 14. WILL YOU BID ON FUTURE CWA PROJECTS?

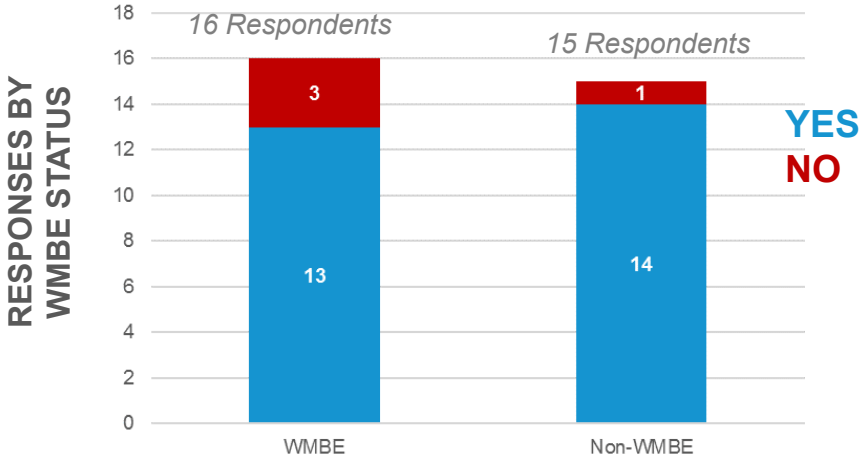
ALL CONTRACTORS



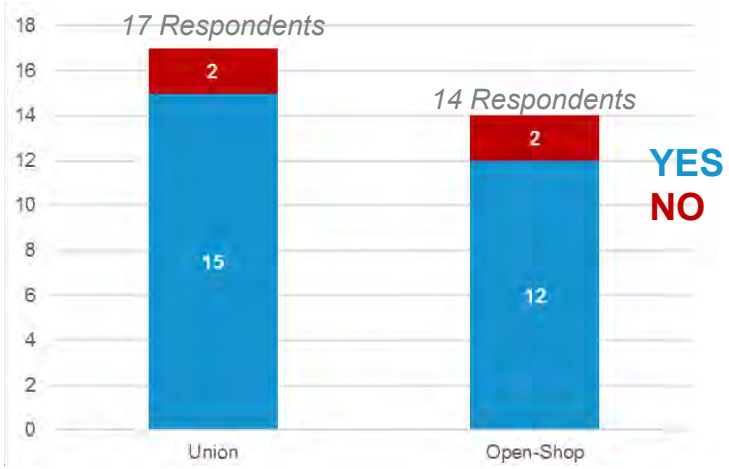
PRIME AND SUBCONTRACTOR RESPONSES



RESPONSES BY WMBE STATUS



UNION AND OPEN-SHOP RESPONSES



"CWA is part of doing business."

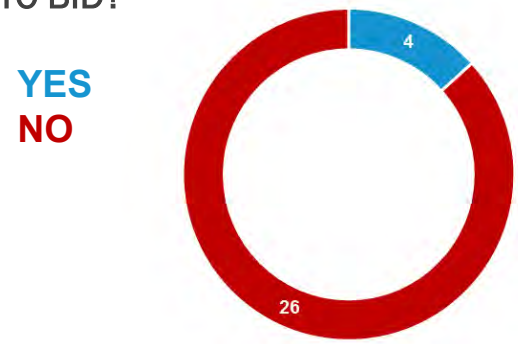
"We don't have much option if we want to work."

"I know of several other small businesses that will not work on CWA projects."

Source: Community Attributes Inc., 2016.

Half of the contractors who said they would not bid on future projects were union businesses and half were open-shop. One of the four contractors represented WMBE businesses. All four were subcontractors, and they were tended to be smaller businesses: they had an average of 11 employees compared to 218 average employees for those who said yes.

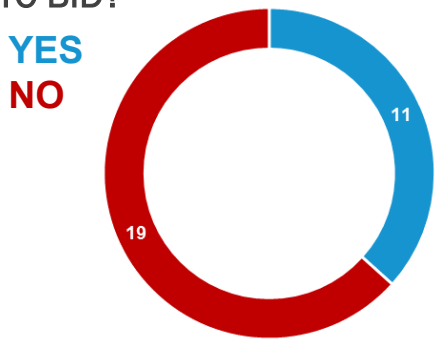
EXHIBIT 15. BASED ON YOUR EXPERIENCE, DOES THE CWA IMPACT THE NUMBER OF SUBCONTRACTORS WILLING TO BID?



"Some subcontractors will not bid on work with the CWA…we had one on our CWA project for Seattle recall their quote because of the CWA."

Source: Community Attributes Inc., 2016.

EXHIBIT 16. BASED ON YOUR EXPERIENCE, DOES THE CWA IMPACT THE NUMBER OF WMBE SUBCONTRACTORS WILLING TO BID?



Attachment 5

City of Seattle Construction Hiring Analysis

APPRENTICESHIP ANALYSIS

December, 2016

President & CEO:
Chris Mefford

Lead Analyst:
Eric Viola

Analysts:
Spencer Cohen, PhD.
Carrie Schaden

Community Attributes Inc.
1411 Fourth Ave, Suite 1401
Seattle, Washington 98101
www.communityattributes.com

OUTLINE

1 INFORMATION AND BACKGROUND

- Background
- Research Questions
- Terms and Concepts

2 CURRENT DEMOGRAPHIC CHARACTERISTICS

- Race, Gender, and Place of Residence
- Breakouts for Electrician, Carpenter, and Laborer Apprentices

3 COMPLETIONS AND CANCELLATIONS

- Race, Gender, and Place of Residence
- Breakouts for Electrician, Carpenter, and Laborer Apprentices

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BACKGROUND

In 2014, the City of Seattle commissioned Community Attributes to analyze data on apprenticeship performance. Given recent changes in the workforce landscape, the City of Seattle desires an update with additional information to describe the current characteristics of apprentices in the tri-county, King County, and Seattle areas.

RESEARCH QUESTIONS

There are three primary research questions:

- What is the average completion time for construction apprentices and what is the completion rate? Do these metrics vary by race, gender, or place of residence?
- What are the current demographic characteristics of construction apprentices in terms of race, gender, or place of residence?
- Are any of these metrics different for electrician, carpenter, and laborer apprenticeships?

TERMS AND CONCEPTS

Races discussed in this report follow standards used by federal and state government entities. Races are self-reported by apprentices. Namely, the major race categories are:

- White
- Black or African American
- Asian
- American Indian or Native Alaskan
- Native Hawaiian or Other Pacific Islander
- Hispanic—while federal sources define 'Hispanic' as an ethnicity, not a race, apprentices can self-identify their race as Hispanic
- Unknown

People of Color includes non-white construction workers. This definition is consistent with the definition used in past construction hiring analysis for the City of Seattle.

The **Completion Rate** for apprentices is defined as the number of apprenticeship completions in a given year divided by the sum of apprentice completions, cancellations, transfers, and suspensions from the same year.

The **Cancellation Rate** for apprentices is defined as the number of apprenticeship cancellations in a given year divided by the sum of apprentice completions, cancellations, transfers, and suspensions from the same year.

Apprentice Location refers to the counties or cities where individual apprentices live.

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ACTIVE CONSTRUCTION APPRENTICES BY RACE AND GEOGRAPHY

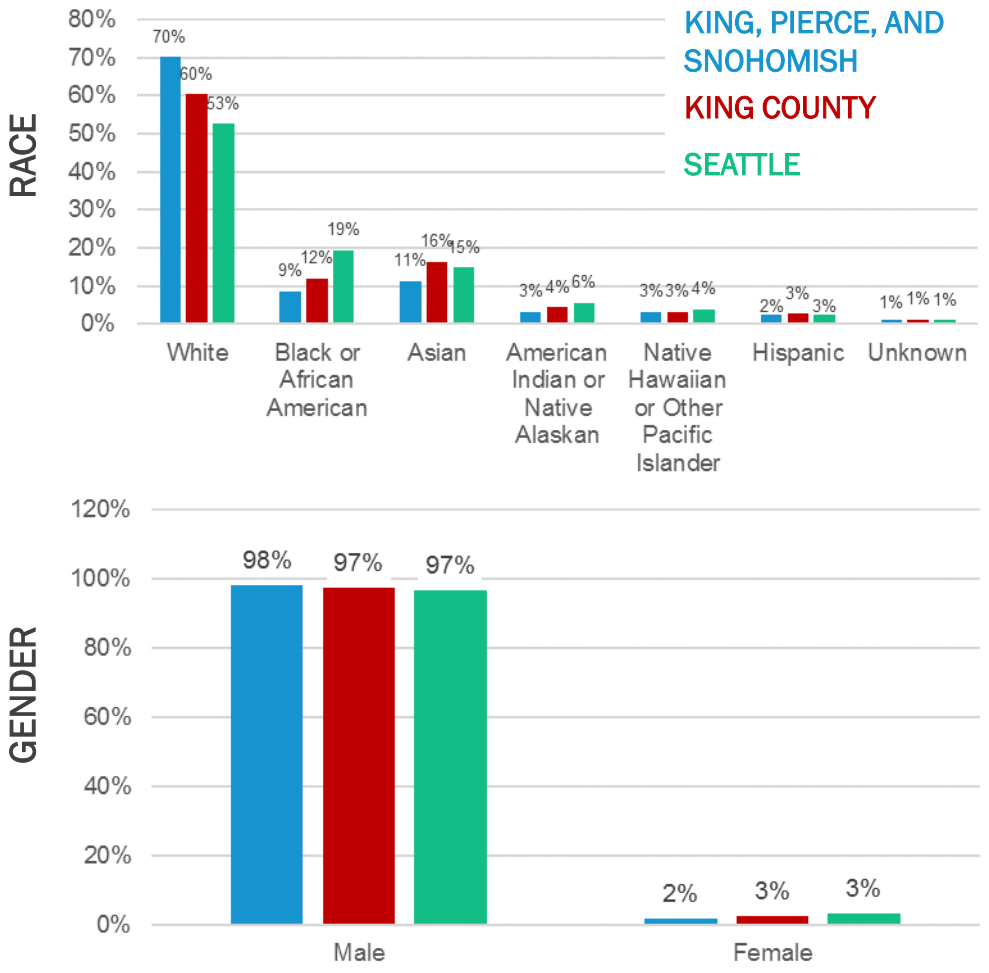
Active construction apprentices during the 2011-2015 period had several notable demographic characteristics between the three geographic levels of King, Pierce, and Snohomish Counties; King County; and Seattle.

Higher shares of people of color in active apprenticeships lived in King County than the broader geography of King, Pierce, and Snohomish Counties.

In King, Pierce, and Snohomish Counties, 30% of construction apprentices were people of color in the 2011-2015 period (921 apprentices). In King County, 39% were people of color (425 apprentices). In Seattle, 46% were people of color (148 apprentices).

EXHIBIT 1. ACTIVE CONSTRUCTION APPRENTICES BY RACE AND GENDER

King, Pierce, and Snohomish Counties; King County; and Seattle, 2011-2015



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

ACTIVE CONSTRUCTION APPRENTICES BY RACE AND GEOGRAPHY

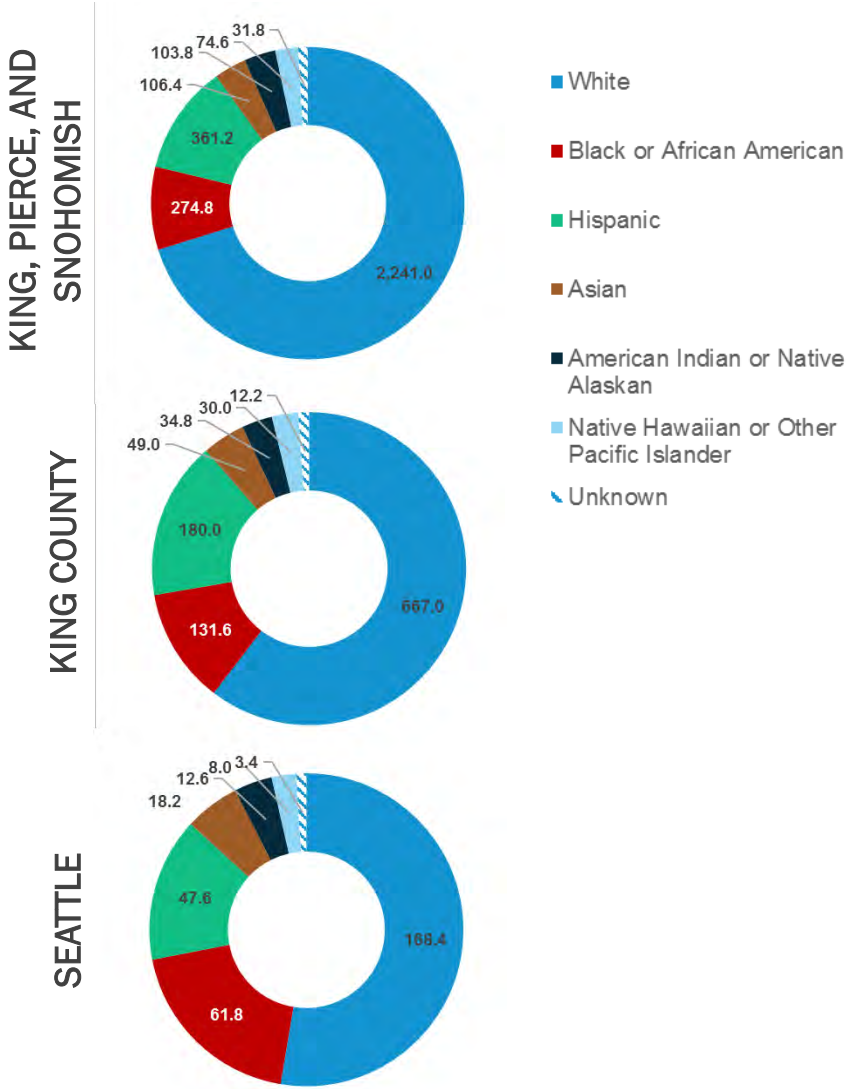
From 2011 through 2015, there were roughly 3,196 annual average active apprentices living in King, Pierce, and Snohomish Counties. Of those apprentices, roughly a third lived in King County, a total of 1,105 average annual apprentices. Seattle was home to 320 of these apprentices.

Approximately 70% of these apprentices were white. The next-largest group of apprentices by race was Hispanic at 11% followed by Black or African American at 9%.

These shares varied significantly in King County and Seattle. In particular, the ratio of white apprentices to all other apprentices was lower in King County than the broader region of King, Pierce, and Snohomish Counties. Focusing in even further to Seattle, the ratio of white apprentices to all other apprentices was even lower.

EXHIBIT 2. ACTIVE CONSTRUCTION APPRENTICES BY RACE

King, Pierce, and Snohomish Counties; King County; and Seattle, 2011-2015 average



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

ACTIVE FEMALE CONSTRUCTION APPRENTICES BY RACE AND GEOGRAPHY

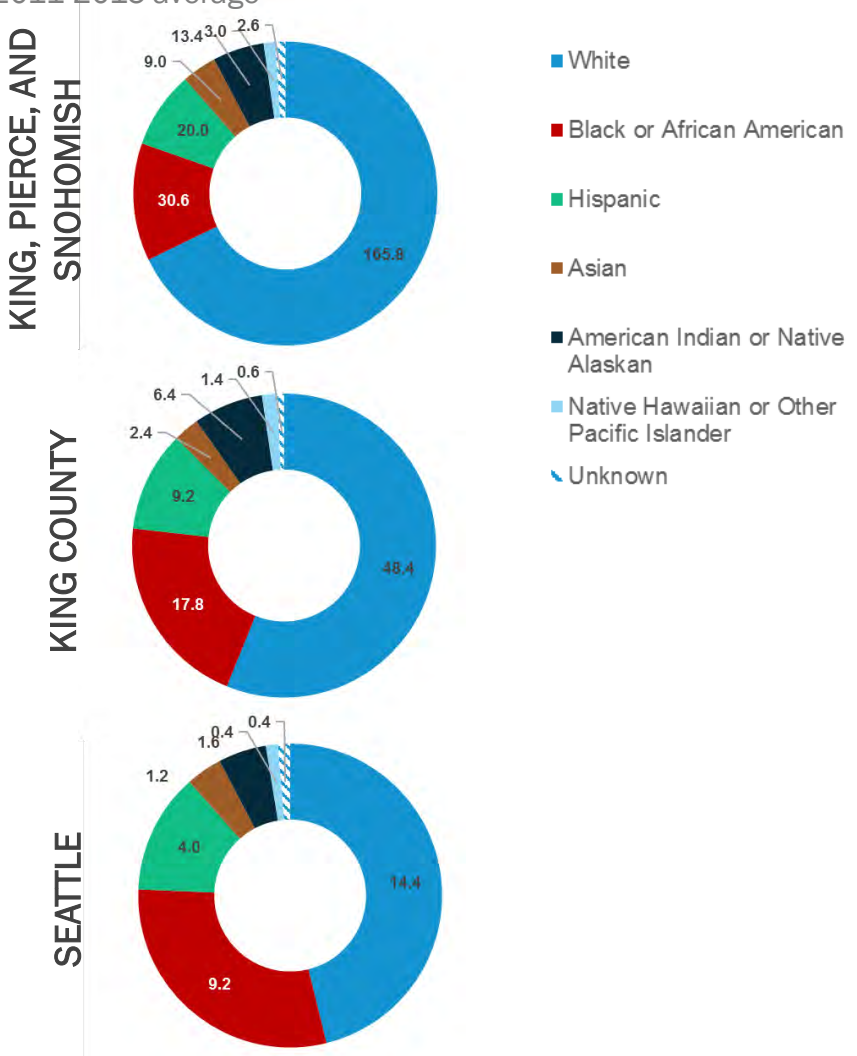
Overall, 31% of female construction apprentices from 2011 through 2015 identified as people of color.

Female construction apprentices were notably more likely to identify as people of color in this time period: at the King, Pierce, and Snohomish Counties level, 31% of female construction apprentices were people of color compared to 29% for all construction apprentices. In King County, 43% of female construction apprentices were people of color while 39% of total apprentices were white. The same trend is evident within the City of Seattle, where 53% of female construction apprentices were people of color compared to 46% of total apprentices.

It is also important to note that female people of color were more likely to be Black or African American. In this time period, 13% of female construction apprentices were Black or African American compared to 9% for all active apprentices.

EXHIBIT 3. ACTIVE FEMALE CONSTRUCTION APPRENTICES BY RACE

King, Pierce, and Snohomish Counties; King County; and Seattle, 2011-2015 average



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

ACTIVE MALE CONSTRUCTION APPRENTICES BY RACE AND GEOGRAPHY

From 2011 through 2015, 29% of male construction apprentices identified as people of color.

Male construction apprentices were more likely to identify as white than female apprentices: from 2011 through 2015, 70% of active male construction apprentices were white compared to 68% of female construction apprentices.

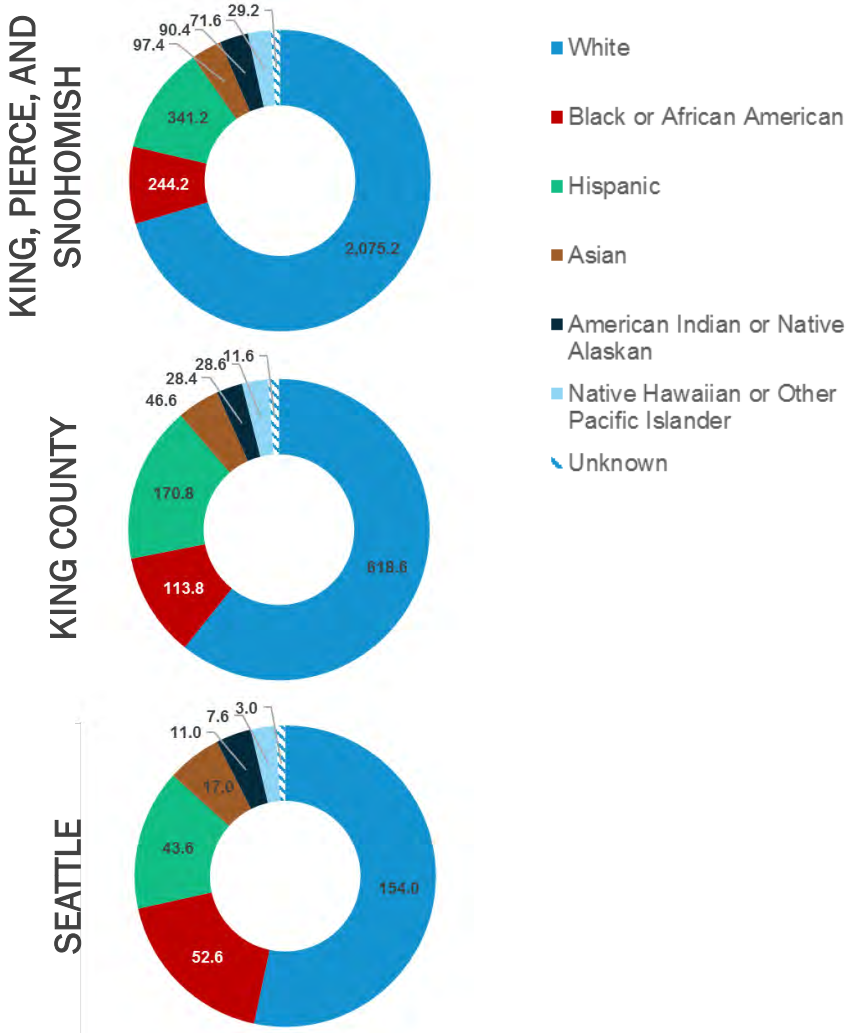
Narrowing the geographic lens to just King County, the same is true with 61% of male apprentices identifying as white compared to 56% of female apprentices.

Looking at Seattle only, 53% of male construction apprentices were white compared to 46% of female construction apprentices.

Comparing the race breakdown of male and female apprentices, female apprentices are notably more likely to identify as Black or African American than male apprentices: 13% for female apprentices compared to 8% for male apprentices in all of King, Pierce, and Snohomish Counties.

EXHIBIT 4. ACTIVE MALE CONSTRUCTION APPRENTICES BY RACE

King, Pierce, and Snohomish Counties; King County; and Seattle, 2011-2015 average



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

EDUCATIONAL STATUS OF CONSTRUCTION APPRENTICES

From 2011 through 2015, the average educational attainment levels of active apprentices revealed one key observation: construction apprentices in the City of Seattle had higher shares of the most educated and least educated apprentices than the two broader geographies.

