



**Seattle**  
Finance &  
Administrative Services

# 2020 Priority Hire Annual Report

PURCHASING AND CONTRACTING

May 2021



*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: Anita is a journey carpenter working for BNBuilders on 2<sup>nd</sup> and Mercer Supportive Housing project. Learn more about Anita on page 9.*



# Seattle Finance & Administrative Services

Dear Mayor Durkan, Seattle City Council and Seattle community,

I am pleased to submit the 2020 Priority Hire Annual Report.

Seattle is a vibrant city with opportunities for economic growth, though not all communities have had the same access to living-wage careers. The COVID-19 pandemic and racial reckoning of 2020 put further spotlight on the inequities faced by communities of color.

Our economy should work for everyone in this city. Each of our residents has the ability to shape this city's future, especially as we look to a post-pandemic recovery that focuses on strategies to further racial equity.

Priority Hire preserves jobs for our residents, particularly those who have been underserved and underrepresented — residents of economically distressed ZIP codes, people of color and women. It provides a path for these communities access well-paying construction jobs and to secure our shared future with a well-trained workforce, well-built public infrastructure and a stronger local economy.

I want to thank our partners in community, construction trades unions, contractors and training providers along with Mayor Durkan, City departments that oversee City construction projects, Oak View Group, Plymouth Housing Group, the Aquarium Society and others for their continued support of Priority Hire. Together, we can look toward a more equitable future for our city.

We've made significant progress with Priority Hire, but there is still much to be done to create opportunities for workers and ensure all residents can benefit from the growth and change taking place in Seattle. We look forward to our continued partnerships.

Sincerely,

Calvin W. Goings  
Department Director

# 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.

## 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, like much of the nation, is confronting challenges with economic and racial equity. These challenges have been compounded and made more transparent by the COVID-19 pandemic and racial reckoning in the country. As we look forward, government plays a key role in advancing equity and addressing systemic racism during our country’s recovery.

