



Seattle

# 2019 Priority Hire Annual Report

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES  
PURCHASING AND CONTRACTING

June 15, 2020



*The annual report reflects the Priority Hire program in 2019. While the report also looks at future possibilities, the COVID-19 outbreak is a continually changing situation. The impact to the construction industry and Priority Hire is uncertain at this time.*

*This report is an annual programmatic review in response to the Priority Hire Ordinance (SMC 20.37) and Mayor's Office, City Council and other stakeholder interests. More information about Priority Hire can be found at [www.seattle.gov/priorityhire](http://www.seattle.gov/priorityhire).*

*Cover: Terrance is a laborer apprentice and graduate of Seattle Central College's Pre-Apprenticeship Construction Training (PACT) program. Prior to working in construction, Terrance was experiencing homelessness and struggled to find work. He found out about PACT from friends. Once he signed up, PACT helped him get his life back. He got his driver's license and earned his high school diploma. Terrance now makes over \$31 an hour plus benefits working for Jansen Inc., has an apartment and provides for his family; they no longer rely on welfare or food banks.*

*Note: The total spent on the WMBE payments table (page 16) was updated July 14, 2020.*



# Definitions

## Acceptable Work Site

Contract provisions that set standards for acceptable behavior on City construction work sites. They prohibit bullying, hazing and related behaviors — particularly those based upon race, immigrant status, religious affiliation, gender identity or sexual orientation.

## Apprentice

A worker enrolled in a Washington State Apprenticeship and Training Council-approved training program.

## Community Workforce Agreement (CWA)

A comprehensive pre-hire collective bargaining agreement between the City and labor unions that sets the basic terms and conditions of employment for public works construction projects. CWA projects include Priority Hire requirements, which increase access to construction jobs for workers living in economically distressed ZIP codes in Seattle and King County.

## Dual Benefit Reimbursement

The City reimburses open-shop contractors on Priority Hire public works projects for payments into their existing benefits plans for workers on the project, as the CWA requires all workers to pay into union trusts.

## Economically Distressed ZIP Codes

City-identified ZIP codes in Seattle and King County that have high densities of people living under 200% of the federal poverty line, unemployment rates and those over 25 without a college degree.

## Journey Worker

A worker who is not enrolled in a Washington State Apprenticeship and Training Council-approved training program.

## Open-Shop Contractor

A contractor that is not signatory to a union.

## Pre-Apprenticeship Program

Supportive and hands-on training programs that help prepare people for entry and success in the building trades. These preparatory programs provide construction training and education, in addition to assisting with driver's licensing, transportation, child care, budgeting, etc.

## Preferred Entry

Pre-apprenticeship program graduates who work at least 350 or 700 hours on a project, depending on the project size. Priority Hire projects require that at least 20% of apprentices who work at least 350/700 hours on the project are pre-apprenticeship graduates who are in their first two steps of apprenticeship.

## Prime Contractor

The business contracting with the City to complete a construction project. Prime contractors may have contracts with subcontractors to perform part of the work.

## Priority Hire

A program that increases the hiring of residents of economically distressed ZIP codes in Seattle and King County, women and people of color on City construction projects over \$5 million. It creates equitable access to construction training and employment by focusing on the entire construction worker development process.

## Priority Hire Advisory Committee (PHAC)

A committee that advises the City on Priority Hire implementation and effectiveness. Members are appointed by the Mayor and represent construction labor unions, training programs, contractors (including at least one women- or minority-owned contractor) and community.

## Public-Private Partnership Project

Private construction projects with significant City investment that include social and labor equity contract provisions, including Priority Hire, per Executive Order 2017-01.

## Purchasing and Contracting (PC)

The division in the City of Seattle's Department of Finance and Administrative Services that oversees and implements Priority Hire. The use of "we" throughout the report refers to PC.

## Racial Equity Toolkit

A process that assists City departments with analyzing the racial impacts of policies, programs, initiatives and budget issues.

## Regional Pre-Apprenticeship Collaborative (RPAC)

A regional construction workforce development partnership that builds the quality, capacity, strength and sustainability of pre-apprenticeship training for individuals to access and succeed in construction apprenticeship. Representation includes pre-apprenticeship providers, apprentice programs, contractors, community-based organizations, public agencies (including the Washington State Department of Labor and Industries), K-12 systems, union representatives and workers.

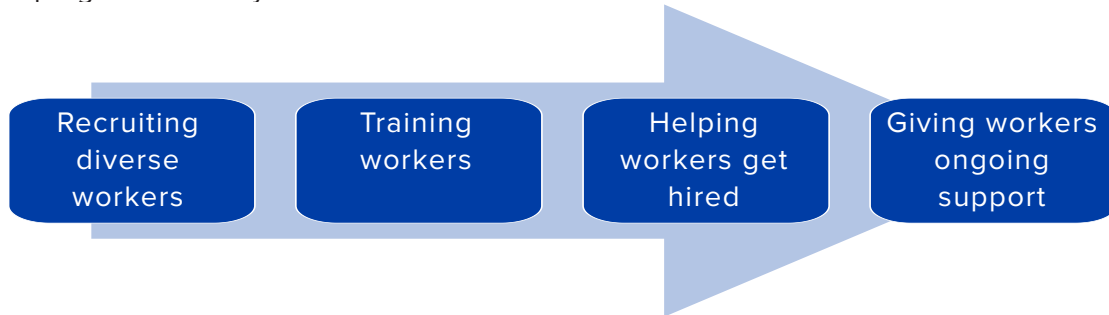
## Women- and Minority-Owned Businesses (WMBEs)

Businesses that are at least 51% owned by women and/or minorities.

Seattle is a vibrant city with economic growth, though not all communities have the same access to living-wage career opportunities, particularly during the COVID-19 pandemic. Priority Hire aims to change that. Access to construction careers brings living-wage jobs to economically distressed communities – particularly for women and people of color – who haven’t seen that opportunity in the past.

**The City of Seattle’s Priority Hire program puts people living in economically distressed communities to work on the City’s construction projects.**

The program works by:

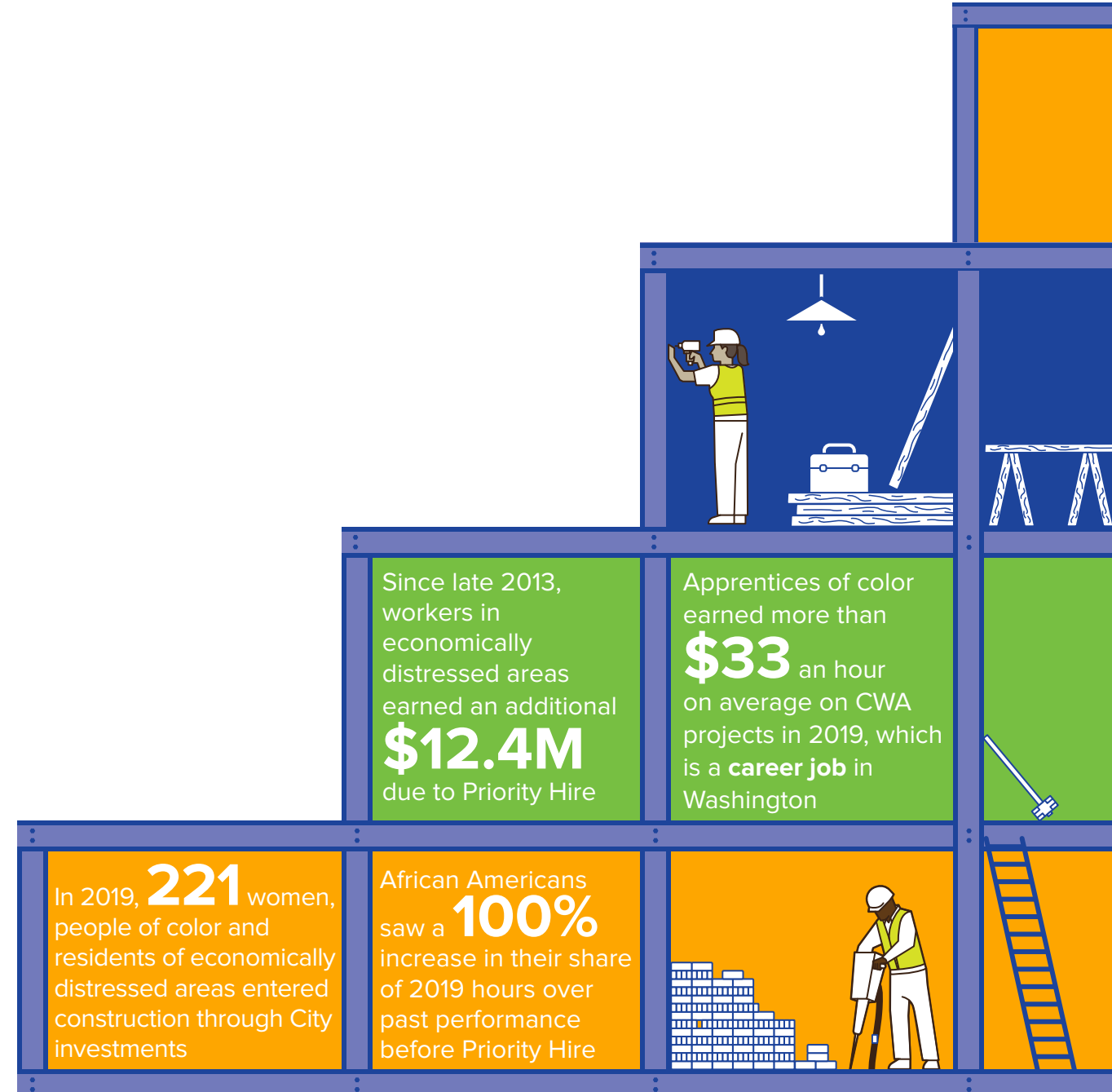


Nearly 80% of job openings in Washington through 2021 – particularly those with living wages and upward growth – will require postsecondary education, or education and training after high school. Construction offers a pathway to these jobs: apprenticeship.

The Priority Hire program helps people from underserved communities get in construction apprenticeship – and stay in – by requiring contractors on big construction projects to hire workers who live in economically distressed ZIP codes, with the goal to create opportunities for women and people of color.

**HOUSE-BUYING CAREERS, NOT RENT-PAYING JOBS**

Priority Hire helps offset wage gaps among women and people of color in our community. These workers, who often live in economically distressed areas, earn more working on City construction projects than the regional average hourly wage for women and people of color. For example, by working on the City’s big construction projects, Latino men earn an estimated 43% more per hour than the average Latino man working in King County. Since the beginning of Priority Hire in late 2013, workers living in economically distressed communities have earned \$25.7 million in wages, which the City estimates is **\$12.4 million more** than they would have earned without Priority Hire.