EXHIBIT 5. EDUCATIONAL STATUS OF CONSTRUCTION APPRENTICES

King, Pierce, and Snohomish Counties, 2011-2015 average

Education	Total	Share
High School Graduate	1,502	47%
College or Greater	702	22%
GED	580	18%
Some High School (9th-12th)	169	5%
8th grade or less	20	1%
Not Specified	223	7%
Total	3,196	100%

Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

ACTIVE CONSTRUCTION APPRENTICES

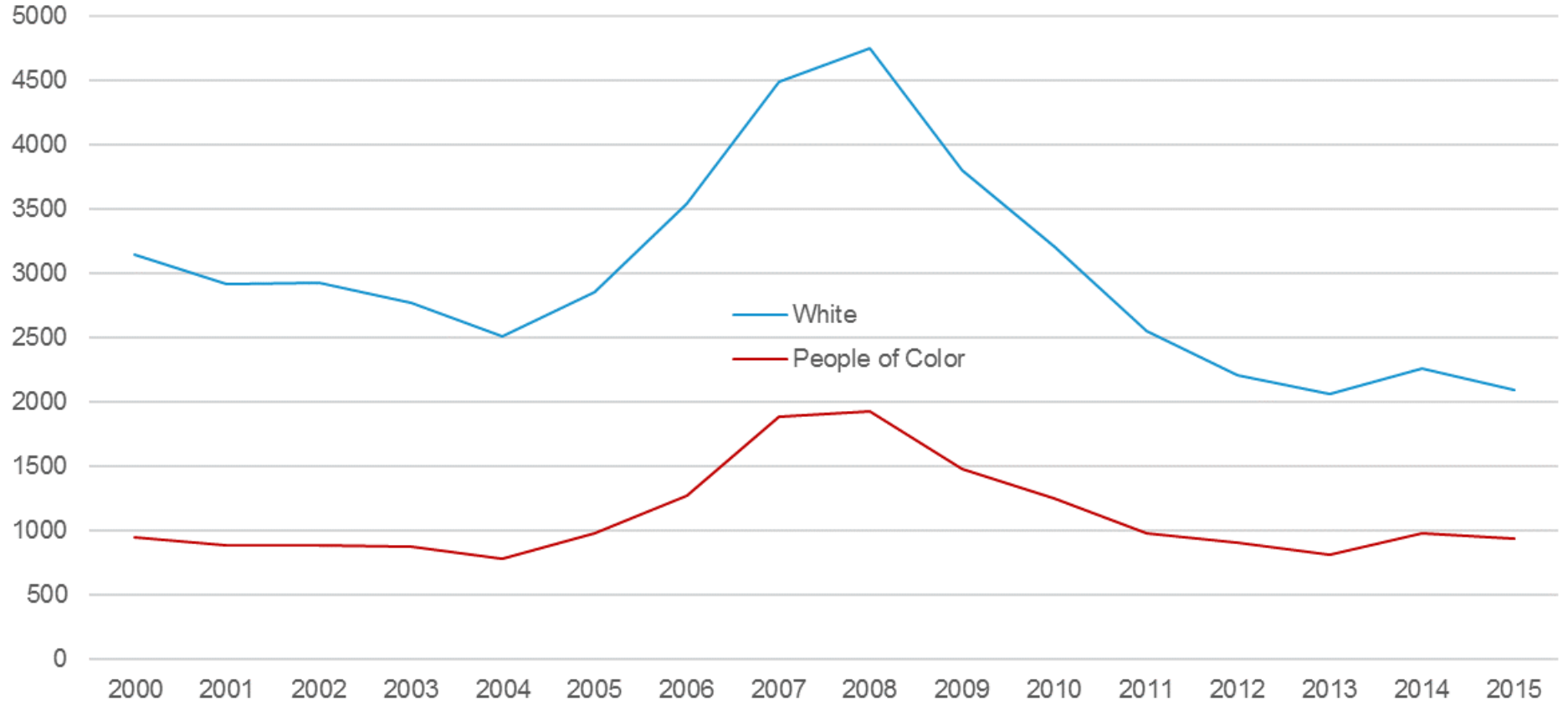
The region's construction apprentices can be found across King, Pierce, and Snohomish Counties. Large concentrations of apprentices live in the region's major cities, especially Seattle, Everett, Kent, Renton, Federal Way, Tacoma, and Puyallup.

There are smaller numbers of active apprentices in other cities and neighborhoods across the region, with many clustered in areas adjacent to the region's major cities.

EXHIBIT 6. ACTIVE CONSTRUCTION APPRENTICES, 2015

Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

EXHIBIT 7. ACTIVE CONSTRUCTION APPRENTICES BY RACE; KING, PIERCE, AND SNOHOMISH COUNTIES; 2000-2015



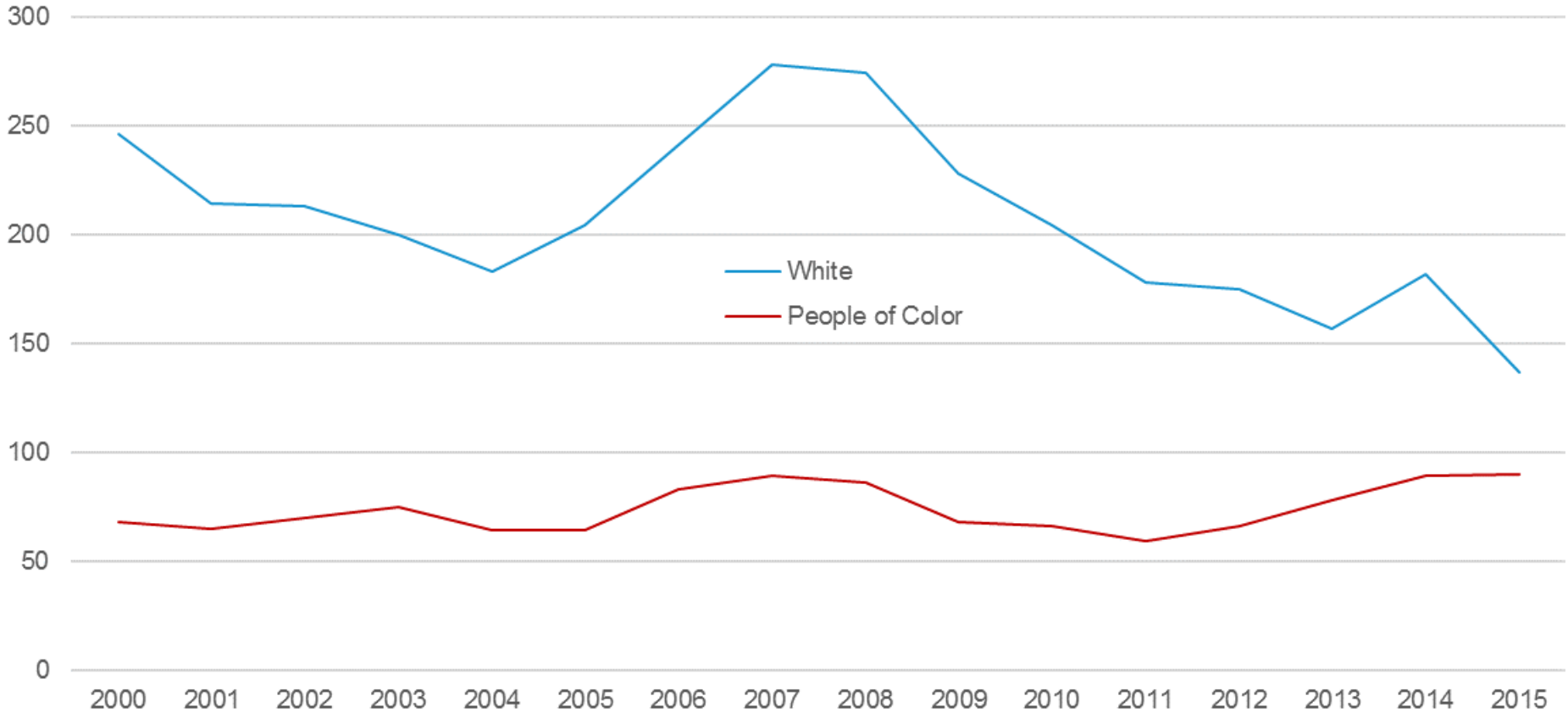
Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.
Note: the number of active apprentices does not include apprentices that completed or cancelled their apprenticeship during that year, but does include new registrations. Apprentices who did not report a race are not included in either line.

EXHIBIT 8. ACTIVE CONSTRUCTION APPRENTICES BY RACE; KING, PIERCE, AND SNOHOMISH COUNTIES; 2000-2015

	Total															
	White		Black or African American		Hispanic		Asian		American Indian or Native Alaskan		Native Hawaiian or Other Pacific Islander		Unknown		Total	
2000	3,146	75%	309	7%	351	8%	192	5%	97	2%	2	0%	118	3%	4,216	
2001	2,922	75%	313	8%	326	8%	161	4%	83	2%	9	0%	103	3%	3,918	
2002	2,929	75%	279	7%	352	9%	157	4%	88	2%	14	0%	107	3%	3,927	
2003	2,778	74%	286	8%	349	9%	144	4%	87	2%	13	0%	76	2%	3,734	
2004	2,516	75%	283	8%	279	8%	120	4%	84	3%	21	1%	49	1%	3,352	
2005	2,854	74%	361	9%	328	8%	133	3%	115	3%	44	1%	43	1%	3,878	
2006	3,542	73%	462	9%	440	9%	146	3%	158	3%	67	1%	54	1%	4,871	
2007	4,495	70%	619	10%	758	12%	197	3%	195	3%	122	2%	61	1%	6,448	
2008	4,760	70%	560	8%	844	12%	205	3%	199	3%	123	2%	67	1%	6,760	
2009	3,803	71%	430	8%	633	12%	170	3%	153	3%	100	2%	54	1%	5,343	
2010	3,212	71%	343	8%	529	12%	153	3%	142	3%	86	2%	43	1%	4,508	
2011	2,560	72%	276	8%	384	11%	121	3%	121	3%	76	2%	30	1%	3,568	
2012	2,215	70%	270	9%	349	11%	118	4%	98	3%	75	2%	22	1%	3,147	
2013	2,070	71%	259	9%	304	10%	91	3%	99	3%	65	2%	19	1%	2,907	
2014	2,267	69%	296	9%	398	12%	100	3%	97	3%	79	2%	21	1%	3,265	
2015	2,093	68%	273	9%	371	12%	102	3%	104	3%	78	3%	67	2%	3,095	
2000-2015 Total Growth	-33%		-12%		6%		-47%		7%		NA		-43%		-27%	
CAGR	-3%		-1%		0%		-4%		0%		NA		-4%		-2%	

Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.
Note: the number of active apprentices does not include apprentices that completed or cancelled their apprenticeship during that year, but does include new registrations.

EXHIBIT 9. ACTIVE FEMALE CONSTRUCTION APPRENTICES BY RACE; KING, PIERCE, AND SNOHOMISH COUNTIES; 2000-2015



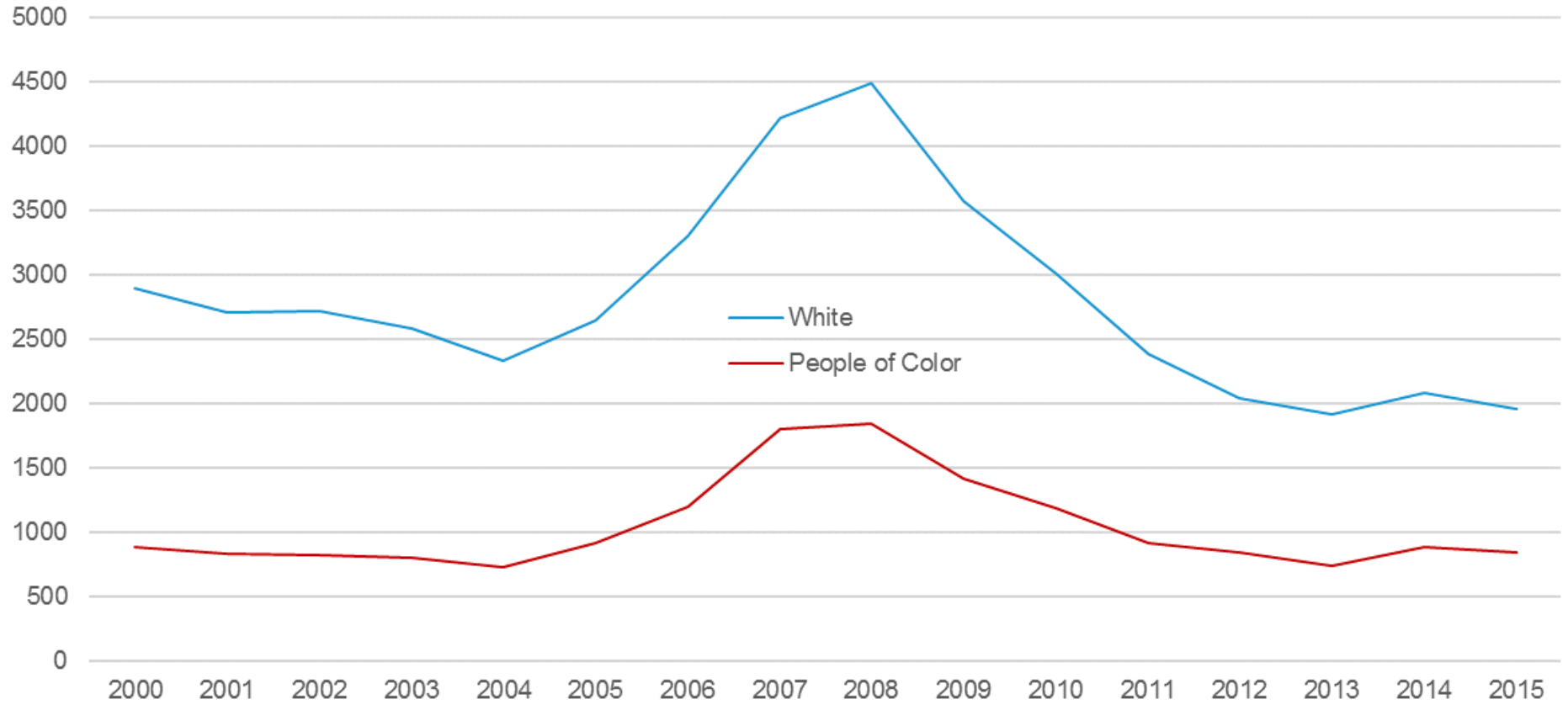
Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.
Note: the number of active apprentices does not include apprentices that completed or cancelled their apprenticeship during that year, but does include new registrations. Apprentices who did not report a race are not included in either line.

EXHIBIT 10. ACTIVE FEMALE CONSTRUCTION APPRENTICES BY RACE; KING, PIERCE, AND SNOHOMISH COUNTIES; 2000-2015

	Female																			
	White		Black or African American		Hispanic		Asian		American Indian or Native Alaskan		Native Hawaiian or Other Pacific Islander		Unknown		Total
2000	246	77%	29	9%	16	5%	12	4%	11	3%	-	0%	7	2%	321
2001	214	75%	26	9%	18	6%	11	4%	10	3%	-	0%	7	2%	286
2002	213	73%	25	9%	21	7%	8	3%	16	5%	-	0%	9	3%	292
2003	200	71%	38	14%	17	6%	5	2%	14	5%	1	0%	6	2%	281
2004	183	73%	23	9%	18	7%	7	3%	15	6%	1	0%	2	1%	249
2005	204	75%	19	7%	16	6%	10	4%	15	6%	4	1%	3	1%	271
2006	241	74%	31	9%	19	6%	9	3%	22	7%	2	1%	3	1%	327
2007	278	75%	33	9%	22	6%	11	3%	21	6%	2	1%	3	1%	370
2008	274	75%	23	6%	31	8%	8	2%	22	6%	2	1%	6	2%	366
2009	228	76%	22	7%	20	7%	6	2%	19	6%	1	0%	5	2%	301
2010	204	74%	20	7%	21	8%	6	2%	18	7%	1	0%	4	1%	274
2011	178	74%	18	7%	17	7%	7	3%	17	7%	-	0%	4	2%	241
2012	175	71%	22	9%	16	7%	12	5%	15	6%	1	0%	4	2%	245
2013	157	66%	31	13%	19	8%	12	5%	14	6%	2	1%	3	1%	238
2014	182	67%	38	14%	27	10%	7	3%	10	4%	5	2%	1	0%	272
2015	137	60%	44	19%	21	9%	7	3%	11	5%	7	3%	1	0%	228
2000-2015 Total Growth	-44%		52%		31%		-42%		0%		NA		-86%		-29%
CAGR	-4%		3%		2%		-4%		0%		NA		-12%		-2%

Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.
Note: the number of active apprentices does not include apprentices that completed or cancelled their apprenticeship during that year, but does include new registrations.

EXHIBIT 11. ACTIVE MALE CONSTRUCTION APPRENTICES BY RACE; KING, PIERCE, AND SNOHOMISH COUNTIES; 2000-2015



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.
Note: the number of active apprentices does not include apprentices that completed or cancelled their apprenticeship during that year, but does include new registrations. Apprentices who did not report a race are not included in either line.

EXHIBIT 12. ACTIVE MALE CONSTRUCTION APPRENTICES BY RACE; KING, PIERCE, AND SNOHOMISH COUNTIES; 2000-2015

	Male																	
	White		Black or African American		Hispanic		Asian		American Indian or Native Alaskan		Native Hawaiian or Other Pacific Islander		Unknown		Total
2000	2,900	74%	280	7%	335	9%	180	5%	86	2%	2	0%	111	3%	3,895
2001	2,708	75%	287	8%	308	8%	150	4%	73	2%	9	0%	96	3%	3,632
2002	2,716	75%	254	7%	331	9%	149	4%	72	2%	14	0%	98	3%	3,635
2003	2,578	75%	248	7%	332	10%	139	4%	73	2%	12	0%	70	2%	3,453
2004	2,333	75%	260	8%	261	8%	113	4%	69	2%	20	1%	47	2%	3,103
2005	2,650	73%	342	9%	312	9%	123	3%	100	3%	40	1%	40	1%	3,607
2006	3,301	73%	431	9%	421	9%	137	3%	136	3%	65	1%	51	1%	4,544
2007	4,217	69%	586	10%	736	12%	186	3%	174	3%	120	2%	58	1%	6,078
2008	4,486	70%	537	8%	813	13%	197	3%	177	3%	121	2%	61	1%	6,394
2009	3,575	71%	408	8%	613	12%	164	3%	134	3%	99	2%	49	1%	5,042
2010	3,008	71%	323	8%	508	12%	147	3%	124	3%	85	2%	39	1%	4,234
2011	2,382	72%	258	8%	367	11%	114	3%	104	3%	76	2%	26	1%	3,327
2012	2,040	70%	248	9%	333	11%	106	4%	83	3%	74	3%	18	1%	2,902
2013	1,913	72%	228	9%	285	11%	79	3%	85	3%	63	2%	16	1%	2,669
2014	2,085	70%	258	9%	371	12%	93	3%	87	3%	74	2%	20	1%	2,993
2015	1,956	68%	229	8%	350	12%	95	3%	93	3%	71	2%	66	2%	2,867
2000-2015 Total Growth	-33%		-18%		4%		-47%		8%		NA		-41%		-26%
CAGR	-3%		-1%		0%		-4%		1%		NA		-3%		-2%

Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.
Note: the number of active apprentices does not include apprentices that completed or cancelled their apprenticeship during that year, but does include new registrations.

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4 MAJOR TAKEAWAYS

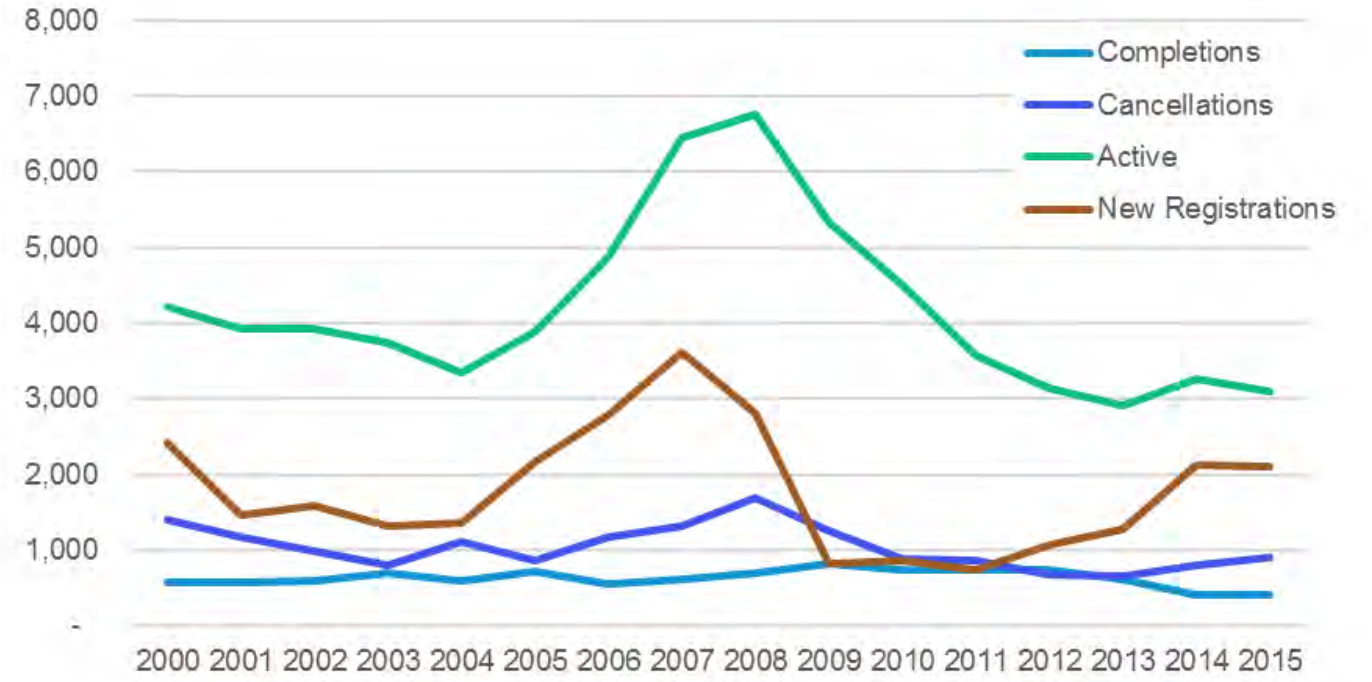
Construction apprenticeships in Pierce, King, and Snohomish Counties underwent two major changes from 2000 to 2015 in terms of apprentices statuses. In the middle part of this time period, roughly from 2005 to 2007, active apprenticeships (which includes new registrations) increased rapidly. At the onset of the great recession, there was an uptick in the number of cancellations, and active apprentices dropped. New registrations dropped to the lowest levels seen during this time period.

As the region began to recover, so did apprenticeships. By 2013, the number of new registrations had begun to increase, and the downward trend in active apprentices reversed. In 2015, the number of new registrations reached 2005 levels.

With increasing registrations and relatively low levels of cancellations, the region is on track to expand its apprenticeship talent pool in the coming years.

EXHIBIT 13. CONSTRUCTION APPRENTICESHIP KEY METRICS

King, Pierce, and Snohomish Counties; 2000-2015



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.
Note: the number of active apprentices does not include apprentices that completed or cancelled their apprenticeship during that year, but does include new registrations.

Cancellation and completion rates are defined as the number of cancellations or completions divided by cancellations, completions, transfers, and suspensions.

Over the past 15 years, construction apprenticeship completion and cancellation rates have largely had an inverse relationship: when the completion rate increases, the cancellation rate decreases; when the cancellation rate increases, the completion rate decreases. This indicates that, to some degree, the rate at which apprentices leave their programs is roughly consistent over time.