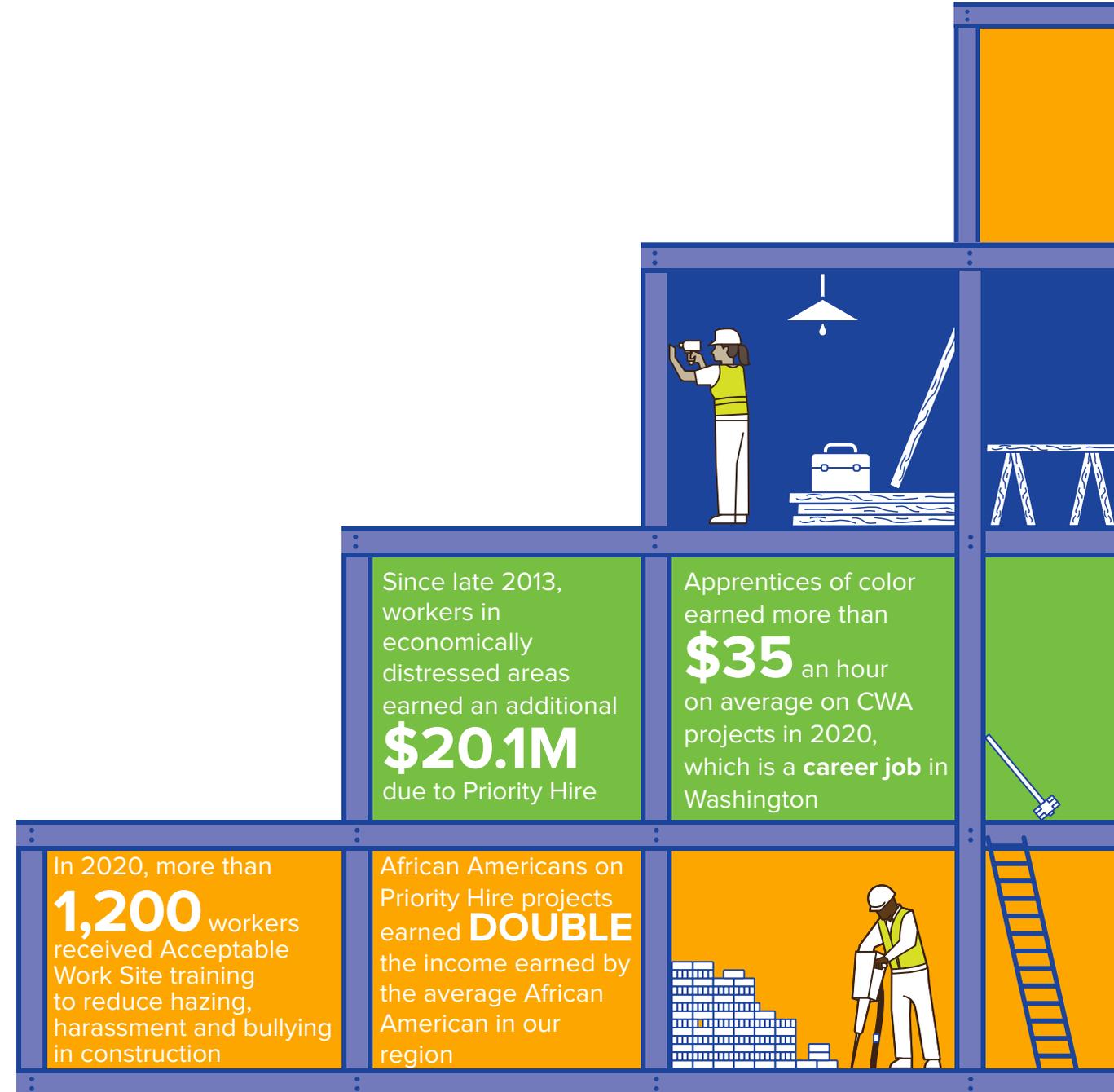
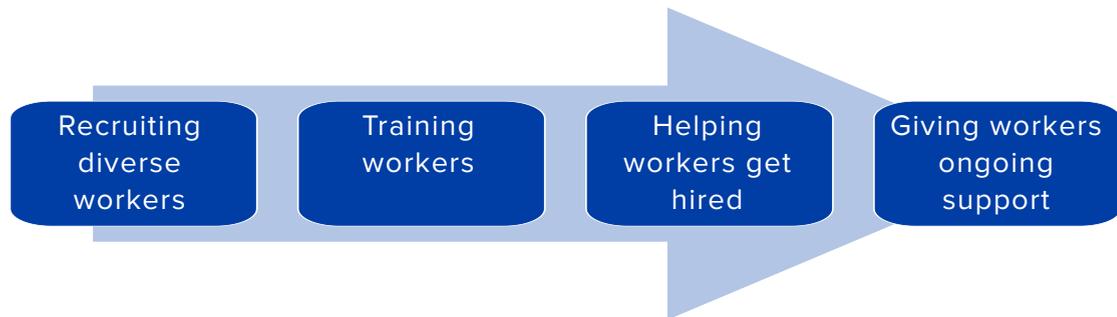
The City of Seattle’s Priority Hire program is a key strategy in the push for racial equity, inclusion and good jobs. **Priority Hire puts people living in economically distressed communities to work on the City’s construction projects and beyond.**

Construction in Seattle offers quality careers, which include living wages, benefits, [career advancement](#) and workplace safety. Despite the economic impacts from the pandemic, there’s still a reliable demand for workers.

These factors make construction a key industry to focus on during our nation’s recovery. Priority Hire is a tool to make sure that recovery addresses systemic barriers and is equitable for workers of color, women and residents of economically distressed communities.

Priority Hire has successfully increased equity outcomes, dating back to the start of its pilot project in late 2013. Since then, construction workers living in economically distressed communities, most of whom are people of color, women and those just starting their career, have earned \$45.4 million in wages. We estimate this is **\$20.1 million more** than they would have earned without Priority Hire.

Priority Hire works by:



Sources: American Community Survey, 2018; National Equity Atlas, Advancing Workforce Equity in Seattle, 2021; City of Seattle, 2021.

Priority Hire helps people from underserved communities get in construction apprenticeship – and stay in. Through a community workforce agreement (CWA), Priority Hire supports hiring and retention 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.

One example of a worker is Emelia, whose second dispatch as an ironworker apprentice was to Danny’s Construction on the Climate Pledge Arena, a public-private partnership project with Priority Hire requirements. Emelia worked on the Arena for about a year, earning over \$62,000, plus benefits. Originally from American Samoa, Emelia had never imagined working in construction, especially as an ironworker. But she applied and completed the Ironworker’s Boot Camp at Local 86, which was tougher than anything she’d done in her life. And she loved it! Emelia excelled in the training and was accepted into the apprenticeship.