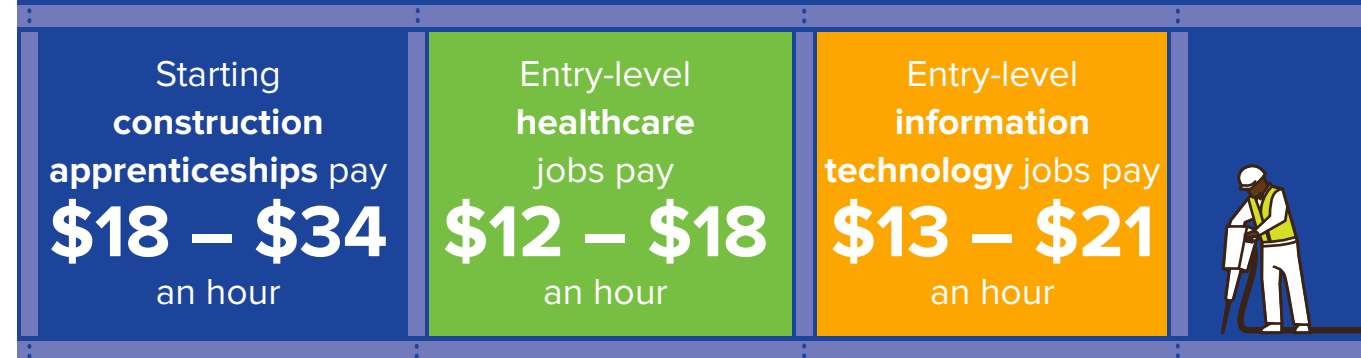
Sources: American Community Survey, 2018; City of Seattle, 2020.

These gains result in life-changing achievements. Meet Andrea, pictured right – after completing Apprenticeship and Non-Traditional Employment for Women’s (ANEW’s) pre-apprenticeship training program in 2016, she started a laborer apprenticeship and went to work for the Walsh Group on the City’s Denny Substation project. The City required priority hiring on the project. Andrea worked on it for several years, starting at nearly \$32 an hour in wages and benefits and gaining experience in her field. Today, Andrea is a foreman, overseeing a crew of construction workers. She has been with the Walsh Group for nearly four years and earns more than \$41 an hour, which is 40% more than the average African American woman in King County. In her new role, Andrea hopes to inspire other women to obtain their goals as well.

**LOOKING FORWARD: IT’S ABOUT COMMUNITY**

Priority Hire aims to bring these benefits to more people. The City’s focus areas in 2020 include:

- **Understanding how changes in the region affect the communities Priority Hire aims to reach.**
  - Ensure Priority Hire reaches urban communities that would most benefit from the program.
  - Set a roadmap for what Priority Hire can accomplish by 2025, particularly as King County and the Port of Seattle build similar programs.
- **Engaging women, people of color and those living in economically distressed areas.**
  - Ensure they are aware of and have access to various construction trades, including those with higher wages.
  - Help workers succeed in apprenticeship.
- **Supporting workers in construction.**
  - Retain workers of color and women through Acceptable Work Site training and partnerships with training providers, unions, contractors, community groups and public agencies with similar programs.
- **Providing women- and minority-owned (WMBE) contractors ongoing support.**
  - Implement strategies in partnership with the City’s WMBE program that will best support and increase WMBE contractors on big construction projects. WMBE contractors have diverse workers that meet Priority Hire workforce goals, though anecdotally they experience barriers to working on public projects.



Sources: Workforce Development Council of Seattle-King County, 2018; City of Seattle, 2020.

# Building a foundation for success

Priority Hire focuses on communities with residents who can most benefit from construction careers. Priority Hire gives people living in economically distressed communities more work. Using the difference in the share of hours from before and after Priority Hire began, they've **worked 125% more hours** since the program started. This translates to an **additional \$12.4 million in wages**. These wages can make a big difference for someone buying a home or providing for their family.

## From the beginning of Priority Hire in late 2013:



**29** public works projects  
**2** public-private projects  


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**31** total projects



**922,509,315** for public works covered  
**949,000,000** for public-private projects covered  


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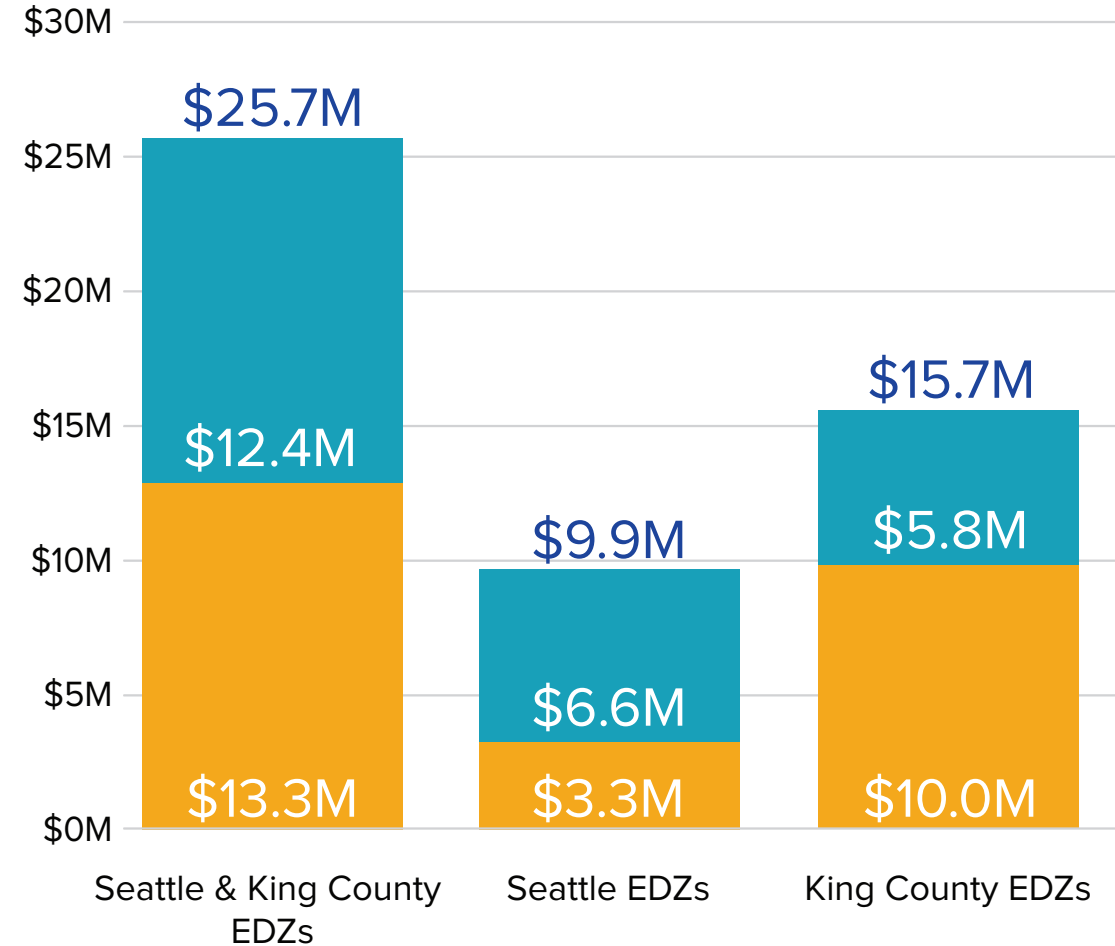
**1,871,509,315** total value covered by Priority Hire



**125% more hours** worked by those living in economically distressed communities since Priority Hire started

## How does Priority Hire impact economically distressed ZIP codes (EDZs)?

November 2013-December 2019



WAGES TYPICALLY EARNED BEFORE PRIORITY HIRE

ADDITIONAL WAGES EARNED DUE TO PRIORITY HIRE

Source: City of Seattle, 2020.



# Increasing impact over time

As we invest in the [worker pathway](#) – from outreach, pre-apprenticeship and apprenticeship training, to journey work – more residents of economically distressed ZIP codes have access to work on Priority Hire projects. In 2019, these workers had a greater share of hours than in any previous year since Priority Hire started.

In the Priority Hire Ordinance, Seattle City Council set goals for workers living in economically distressed ZIP codes to perform 20% of project hours in 2016, and 40% in 2025. Project hours are hours performed by construction workers. Priority Hire is on track to meet the 40% goal, though the long-term impact of COVID-19 on the construction industry and Priority Hire program is uncertain.

City investments in the worker pathway increase the number of available workers living in economically distressed areas. In 2019, community partners placed nearly 150 individuals into construction training and employment. These individuals are now able to work on Priority Hire projects.

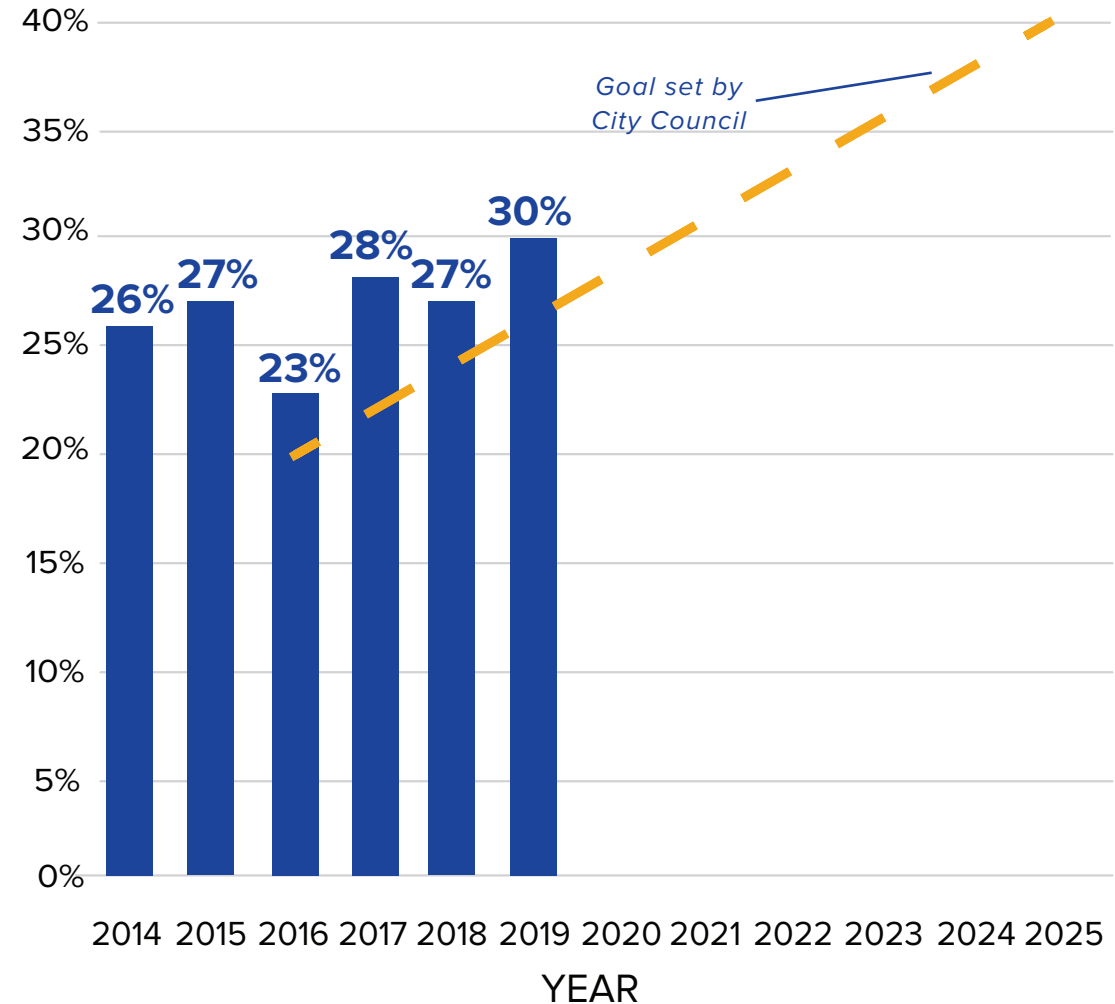


## Where do we go next?

In 2020, we want to better understand how regional changes affect the communities Priority Hire aims to reach. That way, we can fine-tune how we help workers enter – and stay in – construction. This includes:

- o Ensure Priority Hire reaches urban communities that would most benefit from the program.
- o Set a roadmap for what Priority Hire can accomplish by 2025, particularly as King County and the Port of Seattle build similar programs.