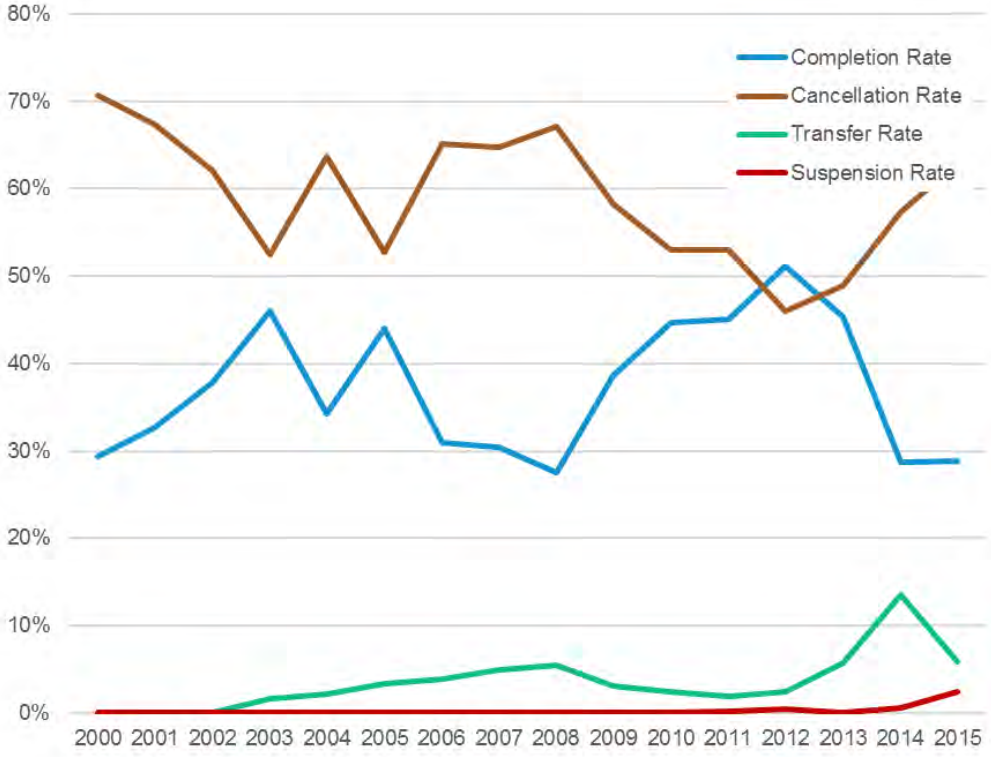
Cancellations can be made at the request of the apprentice, supervisor, or sponsor. For example, an apprentice could receive a job offer in another industry while he or she is still an apprentice, and decide to take that job instead of completing his or her program.

In recent years, the completion and cancellation rates in King, Pierce, and Snohomish County region trended towards the pre-recession rates.

Transfer and suspensions have historically had very low rates compared to completions and cancellations. In 2014, however, the transfer rate reached 13%, a historic high.

EXHIBIT 14. CONSTRUCTION APPRENTICESHIP COMPLETION AND CANCELLATION RATES

King, Pierce, and Snohomish Counties; 2000-2015



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

CONSTRUCTION APPRENTICESHIP STATUS BY GENDER

In general, construction apprenticeship statuses were largely similar for male and female workers on average during the 2011-2015 period. **Exhibit 15** describes the shares of completions, cancellations, transfers, and suspensions. Together, these four metrics sum to 100% for each gender.

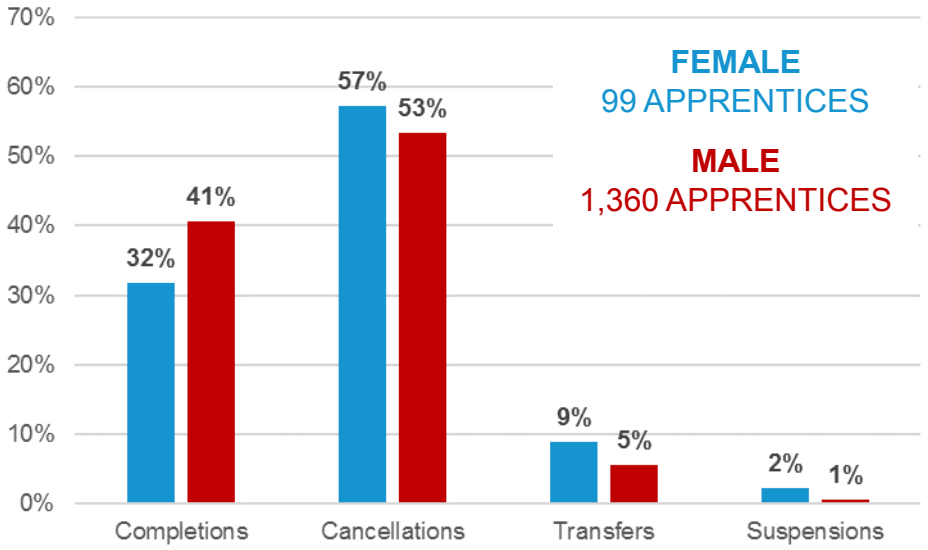
During this period, an average of 31 female apprentices completed their programs, 57 cancelled their programs, 9 transferred, and 2 suspended their programs. These sum to a total of 99 apprentices.

On average, 552 male apprentices completed their programs per year during the 2011-2015 period, 725 cancelled their programs, 75 transferred, and 8 suspended their programs. These sum to a total of 1,360 apprentices.

In this period, the share of suspended or transferred apprentices was higher for female workers than for male workers, 11% for female workers (or an average of 11 apprentices per year) compared to 7% for male workers (or an average of 83 apprentice per year).

EXHIBIT 15. CONSTRUCTION APPRENTICESHIP STATUS BY GENDER

King, Pierce, and Snohomish Counties; 2011-2015 average



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

CONSTRUCTION APPRENTICESHIP STATUS BY RACE

From 2011 through 2015, the share of apprentices that completed their programs was lower for people of color in King, Pierce, and Snohomish Counties than it was for white apprentices, 33% for people of color (or an average of 155 apprentices per year) compared to 43% for white apprentices (or an average of 428 apprentices per year).

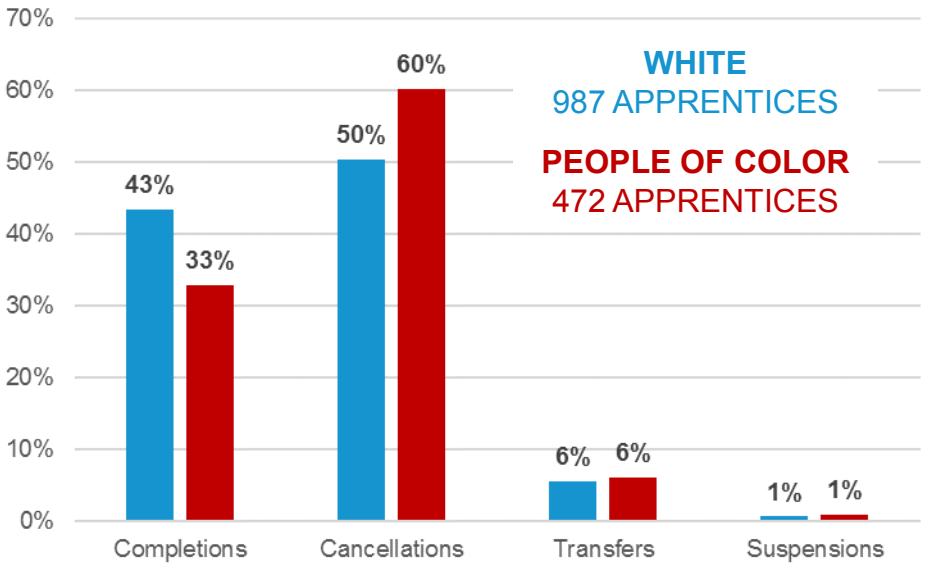
At the same time, the cancellation rate for people of color was higher than it was for white apprentices, 60% compared to 50% (or an average of 284 apprentices who were people of color compared to an average of 497 apprentices who were white).

Overall, an annual average of 428 white apprentices completed their programs from 2011 to 2015, 498 cancelled their programs, 55 transferred, and 6 suspended their programs.

During the same period, an annual average of 155 apprentices of color completed their programs, 284 cancelled their programs, 29 transferred, and 4 suspended their programs.

EXHIBIT 16. CONSTRUCTION APPRENTICESHIP STATUS BY RACE

King, Pierce, and Snohomish Counties; 2011-2015 average



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

CONSTRUCTION APPRENTICESHIP STATUS BY RACE

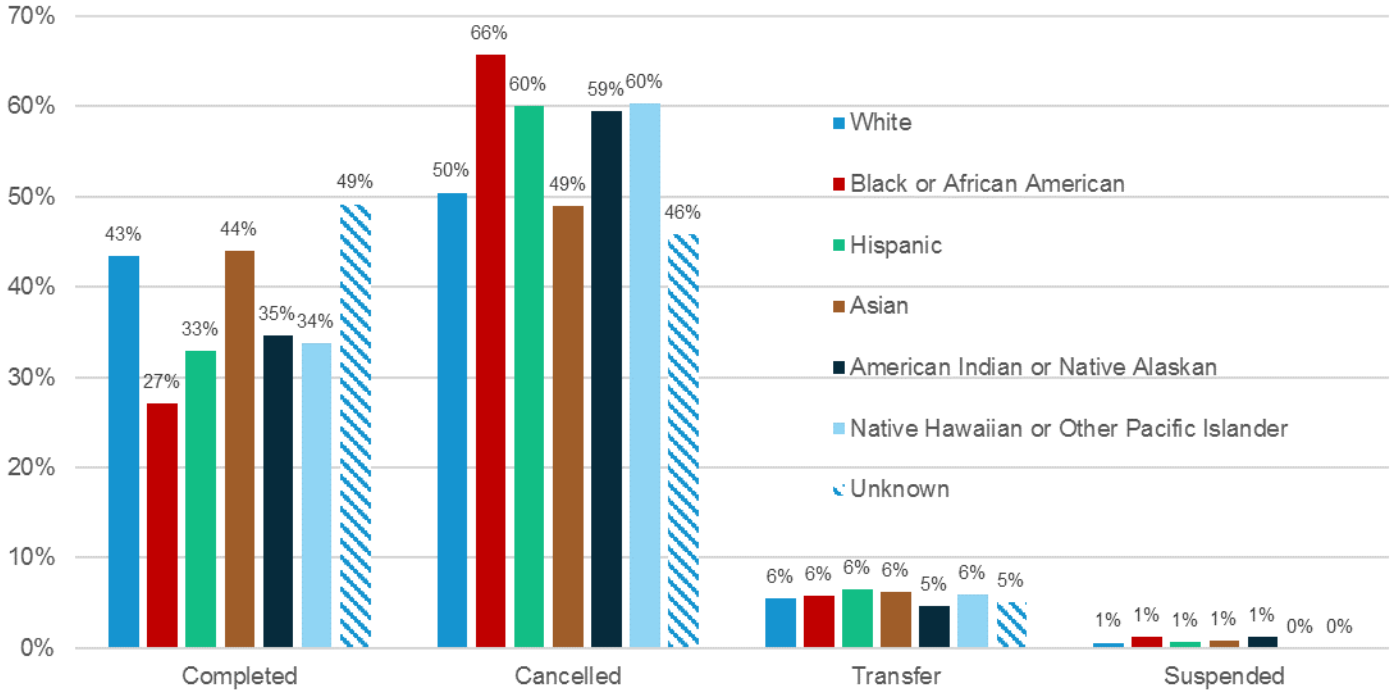
Looking more closely at detailed breakouts of construction apprenticeship status by race reveals several important observations. **Exhibit 17** indicates the status of apprentices by race from 2011 through 2015. The sum of the share of completions, cancellations, transfers, and suspensions totals 100% for each race.

In King, Pierce, and Snohomish Counties, there was notable variation in the statuses of apprentices by race. The race with the highest number of completions was white with 428 average annual completions. However, this represents a completion rate of 43%, lower than the rate for Asian apprentices (44%). The race with the lowest share of completions was black or African American with 27% completions (37 average annual completions).

Cancellations also showed significant variation: black or African American apprentices had the highest cancellation rate at 66% (90 average annual apprentices) and Asian apprentices had the lowest at 49% (24 average annual apprentices).

EXHIBIT 17. CONSTRUCTION APPRENTICESHIP STATUS BY RACE

King, Pierce, and Snohomish Counties, 2011-2015 average



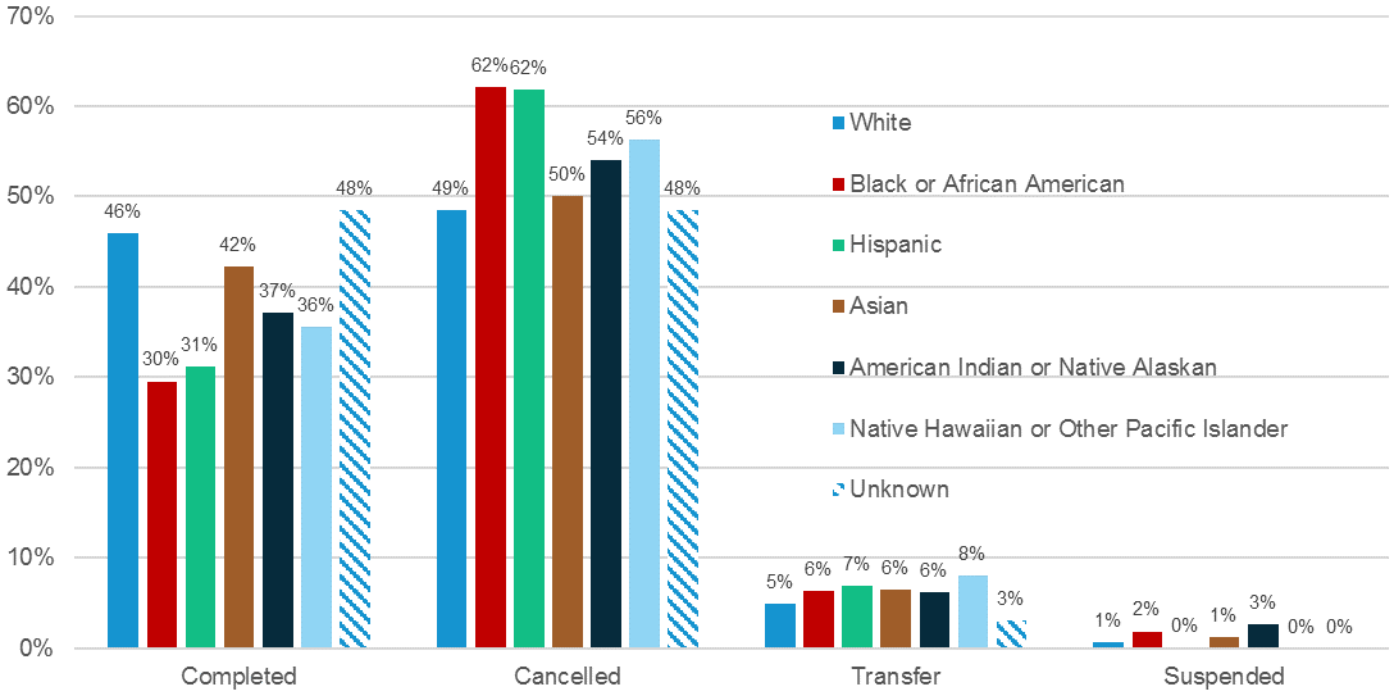
Sources: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

CONSTRUCTION APPRENTICESHIP STATUS BY RACE

The statuses of apprentices by race in King County largely matched the statuses seen in the broader geographic area of King, Pierce, and Snohomish Counties. As in the previous exhibit, the sum of the share of completions, registrations, cancellations, and transfers or suspensions by race totals 100%.

EXHIBIT 18. CONSTRUCTION APPRENTICESHIP STATUS BY RACE

King County, 2011-2015 average



Sources: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

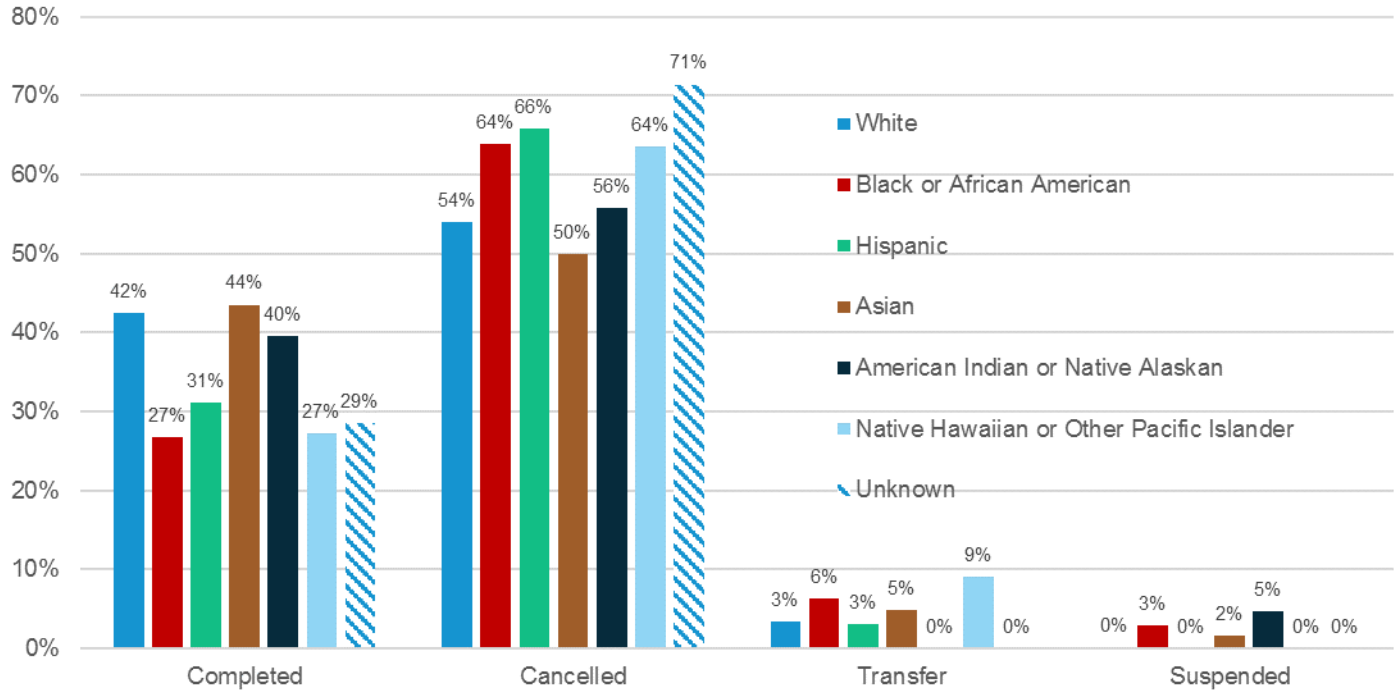
CONSTRUCTION APPRENTICESHIP STATUS BY RACE

In 2015, construction apprentices in Seattle showed significant variation in status by race. The transfer and suspension rates were lower in Seattle than they were in either King County or the broader geography or King, Pierce, and Snohomish Counties.

As in the previous exhibit, the sum of the share of completions, registrations, cancellations, and transfers or suspensions by race totals 100%.

EXHIBIT 19. CONSTRUCTION APPRENTICESHIP STATUS BY RACE

Seattle, 2011-2015 average



Sources: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

NEW REGISTRATIONS BY RACE

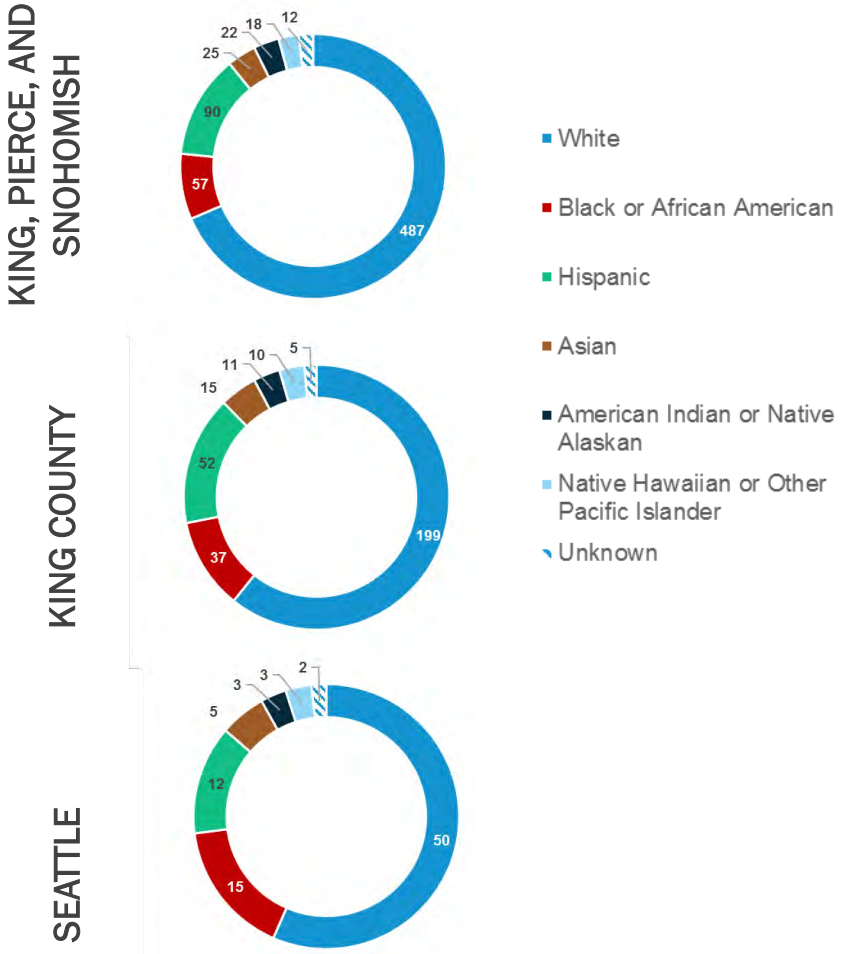
From 2011 through 2015, the race with the highest annual average registrations in construction occupations in King, Pierce, and Snohomish Counties was white with 487 average annual registrations. The next-largest race was Hispanic with 90 average annual registrations, followed by black or African American with 57 average annual registrations.

King County showed a similar trend, with 199 average annual new registrations from white apprentices, 52 from Hispanic apprentices, and 37 from black or African American apprentices.

Within Seattle, the breakdown was slightly different, with 50 average annual registrations rom white apprentices, 15 from black or African American apprentices, and 12 from Hispanic apprentices.

EXHIBIT 20. NEW REGISTRATIONS BY RACE

King, Pierce, and Snohomish Counties; King County; and Seattle; 2011-2015 average



Sources: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

CONSTRUCTION APPRENTICESHIP COMPLETIONS AND COMPLETION TIMES

This analysis focuses on Laborers, Carpenters, and Electricians. These three crafts are forecasted to have the highest demand in the coming years for further detail on these forecasts, please see the March 2016 Sound Transit Construction Workforce Analysis.