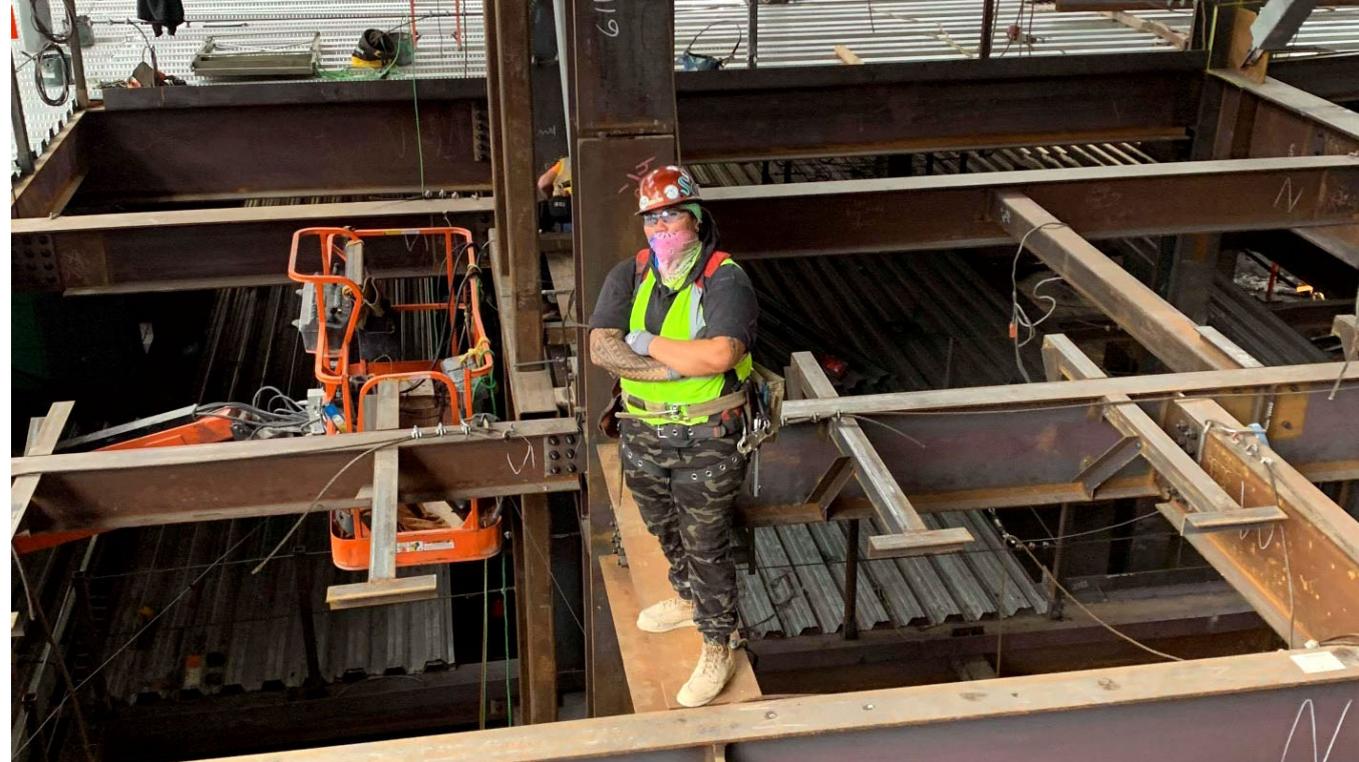
*I’m gaining confidence every day. I love my career choice. Busting rebar on my first job was brutal — mentally and physically challenging. It was go, go, go all day, every day. Once I got through that, and it didn’t break me, I knew this was the career for me.*

Emelia realizes how men look at women a certain way in construction — women in a “man’s world.” But she stays focused on her goals — you show up, you stick with it, and prove you can do it. One of Emelia’s favorite things about construction are the living wages; for the first time, she doesn’t have to worry about finances. In fact, she’s saving money!

#### LOOKING FORWARD: MOVING THE EQUITY NEEDLE

The City’s focus areas in 2021 include:

- **Continuing to expand Priority Hire efforts in the region.**
  - Partner with Seattle Public Schools (SPS) to implement and oversee their Student and Community Workforce Agreement, which in addition to Priority Hire, increases access to construction careers for past SPS students and household members of current SPS students.
  - Continue to administer Priority Hire on new public-private partnership projects, which include the Seattle Aquarium’s Ocean Pavilion expansion.