## How is Priority Hire tracking toward Seattle City Council’s 2025 goal of 40%?



**ACTUAL PERFORMANCE**  
**GOAL**

Source: City of Seattle, 2020.

# Hiring women in construction

Historically, women have been underrepresented in the construction trades, typically making up a small percentage of the workforce. In 2019, community organizations under contract with the City placed about 50 women into construction. These women were a quarter of overall placements, which will continue to help improve female representation in the trades over time.

The efforts of City-funded community organizations to diversify the regional construction workforce showed up on Priority Hire projects in 2019, which saw an increase in the share of hours women worked from previous years. The increase came from women apprentices, who worked 30% of all apprentice hours on Priority Hire projects in 2019.

Before Priority Hire, women worked just 5% of the hours on the City’s construction projects. Since Priority Hire began, women have doubled their share of work on covered projects.

## How does Priority Hire help workers start their construction careers?

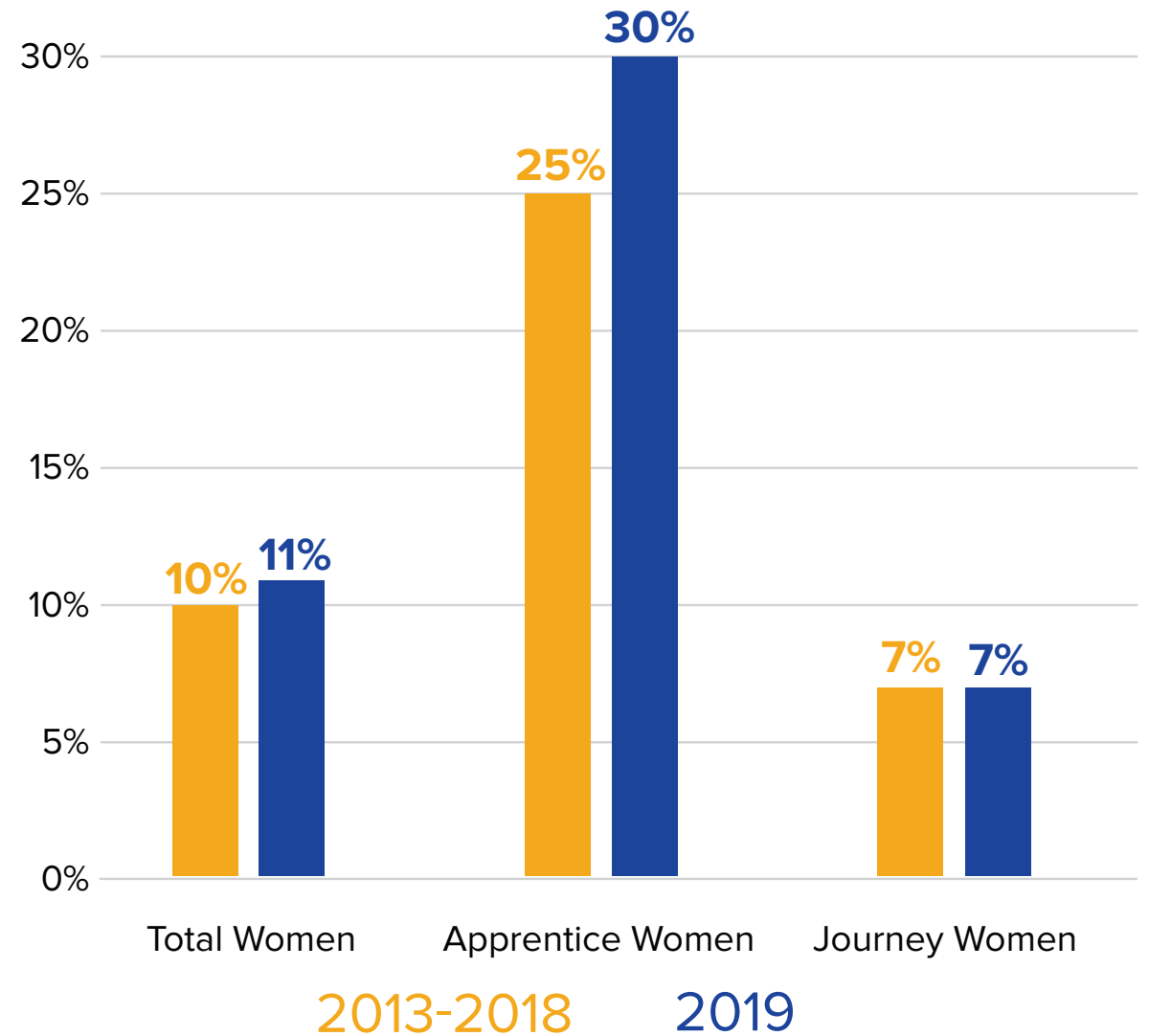
Before construction, Jazmine worked a job that hardly made ends meet. She learned about the Urban League of Metropolitan Seattle (ULMS), who referred her to Seattle Central College’s PACT pre-apprenticeship program. The City invests in both programs.

Jazmine completed PACT early and entered the cement mason’s trade-specific pre-apprenticeship boot camp. ULMS worked with Jazmine throughout her journey, helping her with transportation, work gear and tools to make sure she succeeded. Jazmine became a cement mason, and worked on a Priority Hire project for Belarde in 2019. She earns over \$26 an hour, plus benefits. As a mother of two young boys, Jazmine is excited to have accomplished her goal and looks forward to reaching journey-level status.



Photo courtesy of Seattle Central College’s PACT program.

## How did the share of hours worked by women on Priority Hire projects look in 2019 compared to prior years?



Source: City of Seattle, 2020.



# Engaging communities of color

Apprentices of color also reap the benefits from competitive wages. In 2019, they earned over \$33 an hour on average on Priority Hire projects. This is considered a “career job” in Washington, and is about double the wage that other entry-level jobs in Washington pay workers.

Priority Hire aims to provide opportunities for workers of color, with the goal that construction workers on our projects reflect the community. Priority Hire also combats the wage gap African American and Latinx workers face in King County. African Americans on Priority Hire projects earned about 15% more per hour than the average for African Americans in King County in 2019. Latinos earn an estimated 43% more per hour than the average for Latinos in King County.



## Building a new future: a painter’s perspective

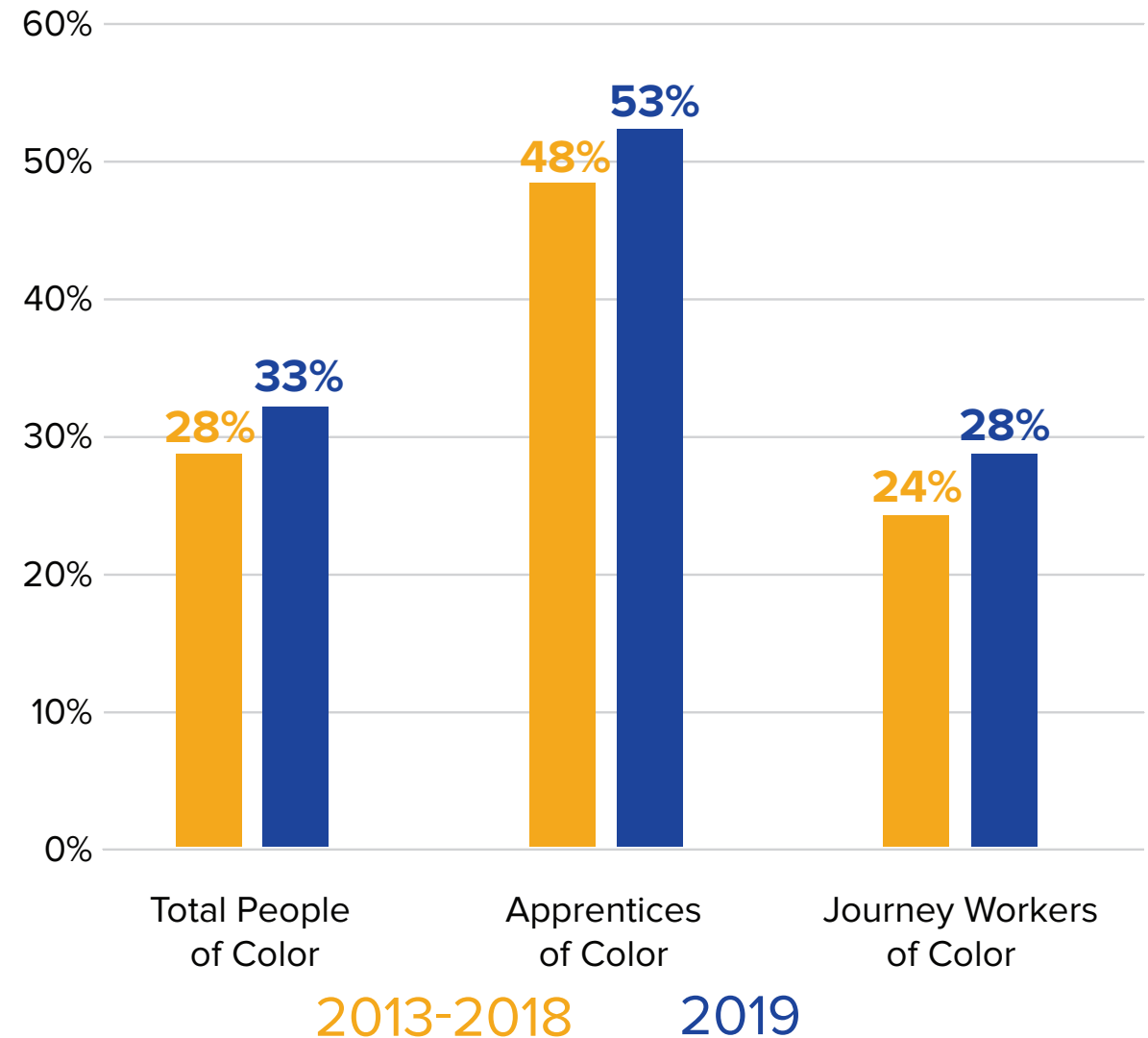
My name is Marco. I am from Mexico City, and have been in Seattle for more than 15 years. Since moving here, I’ve been looking for work opportunities to better support my family. For years I worked on fishing boats in Alaska. It paid well, but was dangerous.

In 2018, I heard that construction unions offered good pay and benefits. I completed the PACT pre-apprenticeship program to prepare for my new career, but still felt that language was a barrier to me entering construction. I went back to work in Alaska for a few months, then decided to return to Seattle to look for work again. This led me to Casa Latina. Within one week, Casa Latina got in touch with PACT, helped me complete the application forms and introduced me to union representatives.

I was accepted into the painter’s union the day after applying. With PACT and Casa Latina’s help, I am now earning a good salary and benefits. And for that, I am happy.

*Photo courtesy of Casa Latina.*

## How did the share of hours worked by people of color on Priority Hire projects look in 2019 compared to prior years?



Source: City of Seattle, 2020.

# Working toward equity

People of color overall saw a gain in the share of project hours in 2019, resulting in more money going back to their communities. African Americans saw a 100% increase in their share of 2019 hours over past performance before Priority Hire. Construction provides living-wage careers, and hourly wages are often better than the average for King County. However, we still have work to do.