On average, apprentices who finished their programs some time from 2011 to 2015 took just under 5 years (57.2 months) to complete their programs. Laborers took, on average, 1.5 years (18.0 months) longer than expected to complete their apprenticeships. Electricians took 14.8 months longer than expected to complete their apprenticeships, and carpenters took 6.3 months longer than expected.

EXHIBIT 21. CONSTRUCTION APPRENTICESHIP EXPECTED AND ACTUAL COMPLETION TIMES (MONTHS)

King, Pierce, and Snohomish Counties, 2011-2015 average

	Expected Completion Time	Actual Completion Time	Difference
Laborers	25.9	43.9	18.0
Carpenters	47.9	54.2	6.3
Electricians	47.5	62.3	14.8
Other Construction Apprenticeships	45.0	57.2	12.2
Construction Apprenticeships	44.9	57.1	12.3

Low difference between expected and actual completion times.

High difference between expected and actual completion times.

Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

CANCELLATION RATES BY TRADE AND GENDER

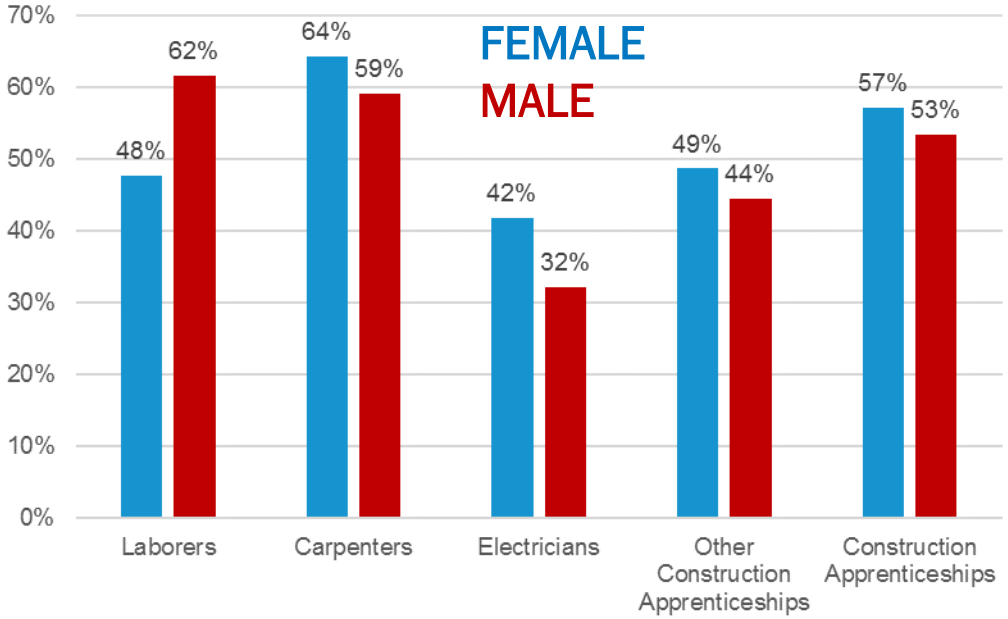
Looking at cancellation rates more closely by trade and gender helps further describe the demographic differences of construction apprentices in King, Pierce, and Snohomish Counties.

On average, male laborer apprentices had higher cancellation rates that female apprentices from 2011 through 2015: 62% for male apprentices (94 cancellations on average) compared to 48% for female apprentices (8 female cancellations on average).

For carpenter apprentices and electricians, the reverse was true: male apprentices had lower cancellation rates than their female counterparts. Across all construction apprenticeships, female construction apprentices had a slightly higher cancellation rate than their male counterparts: 57% (or 57 average annual cancellations) compared to 53% (or 725 average annual cancellations).

EXHIBIT 22. CONSTRUCTION APPRENTICESHIP CANCELLATION RATES BY TRADE AND GENDER

King, Pierce, and Snohomish Counties, 2011-2015 average



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

ACTUAL AND EXPECTED COMPLETION TIME (MONTHS) BY GENDER

Comparing actual construction apprenticeship completion times with expected completion times by gender provides further detail into the differences between male and female construction apprentices.

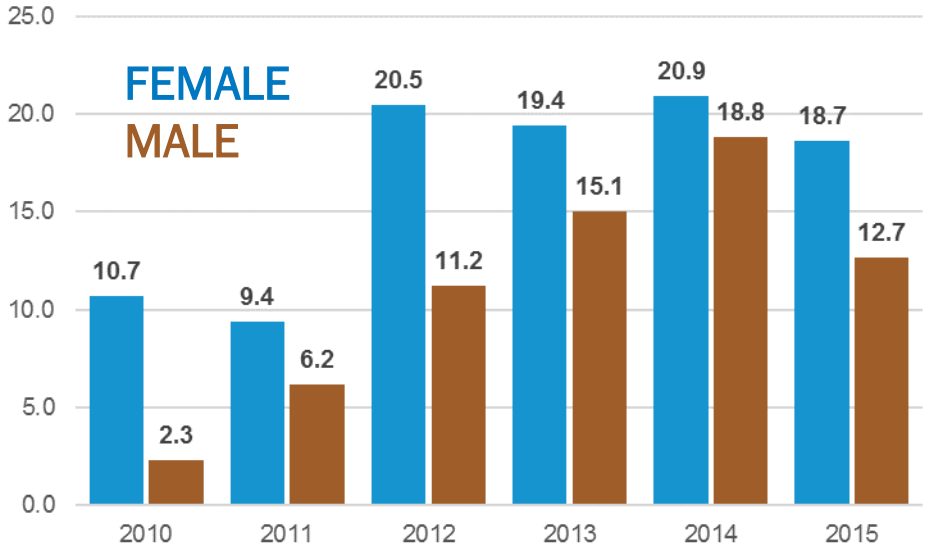
Expected completion times are defined at the apprentice level as the full-time equivalent term of the apprenticeship. For example, an apprentice in a 4,000-hour program would have an expected completion time of roughly two years. If the apprentice took three calendar years to complete the 4,000-hour program, the difference between actual and expected completion times would be one year. The differences between expected and actual completion times for apprentices who completed their respective programs in a given calendar year are then averaged, resulting in the values in **Exhibit 23**.

From 2010 to 2015, the difference between actual and expected completion times for both male and female construction apprenticeships has increased. While male construction apprentices had a lower average difference between actual and estimated completion times in 2010, the gap between the two genders has begun to narrow.

From 2010 to 2015, between 56 and 93 female construction apprentices completed their respective programs per year. Between 556 and 1,012 male apprentices completed their programs per year.

EXHIBIT 23. DIFFERENCE BETWEEN ACTUAL AND EXPECTED COMPLETION TIME (MONTHS) BY GENDER

King, Pierce, and Snohomish Counties, 2010-2015



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

ACTUAL AND EXPECTED COMPLETION TIME (MONTHS) BY RACE

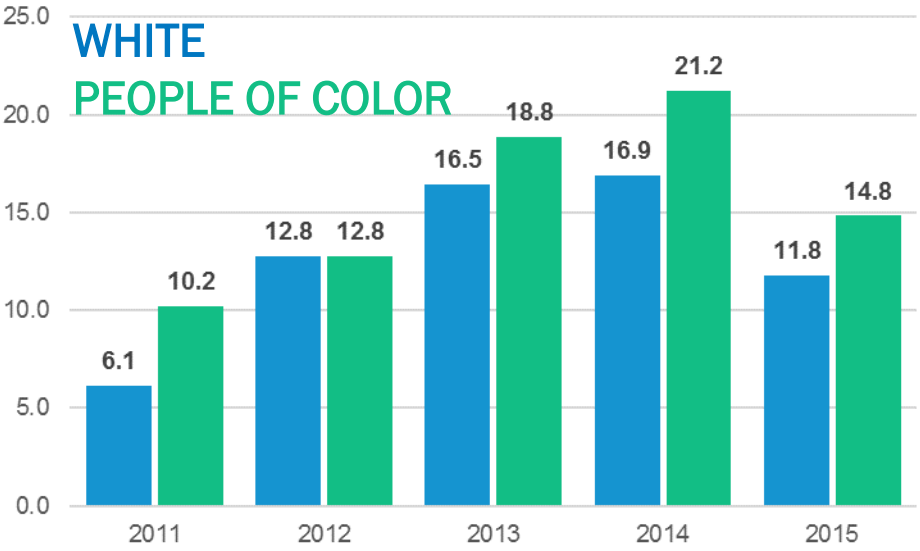
The same metric can be used to compare white apprentices and apprentices who identified as people of color.

To a large degree, white apprentices and apprentices of color had very similar differences between actual and expected completion times, with people of color averaging slightly higher than their white counterparts. This difference was the greatest in 2014, where white apprentices who completed programs took an average of 16.9 months longer than expected to complete their apprenticeships compared to 21.2 months for people of color.

From 2011 to 2015, between 159 and 285 apprentices of color completed their respective programs per year, compared to between 445 and 816 for white construction apprentices.

EXHIBIT 24. DIFFERENCE BETWEEN ACTUAL AND EXPECTED COMPLETION TIME (MONTHS) BY RACE

King, Pierce, and Snohomish Counties 2011-2015



Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

OUTLINE

1 INFORMATION AND BACKGROUND

- Background
- Research Questions
- Terms and Concepts

2 CURRENT DEMOGRAPHIC CHARACTERISTICS

- Race, Ethnicity, Gender, and Place of Residence
- Breakouts for Electrician, Carpenter, and Laborer Apprentices

3 COMPLETIONS AND CANCELLATIONS

- Race, Ethnicity, Gender, and Place of Residence
- Breakouts for Electrician, Carpenter, and Laborer Apprentices

4 MAJOR TAKEAWAYS

RACE

On average, **King, Pierce, and Snohomish Counties had 921 construction apprentices of color from 2011 through 2015** (29% of active apprentices). The region also had an additional 2,241 white construction apprentices (70% of active apprentices).

Apprentices of color took longer, on average, to complete their respective apprenticeship programs from 2010 through 2015.

From 2011 through 2015, an annual average of 284 apprentices of color cancelled their apprenticeships (60% of apprentices of color), compared to 498 for white apprentices (50% of white apprentices).

GENDER

In King, Pierce, and Snohomish Counties, an average of 245 apprentices per year were female from 2011-2015. There were, on average, 2,952 male apprentices per year during the same period.

On average, **female construction apprentices took longer to complete their respective apprenticeship programs than their male counterparts**.

From 2011 through 2015, an average of 57 female apprentices cancelled their apprenticeships per year, compared to 725 for male apprentices.

TRADE

Laborers, carpenters, and electricians are three of the most in-demand occupations in King, Pierce, and Snohomish Counties. On average, there were 147 active electrician apprentices per year, 107 active laborer apprentices per year, and 87 active carpenter apprentices per year from 2011-2015.

Laborers who completed their programs during this period took, on average, 18 months longer to complete their programs than expected. Electricians took 14.8 months longer than expected, on average, and carpenters took 6.3 months longer than expected.

Attachment 6

City of Seattle Construction Hiring Analysis

SPATIAL ANALYSIS OF PRIORITY WORKERS AND DISTRESSED ZIP CODES

November, 2016

President & CEO:
Chris Mefford

Lead Analyst:
Eric Viola

Analysts:
Carrie Schaden
Katy Nally

Community Attributes Inc.
1411 Fourth Ave, Suite 1401
Seattle, Washington 98101
www.communityattributes.com

cai community attributes inc

OUTLINE

1 INFORMATION AND BACKGROUND

- Background
- Research Questions
- Terms and Concepts

2 PRIORITY ZIP CODES

- Seattle
- Elsewhere in King County

3 CONSTRUCTION WORKER DEMOGRAPHICS

- Seattle
- Elsewhere in King County

4 REGIONAL DEMOGRAPHICS

- Seattle
- Elsewhere in King County

BACKGROUND

The City of Seattle uses a priority hire ZIP code list to prioritize hiring of workers living in economically-distressed ZIP codes in Seattle and King County. The City's current ZIP code list was developed in 2013.

RESEARCH QUESTIONS

Which ZIP codes in Seattle and elsewhere in King County have high concentrations of:

> People living under 200% of the federal poverty line

> Unemployed people

> People without a college degree

Which ZIP codes in Seattle and elsewhere in King County have high concentrations of:

> Construction workers

> Female construction workers

> Construction workers of color

TERMS AND CONCEPTS

Census Tracts are small subdivisions of counties that often span multiple ZIP codes. For the purposes of this analysis, data by Census Tracts were summed into the relevant ZIP codes according to the share of each Census Tract that overlaps each relevant ZIP code. For example, if 80% of the area of a Census Tract is in one ZIP code and 20% is in another, 80% of the Census Tract's population is attributed to the first ZIP code and 20% to the second.

People of Color include non-white people. This includes those who identify as Hispanic. This definition is consistent with the definitions used in past construction hiring analyses.

Priority Hire ZIP Codes in King County are ZIP codes that are above the benchmark percentile in two of the following three criteria:

1. High concentrations of unemployed people in terms of persons per acre (45th percentile)
2. High concentrations of people 25 years or older without a college degree in terms of persons per acre (75th percentile)
3. High concentrations of people living under 200% of the federal poverty line in terms of persons per acre (69th percentile)

Tier I ZIP Codes are priority ZIP Codes within Seattle.

Tier II ZIP Codes are priority ZIP Codes elsewhere in King County.

EXHIBIT 1. FEDERAL POVERTY THRESHOLDS

U.S., 2014

Household Size	200% Federal Poverty Threshold
1	$22,708
2	$28,618
3	$37,036
4	$48,836
5	$58,894
6	$67,738
7	$77,942
8	$87,172
9 or More	$104,860

Source: U.S. Census Bureau, 2015
Note: these thresholds vary by household composition; the thresholds presented here are representative of that range.

OUTLINE

1 INFORMATION AND BACKGROUND

- Background
- Research Questions
- Terms and Concepts

2 PRIORITY ZIP CODES

- Seattle
- Elsewhere in King County

3 CONSTRUCTION WORKER DEMOGRAPHICS

- Seattle
- Elsewhere in King County

4 REGIONAL DEMOGRAPHICS

- Seattle
- Elsewhere in King County

EXHIBIT 2. PRIORITY ZIP CODES

King County, 2010-2014

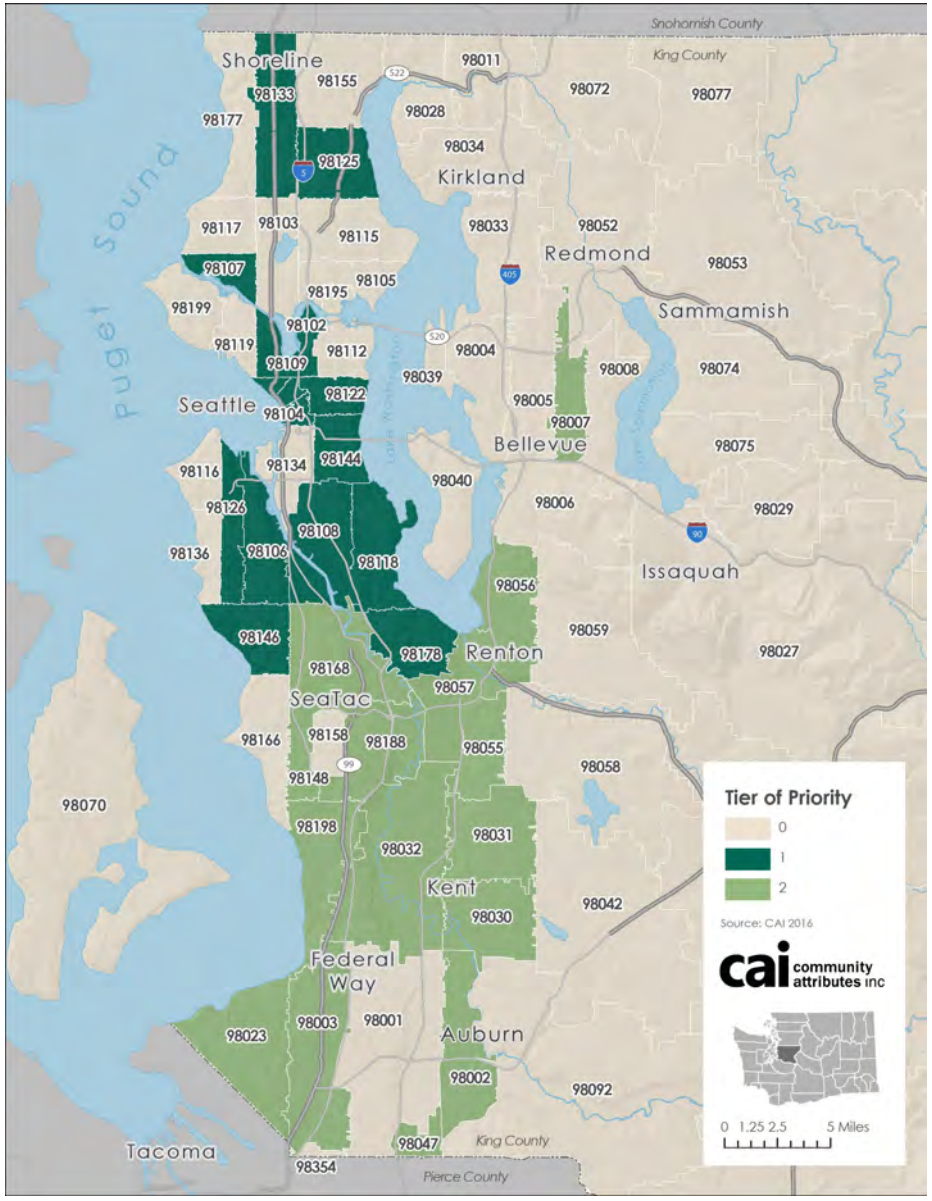


EXHIBIT 3. PRIORITY ZIP CODES BY TIER

2014

Tier I	Seattle Neighborhood	ZIP
Tier I	Rainier Valley/Rainier Beach	98118
Tier I	Downtown/ID	98104
Tier I	Delridge	98106
Tier I	Rainier Beach/Skyway	98178
Tier I	Bitter Lake/NW Seattle	98133
Tier I	N. Beacon Hill	98144
Tier I	Downtown	98101
Tier I	Central District	98122
Tier I	Belltown	98121
Tier I	Ballard	98107
Tier I	Interbay/Queen Anne	98109
Tier I	Capitol Hill/Eastlake	98102
Tier I	Delridge/High Point	98126
Tier I	Lake City/Northgate	98125
Tier I	S. Beacon Hill/South Park	98108
Tier I	White Center	98146

Tier II	King County Neighborhood	ZIP
Tier II	Kent/Auburn	98002
Tier II	Boulevard Park/Tukwila	98168
Tier II	East Kent	98030
Tier II	Pacific	98047
Tier II	Burien	98148
Tier II	Federal Way	98003
Tier II	South Renton	98055
Tier II	Northeast Kent	98031
Tier II	East Bellevue	98007
Tier II	Des Moines	98198
Tier II	SeaTac/Tukwila	98188
Tier II	Federal Way	98023
Tier II	Central Renton	98057
Tier II	Northeast Renton	98056
Tier II	West Kent	98032

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

2 PRIORITY ZIP CODES

- Four priority ZIP codes crossed Seattle's jurisdictional boundaries. These include 98133 (Shoreline and north Seattle), 98106 (west Seattle and White Center), 98146 (White Center), and 98178 (southeast Seattle and Renton). ZIP Codes that cross Seattle's jurisdictional boundaries are considered part of Seattle.
- Most of the Tier II priority ZIP codes—those located outside of Seattle—could be found in Federal Way, Auburn, and Kent. One ZIP code in Bellevue, 98007, was also a priority ZIP code in 2014.

EXHIBIT 4. PRIORITY HIRE ZIP CODES

King County, 2010-2014

Priority ZIP Codes	Neighborhood	Population Under 200% Federal Poverty Line: Per 1,000 Acres	Population Under 200% Federal Poverty Line: Share of Population	Unemployed Population: Per 1,000 Acres	Unemployed Population: Share of Population	Population 25 or Older Without a College Degree: Per 1,000 Acres	Population 25 or Older Without a College Degree: Share of Population	Tier
98118	Rainier Valley/Rainier Beach	**879**	55%	**669**	11%	**3,081**	60%	I
98104	Downtown/ID	**867**	80%	**1,204**	9%	**6,622**	57%	I
98106	Delridge	**777**	51%	**559**	9%	**3,066**	60%	I
98178	Rainier Beach/Skyway	**597**	48%	**417**	8%	**2,897**	64%	I
98133	Bitter Lake/NW Seattle	**569**	35%	**761**	9%	**3,708**	48%	I
98144	N. Beacon Hill	**572**	38%	**517**	7%	**2,969**	45%	I
98101	Downtown	**154**	29%	**1,073**	6%	**5,988**	37%	I
98122	Central District	**548**	30%	**948**	6%	**3,634**	31%	I
98121	Belltown	**132**	20%	**800**	4%	**5,531**	32%	I
98107	Ballard	**192**	10%	**748**	6%	**2,958**	25%	I
98109	Interbay/Queen Anne	**154**	13%	**620**	4%	**2,978**	24%	I
98102	Capitol Hill/Eastlake	**168**	13%	**1,062**	5%	**4,281**	22%	I
98126	Delridge/High Point	**715**	41%	**466**	7%	**2,691**	45%	I
98125	Lake City/Northgate	**473**	33%	**529**	7%	**2,589**	41%	I
98108	S. Beacon Hill/South Park	**658**	61%	**332**	9%	**2,133**	65%	I
98146	White Center	**389**	42%	**298**	9%	**1,946**	65%	I
98002	Kent/Auburn	**1,206**	67%	**610**	11%	**3,533**	78%	II
98168	Boulevard Park/Tukwila	**855**	66%	**448**	11%	**2,596**	75%	II
98030	East Kent	**1,204**	56%	**520**	9%	**3,167**	70%	II
98047	Pacific	**601**	56%	**466**	14%	**2,125**	79%	II
98148	Burien	**744**	55%	**398**	8%	**2,883**	71%	II
98003	Federal Way	**749**	54%	**443**	9%	**2,763**	67%	II
98055	South Renton	**661**	44%	**390**	7%	**3,165**	60%	II
98031	Northeast Kent	**686**	40%	**517**	9%	**2,797**	62%	II
98007	East Bellevue	**455**	25%	**541**	7%	**2,041**	29%	II
98198	Des Moines	**467**	48%	**333**	9%	**2,231**	68%	II
98188	SeaTac/Tukwila	**609**	64%	**352**	10%	**2,211**	71%	II
98023	Federal Way	**368**	42%	**276**	10%	**1,462**	61%	II
98057	Central Renton	**343**	51%	**297**	11%	**1,502**	63%	II
98056	Northeast Renton	**418**	34%	**385**	8%	**2,543**	58%	II
98032	West Kent	**413**	55%	**268**	10%	**1,450**	68%	II
King County Cutoff for Inclusion		**299**		**229**		**2,554**		

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.
Note: only density metrics were used as criteria (bold in table above). Population shares are presented for information purposes only.