Emelia is an ironworker on the Climate Pledge Arena project. The Climate Pledge Arena is a public-private partnership project and the City’s largest Priority Hire project to date, offering lots of opportunities from workers underrepresented in the construction industry.

- Work with King County and the Port of Seattle to understand collective workforce demand and opportunities to collaborate as they implement their Priority Hire programs.
- **Increasing people of color, women and those living in economically distressed areas in the industry.**
  - 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.**
  - Continue to implement strategies with the City’s WMBE program that will best support WMBE contractors on big construction projects.

# Working toward economic equity

The economic impact of the COVID-19 pandemic has worsened existing disparities. According to [Advancing Workforce Equity: A Blueprint for Seattle](#), in 2018, racial gaps in wages and employment for working-age adults impacted the region’s economy more than \$33 billion. Putting a focus on Priority Hire will help reduce that impact while rebuilding our communities.

Priority Hire focuses on communities with residents who can most benefit from construction careers. Using the difference in the share of hours from before and after Priority Hire began, workers living in economically distressed communities have **worked about 110% more hours** since the program started — and this includes the huge increase in demand as we expanded into public-private partnership projects. This translates to an **additional \$20.1 million in wages**. These wages, plus the health and retirement benefits that come with them, can make a big difference for someone buying a home or providing for their family.

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



**35** public works projects  
**4** public-private projects  


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**39** total projects



**1,306,741,826** for public works covered  
**1,065,000,000** for public-private projects covered  


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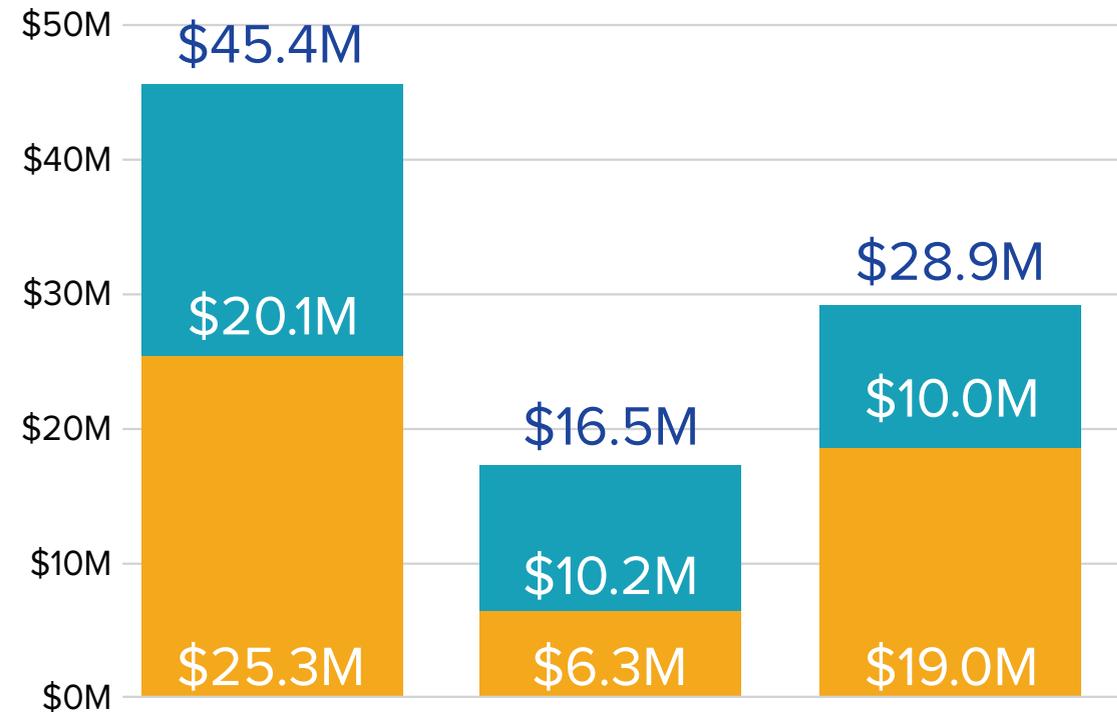
**2,371,741,826** total value covered by Priority Hire



**140% more hours** worked by those living in economically distressed communities in 2020 than in 2019

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

November 2013-December 2020



Seattle & King County EDZs

Seattle EDZs

King County EDZs

WAGES TYPICALLY EARNED BEFORE PRIORITY HIRE

ADDITIONAL WAGES EARNED DUE TO PRIORITY HIRE

Source: City of Seattle, 2021. Data reflects public works and public-private partnership projects. Amounts may not add up due to rounding.

