

Attachment 4

City of Seattle Construction Hiring Analysis CONTRACTOR SURVEY

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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.

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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?

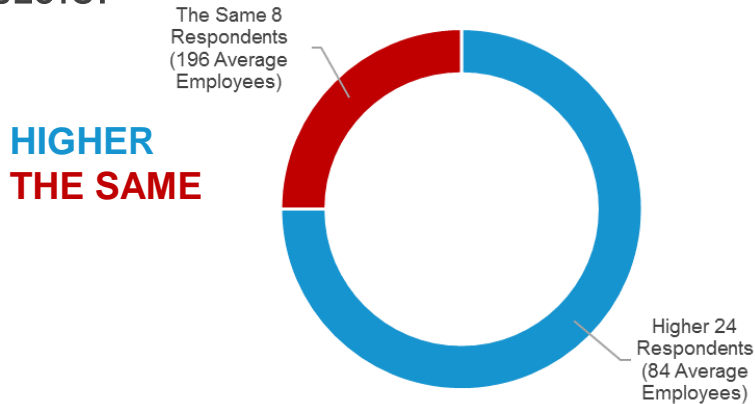


EXHIBIT 2. WILL YOU BID ON FUTURE CWA PROJECTS?

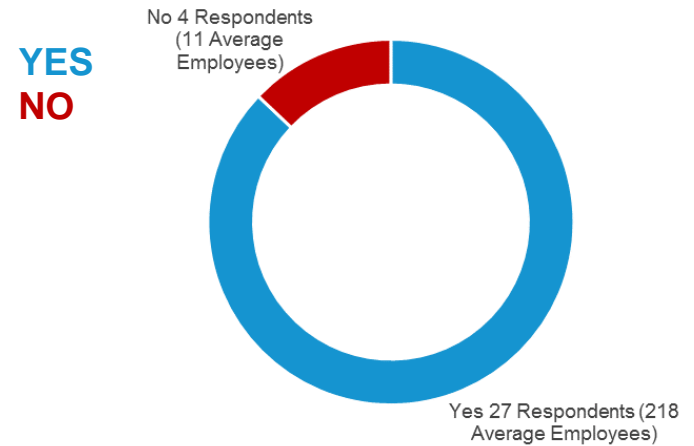


EXHIBIT 3. WMBE AND NON-WMBE RESPONDENTS WHO RATED AT LEAST ONE CWA TASK AS “VERY IMPACTFUL”

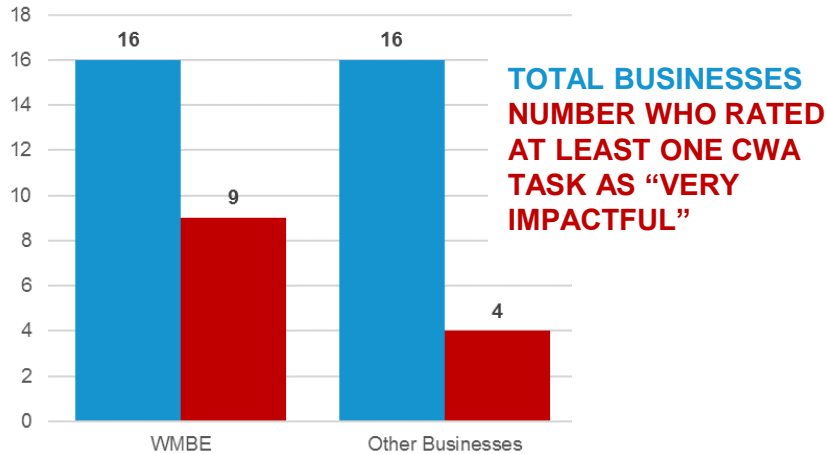


EXHIBIT 5. BASED ON YOUR EXPERIENCE, DOES THE CWA IMPACT THE NUMBER OF WMBE SUBCONTRACTORS WILLING TO BID?