EXHIBIT 5. OTHER ZIP CODES

King County, 2010-2014

Other ZIP Codes	Neighborhood	Population Under 200% Federal Poverty Line: Per 1,000 Acres	Population Under 200% Federal Poverty Line: Share of Population	Unemployed Population: Per 1,000 Acres	Unemployed Population: Share of Population	Population 25 or Older Without a College Degree: Per 1,000 Acres	Population 25 or Older Without a College Degree: Share of Population	Tier
98195	University District	**0**	69%	**38**	25%	**2**	38%	N/A
98155	Lake City/Shoreline	**282**	24%	**518**	10%	**2,195**	46%	N/A
98134	Industrial District	**2**	4%	**38**	9%	**196**	51%	N/A
98177	Broadview/Shoreline	**36**	14%	**86**	6%	**396**	33%	N/A
98105	Laurelhurst/University District	**128**	10%	**1,175**	11%	**1,131**	20%	N/A
98116	West Seattle	**75**	14%	**109**	4%	**723**	32%	N/A
98136	West Seattle	**43**	9%	**108**	5%	**828**	38%	N/A
98103	Green Lake	**266**	14%	**613**	5%	**2,505**	23%	N/A
98115	Wedgwood	**161**	10%	**362**	5%	**1,460**	23%	N/A
98117	Ballard	**113**	8%	**310**	5%	**1,509**	27%	N/A
98112	Capitol Hill	**109**	10%	**352**	6%	**992**	20%	N/A
98199	Magnolia	**25**	7%	**85**	5%	**355**	24%	N/A
98119	Queen Anne	**73**	7%	**380**	5%	**1,484**	23%	N/A
98158	SeaTac	**25**	80%	**13**	12%	**68**	76%	N/A
98001	Auburn	**241**	38%	**173**	8%	**1,131**	64%	N/A
98166	Burien	**174**	42%	**113**	7%	**801**	56%	N/A
98092	Auburn	**85**	31%	**82**	9%	**465**	61%	N/A
98422	Tacoma	**1**	33%	**1**	7%	**4**	58%	N/A
98045	North Bend	**6**	30%	**3**	5%	**30**	54%	N/A
98022	Enumclaw	**5**	32%	**4**	8%	**33**	72%	N/A
98042	Kent	**159**	27%	**137**	7%	**1,033**	60%	N/A
98058	Southeast Renton	**184**	29%	**147**	6%	**1,033**	52%	N/A
98005	East-Central Bellevue	**144**	22%	**244**	9%	**694**	31%	N/A
98011	Bothell	**277**	25%	**296**	8%	**1,581**	45%	N/A
98028	Kenmore	**278**	24%	**274**	7%	**1,394**	42%	N/A
98034	North Kirkland	**254**	19%	**393**	7%	**1,952**	41%	N/A
98051	Ravensdale	**6**	21%	**8**	7%	**69**	72%	N/A
98354	Milton	**27**	21%	**48**	9%	**262**	59%	N/A
98010	Black Diamond	**20**	17%	**20**	6%	**173**	64%	N/A
98008	West Lake Sammamish	**177**	18%	**285**	7%	**1,372**	40%	N/A
98027	Central Issaquah	**25**	17%	**29**	5%	**181**	36%	N/A
98059	East Renton	**148**	17%	**174**	7%	**1,067**	47%	N/A
98014	Carnation	**10**	16%	**13**	7%	**85**	48%	N/A
98072	Woodinville	**58**	15%	**62**	5%	**411**	39%	N/A
98052	Redmond	**150**	14%	**212**	6%	**994**	30%	N/A
98019	Duvall	**5**	13%	**9**	8%	**50**	51%	N/A
98038	Maple Valley	**26**	11%	**53**	8%	**337**	57%	N/A
98004	Central Bellevue	**122**	12%	**269**	6%	**960**	25%	N/A
98024	Fall City	**2**	9%	**3**	4%	**29**	45%	N/A
98074	Sammamish	**88**	9%	**101**	5%	**389**	20%	N/A
98006	South Bellevue	**128**	11%	**254**	7%	**984**	29%	N/A
98033	South Kirkland	**102**	12%	**234**	7%	**942**	30%	N/A
98070	Vashon	**3**	11%	**10**	6%	**56**	37%	N/A
98065	Snoqualmie	**7**	9%	**8**	5%	**59**	37%	N/A
98077	Woodinville	**20**	8%	**42**	5%	**260**	36%	N/A
98251	Gold Bar	**0**	6%	**0**	5%	**2**	60%	N/A
98224	Baring	**0**	6%	**0**	5%	**0**	60%	N/A
98288	Skykomish	**0**	6%	**0**	5%	**0**	60%	N/A
98075	Sammamish	**52**	6%	**81**	4%	**412**	24%	N/A
98029	Northeast Issaquah	**65**	6%	**226**	7%	**778**	28%	N/A
98040	Mercer Island	**39**	6%	**103**	5%	**394**	19%	N/A
98053	Central Redmond	**15**	5%	**53**	6%	**222**	27%	N/A
98039	Medina	**14**	5%	**14**	2%	**83**	15%	N/A
King County Cutoff for Inclusion		**299**		**229**		**2,554**		

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.
Note: only density metrics were used as criteria (bold in table above). Population shares are presented for information purposes only.

TIER I PRIORITY ZIP CODES

From 2013 to 2014, there were very few changes between priority hire ZIP Codes and other ZIP Codes.

Within Seattle, one ZIP Code moved to the 2014 Tier I priority ZIP code list that wasn't on the 2013 list:

- **Interbay/Queen Anne** (98109) met the criteria for inclusion in 2014. The area has a low density of people below 200% of the federal poverty line, but high unemployed persons per 1,000 acres and high a high number of people 25 or older without a college degree per 1,000 acres.

No ZIP Codes from the 2013 Tier I list moved off the list in 2014.

TIER II PRIORITY ZIP CODES

From 2013 to 2014, there were very few changes between priority hire ZIP Codes and other ZIP Codes.

Four ZIP Codes that were not priority ZIP Codes in 2013 became priority ZIP Codes in 2014:

- **Pacific** (98047) moved due to its high densities of people under 200% of the federal poverty line and unemployed persons.
- **Central Renton** (98057) moved due to high population density of unemployed people and a high density of people under 200% of the federal poverty line.
- **Northeast Renton** (98056), moved due to high population density of unemployed people and a high density of people under 200% of the federal poverty line.
- **West Kent** (98032). moved due to high population density of unemployed people and a high density of people under 200% of the federal poverty line.

No ZIP Codes on the 2013 Tier II list moved off the list in 2014.

2 PRIORITY ZIP CODES

> **Exhibit 6** compares the demographics of Tier I and Tier II ZIP Codes from 2013 and 2014.

> Within Seattle, women construction workers were slightly less represented in Tier I ZIP Codes in 2014 than they were in 2013. This change was driven by an increase in construction workers who were women or people of color in three ZIP Codes: Lake City/Shoreline (98155), Madison Park (98112), and West Queen Anne (98119).

> A similar change was seen for people of color construction workers. However, this change was due to small increases in construction workers of color in many ZIP Codes rather than just a few.

> Outside of Seattle in the rest of King County, the Tier II priority ZIP Codes from 2014 covered a larger share of the population, a larger share of construction workers, a larger share of female construction workers, and a larger share of people of color construction workers than the Tier II priority ZIP Codes from 2013. The inclusion of four new ZIP codes was the primary driver of this change. In particular, the addition of Renton (98056) and Kent (98032) made a significant impact on coverage.

EXHIBIT 6. PRIORITY ZIP CODE DEMOGRAPHICS

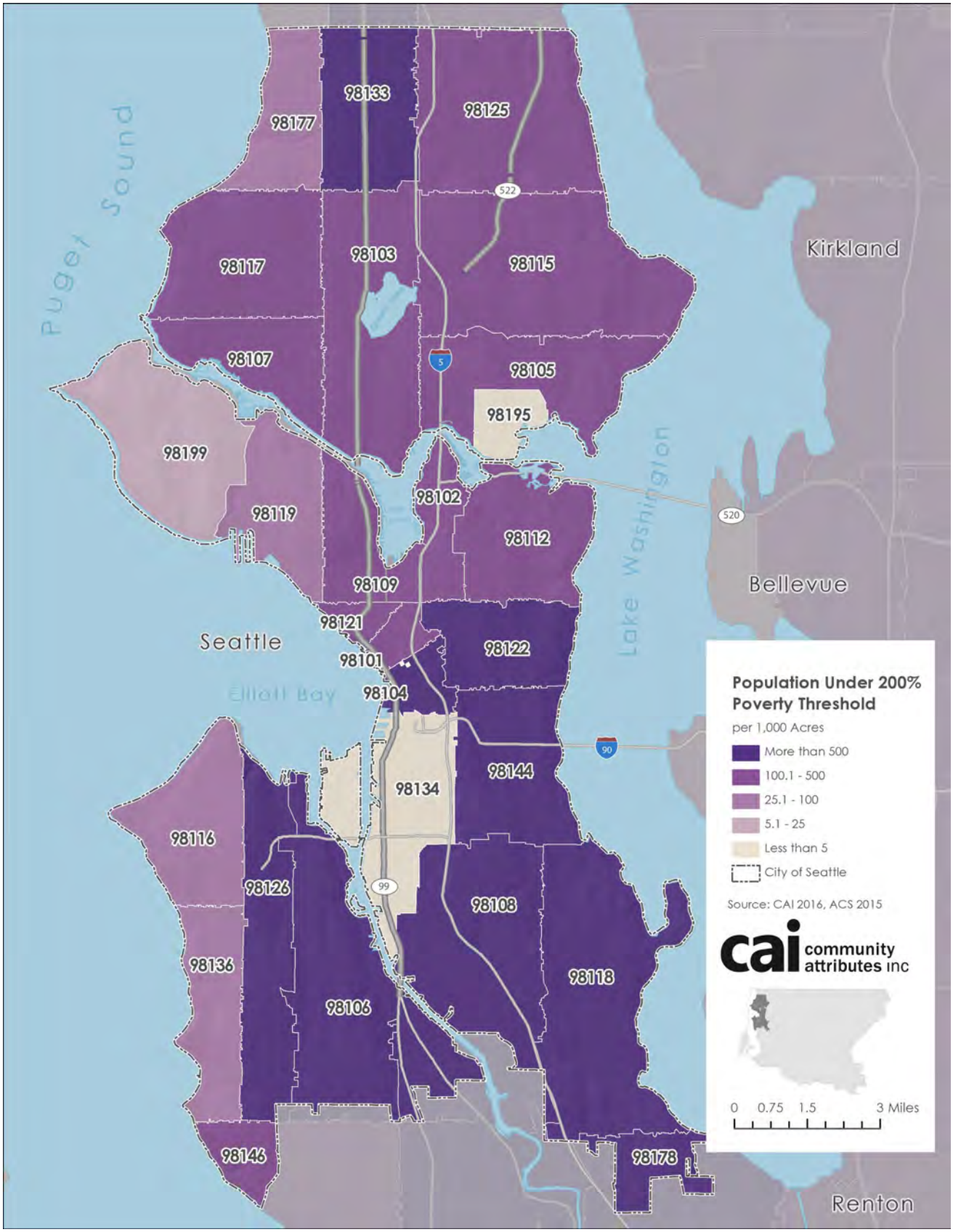
2013 and 2014

		2013	2014
SEATTLE	**Tier I**		
	Number of ZIP Codes	15	16
	Share of Population	51%	54%
	Share of Construction Workers	61%	61%
	Share of Female Construction Workers	52%	49%
	Share of all People of Color Construction Workers	79%	77%
ELSEWHERE IN KING COUNTY	**Tier II**		
	Number of ZIP Codes	11	15
	Share of Population	28%	37%
	Share of Construction Workers	36%	46%
	Share of Female Construction Workers	30%	31%
	Share of all People of Color Construction Workers	47%	65%

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 7. DENSITY OF POPULATION UNDER 200% OF THE FEDERAL POVERTY LINE BY ZIP CODE

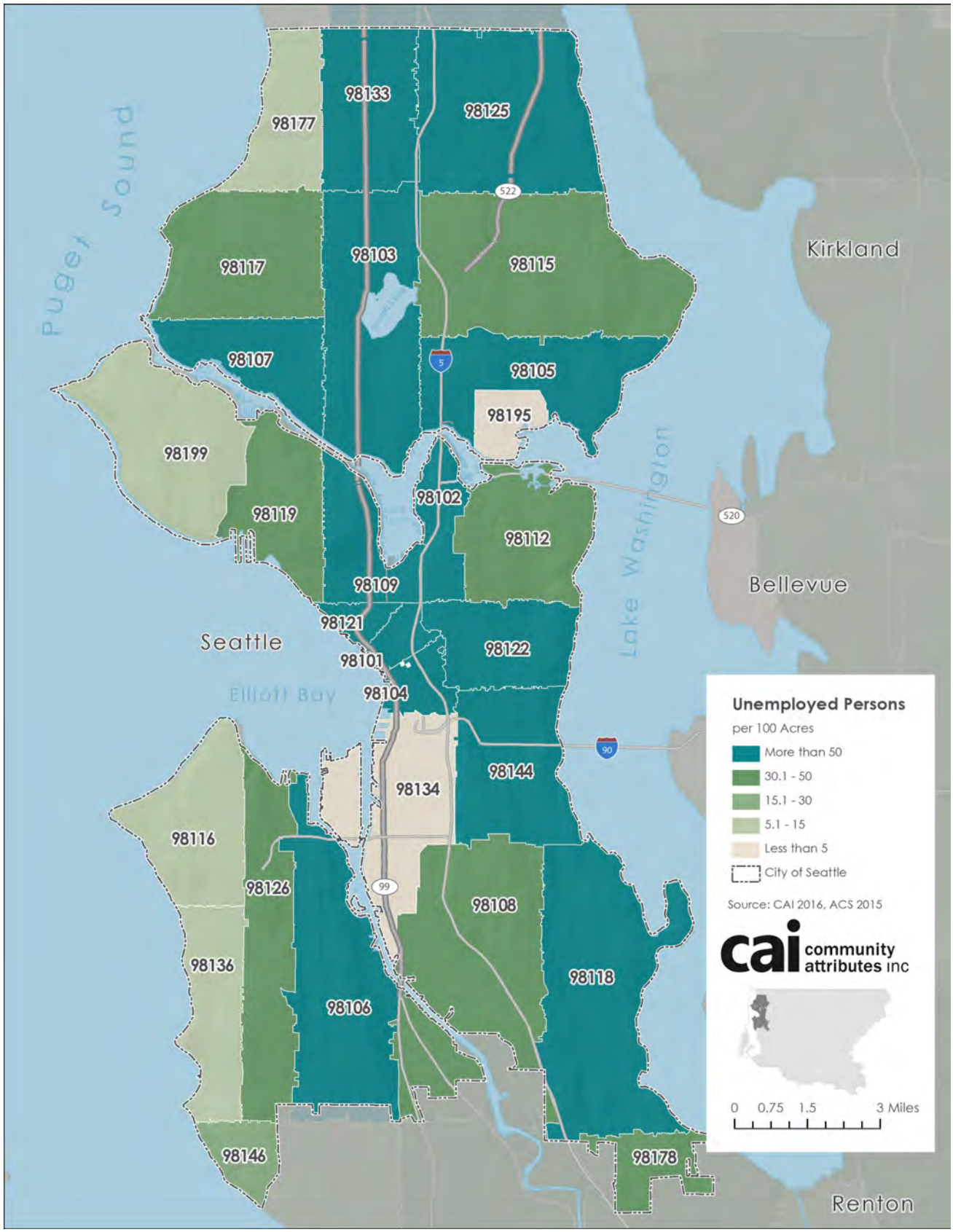
Seattle, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 8. DENSITY OF UNEMPLOYED PERSONS BY ZIP CODE

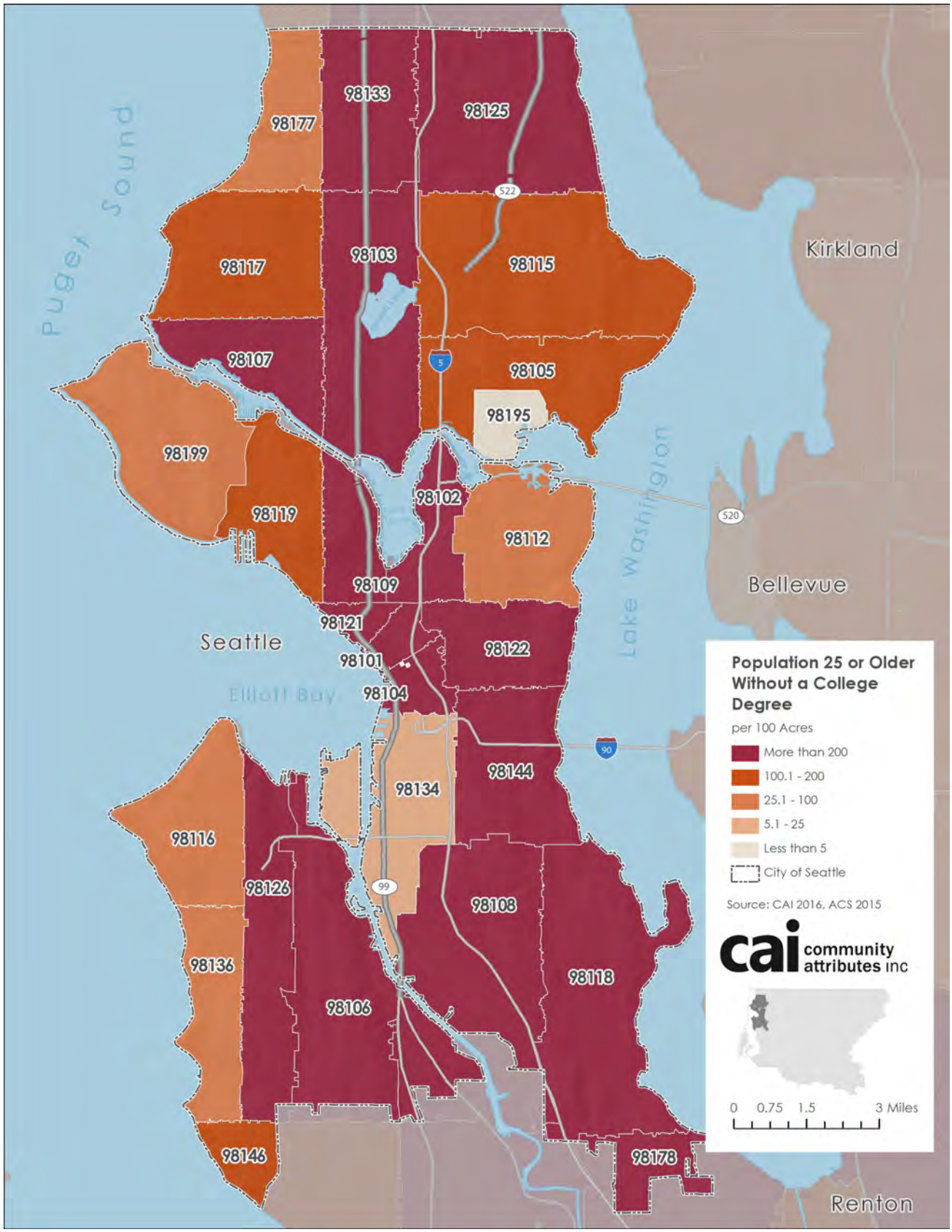
Seattle, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 9. DENSITY OF POPULATION 25 OR OLDER WITHOUT A COLLEGE DEGREE BY ZIP CODE

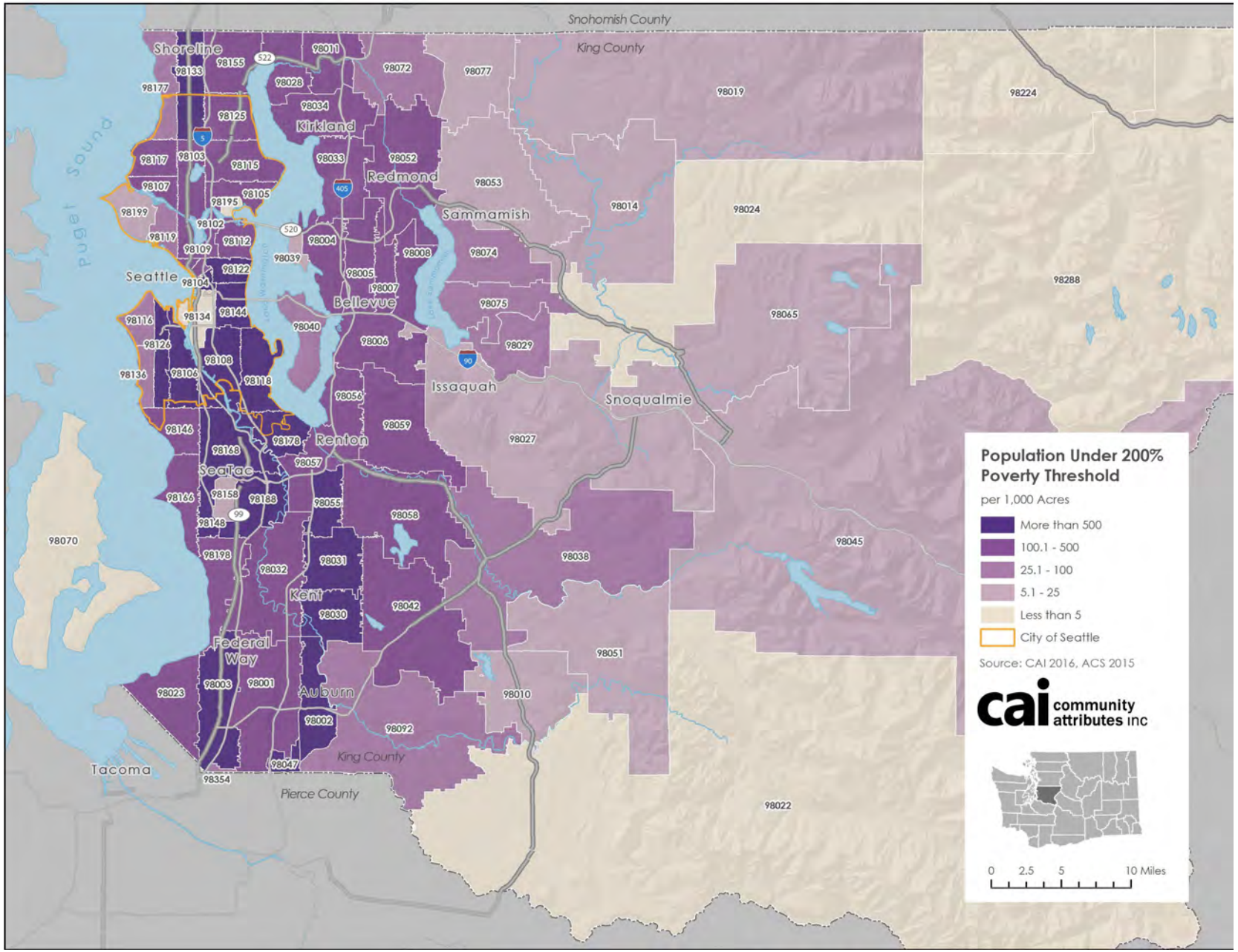
Seattle, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 10. DENSITY OF POPULATION UNDER 200% OF THE FEDERAL POVERTY LINE BY ZIP CODE