To ensure targeted populations continue to benefit from Priority Hire, we:

- Partner with community organizations to increase awareness, training and access priority communities. For example, Urban League of Metropolitan Seattle, Rainier Beach Action Coalition and Seattle Central College’s PACT pre-apprenticeship program have long-standing connections to Black and African American communities, and Casa Latina to the Latinx community.
- Enforce Acceptable Work Site standards on City projects to prevent workplace harassment, with the goal of retaining workers of color and women.
- Monitor contractor compliance and interview workers to ensure they have the support they need to maintain long-term construction careers.

## How does Priority Hire affect workers by race/ethnicity?

Race/Ethnicity	2019 Priority Hire Projects (361,780 hours)	Past Performance Before Priority Hire <sup>1</sup>
African American	8%	4%
Asian	3%	3%
Latinx	17%	16%
Native American	2%	3%
Other	2%	N/A
White	60%	75%
Not Specified	7%	N/A
<b>All People of Color<sup>2</sup></b>	<b>33%</b>	<b>25%</b>

<sup>1</sup>Past performance is based on hours from a sample of projects from 2009-2013. Starting with the Elliott Bay Seawall Project in late 2013, the worker reporting system changed and workers could identify as Other or Not Specified. Therefore, there is no past performance data for Other or Not Specified.

<sup>2</sup>People of color exclude White and Not Specified.  
Source: City of Seattle, 2020.



### 2020 equity goals

In 2020, we want to continue to engage people living in economically distressed communities, women and people of color. This includes:

- o **Ensuring they are aware of and have access to various construction trades, including those with higher wages.** Trades with higher wages can have competitive application processes, and City investments with community-based partners can help prepare individuals to be qualified candidates.
- o **Reaching out to all communities of color.** While African Americans and Latinx communities have seen increases to their shares of work on Priority Hire projects, we need to continue that work and expand to include more Native American and Asian communities. In 2020, we will work with the Priority Hire Advisory Committee and other stakeholders to determine how to most effectively do that work.
- o **Helping workers succeed in apprenticeship.** Once a person enters apprenticeship, they may still need help staying in. Through our investments with community organizations, apprentices can continue to get the help they need, whether it’s financial assistance for tools or work gear, case management or informal mentorship. The Priority Hire program also works with apprentices on projects, checking in with them regularly and connecting them to journey workers and other resources that will help them succeed.

## Removing barriers for workers

Priority Hire removes barriers for people to enter and succeed in construction. We invest in and partner with community organizations to recruit workers, provide training with tools and construction math, help get driver's licenses, offer financial support services and more.

In addition to City-funded community organizations who have long-standing relationships with Black and African American and Latinx communities, we also connect with organizations who have strong ties to Native American and Asian communities. For example, we:

- Require contractors to hire pre-apprenticeship program graduates, such as those from the Tribal Employment Rights Office pre-apprenticeship program.
- Work with English language learners served by organizations in Asian communities.
- Update and share the Apprenticeship Guidebook to help individuals learn more about construction careers: [www.bit.ly/apprenticeshipguidebook](http://www.bit.ly/apprenticeshipguidebook)

Priority Hire partners also support those transitioning from the justice system. These individuals often have high barriers to getting training and jobs, and the community organizations work with them start to finish to make sure they can succeed in construction.

Since 2016, the City invested  
**\$3.2 million**  
in recruitment, training  
and support services

for workers living in economically distressed  
ZIP codes, women and people of color

- 
- 247** Priority Hire individuals recruited and placed into construction by community organizations
  - 566** Trained pre-apprentices and Priority Hire clients placed in construction
  - 167** Individuals obtained or regained their driver's licenses
  - AWS** Worker retention through Acceptable Work Site training development



### How does having a driver's license help apprentices?

Driver's licenses and dependable transportation are essential to working in construction. The Regional Pre-Apprenticeship Collaborative (RPAC), a workforce development partnership that builds pathways to construction careers, identified driver's licenses as a critical factor to entering and staying in construction. Workers need driver's licenses to travel to various job sites, often outside of typical "commuting" hours.

We can help offset this barrier as identified by RPAC. We recognize that the criminal justice system disproportionately affects communities of color. We invest in driver's relicensing to combat that inequity. Once individuals are working with a community organization providing Priority Hire outreach, or construction training, they can receive help regaining their license. This process can be complex and time-consuming. In 2019, 36 individuals regained their driver's licenses. More than 40% were African Americans, who are most impacted by inequity in the justice system.

Almost all construction apprenticeship programs require a driver's license to enter. The individuals relicensed will now be able to successfully apply and start working.



## Growing the future workforce

Priority Hire requires contractors hire graduates of pre-apprenticeship training programs, which help prepare people for apprenticeship. This worker pathway helps diversify the construction workforce, as pre-apprenticeship programs work with those living in economically distressed communities, women, people of color, at-risk youth and those transitioning from the justice system.

Apprenticeship is the next step in the worker pathway, where new construction workers earn while they learn. Priority Hire projects require that apprentices work at least 15%-20% of all hours, which ensures they get the experience needed to attain journey-level status. In 2019, apprentices worked 18% of all hours on Priority Hire projects, which is slightly higher than the 16% of hours they worked between 2013 and 2018.

Our pre-apprenticeship training investments go a long way toward changing lives. In 2017, we invested in a boot camp pre-apprenticeship with the ironworkers. Through 2019, 16 of the graduates have earned about \$1.5 million in wages, plus benefits. In addition to supporting career training, Priority Hire provided work opportunities for those graduates. Several reached preferred entry status, meaning they worked at least 350 or 700 hours on a Priority Hire project, depending on its size.

### A carpenter's tale

Ittikorn used to work as a draftsman in Thailand, but his desire for more opportunity led him to move to Seattle with his wife and young son. Working as a draftsman sparked his interest in construction, but upon his arrival he only found work as a restaurant cook. He struggled financially, and worried that his limited income would force his family to move back to Thailand. Having limited English-speaking abilities, he began working with Asian Counseling and Referral Service (ACRS) and, after learning about career opportunities in the City's Construction Apprenticeship Guidebook, began applying to programs.

After a few months of being unsuccessful with his applications, ACRS contacted Jon, Priority Hire's Job and Training Advisor, to ask for help. Using Jon's knowledge of the industry and relationship with the Construction Industry Training Council, Ittikorn was accepted into the carpentry program. Because Ittikorn lives in an economically distressed community, he was prioritized for work with Western Ventures on the Seattle Municipal Tower Chiller Plant. Ittikorn is making more than \$27 an hour, plus benefits. He enjoys every aspect of being a carpenter – from learning about various materials to building permanent structures in the city. Carpentry has given him more confidence and the ability to provide for his family.



# Making construction careers work

Priority hire focuses on the entire [worker pathway](#), so once an individual starts their career, they'll feel supported and successful throughout. Construction is challenging for lots of reasons, and many apprentices, particularly women and people of color who are underrepresented in the industry, leave their new careers early. Underrepresented journey workers may continue to face the same challenges as apprentices, and need continued support to be successful.

The City approaches retention – the length of time someone stays working in construction – through a multi-pronged approach:

- **Investments with community organizations to keep clients working.** Community organizations provide wraparound support, such as providing financial support services to help workers with transportation or child care or working with contractors and apprenticeship coordinators to provide a collaborative response as barriers arise.
- **Acceptable work site training.** We have contract provisions requiring that the City's construction sites have no bullying, hazing and harassment and create a positive, healthy and safe work site. In late 2019, we began implementing a training program for contractors to educate workers on what this means for job sites. This training will continue and expand in 2020. To see a video on Acceptable Work Sites, go to [www.seattle.gov/purchasing-and-contracting/social-equity/acceptable-work-sites](http://www.seattle.gov/purchasing-and-contracting/social-equity/acceptable-work-sites).
- **Job site visits to support workers.** We regularly visit workers on Priority Hire projects, and provide support in partnership with contractors, construction labor unions, apprenticeship coordinators and community organizations when barriers come up on or off the job site that affects the worker's success in construction.

Acceptable Work Site training focuses on **prevention, intervention and other tools to stop bullying, harassment and hazing on construction job sites**

## What does Acceptable Work Site training look like?



### Train the trainer

Prime contractors working on large City projects will receive training to give to all workers on the site



### Work site orientation

The contractor will train all workers for 30 minutes before they set foot on the job site



### Job box talks

Before workers start work for the day, they'll hear tips and reminders as part of ongoing safety check-ins

# Ongoing support for workers

With a more diverse workforce, we want to ensure that our construction work sites are respectful and appropriate. Apprentice interviews performed by Portland State University show that women and people of color experience higher rates of discrimination than white men. Anecdotally, apprentices here have similar experiences. These are the workers Priority Hire focuses on.

In 2018, we began working with community organizations to support and track a diverse group of workers through their first year of work. Workers assisted throughout their first year left construction more often than we expected, and at a higher rate than construction apprentices throughout the region — 34% versus 24% overall. See [Attachment 3](#) for more performance data.

One reason may be that there are two ways to enter a construction career – apprenticeship and non-apprenticeship construction employment – and non-apprenticeship construction employment had a much lower retention rate, bringing the overall performance down for our investments. This could be that non-apprenticeship construction employment lacks the structure and growth apprenticeship provides.

Our Priority Hire partners target populations historically underrepresented in construction, so retention work is important to diversify the workforce. While the overall retention rate was lower than we anticipated, their retention work still provides critical services to those living in economically distressed ZIP codes, women and people of color. They also often work with individuals who need more assistance, so moving forward we will learn more about the barriers they experience and how we can best address them.

## What were the demographics of those still working one year after starting in construction?

	Individuals Retained after One Year	Economically Distressed ZIP Codes	Women	People of Color
Priority Hire Providers <sup>1</sup>	134	63%	32%	68%
Tri-County Construction Apprentices <sup>2</sup>	1,926	27%	10%	35%

<sup>1</sup>The City first contracted for retention services for individuals placed in 2018, so there is no data for prior years.

<sup>2</sup>Based on construction apprenticeship programs that serve King, Snohomish or Pierce counties. Some programs serve larger areas in addition to the tri-county region; in those cases, apprentices who live outside the tri-county region were excluded. Individuals in apprenticeship who received retention services from Priority Hire providers are also counted in tri-county construction apprentices. Source: City of Seattle, 2020.

### How can we better help people stay in construction careers?

Those living in economically distressed areas, women and people of color can gain a lot from construction careers, but often face more barriers to entering and staying in construction. In 2020, we plan to take a deeper dive with the Priority Hire Advisory Committee, regional public agencies and other partners to learn more about the most effective strategies that keep people working in construction. Now that we've invested in this work, we can learn from our existing strategies and further refine our approach.



We plan to implement the best practices we learn about by requesting proposals in late 2020 and funding those that best exemplify the most effective strategies.



# Implementing Priority Hire

To implement Priority Hire, the City and construction labor unions signed a community workforce agreement (CWA). The CWA creates a roadmap for labor unions, contractors, training programs and community organizations to come together to support workers. It allows workers living in economically distressed ZIP codes to be hired before other workers.

The number of prime contractor bids looked similar in 2019 when compared to previous years.

The CWA influences and promotes a safe working environment while keeping the project on track with no to minimal impact from strikes and lockouts. There were nine reportable injuries on Priority Hire projects in 2019. One project finished on time, and four finished late due to circumstances unrelated to the CWA. There is insufficient data to measure the direct impact of the CWA on either safety or project timelines.

A **community workforce agreement (CWA)** is a comprehensive pre-hire collective bargaining agreement between the City and labor unions that sets the basic terms and conditions of employment for public works construction projects. Priority Hire projects use the CWA to increase access to construction jobs for workers living in economically distressed ZIP codes in Seattle and King County.