YES
NO

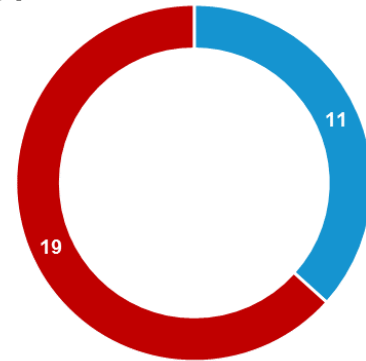
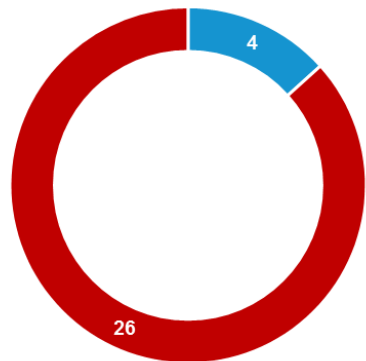


EXHIBIT 4. BASED ON YOUR EXPERIENCE, DOES THE CWA IMPACT THE NUMBER OF SUBCONTRACTORS WILLING TO BID?

YES
NO



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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

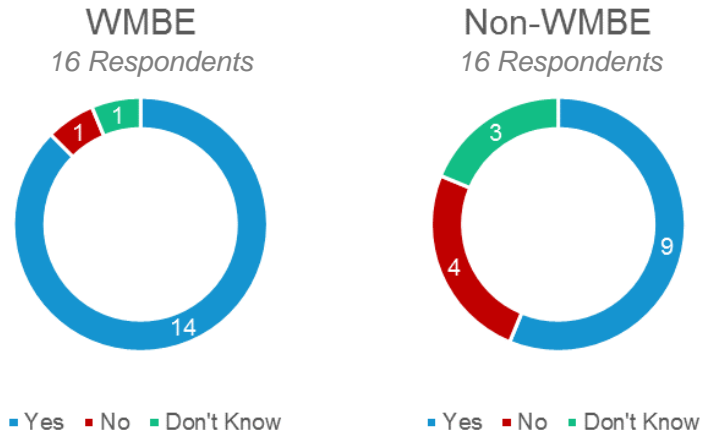


EXHIBIT 6. OTHER CWA AND PLA PROJECT WORK

Union and Open-Shop Contractors

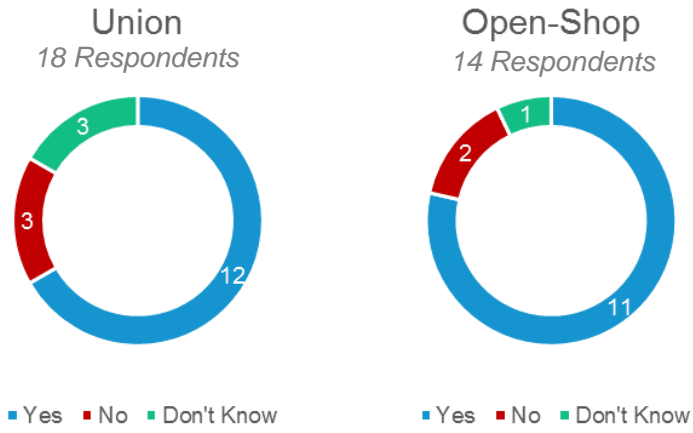
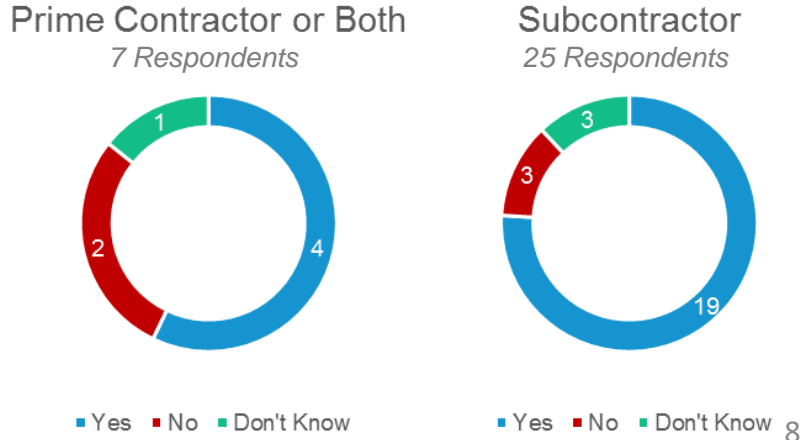