# Undoing racism

In the midst of our country’s racial and civil rights reckoning, it’s our responsibility to examine our policies and leverage our program to undo institutional and systemic racism.

When we hone in on ways our investments in public infrastructure can address racism, two opportunities include closing the wage gap for workers of color and creating a more equitable recovery. Apprentices of color benefit from competitive wages. In 2020, they earned an average of \$35 an hour, plus benefits, on Priority Hire projects. This is considered a “career job” in Washington, and is almost double the wage that other entry-level jobs in Washington pay workers (Workforce Development Council of Seattle-King County, 2018).

Workers of color overall saw a gain in the share of project hours in 2020, and a huge increase in the number of hours — about 800% more since Priority Hire started in 2014. This results in more money going back to their communities. African Americans doubled their share of 2020 hours over past performance before Priority Hire. Construction provides living-wage careers, and hourly wages are often better than the average for King County.

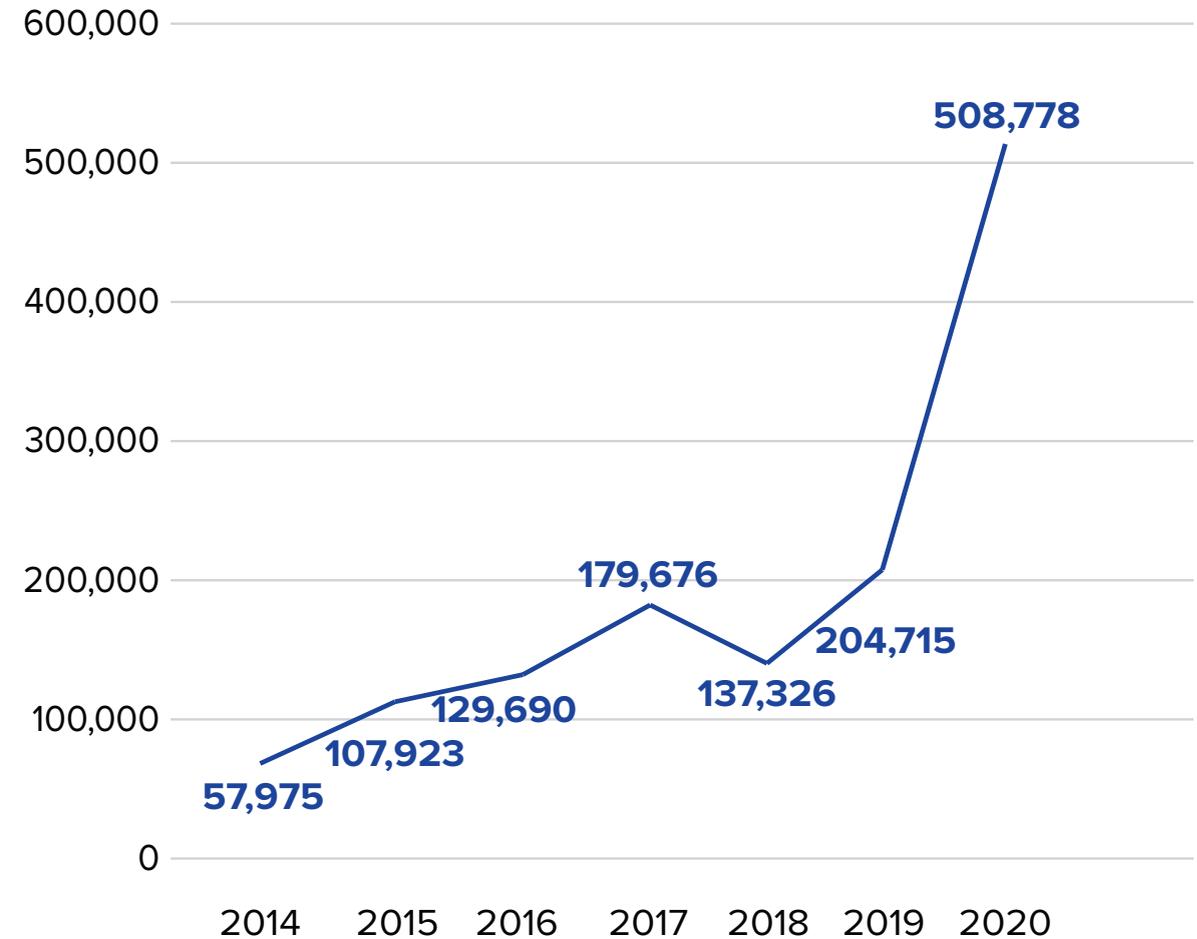
## Working on the Ship Canal Tunnel

Dwayne is a laborer apprentice who worked for Lane Construction on the Ship Canal Water Quality Project in Ballard. “Construction is always something I wanted to get into, but thought it would be a long, impossible process. I was under the impression you had to be related or know someone to get into it. Enrolling in pre-apprenticeship and joining Local 242’s apprenticeship was the best decision I could have made.” Dwayne credits the Priority Hire program for his opportunity to work on the project and is grateful to be making a good living.

*Photo and story courtesy of Laborers Local 242.*