## What Priority Hire projects are anticipated to start in 2020?

Project <sup>1</sup>	Engineer's Estimate <sup>2</sup>	Estimated Construction Start in 2020
Cedar Falls Substation	\$16.9 million	Q3
Delridge Way S – RapidRide H Line	\$50 million - \$54 million	Q2
Pearl St. Drainage and Wastewater Improvement Project	\$8.8 million	Q2
South Park Pump Station	\$10 million	Q2
South Transfer Station Phase 2	\$11 million	Q2
Seattle Public Utilities Drainage and Wastewater South Operations Center	\$59 million - \$90 million	Q4
Public-Private Partnership Projects		
2 <sup>nd</sup> Ave. and Mercer St.	\$25.1 million	Q1
<b>Total</b>	<b>\$180.8 million - \$215.8 million</b>	

<sup>1</sup>Project information is subject to change.

<sup>2</sup>Priority Hire covers projects over \$5 million based on engineer's estimate plus contingency.

Source: City of Seattle, 2020.

## How do the number of prime contractor bids compare across projects?

	Priority Hire Projects (33 bids)	Non-Priority Hire Projects (351 bids)
2015-2018	3.6	3.4
2019	3.6	3.4
<b>2015-2019</b>	<b>3.6</b>	<b>3.4</b>

<sup>1</sup>Alternative delivery contracts, such as GCCM, were excluded.

Source: City of Seattle, 2020.

# Contracting with women- and minority-owned contractors

Women- and minority-owned (WMBE) contractors bring necessary skills and scopes to City work sites, and employ diverse workforces. In 2019, WMBE contractors saw a decrease in their share of work across all public works projects, which could reflect the type or amount of work available. On Priority Hire projects, minority-owned (MBE) contractors continued to earn the bulk of WMBE spend.

There are many factors that affect WMBE contractor spend each year. These include the amount of work available in the year. For example, WMBE work may be highest when projects are most active, so as the projects begin to finish up, there may be less WMBE opportunity. And the type of work plays a factor, too – for example, facility projects typically have greater WMBE utilization than underground projects.

## What share of payments did WMBEs earn in 2019?

Project Type	Total Spent	WMBE Utilization	MBE Utilization	WBE <sup>1</sup> Utilization
Priority Hire Projects <sup>2</sup>	\$111,962,905	12%	9%	3%
Non-Priority Hire Projects	\$134,278,984	15%	8%	7%
<b>Total</b>	<b>\$246,241,889</b>	<b>14%</b>	<b>8%</b>	<b>6%</b>

<sup>1</sup>Women-owned contractors are WBEs.

<sup>2</sup>Two Priority Hire projects were excluded as they did not have WMBE goals due to funding sources.

Source: City of Seattle, 2020.

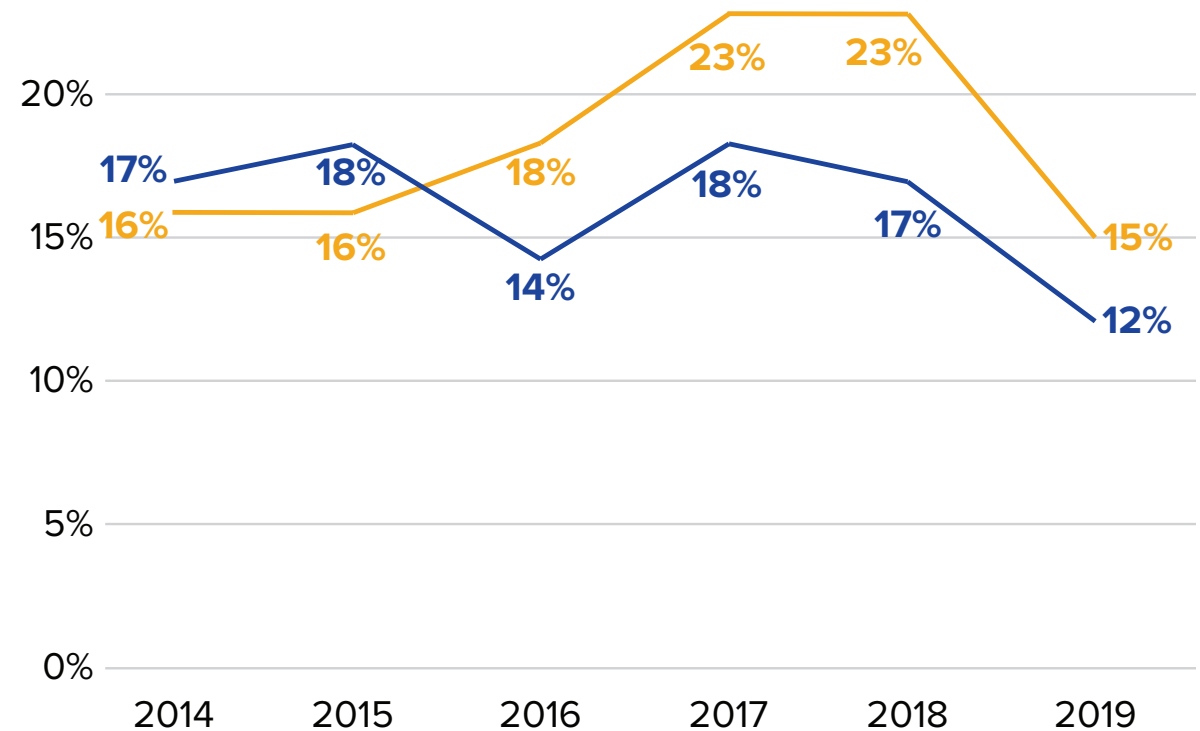
## How much do dual benefit reimbursements cost on Priority Hire projects?

November 2013-December 2019

Dual Benefit Reimbursement Paid (6 projects)	Priority Hire Project Value (29 projects)	Share of Project Payments	Number of Workers Affected
\$286,067	\$922,509,315	.03%	77

Source: City of Seattle, 2020.

## What is the WMBE trend over years?



**PRIORITY HIRE PROJECTS<sup>1</sup>**  
**NON-PRIORITY HIRE PROJECTS**

<sup>1</sup>WMBE utilization in 2018 is higher than previously reported due to 2018 payments documented in 2019.

Source: City of Seattle, 2020.

## Supporting women- and minority-owned contractors

Anecdotally, WMBEs experience barriers to working on public works projects. Priority Hire works closely with the City's WMBE program to make sure they access contracts and succeed on public works projects. Existing strategies include:

- **Providing dual benefit reimbursements.** The CWA requires that contractors pay into union trusts for usual benefits on behalf of their workers on Priority Hire projects. This can be an extra cost for open-shop contractors that have existing benefits plans for their workers. We reimburse open-shop contractors on Priority Hire projects for payments into their existing benefits plans for workers on those projects. WMBE contractors have made over 80% of the dual benefit reimbursement requests, which reduces a financial barrier to their working on Priority Hire projects.
- **Offering technical assistance.** We offer various types of technical assistance through City staff and the Northwest Mountain Minority Supplier Diversity Council. For example, this may include assisting with bidding or construction contracting, or meeting public works requirements such as certified payroll submittal.
- **Requiring WMBE Inclusion Plans.** We require prime contractors bidding on public works projects over \$300,000 to develop a plan on how they'll include WMBE contractors and suppliers on the project. This plan has three sections:
  - An aspirational goal for the percentage of the contract amount that will go to WMBEs.
  - A list of WMBEs they are guaranteed to contract with, and the minimum contract amounts.
  - Cash flow strategies that support WMBEs and small businesses on the project.

We also started an analysis in late 2018 to better understand how we can increase WMBE contractors on public works projects, and on Priority Hire projects in particular. This analysis included stakeholder engagement to focus on those most impacted. The resulting report will be issued in 2020: [www.seattle.gov/priorityhire](http://www.seattle.gov/priorityhire)



### From flagger to business owner

We first met Tracey in 2016, when she was a flagger on Blue Ridge Conduit Installation Phase 1, a Priority Hire project. Now, she owns her own construction company with contracts on Priority Hire projects, such as the Arena at Seattle Center and Pump Station No. 22.

Tracey loves being a business owner and giving living-wage job opportunities to people in need, such as those who are low-income or in work release. Tracey attributes her success to her faith. "I would not be in this position otherwise. I have blessed so many people with work. They're doing amazing jobs. Giving second chances – it's just unbelievable."

Tracey was inspired to start her own business for the workers. As a woman of color, she's had some challenging experiences in her nearly 15 years in construction. She saw that as a business owner, she could bring people with similar backgrounds to her into construction, where they could earn wages that would help them buy homes, and ensure they didn't have the same experiences she did when she started in the industry. And Tracey has a bigger vision – in the coming years, she wants to become a prime contractor, taking on bigger contracts, hiring more workers and uplifting more communities.



# Strengthening partnerships

While the City is a leader with Priority Hire, we know it will take all our partners to help us make this model the new normal for construction. We work with many regional partners to make this happen.

## Priority Hire Advisory Committee (PHAC)

PHAC advises the City on Priority Hire implementation and effectiveness. PHAC includes mayoral appointees representing community, contractors (including at least one WMBE), construction labor unions and training programs. We rely on PHAC members' expertise, as they're on the ground helping us do the work. A crosswalk of PHAC recommendations can be found in the Attachments section.

## Public-private partnerships

To maximize Priority Hire's impact, the City expanded it beyond public works projects and onto private development projects with significant City investment. We administer Priority Hire on these projects. To date, the first public-private partnership project, the Seattle Asian Art Museum, finished and met Priority Hire goals. The Arena at Seattle Center, which is the largest Priority Hire project to date, is currently underway, offering many worker opportunities. One will start in 2020 – 2<sup>nd</sup> Ave. and Mercer St., which is an affordable housing project.

## Regional Pre-Apprenticeship Collaborative (RPAC)

The City helped spearhead and is an active member of RPAC, which is a workforce development partnership that builds strong, sustainable pathways into construction careers, especially for women and people of color. RPAC is a working group of construction industry professionals that is committed to creating a coordinated, regionwide pre-apprenticeship system. RPAC's recommendations around outreach, training, retention and policy are implemented by its members in their everyday work.

## Life-changing opportunities...

Dara is a successful carpenter apprentice. Prior to construction, Dara was working dead-end jobs. She found herself in the wrong crowd, and ended up in the Washington Corrections Center for Women. While there, Dara discovered Trades Related Apprenticeship Training (TRAC), a pre-apprenticeship program for incarcerated women. She excelled in the program. She graduated with high regards and transitioned from the justice system shortly after.

Dara's first job is working for Mortenson on the Arena at Seattle Center, which is a public-private partnership and Priority Hire project. She's working her way toward preferred entry status, earning nearly \$28 an hour, plus benefits. Dara is excited for her career and is grateful to have a job she truly loves.

## ...for many

At the peak of construction, the Arena at Seattle Center will likely have a thousand workers on site every day, and have well over one million hours worked upon completion. This offers a lot of opportunities for community members just like Dara, looking to build construction careers.

*Photo: Artwork by Annie Han and Daniel Mihalyo of Lead Pencil Studio on Denny Substation.*



# 1. Evaluating active and completed Priority Hire projects

The Priority Hire team regularly monitors active projects. We conduct jobsite monitoring, train and provide technical assistance to contractors and monitor compliance. Workforce performance varies over the course of a project, and is evaluated regularly. A poor rating at the end of a project could impact a prime contractor’s future bids on City projects.

