

## SUMMARY and FISCAL NOTE\*

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\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

### **1. BILL SUMMARY**

Legislation Title: AN ORDINANCE related to City public works and the priority hire program; amending Sections 20.37.010, 20.37.020, 20.37.040, and 20.37.050 of the Seattle Municipal Code to change references to “project labor agreement” to “community workforce agreement,” to make certain technical corrections, and to change the number of core workers open-shop contractors may bring to a project.

#### **a. Summary and background of the Legislation:**

Implemented through a community workforce agreement (CWA) between the City and the building trade labor unions, Priority Hire requires that a certain percentage of labor hours on City public works construction projects of \$5 million or more be 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.

This legislation amends the Priority Hire code (Chapter 20.37) to improve utilization rates for Priority Workers by following recommendations from the Priority Hire annual report and to make technical corrections.

The amendments:

- Change the term Project Labor Agreement (PLA) to “Community Workforce Agreement (CWA)”, to align with the title of the agreement entered into by the City of Seattle and unions in 2015, which binds the unions, the City, and signatory contractors to the requirements of Priority Hire.
- Align the definition of “Economically Distressed Area” throughout the code. (Section 20.37.040D)
- State the Director “may” establish a director’s rule detailing the hiring process for Priority Workers, instead of “shall.” (Section 20.37.040D)
- Clarify that the Director shall enforce SMC 20.37 using both the debarment authority in SMC 20.70 as well as the City’s contract provisions. (SMC 20.37.040 F)
- Reduce the number of core workers allowed by open shop contractors to three per

- contract, down from five per contract
- Allows open-shop contractors to employ up to two apprentices enrolled in an apprentice training program who are also one of the following (i) a Priority Worker, (ii) a Pre-apprenticeship graduate (ii) who furthers the city's aspirational goals for women or people of color.  
(Section 20.37.050D)
  - Correct the lettering and punctuation in Section 20.37.040J.

## 2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project? \_\_\_ Yes \_\_\_ X No

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? \_\_\_ Yes \_\_\_ X No
- b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?  
No.
- c. Is there financial cost or other impacts of *not* implementing the legislation?  
Not implementing these changes could stall Priority Hire outcomes, continue unneeded challenges of managing small contracts under the CWA, and miss an opportunity to provide clarification.

## 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?  
FAS is the department in charge of implementing Priority Hire the CWA. There will be minimal impacts to the capital departments administering the City's construction projects.
- b. Is a public hearing required for this legislation?  
No.
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?  
No.
- d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?  
No.
- e. Does this legislation affect a piece of property?  
No.

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

This legislation should have a positive impact by increasing access for disadvantaged workers to construction jobs, while preserving the strong Priority Hire performance by WMBE contractors and lessening the administrative burden for contractors with very small contracts.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

**h. Other Issues:**

**List attachments/exhibits below:**

Summary Attachment A – 2016 Priority Hire Annual Report