EXHIBIT 8. OTHER CWA AND PLA PROJECT WORK

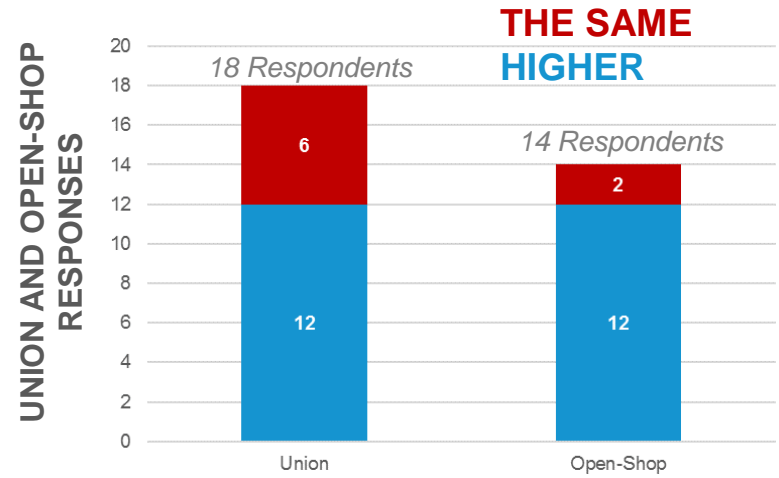
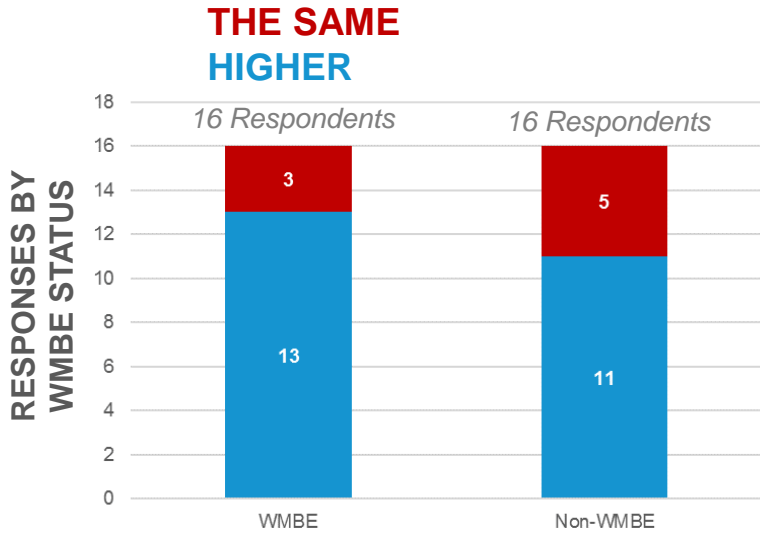
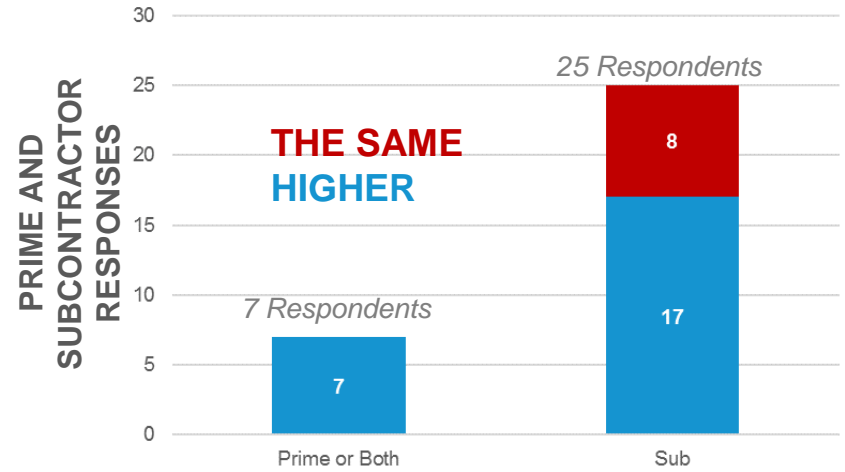
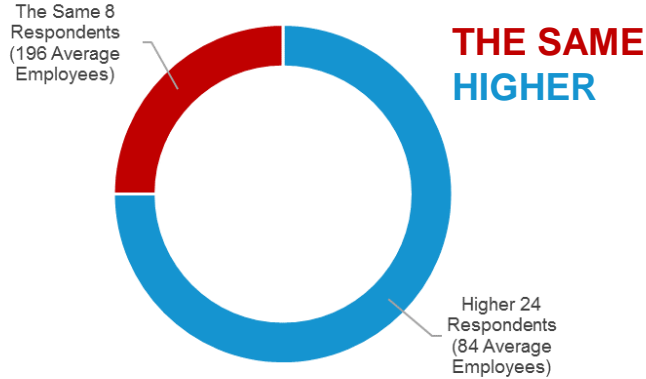
Subcontractors and Prime Contractors or Both