## November 2013-December 2019

**Key:** Meeting or exceeding | **Not meeting or exceeding** | Would meet with good faith efforts (actual performance shown)

Active Projects	Prime Contractor	Amount Awarded in Millions	Completion in Months <sup>1</sup>	Total Hours	Economically Distressed ZIP Codes	Women	People of Color	Apprentice Utilization	Preferred Entry
Waterfront Seattle Alaskan Way – Elliott Way	Gary Merlino	\$187.4	5/46	17,084	App - 8% Jour - 15%	App - 23% Jour - 9%	App - 49% Jour - 25%	22%	0%
Pier 62/63 Reconstruction	Pacific Pile & Marine	\$29.0	25/25	80,158	App - 10% Jour - 19%	App - 29% Jour - 5%	App - 70% Jour - 25%	23%	3%
2019 Arterial Asphalt & Concrete Package 1	Ceccanti	\$22.2	5/17	25,927	App - 7% Jour - 13%	App - 30% Jour - 20%	App - 62% Jour - 20%	14%	0%
Seattle Municipal Tower Chiller Plant	Western Ventures	\$10.5	3/12	2,819	App - 0% Jour - 49%	App - 50% Jour - 0%	App - 98% Jour - 80%	4%	0%
2019 Arterial Asphalt & Concrete Package 2	Jansen	\$8.7	9/10	42,041	App - 12% Jour - 26%	App - 30% Jour - 5%	App - 41% Jour - 30%	20%	18%
Burke-Gilman Trail Missing Link – Phase 1	MidMountain	\$8.5	8/10	36,758	App - 13% Jour - 21%	App - 46% Jour - 5%	App - 68% Jour - 20%	16%	50%
Portage Bay Park	Orion Marine	\$6.4	16/21	18,930	App - 9% Jour - 16%	App - 35% Jour - 5%	App - 35% Jour - 24%	22%	100%
City Wide Pool Projects	Biwell	\$6.3	14/15	24,342	App - 10% Jour - 24%	App - 26% Jour - 1%	App - 43% Jour - 26%	22%	33%
Brighton Playfield	Ohno-Touchdown Joint Venture	\$6.2	6/7	17,591	App - 4% Jour - 17%	App - 9% Jour - 1%	App - 30% Jour - 37%	17%	50%
Pump Station No. 22	Stellar J	\$5.0	4/13	5,298	App - 1% Jour - 28%	App - 46% Jour - 26%	App - 51% Jour - 7%	16%	0%
2019 Safe Routes to School	CA Carey	\$4.3	6/9	15,314	App - 8% Jour - 37%	App - 53% Jour - 9%	App - 28% Jour - 72%	18%	50%
Public-Private Partnership Projects									
Arena at Seattle Center	Mortenson	\$900.0	13/24	311,008	App - 5% Jour - 14%	App - 20% Jour - 4%	App - 41% Jour - 25%	14%	5%
Completed Projects	Prime Contractor	Amount Spent in Millions	Completion in Months	Total Hours	Economically Distressed ZIP Codes	Women	People of Color	Apprentice Utilization	Preferred Entry
Elliott Bay Seawall Project	Mortenson Manson Joint Venture	\$358.1	50	970,957	24%	12% App - 32%	26% App - 46%	16%	13%
Denny Substation	Walsh Construction	\$99.7	36	466,340	App - 6% Jour - 20%	App - 24% Jour - 5%	App - 44% Jour - 28%	15%	4%
Denny Network	Shimmick	\$62.1	37	347,673	App - 6% Jour - 23%	App - 16% Jour - 10%	App - 51% Jour - 20%	14%	7%

Completed Projects	Prime Contractor	Amount Spent in Millions	Completion in Months	Total Hours	Economically Distressed ZIP Codes	Women	People of Color	Apprentice Utilization	Preferred Entry
Fire Station 32	Balfour Beatty	\$13.1	20	74,732	App - 6% Jour - 11%	App - 2% Jour - 0%	App - 24% Jour - 19%	20%	1%
23 <sup>rd</sup> Avenue S <sup>2</sup>	Jansen	\$12.7	11	56,755	App - 11% Jour - 23%	App - 20% Jour - 6%	App - 38% App AA - 24% Jour - 25% Jour AA - 2%	21%	18%
Cedar Falls Administration Building	Pease & Sons	\$10.5	21	59,357	App - 11% Jour - 16%	App - 10% Jour - 6%	App - 40% Jour - 22%	23%	2%
Fire Station 22	Par-Tech	\$9.3	20	37,746	App - 12% Jour - 17%	App - 19% Jour - 1%	App - 51% Jour - 35%	21%	1%
2018 Arterial Asphalt & Concrete Package 2	Jansen	\$7.3	13	40,526	App - 10% Jour - 24%	App - 9% Jour - 7%	App - 57% Jour - 26%	17%	33%
Ship Canal – Ballard Early Works	Redside	\$7.0	11	15,986	App - 1% Jour - 9%	App - 7% Jour - 3%	App - 70% Jour - 26%	10%	0%
Beacon Reservoir	JW Fowler	\$6.9	10	32,239	App - 16% Jour - 22%	App - 23% Jour - 8%	App - 84% Jour - 49%	25%	7%
2018 Arterial Asphalt & Concrete Package 3	KC Equipment	\$6.3	10	58,817	App - 8% Jour - 18%	App - 36% Jour - 9%	App - 57% Jour - 35%	17%	29%
2017 Arterial Asphalt & Concrete 3 <sup>rd</sup> Avenue	Gary Merlino	\$6.1	7	26,241	App - 14% Jour - 19%	App - 27% Jour - 12%	App - 59% Jour - 28%	25%	13%
Blue Ridge Conduit 1	Olson Brothers Excavating	\$5.8	19	30,661	App - 11% Jour - 17%	App - 56% Jour - 12%	App - 53% Jour - 25%	22%	0%
Maple Leaf & Myrtle Reservoir	JW Fowler	\$5.3	9	17,611	App - 15% Jour - 16%	App - 35% Jour - 1%	App - 63% Jour - 28%	13%	0%
3 <sup>rd</sup> Avenue West Water Main	Stellar J	\$5.2	11	18,919	App - 12% Jour - 14%	App - 14% Jour - 5%	App - 94% Jour - 11%	21%	0%
Blue Ridge Conduit 2	KC Equipment	\$4.4	17	27,146	App - 8% Jour - 43%	App - 0% Jour - 9%	App - 99% Jour - 43%	15%	20%
2017 Arterial Asphalt & Concrete 4 <sup>th</sup> Avenue S	Titan Earthwork	\$4.2	4	13,669	App - 2% Jour - 15%	App - 20% Jour - 9%	App - 21% Jour - 15%	12%	7%
Waterfront Seattle 13.8kV Network Relocation	MidMountain	\$4.2	8	14,487	App - 5% Jour - 15%	App - 57% Jour - 7%	App - 52% Jour - 26%	17%	50%
Public-Private Partnership Projects									
Seattle Asian Art Museum	BNBuilders	\$49.0	17	181,082	App - 7% Jour - 14%	App - 2% Jour - 2%	App - 6% Jour - 20%	19%	1%
<b>Total<sup>3</sup></b>		<b>\$1,871.5</b>		<b>2,596,123</b>	<b>App - 8% Jour - 19%</b>	<b>App - 25% Jour - 7%</b>	<b>App - 50% Jour - 26%</b>	<b>17%</b>	<b>7%</b>

<sup>1</sup>For active projects, the first number under completion in months reflects the number of months worked through 2019, followed by the estimated total months the project will be under construction.

<sup>2</sup>23<sup>rd</sup> Avenue S had additional goals for African American apprentice and journey hours.

<sup>3</sup>Public-private partnership projects are excluded from the total.

Source: City of Seattle, 2020.

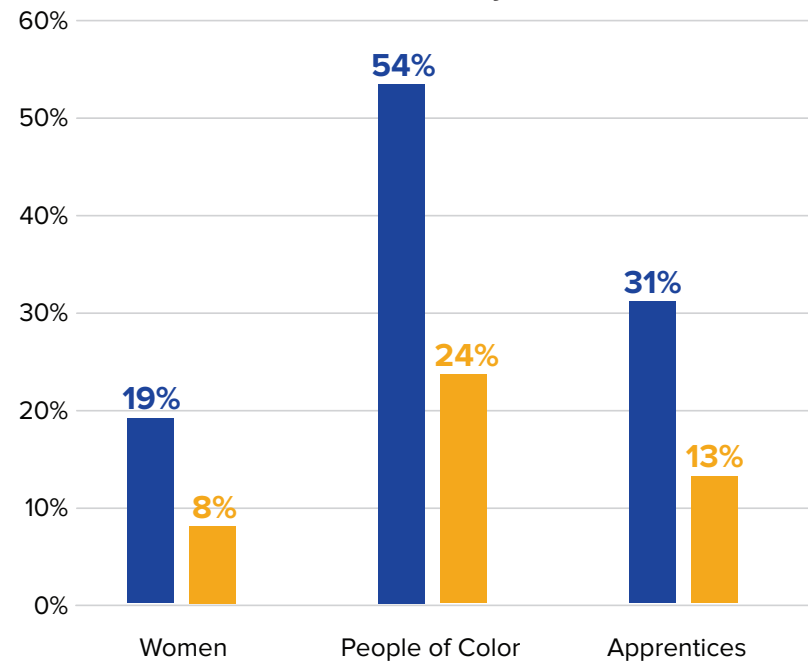


## 2. Serving diverse communities

The chart below shows that on Priority Hire projects, the population of workers who live in economically distressed ZIP codes are more diverse than in other ZIP codes.

### How does worker diversity (by percent of hours) in economically distressed ZIP codes compare to other ZIP codes on Priority Hire projects?

January 2019-December 2019



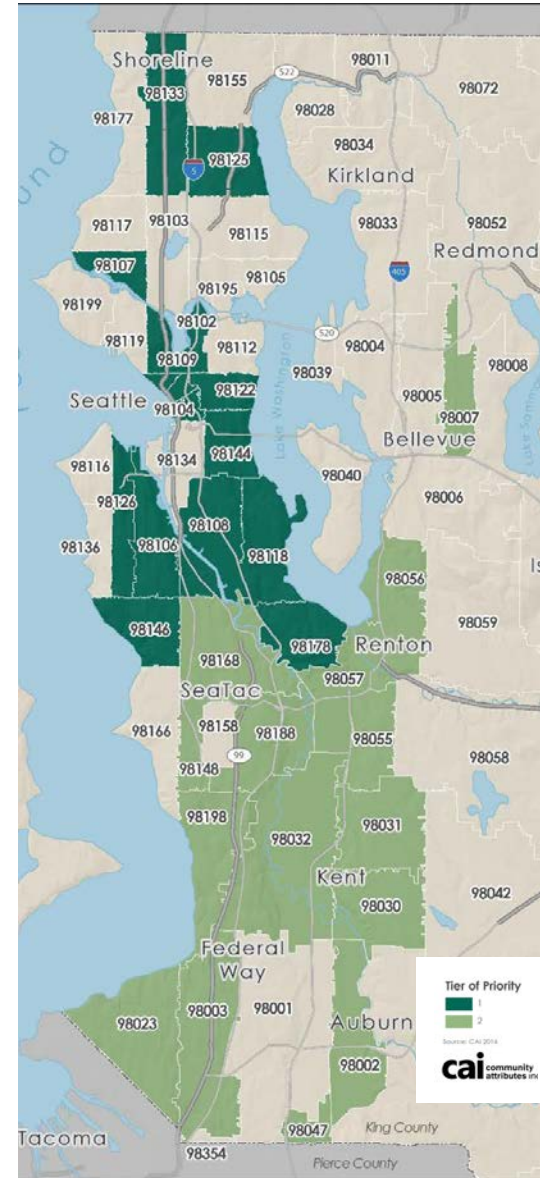
2019 ECONOMICALLY DISTRESSED ZIP CODES    2019 NON-ECONOMICALLY DISTRESSED ZIP CODES

Source: City of Seattle, 2020.