## How has demand for workers of color increased?



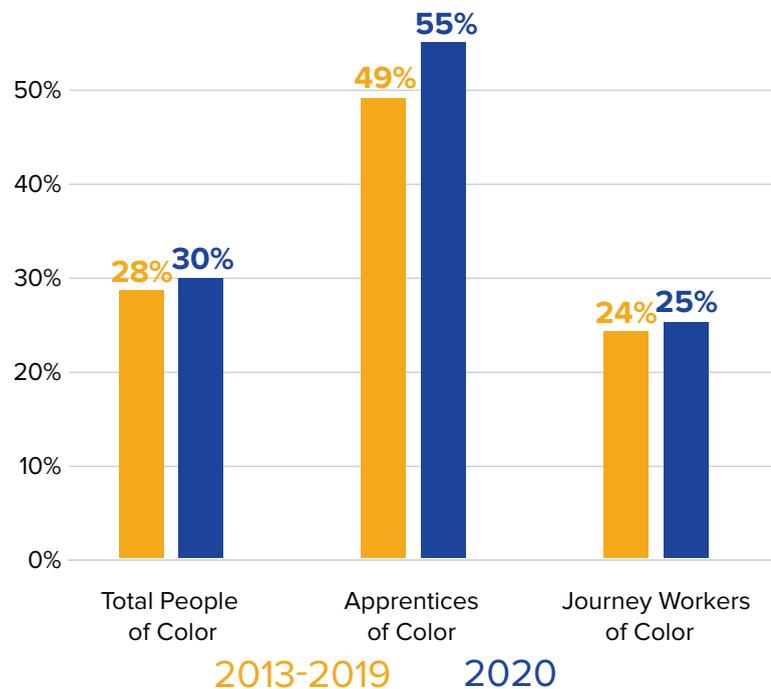
*Source: City of Seattle, 2021. Data reflects public works and public-private partnership projects.*

# Working toward racial equity

To ensure targeted populations continue to benefit from Priority Hire, especially as we look toward an equitable recovery in a post-pandemic environment, we will continue to:

- **Partner with community organizations** to increase awareness, training and access in priority communities. For example, the [City, Sound Transit and Port of Seattle jointly invested \\$1.75 million](#) in 2021 and 2022 to provide long-lasting construction careers for historically underserved communities, with room for upward growth. The investments aim to reduce existing racial disparities in construction and in the larger community through access to living-wage jobs, training and support for workers.
- **Provide training on and enforce [Acceptable Work Site](#) standards** to prevent workplace harassment, with the goal 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 did the share of hours worked by people of color on Priority Hire projects look in 2020 compared to prior years?



Source: City of Seattle, 2021. Data reflects public works projects only.

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

Race/Ethnicity	2020 Priority Hire Projects (1,715,090 hours)	Past Performance Before Priority Hire <sup>1</sup>
African American	8%	4%
Asian	3%	3%
Latinx	12%	16%
Native American	3%	3%
Other	3%	N/A
White	64%	75%
Not Specified	6%	N/A
<b>All People of Color<sup>2</sup></b>	<b>30%</b>	<b>25%</b>

<sup>1</sup>Past performance is based on hours from a sample of projects from 2009-2013. 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, 2021. Data includes public works and public-private partnership projects.