Source: Community Attributes Inc., 2016.

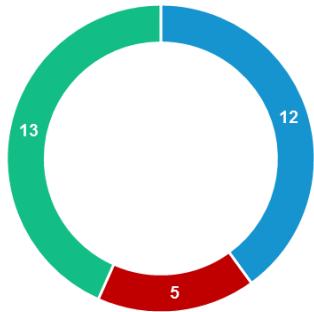
EXHIBIT 9. HOW DID YOUR ADMINISTRATIVE COSTS ON CWA PROJECTS COMPARE TO SIMILAR NON-CWA PUBLIC PROJECTS?

ALL CONTRACTORS



Source: Community Attributes Inc., 2016.

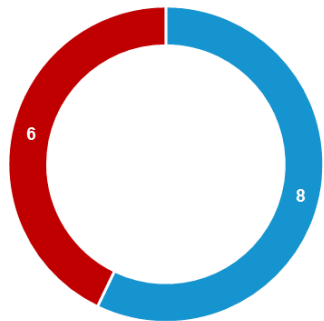
EXHIBIT 10. HOW DOES YOUR COMPANY MANAGE TRUST FUND PAYMENTS?



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

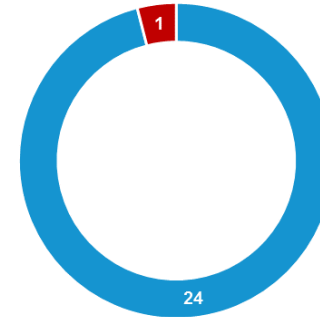
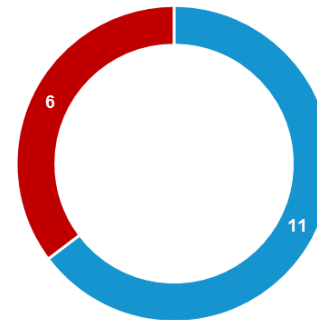


EXHIBIT 13. DID YOU RECEIVE THE WORKERS YOU REQUESTED?

YES
NO

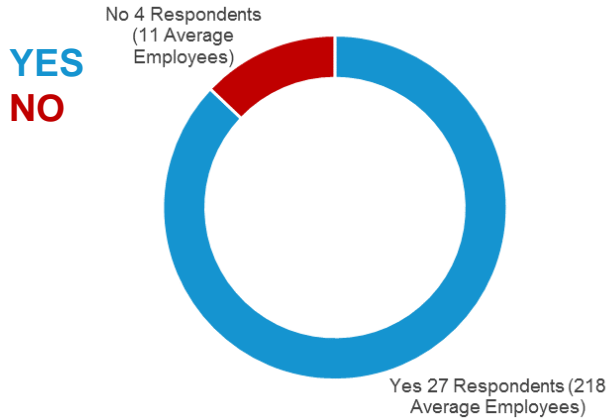


“They don’t have the capacity, we are forced to recruit/train workers and give them to the union.”