### What's the criteria for an economically distressed ZIP code?

- People living under 200% of the federal poverty line.
- Unemployment rate.
- Those over 25 without a college degree.

## Economically distressed ZIP codes in Seattle and King County



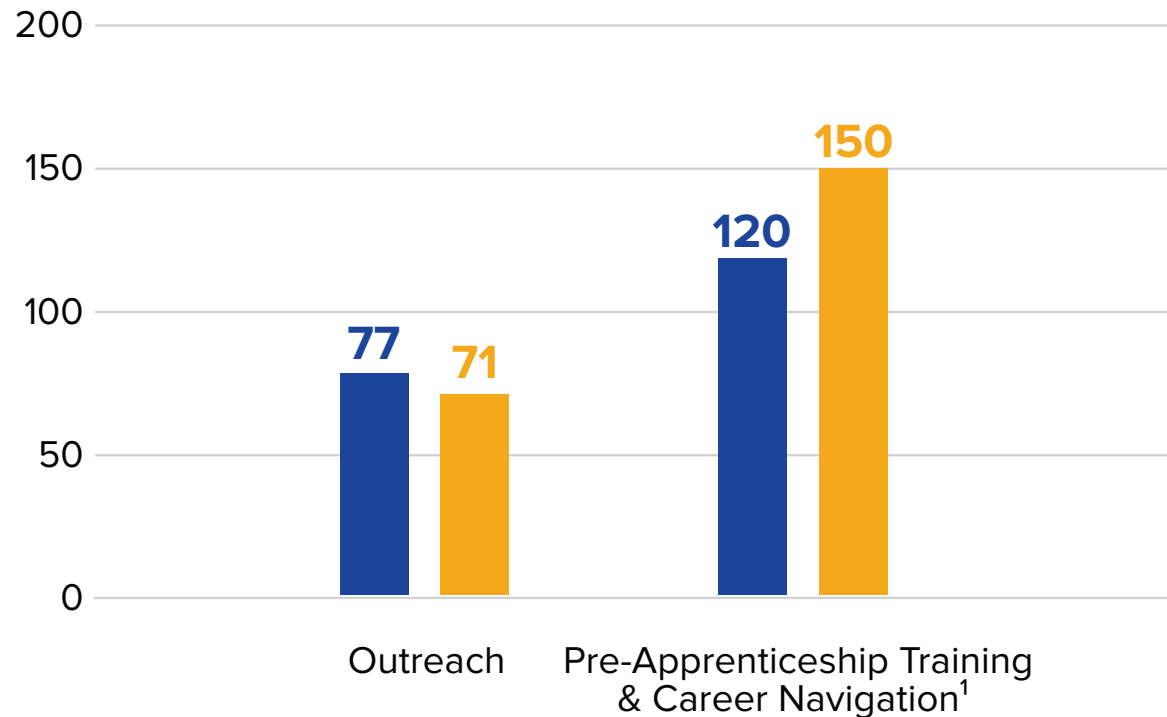
Tier	Neighborhood	ZIP Code
Tier 1	Downtown	98101
Tier 1	Capitol Hill/Eastlake	98102
Tier 1	Downtown/ID	98104
Tier 1	Delridge	98106
Tier 1	Ballard	98107
Tier 1	S. Beacon Hill/South Park	98108
Tier 1	Interbay/Queen Anne	98109
Tier 1	Rainier Valley/Rainier Beach	98118
Tier 1	Belltown	98121
Tier 1	Central District	98122
Tier 1	Lake City/Northgate	98125
Tier 1	Delridge/High Point	98126
Tier 1	Bitter Lake/NW Seattle	98133
Tier 1	N. Beacon Hill	98144
Tier 1	White Center	98146
Tier 1	Rainier Beach/Skyway	98178
Tier 2	King County Neighborhood	ZIP Code
Tier 2	Kent/Auburn	98002
Tier 2	Federal Way	98003
Tier 2	Bellevue	98007
Tier 2	Federal Way	98023
Tier 2	East Kent	98030
Tier 2	Northeast Kent	98031
Tier 2	West Kent	98032
Tier 2	Pacific	98047
Tier 2	South Renton	98055
Tier 2	Northeast Renton	98056
Tier 2	Central Renton	98057
Tier 2	Burien	98148
Tier 2	Boulevard Park/Tukwila	98168
Tier 2	SeaTac/Tukwila	98188
Tier 2	Des Moines	98198

Source: Community Attributes Inc., Priority ZIP Codes, 2016. Updated January 2017

### 3. Investing in the worker pathway

In 2019, we invested more than \$900,000 in the construction worker pathway. These investments helped people learn about construction, receive training and get career navigation and barrier removal help.

#### How many people were placed into construction in 2019?



PLACEMENT GOAL

PLACEMENT PERFORMANCE<sup>2</sup>

<sup>1</sup>Career navigation services are provided to pre-apprentices, those living in economically distressed ZIP codes, women and people of color; they do not train individuals. It includes placement services to those who are prepared for construction employment (i.e., do not need pre-apprenticeship training).

<sup>2</sup>Individuals who enter construction apprenticeship and/or construction employment are considered placed.

Source: City of Seattle, 2020.

#### What organizations did the City contract with in 2019?

Construction Outreach
Casa Latina
Rainier Beach Action Coalition (RBAC)
Urban League of Metropolitan Seattle (ULMS)
Pre-Apprenticeship Training and Career Navigation
Apprenticeship and Non-Traditional Employment for Women (ANEW)
Ironworkers Pre-Apprenticeship
Seattle Central College's Pre-Apprenticeship Construction Training (PACT)
Retention and Support Services
ANEW
PACT
ULMS
Driver's Relicensing
Legacy of Equality, Leadership and Organizing (LELO)

#### What are the demographics of those placed into construction through outreach efforts?

	Placements	Economically Distressed ZIP Codes	Women	People of Color
2016-2018	176	82%	15%	88%
2019	71	79%	11%	89%
<b>Total</b>	<b>247</b>	<b>81%</b>	<b>14%</b>	<b>88%</b>

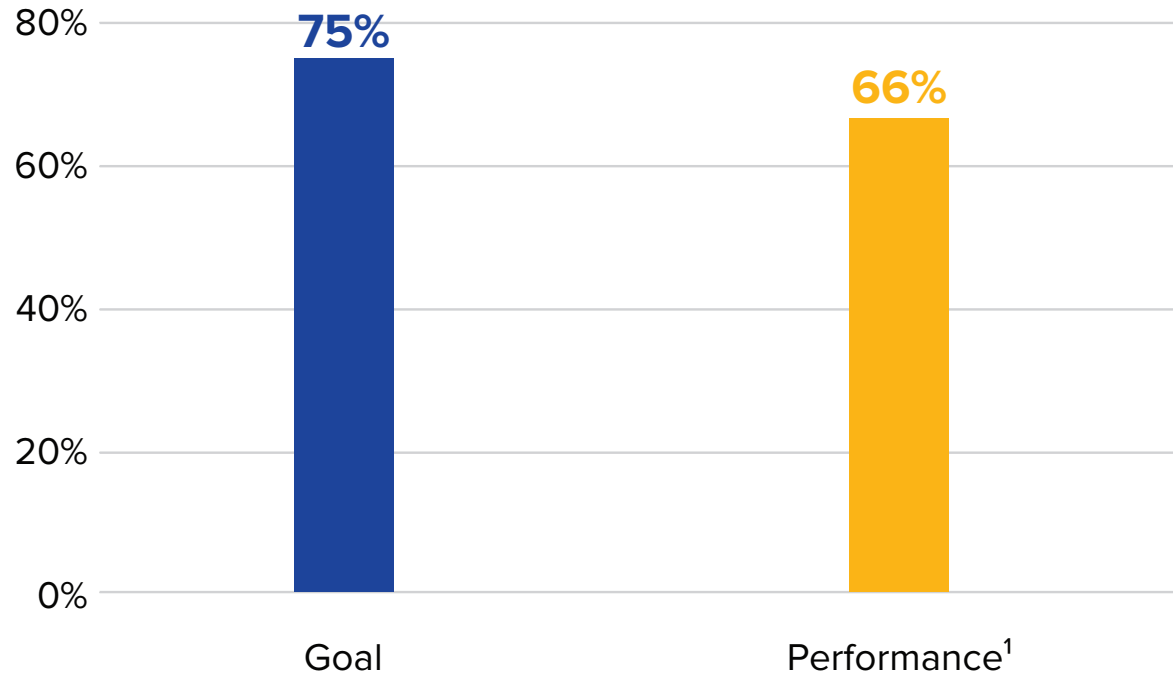
Source: City of Seattle, 2020

#### What are the demographics of those placed into construction through pre-apprenticeship training and career navigation?

	Placements	Economically Distressed ZIP Codes	Women	People of Color
2016-2018	416	68%	36%	62%
2019	150	59%	31%	69%
<b>Total</b>	<b>566</b>	<b>66%</b>	<b>35%</b>	<b>64%</b>

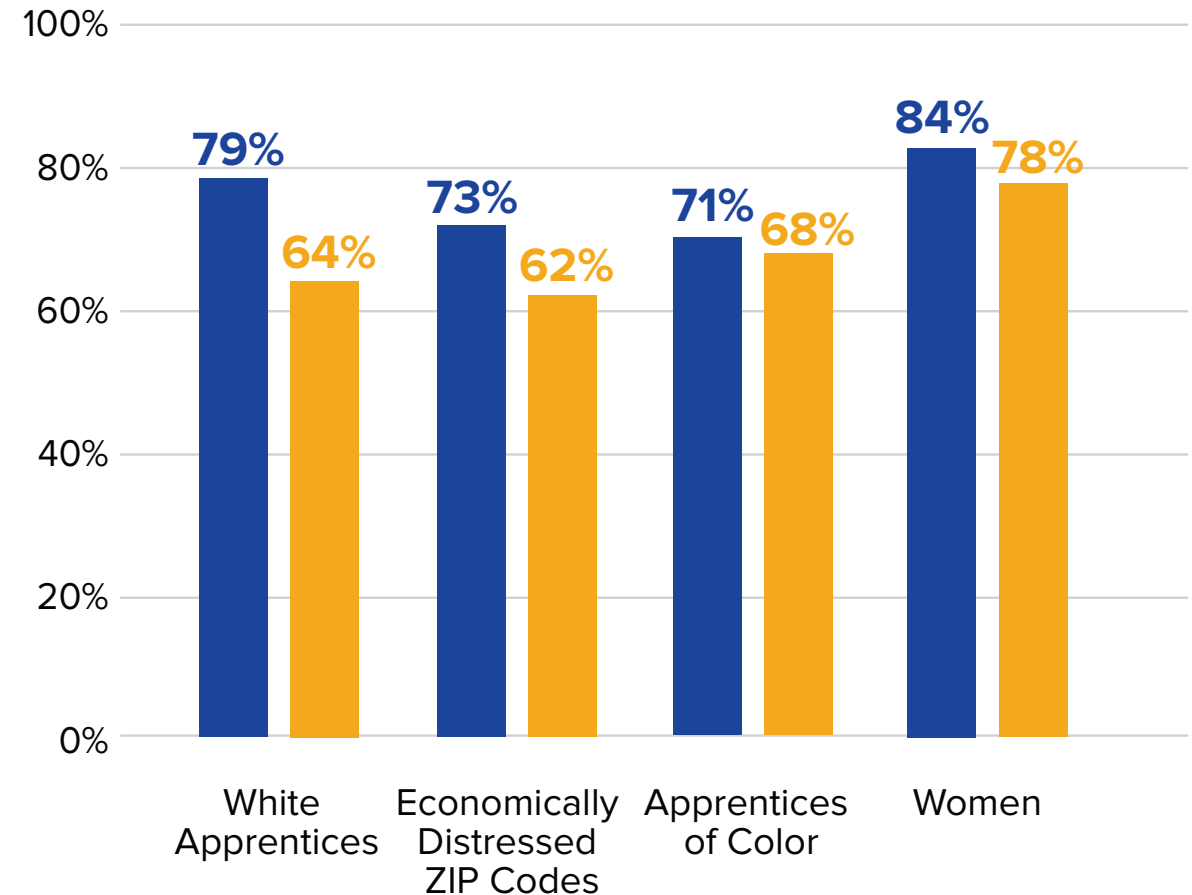
Source: City of Seattle, 2020

### What was the rate that people placed through Priority Hire investments stayed in construction after one year?



<sup>1</sup>Based on 203 individuals placed in 2018. Source: City of Seattle, 2020.