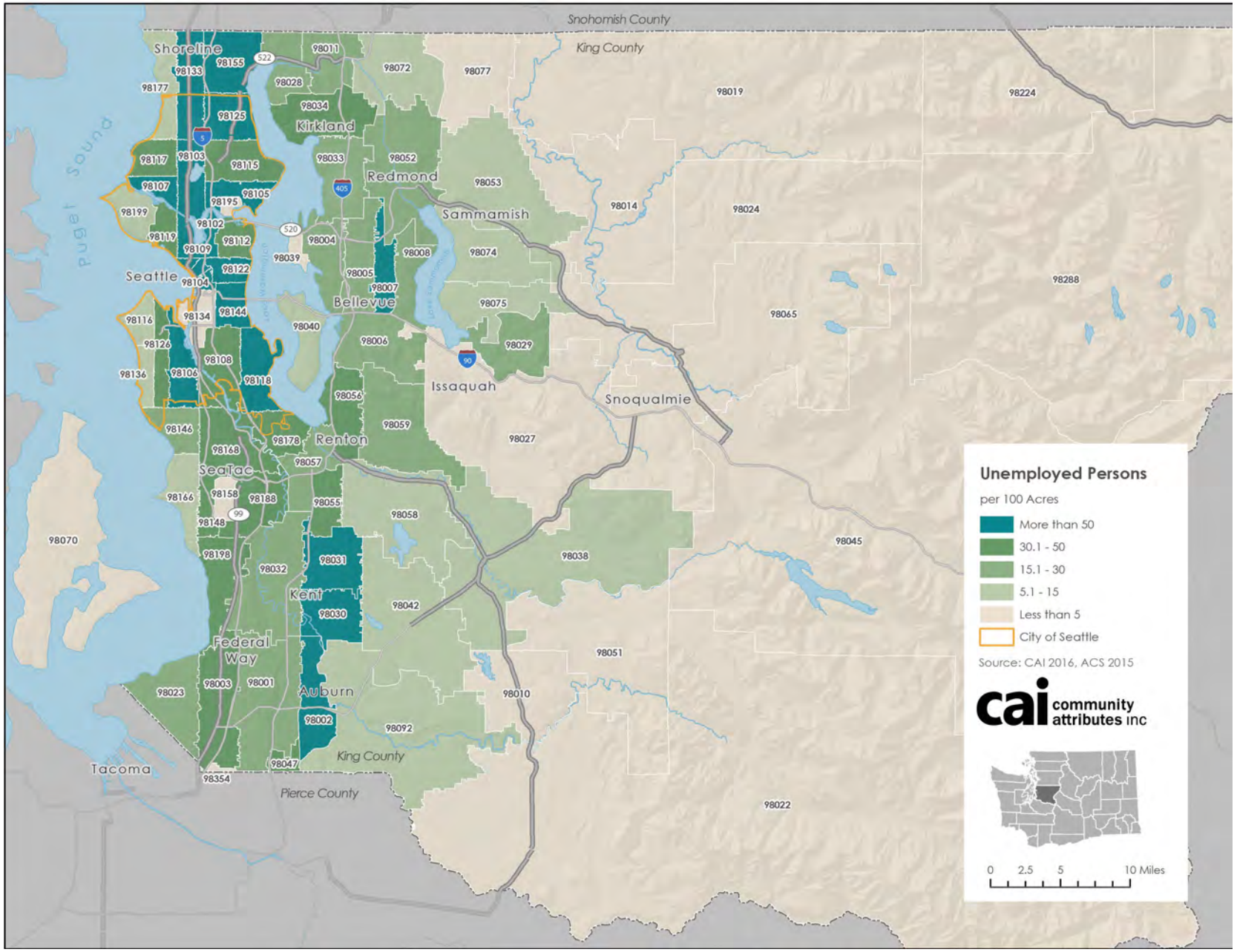
Seattle, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 11. DENSITY OF UNEMPLOYED PERSONS BY ZIP CODE

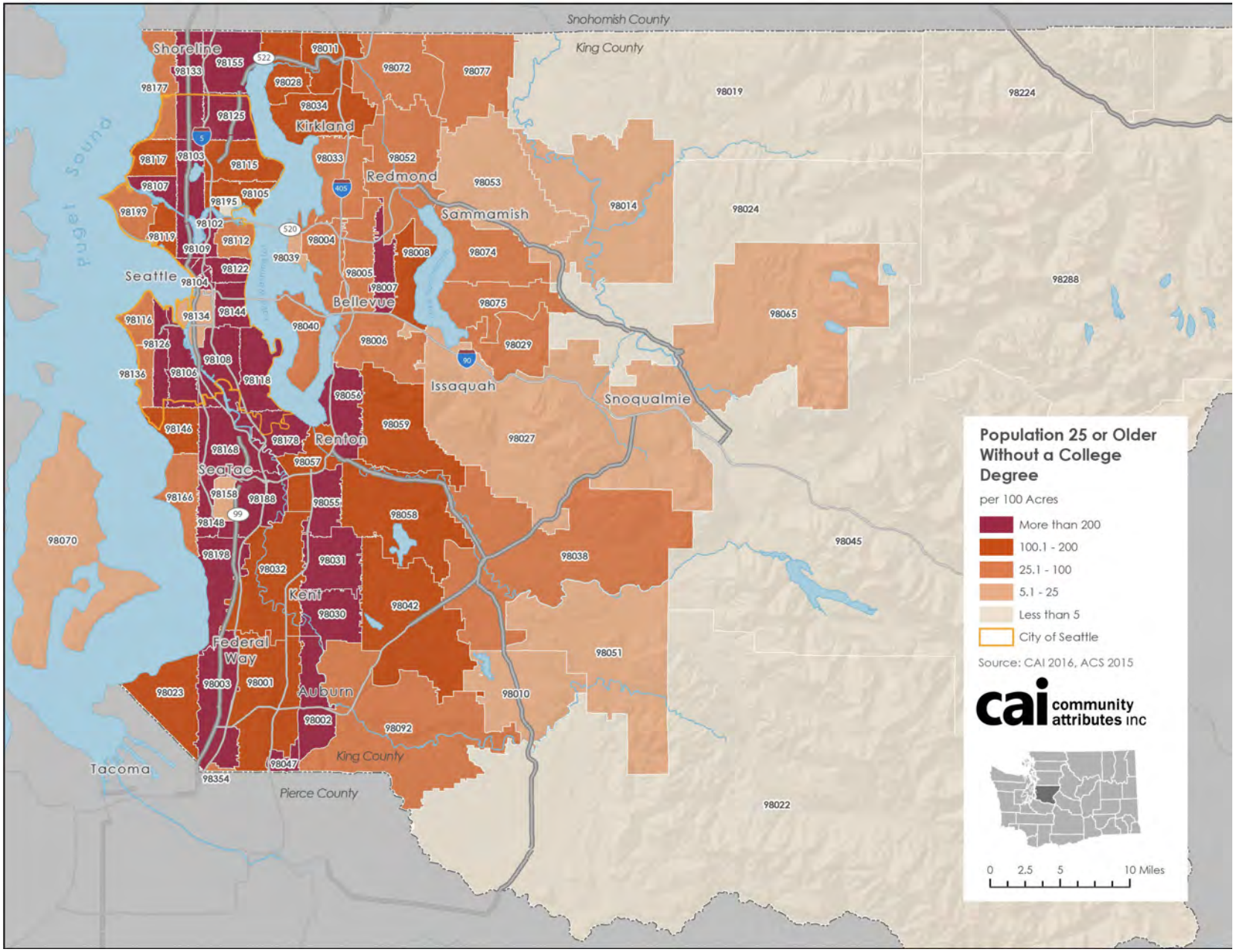
King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 12. DENSITY OF POPULATION WITHOUT A COLLEGE DEGREE BY ZIP CODE

King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

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1 INFORMATION AND BACKGROUND

- Background
- Research Questions
- Terms and Concepts

2 PRIORITY ZIP CODES

- Seattle
- Elsewhere in King County

3 CONSTRUCTION WORKER DEMOGRAPHICS

- Seattle
- Elsewhere in King County

4 REGIONAL DEMOGRAPHICS

- Seattle
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SEATTLE CONSTRUCTION WORKER DEMOGRAPHICS

In 2014, female construction workers inside Seattle were concentrated in several areas throughout the city:

- Wedgwood (98115) and Green Lake (98103) in the north part of Seattle
- In the central part of the city, West Queen Anne (98119), Central District (98122), Madison Park (98112), and the Industrial District (98134).
- In the south part of the City, the Rainier Valley (98118) and South Beacon Hill (98108) neighborhoods.

In 2014, Seattle's people of color in construction occupations were more heavily concentrated in the White Center (98146), Delridge (98106), Central District (98122), Mount Baker (98144), Rainier Valley (98118), and Rainier Beach (98178) neighborhoods.

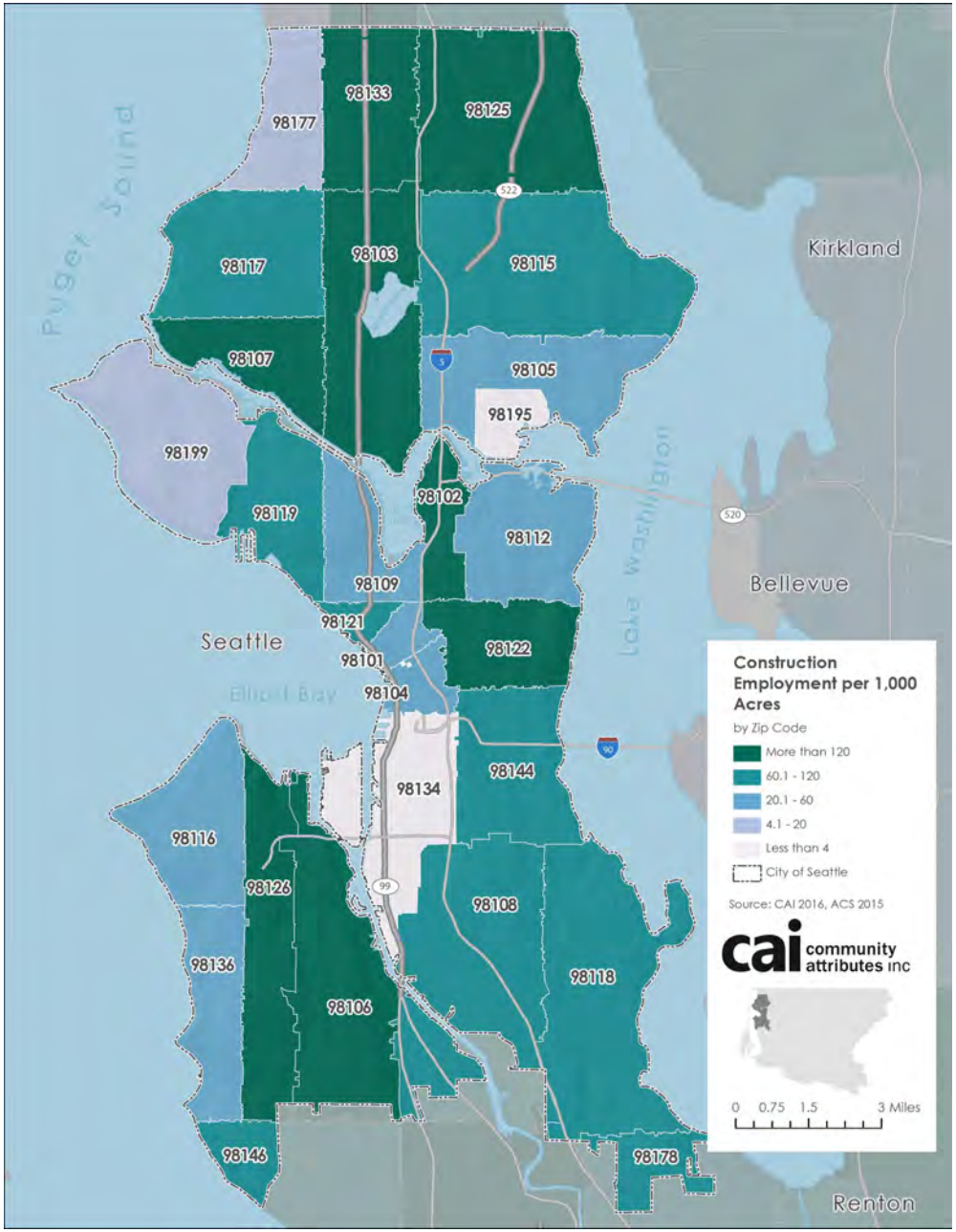
KING COUNTY CONSTRUCTION WORKER DEMOGRAPHICS

In 2014, female construction workers in King County outside the Seattle were concentrated in Federal Way, Renton, and Kirkland. However, the largest concentrations of female construction workers in King County were in Seattle.

In 2014, King County's people of color in construction occupations were primarily concentrated in SeaTac as well as Seattle itself. Kent, Auburn, Renton, and Bellevue also high concentrations of construction workers of color in 2014.

EXHIBIT 13. CONSTRUCTION WORKERS PER ACRE BY ZIP CODE

Seattle, 2010-2014



> Within Seattle, construction workers were not heavily centralized in 2014, consistent with demographic data in recent years.

> ZIP Codes with high construction worker density can largely be found in areas that are highly residential. In the central part of Seattle, areas with high densities of construction workers can be found in Central District (98122) and Capitol Hill/Eastlake (98102).

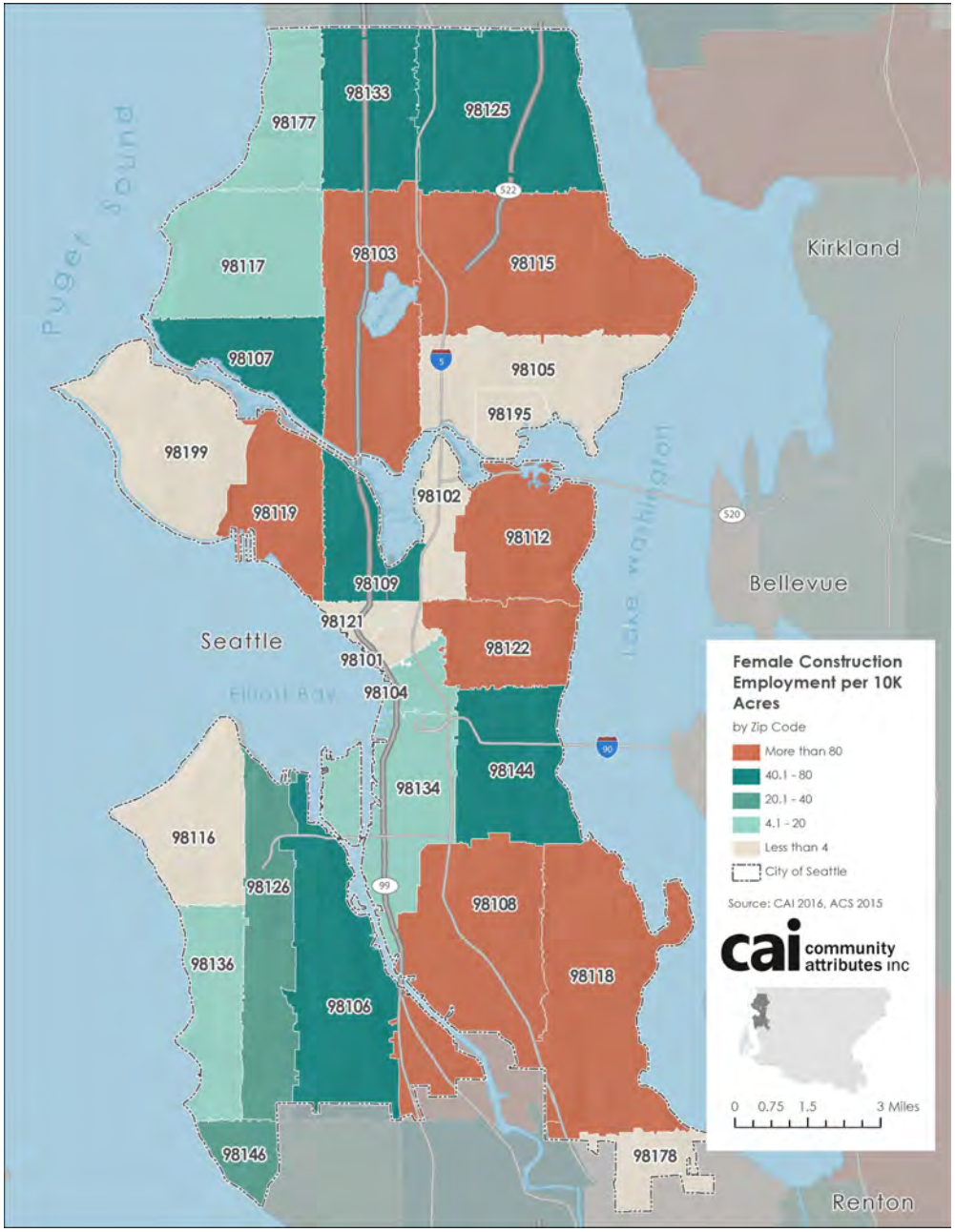
> Two ZIP Codes in West Seattle also have high densities of construction workers: Delridge (98106) and Delridge/High Point (98126).

> North of Lake Union, four ZIP Codes had high densities of construction workers: Ballard (98107), Green Lake (98103), Bitter Lake/NW Seattle (98133), and Lake City/Northgate (98125).

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 14. FEMALE CONSTRUCTION WORKERS PER ACRE BY ZIP CODE

Seattle, 2010-2014



> Wedgwood (98115) and Green Lake (98103) had high concentrations of female construction workers in 2014.

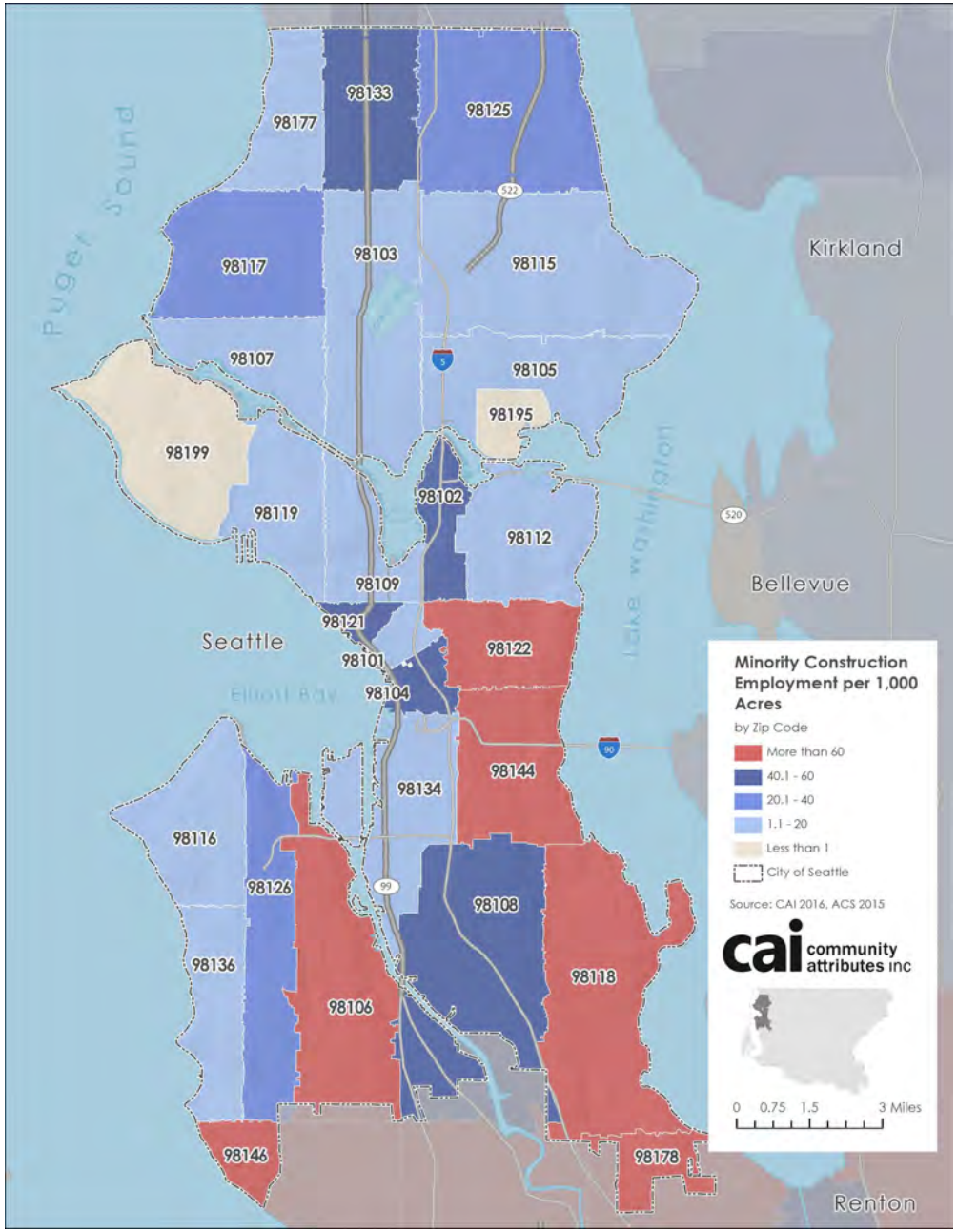
> In the central part of the city, Seattle's female construction workers were more concentrated in West Queen Anne (98119), Central District (98122), and Madison Park (98112).

> In the south part of the City, large concentrations of female construction workers were located in the Rainier Valley (98118) and South Beacon Hill (98108) neighborhoods.