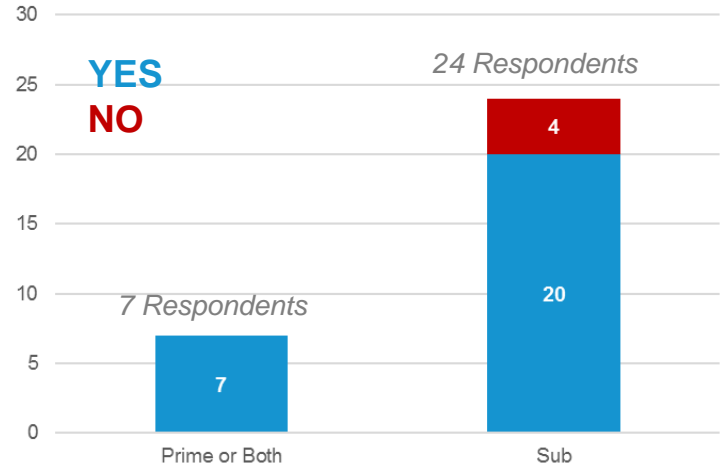
“Unions aren’t set up to get these people into the programs. Pre-apprenticeship takes 6 months alone, and it takes 4-5 months to train, but no company is going to request and hire these people 4-5 months ahead of a project they haven’t even won yet. So there’s a lag, a gap. It can be cumbersome. The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

EXHIBIT 14. WILL YOU BID ON FUTURE CWA PROJECTS?

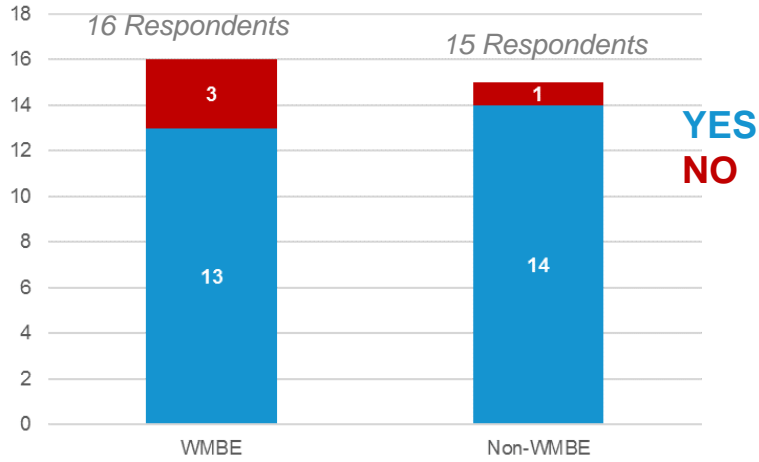
ALL CONTRACTORS



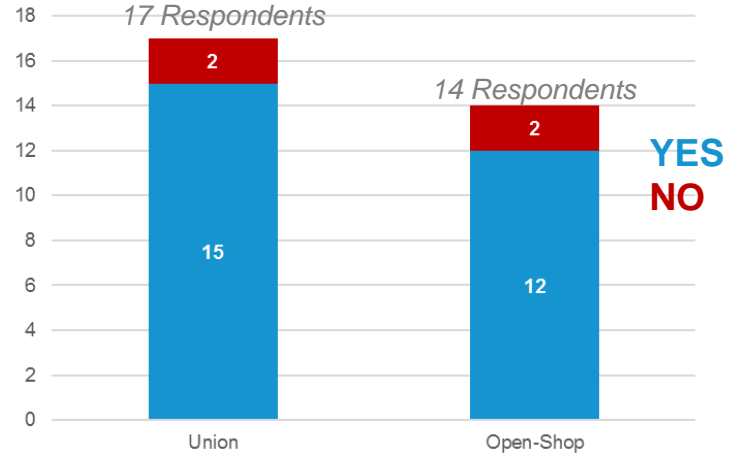
PRIME AND SUBCONTRACTOR RESPONSES



RESPONSES BY WMBE STATUS



UNION AND OPEN-SHOP RESPONSES



“CWA is part of doing business.”

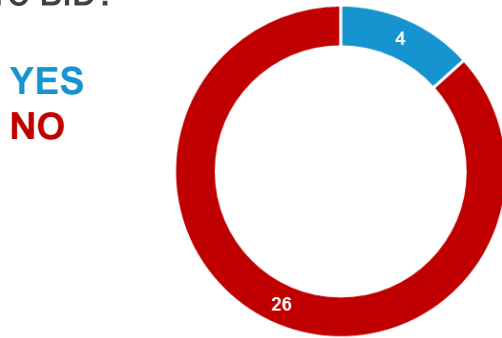
“We don’t have much option if we want to work.”

“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?