### How do the Priority Hire provider retained placements compare to tri-county construction apprentices at one year?<sup>1</sup>



## TRI-COUNTY CONSTRUCTION APPRENTICES<sup>2</sup> PRIORITY HIRE PROVIDER – RETAINED PLACEMENTS<sup>3</sup>

<sup>1</sup>Percentages are based on those in the demographic. For example, of women who started construction apprenticeship in the tri-county region in 2018, 83% were still active after one year (excluding suspensions and transfers).

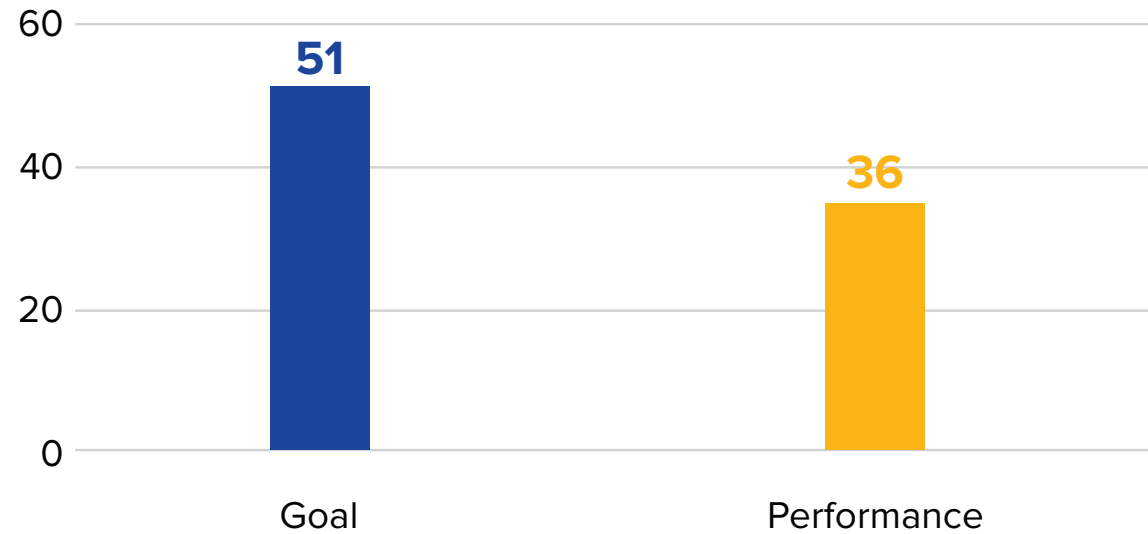
<sup>2</sup>Tri-county construction apprentices reflect retention of 2,542 individuals who live in King, Pierce or Snohomish counties, are in a construction apprenticeship that serves at least one of those counties and began their apprenticeship in 2018.

<sup>3</sup>Priority Hire provider data reflect apprenticeship and construction employment placements after one year. Source: City of Seattle, 2020.



### How many driver's licenses did assisted through Priority Hire obtain/regain?

January 2019-December 2019



Source: City of Seattle, 2020.

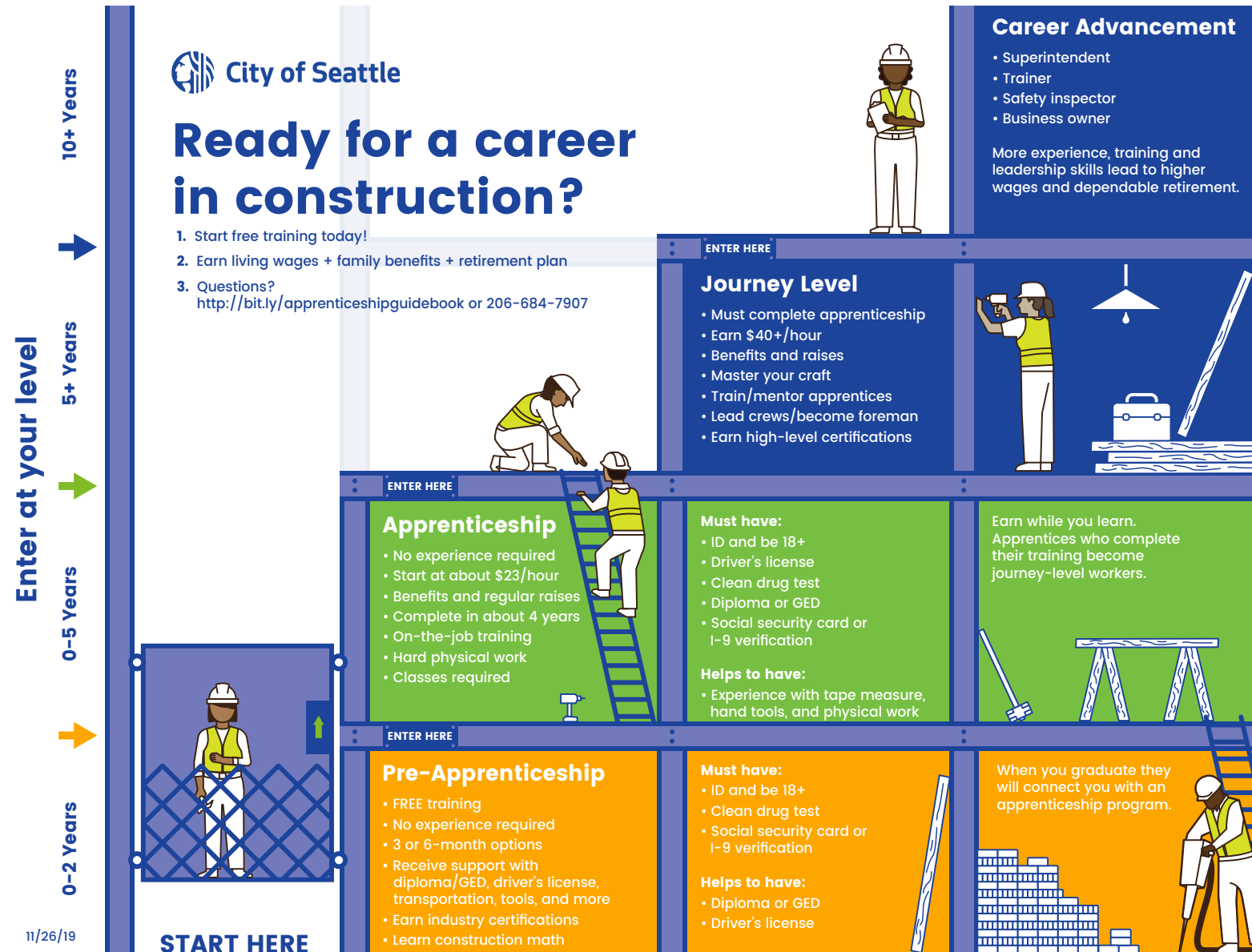
### What are the demographics of those who obtained/regained their driver's licenses?

	Licenses Obtained/Regained	Economically Distressed ZIP Codes	Women	People of Color
2016-2018	131	75%	12%	82%
2019	36	58%	8%	64%
<b>Total</b>	<b>167</b>	<b>71%</b>	<b>11%</b>	<b>78%</b>

Source: City of Seattle, 2020

# 4. Navigating the worker pathway

We aim to help people navigate the construction worker pathway — whether they’re at the pre-apprenticeship, apprenticeship or journey worker level. See how the pathway works below.



## 5. Working with the Priority Hire Advisory Committee (PHAC)

PHAC worked through a common good framework through much of 2019. Toward the end of the year, they identified recommendations 3 through 6 below as important to capture, though noted they needed more information on existing practices and discussion on Priority Hire impact. In 2020, we will continue discussion on these topics to better understand PHAC goals and potential outcomes.

PHAC Recommendations (2019 Annual Report)	City of Seattle Priority Hire 2020 Plans
1. Recommend the City allow contractors to receive credit for good faith efforts when Priority Hire workers are not available.	1. Add language to the City’s construction contracts stating that the following will be considered as good faith efforts toward workforce hiring requirements: <ul style="list-style-type: none"> <li>a. Written documentation showing that the contractor requested a Priority Hire worker and/or preferred entry candidate, AND written documentation that their request was not filled with a Priority Hire worker and/or preferred entry candidate.</li> <li>b. Good faith letters from the applicable union halls acknowledging that the contractor requested a Priority Hire worker and/or preferred entry apprentice, but the requested workers were unavailable at that time.</li> <li>c. Documentation showing that a worker resided in an economically distressed ZIP code at the date of dispatch, but later moved to a non-economically distressed ZIP code.</li> </ul>
2. Approaches for Acceptable Work Site training pilot.	2. Continue to contract with ANEW to develop and provide Acceptable Work Site training to City pilot construction sites.
3. Address language translation needs of the city’s diversifying workforce.	3. Work with the Seattle Public Library and King County Library, who centralize English language learning information for the region, to include resources in the <a href="#">2020 Apprenticeship Guidebook</a> .
4. Explore ways to address and reduce persistent drug use and addiction in the construction industry.	4. Continue to work with PHAC in 2020 to better understand their goals and outcomes.
5. City provide outreach funds to formerly incarcerated populations.	5. Continue contracting with community organizations, such as Urban League of Metropolitan Seattle (ULMS), ANEW, PACT and LELO, to recruit and provide financial support services and barrier removal to individuals transitioning from the justice system to construction careers.
6. Recommend the City support national efforts to reduce driver’s license suspensions as a workforce barrier for low-income populations.	6. Approach relicensing through three strategies: <ul style="list-style-type: none"> <li>a. Continue contracting with LELO and ULMS to provide driver’s relicensing services to pre-apprentices and those being recruited by organizations under contract with the City.</li> <li>b. Consider funding a community of learning around driver’s relicensing for organizations working to fill the construction pathway throughout the region.</li> <li>c. Continue partnering with the City Attorney’s Office and LELO to provide a community alternative to Driving While License Suspended 3 (DWLS 3) criminal charges. This alternative approach will prevent criminal charging, provide individuals with relicensing support and create a pathway to pre-apprenticeship for those interested in construction.</li> </ul>