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 15. PEOPLE OF COLOR IN CONSTRUCTION OCCUPATIONS PER ACRE BY ZIP CODE

Seattle, 2010-2014



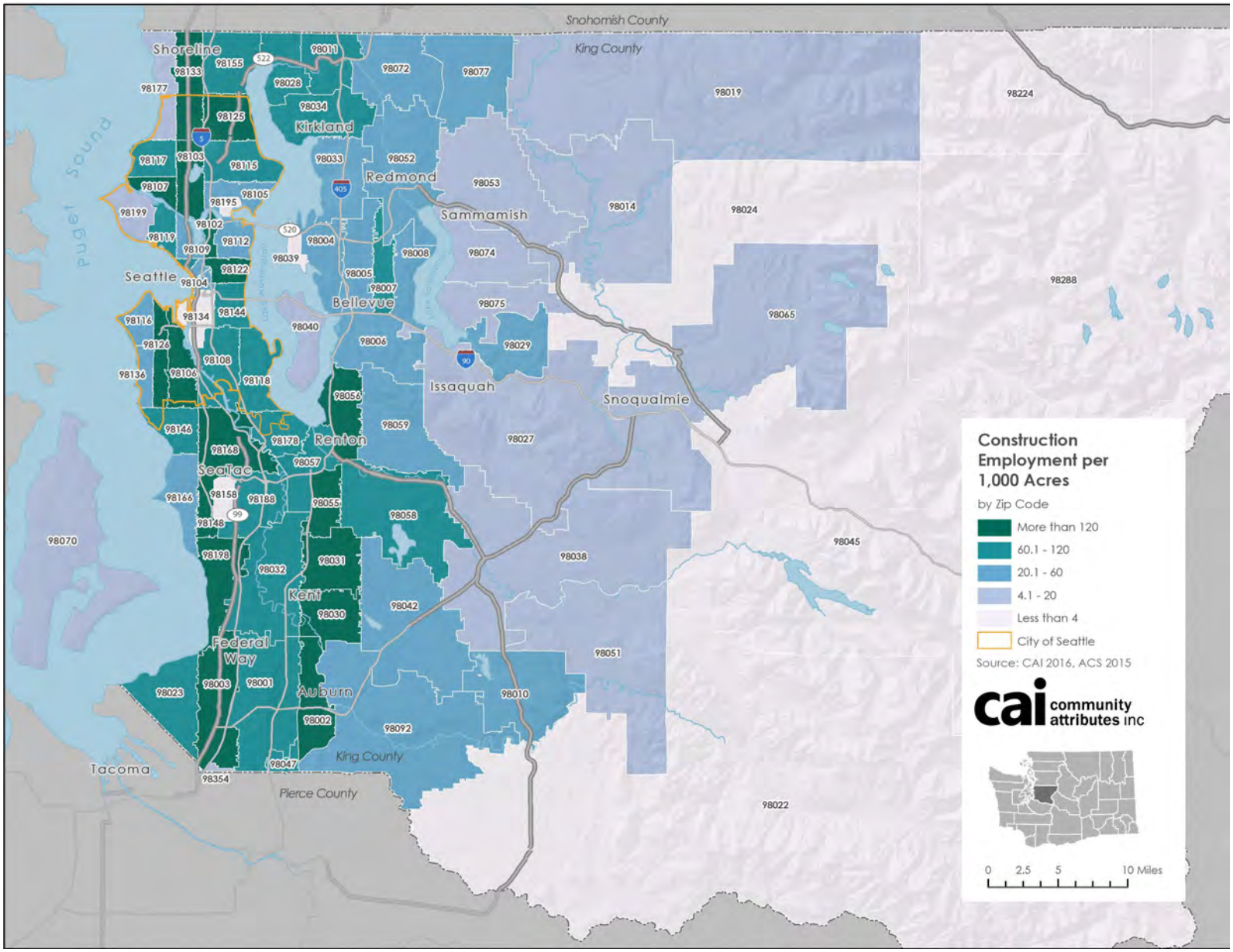
> In 2014, Seattle's people of color in construction occupations were more heavily concentrated in the White Center (98146), Delridge (98106), Central District (98122), North Beacon Hill (98144), Rainier Valley/Rainier Beach (98118), and Rainier Beach/Skyway (98178) neighborhoods.

> People of color includes all non-white, non-Hispanic people.

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 16. CONSTRUCTION WORKERS PER 1,000 ACRES BY ZIP CODE

King County, 2010-2014

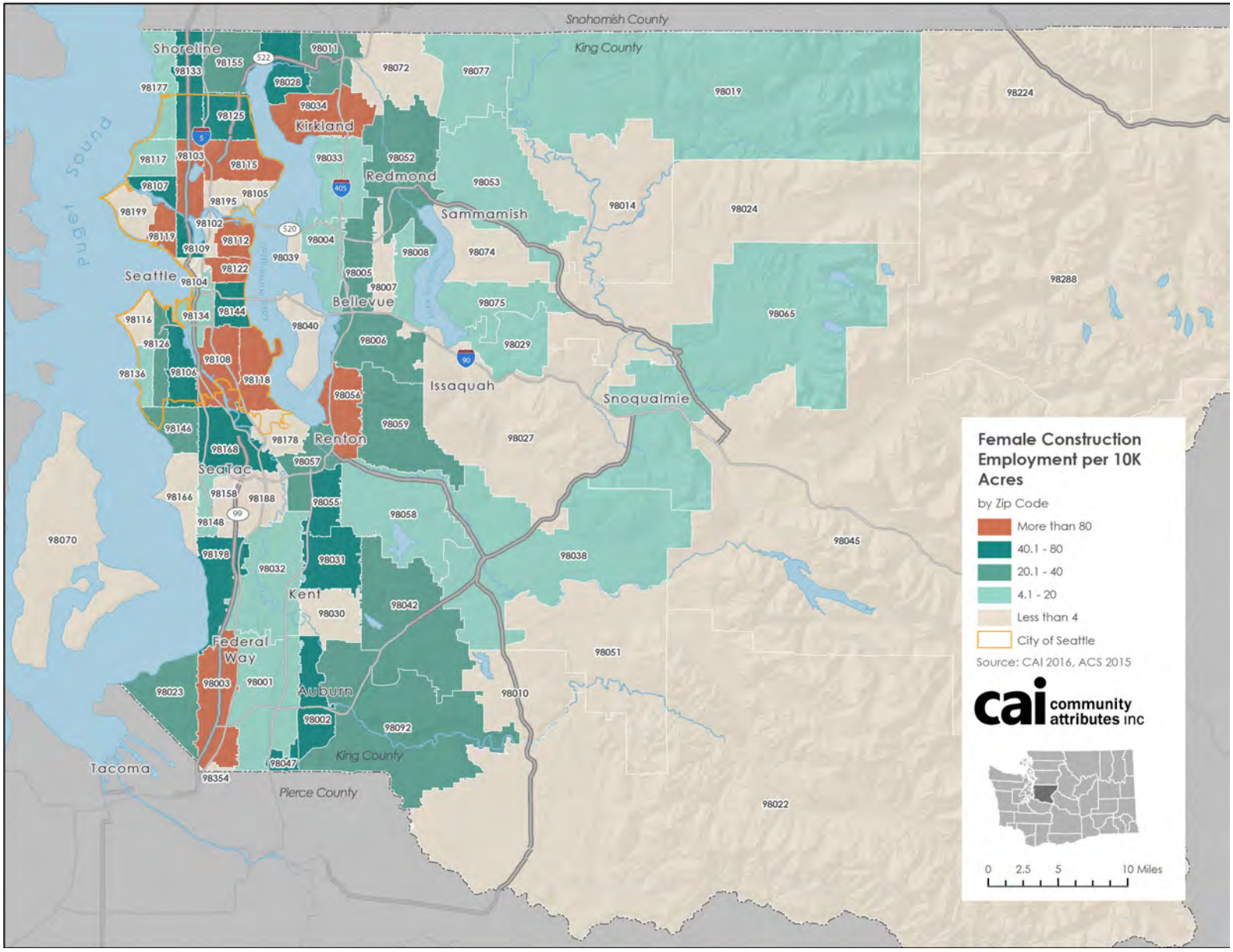


In 2014, high concentrations of construction workers could be found outside Seattle in SeaTac (98168 and 98148), Federal Way (98198 and 98003), Kent (98031 and 98030), Renton (98056 and 98055), and Auburn (98002). These areas are also significant population centers.

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 17. FEMALE CONSTRUCTION WORKERS PER 10K ACRES BY ZIP CODE

King County, 2010-2014



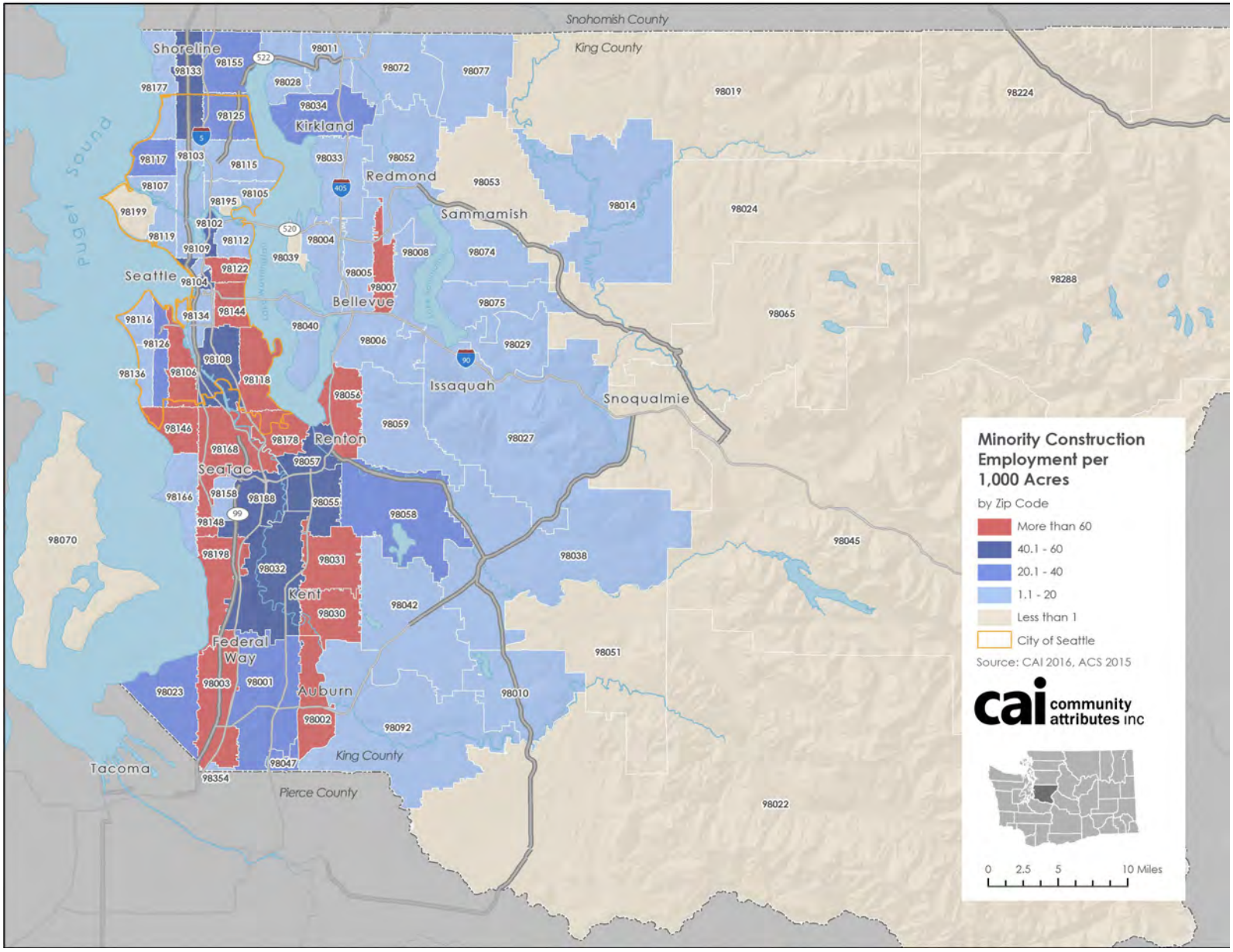
In 2014, King County's female construction workers were significantly concentrated in Federal Way (98003), Renton (98056), and Kirkland (98034).

The concentration of female construction workers was much lower in the county's rural ZIP Codes in 2014.

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 18. PEOPLE OF COLOR IN CONSTRUCTION OCCUPATIONS PER 1,000 ACRES BY ZIP CODE

King County, 2010-2014



In 2014, King County's people of color in construction occupations were especially concentrated in SeaTac. Several of these ZIP Codes cross over between Seattle and SeaTac (98146, 98168, and 98178), forming a largely contiguous block of high levels of people of color in construction occupations from Federal Way (98003 and 98198) to the central area of Seattle.

Kent (98031 and 98030), Auburn (98002), Renton (98056), and Bellevue (98007) also had ZIP Codes with high concentrations in 2014.

Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

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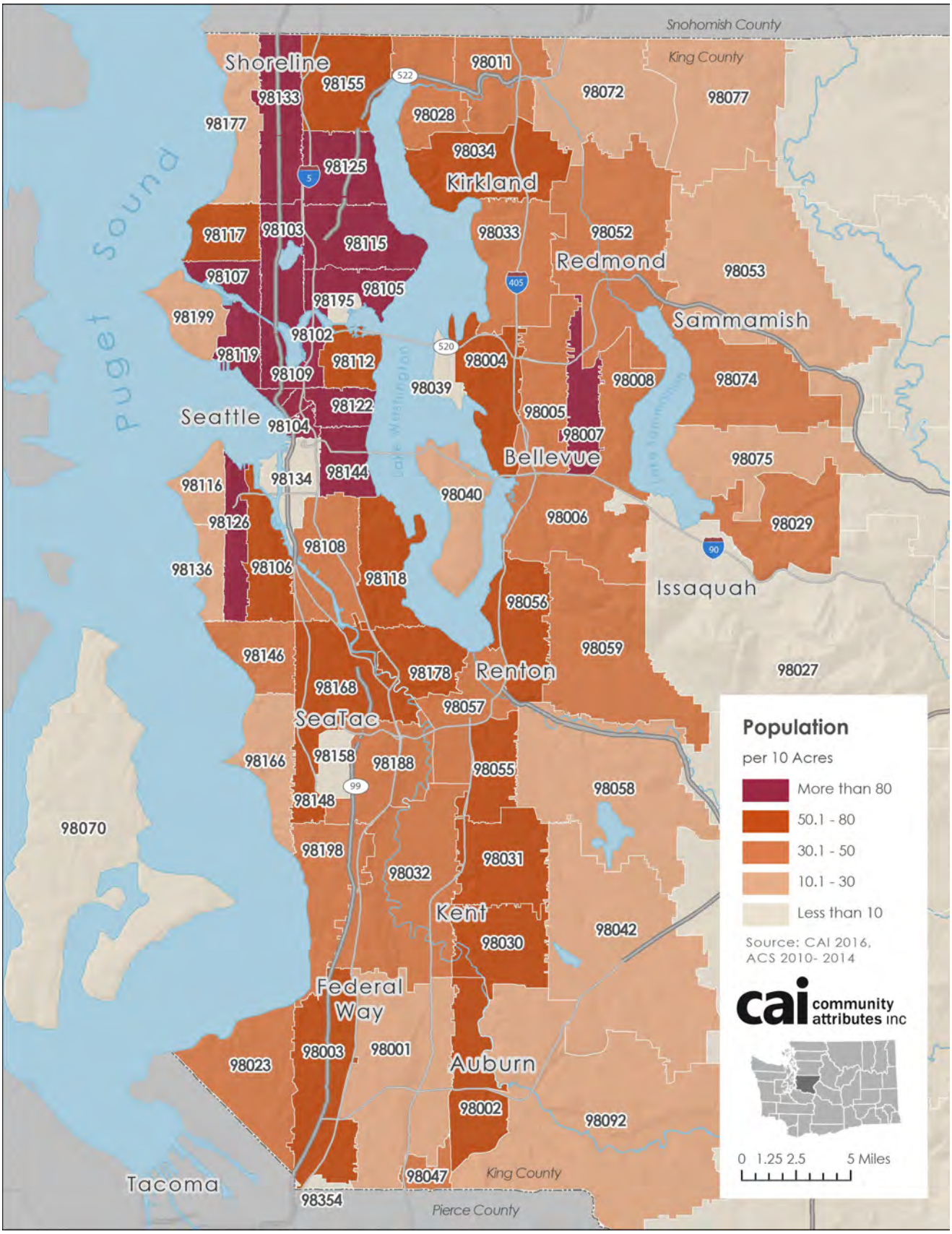
EXHIBIT 19. POPULATION PER 10 ACRES BY ZIP CODE

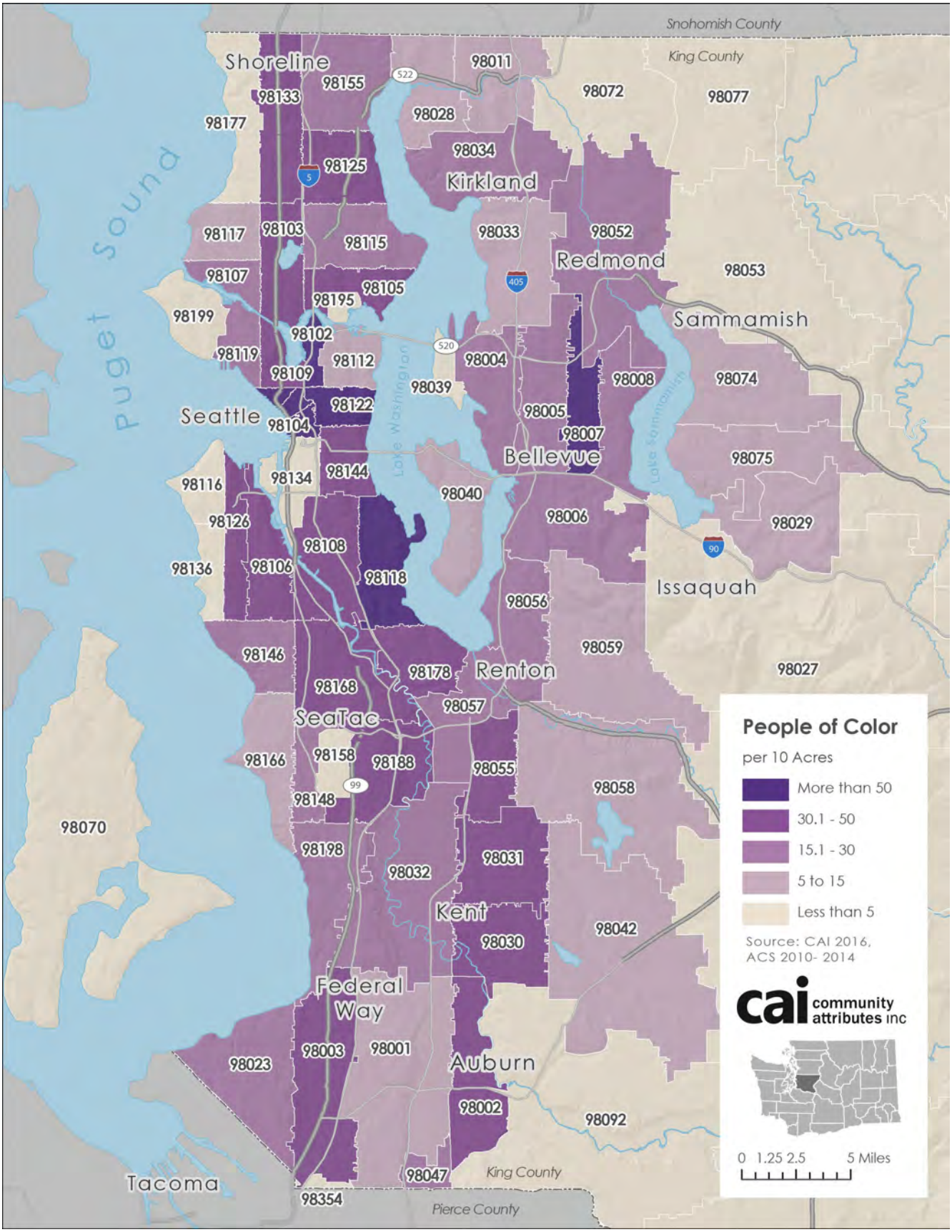
King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 20. PEOPLE OF COLOR PER 10 ACRES BY ZIP CODE

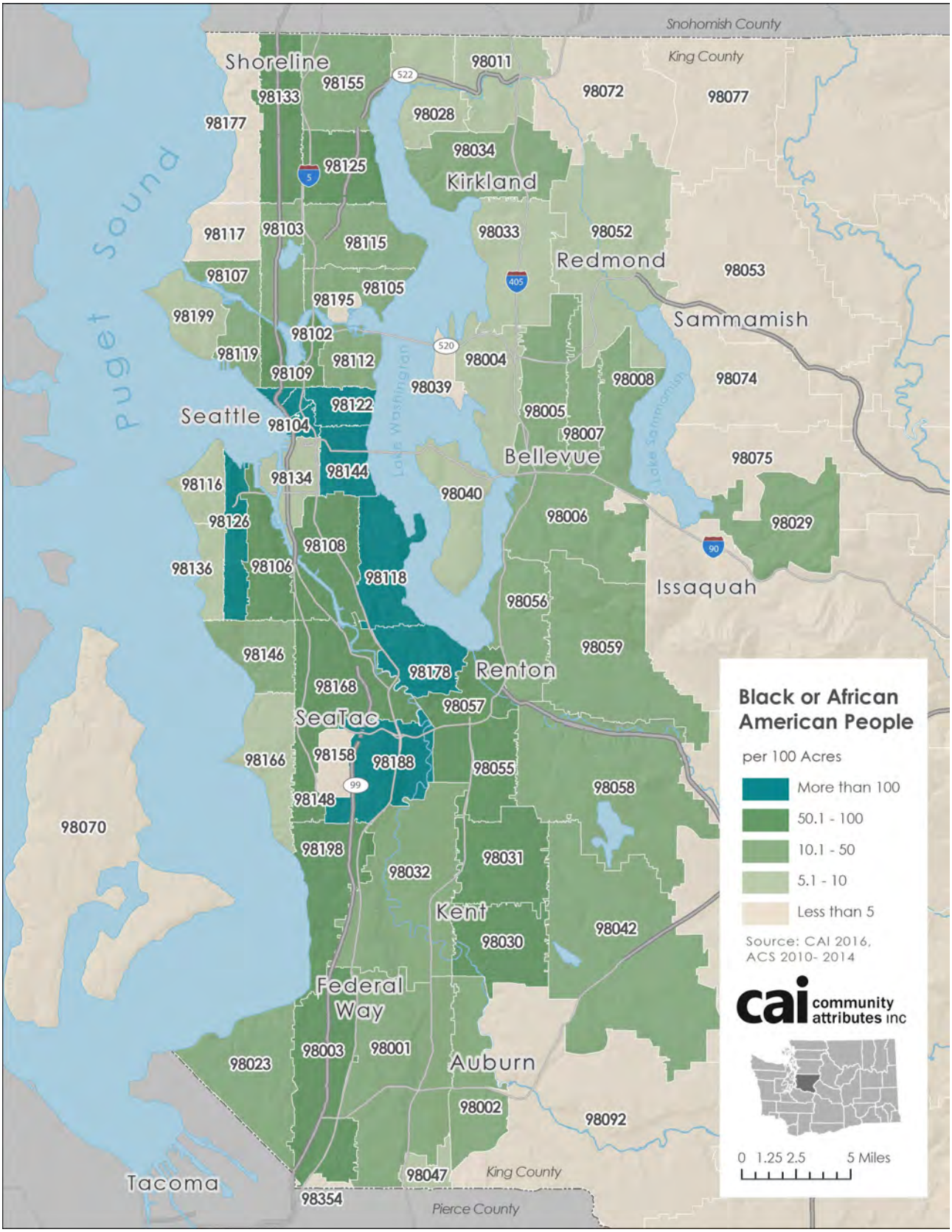
King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 21. BLACK OR AFRICAN AMERICAN PEOPLE PER 100 ACRES BY ZIP CODE

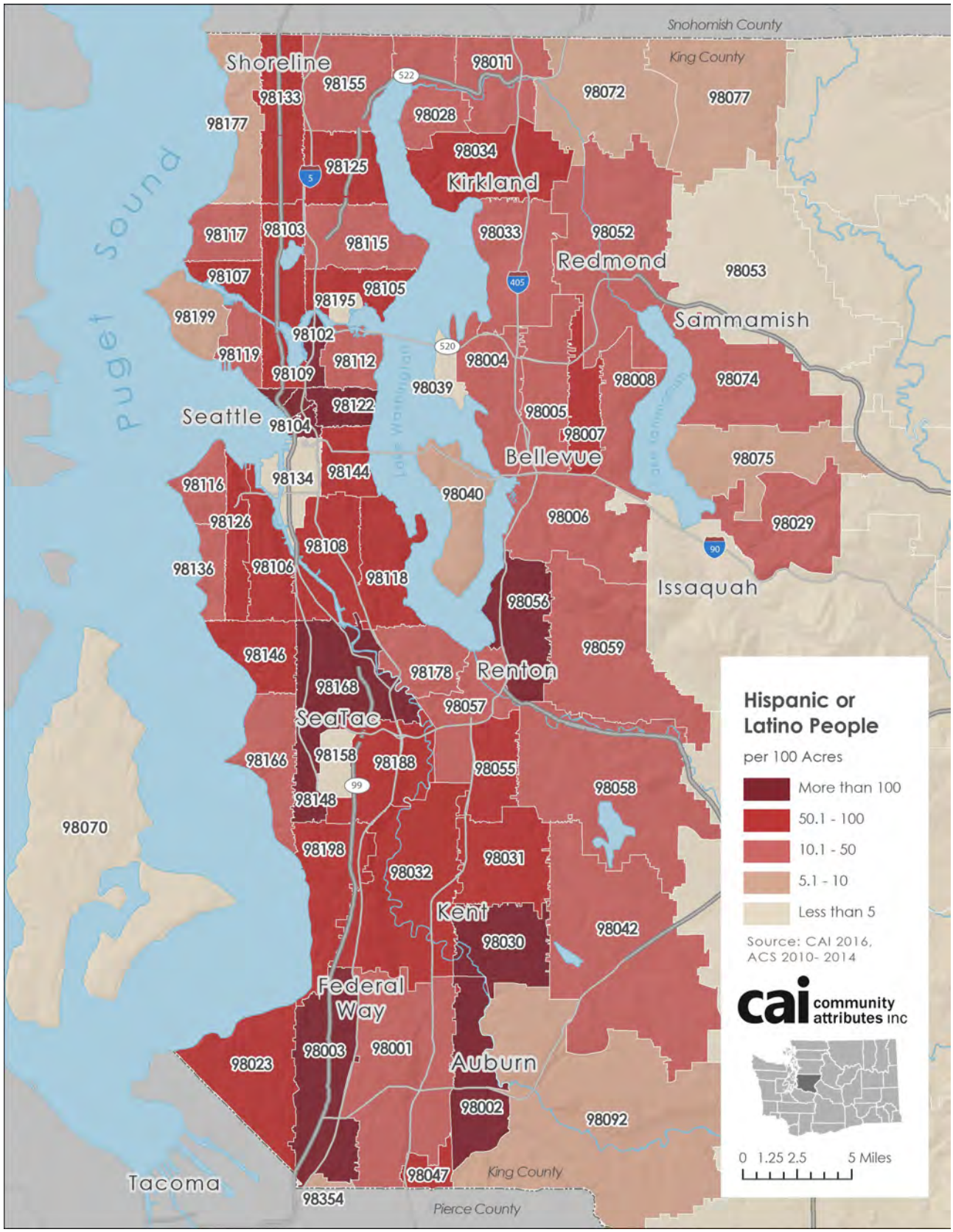
King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 22. HISPANIC OR LATINO PEOPLE PER 100 ACRES BY ZIP CODE

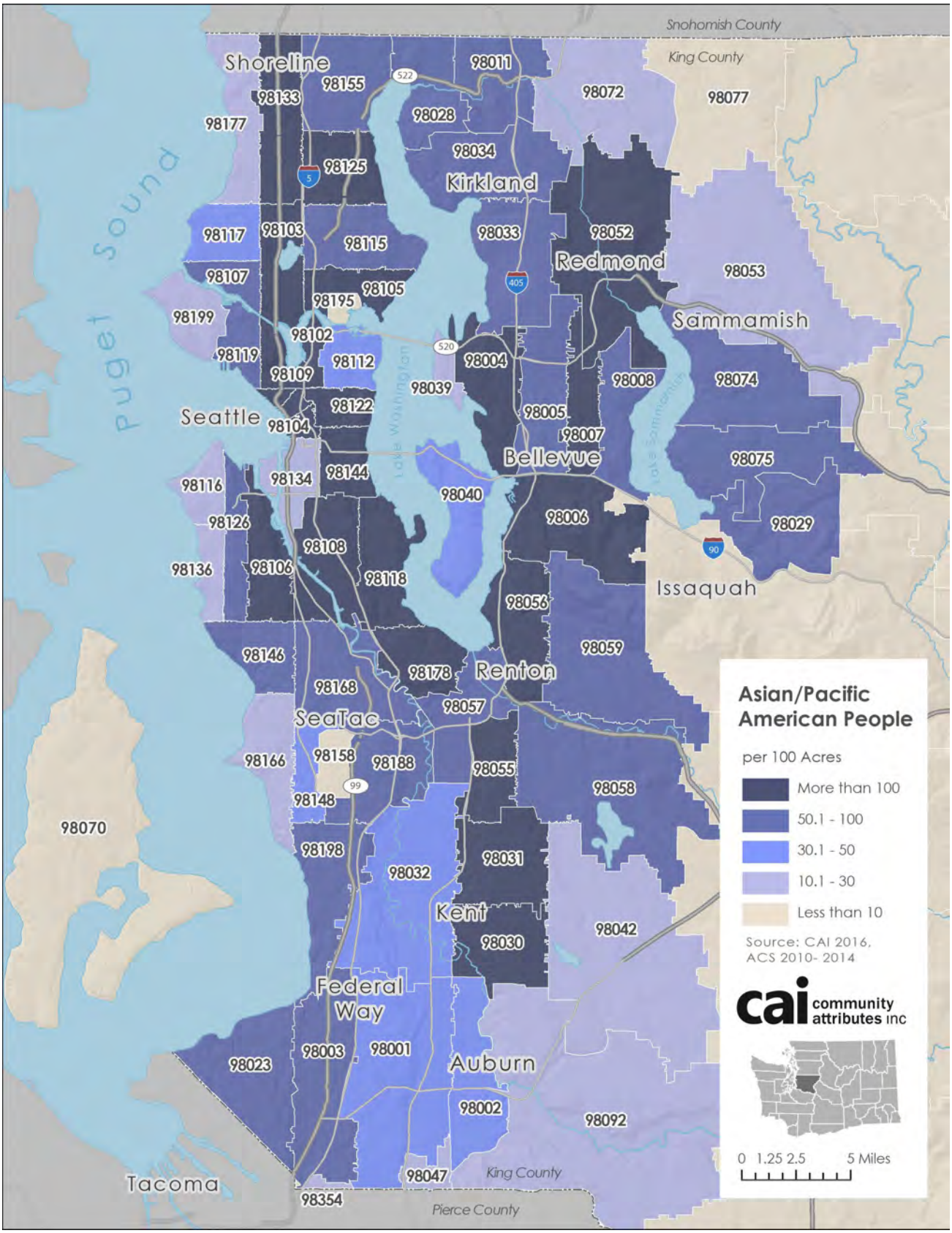
King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 23. ASIAN OR PACIFIC/AMERICAN PEOPLE PER 100 ACRES BY ZIP CODE

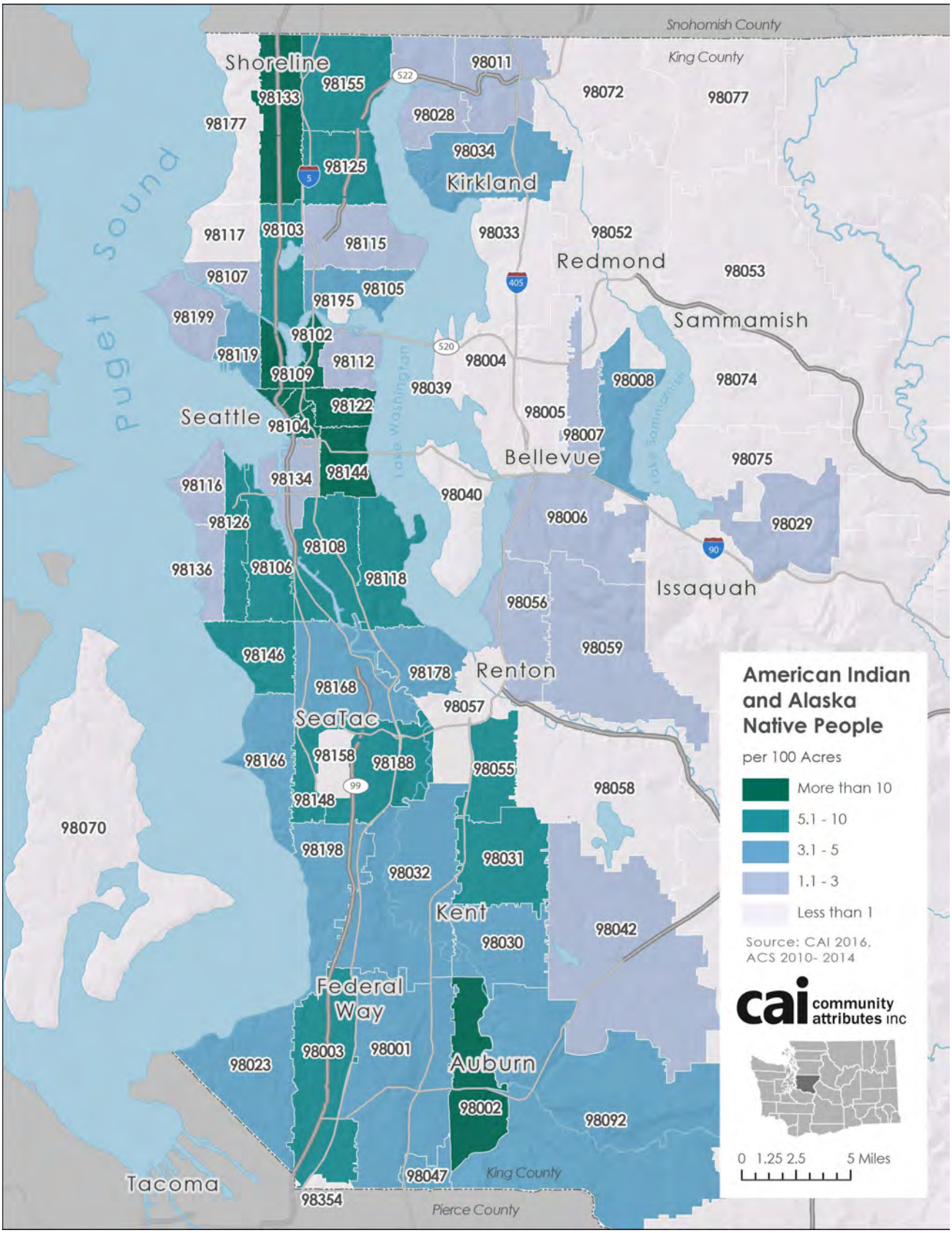
King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

EXHIBIT 24. AMERICAN INDIAN AND ALASKAN NATIVE PEOPLE PER 100 ACRES BY ZIP CODE

King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

APPENDIX

1 METHODOLOGY

AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES

This analysis leverages the Census Bureau's American Community Survey 5-year estimates for 2014. This data is based on a rolling survey from 2010 through 2014. As of the time this report was written, the Census Bureau's 5-year estimates for 2015 were not yet made available.

CENSUS TRACTS AND ZIP CODES

The United States Census Bureau reports valuable data at the census tract level. Census Tracts are small statistical subdivisions of counties. They usually follow visible and identifiable geographic boundaries, such as bodies of water, and typically cover populations of 1,200 to 8,000 people.

These tracts often span multiple ZIP codes. For the purposes of this analysis, data by Census Tracts are summed into the relevant ZIP codes according to the share of each Census Tract that overlaps each relevant ZIP code.

> For example, if 80% of the area of a Census Tract is in one ZIP code and 20% is in another, 80% of the Census Tract's population is attributed to the first ZIP code and 20% to the second.

CONSTRUCTION OCCUPATIONS

For the purpose of this analysis, construction occupations do not include management positions at construction companies.

Source: U.S. Census Bureau, 2016.

PRIORITY ZIP CODE CRITERIA

Priority Hire ZIP Codes in King County are ZIP codes that are above the benchmark percentile in two of the following three criteria:

1. High concentrations of people living under 200% of the federal poverty line in terms of persons per acre (69th percentile)
2. High concentrations of unemployed people in terms of persons per acre (45th percentile)
3. High concentrations of people 25 years or older without a college degree in terms of persons per acre (75th percentile)

The relevant percentile for each metric was calculated from all non-PO box ZIP codes in King County, including those in Seattle. Because there were no clear breaks in the three metrics, these benchmarks were developed in collaboration with the City of Seattle with the following goals in mind:

1. Rank the density of persons under 200% of the poverty line to inform the cutoffs for the other two metrics
2. Ensure that similar or greater shares of potential workers are included in Tier I and Tier II ZIP codes between the 2013 analysis and the current analysis

Exhibits **A-1**, **A-2**, and **A-3** are histograms of each metric by ZIP code. The benchmark percentile is marked for each metric.

EXHIBIT A-3. PERSONS UNDER 200% OF THE POVERTY LINE PER ACRE

King County, 2010-2014

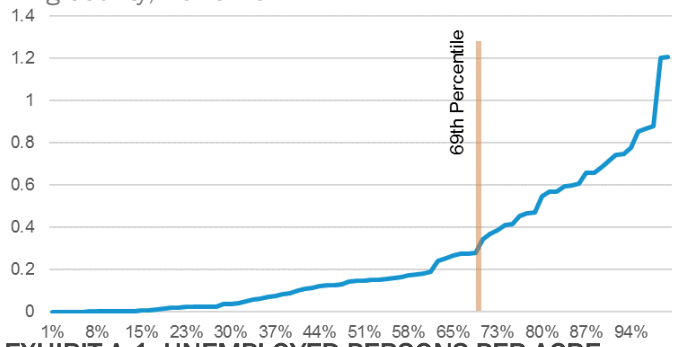


EXHIBIT A-1. UNEMPLOYED PERSONS PER ACRE

King County, 2010-2014

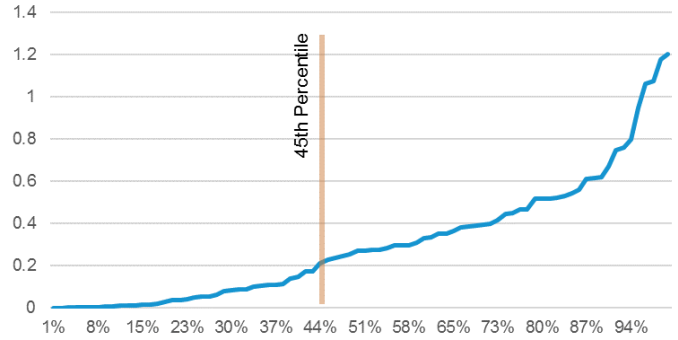
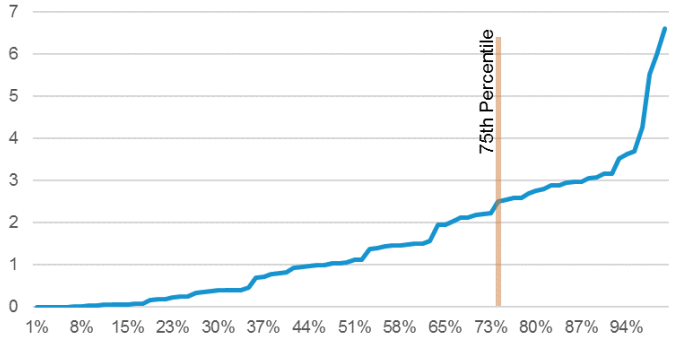


EXHIBIT A-2. PERSONS AGE 25 OR OLDER WITH LESS THAN A COLLEGE DEGREE PER ACRE

King County, 2010-2014



Sources: American Community Survey Five-Year Estimates, 2010-2014; Community Attributes Inc., 2016.

Attachment 7

Priority Hire Advisory Committee (PHAC) & CPCS Recommendations Crosswalk

PHAC Recommendations	CPCS Recommendations
Effective Outreach to Priority Hire Target Populations	
• Standardize outreach practices • Diversify community outreach sites • Foster provider collaboration to maximize impact	Concurrent: CPCS will continue partnering with outreach providers to continually improve outreach services
Availability of Training & Support Services	
Increase pre-apprentice training slots and graduates.	• CPCS Program Improvement #3: Improve retention rates by filling income gaps for Priority Hire candidates. • CPCS will maintain ongoing funds with additional $250,000 for YouthBuild in 2017.
Provide support services throughout pipeline stages and transitions for trainee retention.	CPCS Program Improvement #4: Improve retention by supporting mentorship development, funding case management and financial supports.
Accessible & Equitable Job Assignment	
Change jobsite culture through training.	CPCS Program Improvement #1: Eliminate harassment on jobsite • Implement Respectful Workplaces anti-harassment and bystander training. • Increase and formalize monitoring to eliminate harassment.
Change number of required core workers from 5 to 3 to allow form more.	Recommendations for Legislative Change #1: Reduce the number of core workers from 5 to 3 with an allowance for WMBEs to remain at 5.
Create entry process/pathway for job placement for experienced workers from economically distressed ZIP codes.	CPCS Program Improvement #2: Create pathways for experienced Priority Hire workers to access union construction jobs and work on City projects.
Coordinate Priority Hire efforts among unions, pre-apprenticeship programs and contractors.	Concurrent: CPCS will continue to convene the Pre-Apprenticeship Collaborative partners, the Joint Administrative Committee, jobsite tours, and pre-apprenticeship program tours to ensure coordination amongst all partners.
Priority Hire on the Job Compliance	
Equitable opportunity to gain needed experience on the job for women and people of color.	Concurrent: CPCS will continue monitoring the jobsite and coaching contractors to ensure all apprentices are given meaningful work experience.

Retain Priority Hire workers after project completion for other project opportunities/career path.	CPCS is considering options and will research similar efforts in other regions.
Use contractor incentives and sanctions for meeting/not meeting Priority Hire requirements.	CPCS Program Improvement #5: Modify City contract to assess liquidated damages if contractors fail to meet, at minimum, Priority Hire requirements.
Regional Collaboration to spread Priority Hire model	
Regional Collaboration to spread Priority Hire Model	Concurrent: Developing Memorandum of Understanding in partnership with Sound Transit, Port of Seattle, King County, WSDOT and City of Tacoma.

Attachment 8

Acknowledgements

CPCS acknowledges and thanks the many participants, associations and organizations that participated in the processes resulting in Priority Hire. CPCS attempted to list all parties involved, but recognizes this list may not be exhaustive and thanks any additional partners in this process.

Priority Hire Advisory Committee

Group	Members
At Large	Tali Hairston, Andra Kranzler, Eleonor Oshitoye
Community	Ray Hall, Michael Woo
General Contractors	Rory Olson, Tom Peterson
Labor	Monty Anderson, Leanne Guier, Marge Newgent
Regional Partners	Glenn Davis, Gary Schmitt
Training Providers	Greg Christiansen, Karen Dove, Lawrence Willis
WMBE Contractors	Jon Green

Construction Careers Advisory Committee

Group	Members
Community	Gregory Davis, Andrew Kashyap, Andra Kranzler, Rev. RJ "Doc" Rivers, Hilary Stern, Michael Woo
General Contractors	Jerry Dinndorf, Gus Sestrap, John Welch, Brian Webber
Labor	Dan Hutchins, Lee Newgent, Marge Newgent, Jermaine Smiley, Keith Weir, Marty Yellam
Subcontractors	Ed Kommers and Barry Sherman
Training and Policy Experts	Frank Benish, Diane Davies, Nicole Ferrer, Adriana Gamboa, Todd Mitchell, Hélène Sigmund, Lauren Superman, Bob Watrus
WMBE Contractors	Eric Alozie, Frank Lemos, Elton Mason, Marilynn Moch

Construction Jobs Equity Coalition

Asian Pacific Islander Coalition Against Tobacco	ANEW	Asian Counseling and Referral Service	Casa Latina
Coalition of Anti-Racist Whites	Columbia Legal Services	Community Alliance for Global Justice	Community to Community Development
El Centro de la Raza	Electrical Workers Minority Caucus	Emerald City Bible Fellowship	Emerald Cities Collaborative – Seattle

Got Green	Helmets to Hardhats	Legacy of Equality, Leadership & Organizing (LELO)	Making Change at Walmart Coalition
Organization of Chinese Americans	People's Institute Northwest	Puget Sound Sage	Rainier Beach Action Coalition
Regional Area Youth Development Organization (RAYDO)	Seattle Vocational Institute –PACT	Sierra Club	Steps to Ethically Profiling Stability
United Indians of All Tribes Foundation	Urban Impact	Urban League of Metropolitan Seattle	Village of Hope
White Center Community Development Association	Working Washington		

Seawall CWA Negotiating Team

Facilitated by Rhonda Hilyer of Agreement Dynamics. The list below contains affiliations that members held during negotiations.

Sean Bagsby Electrical Workers Minority Caucus	**Annette Bailey** First Thursday dba Link Staffing	**Eric Bellamy** IUOE #302	**Rev Leslie Braxton** United Black Clergy
John Catoe Catoe Group	**Mike D'Antuono** NCA	**Diane Davies** PACT	**Harvey Drake** Emerald City Bible Fellowship
Ernie Dunston	**Elwood Evans** IBEW #46	**Howard Greenwich** Puget Sound Sage	**Amani Harris**
Vernon Hill United Black Clergy	**City of Seattle** Nancy Locke, Bobby Forch, Lenda Crawford, Mark Wheeler, Dave Hiller, Darryl Smith	**Grover Johnson** National Assoc. of Minority Contractors and Laborers Union	**Andrew Kashyape** Columbia Legal Services/CJEC
John Kearns OPCMIA #528	**Andra Kranzler** Columbia Legal Services	**John Little** Carpenters	**Eli Mason** NAMC
Steve Menne **SKCBCTC**	**Lee Newgent** SKCBCTC	**Marge Newgent** IUOE#302	**Tom Nikirk** IUPAT-DC-5
Steve Pendergrass Ironworkers #86	**Rebecca Saldana** Puget Sound Sage, CJEC	**Len Simpson** First Thursday	**Jermaine Smiley** Laborers District Council
Doug Strand Laborers Local 242	**Ed Triezenberg** PNWRC Carpenters	**Keith Weir** Seattle Building Trades	**Larry Williams** First Thursday Seattle

Pastor L.R. Willis United Black Clergy	**Reggie Witherspoon** United Black Clergy	**Michael Woo** Got Green	**Harold Wright**