### Being an expert carpenter

Anita is a journey carpenter, having spent 25 years in the trade. In 2020, she worked for BNBuilders on the 2<sup>nd</sup> and Mercer Supportive Housing project. As a child, she was fascinated by the idea of building things — though at the time, construction wasn't a career her parents supported for their daughter. But as an adult, she revisited this dream and completed ANEW's pre-apprenticeship training. Her first couple of years as an apprentice were challenging, and at times made more difficult by coworkers who tried to run her off the job because she was a woman. She kept at it, driven by her love of the work and career opportunities. Anita credits a number of other women in the trades who mentored her through those early, difficult times. "It's a different world now. Many men are more accepting of women and realize we can do the work. I love it. It's a great career."



# Closing the wage gap

Priority Hire helps offset wage gaps among people of color and women in our community. These workers, who often live in [economically distressed communities](#), earn more working on Priority Hire construction projects than the regional average income for women and people of color.

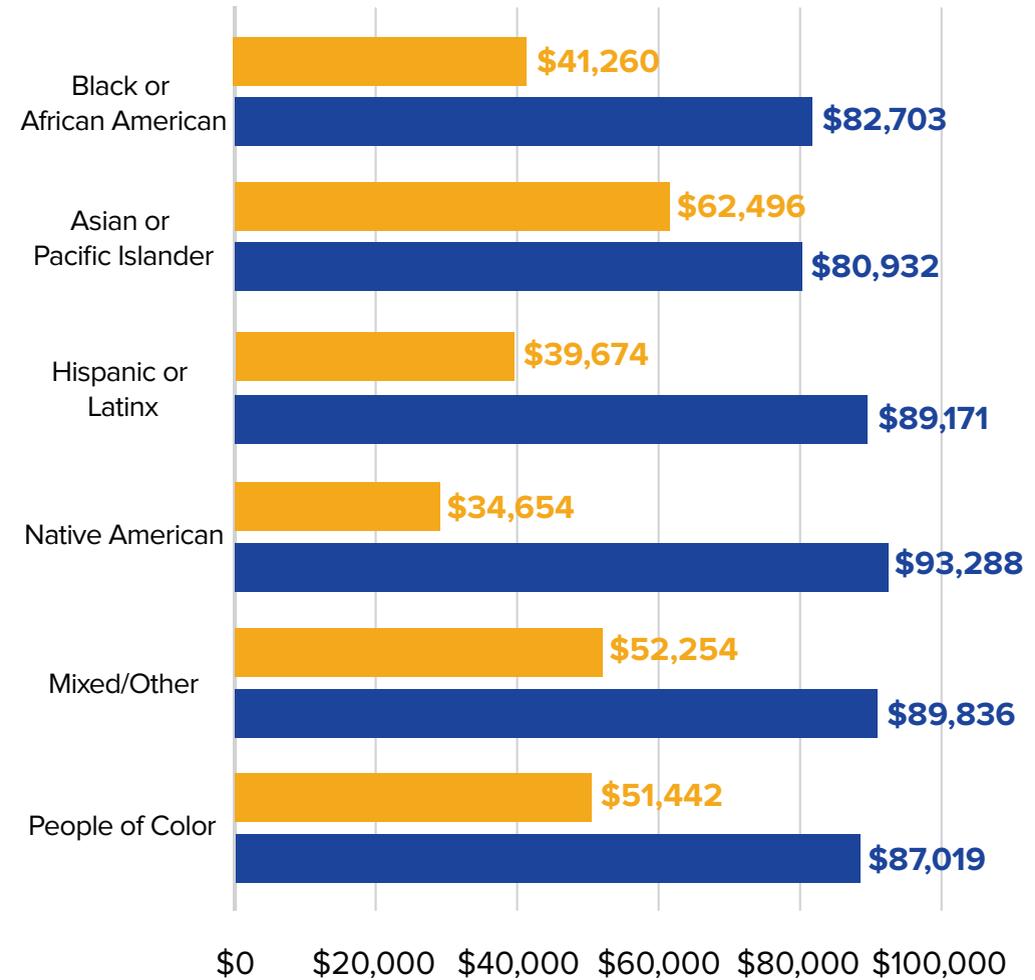
## A cement mason experience

Vianeth is a cement mason apprentice, working for Jansen Inc. on a Priority Hire in the Delridge neighborhood. Though she's new to construction, she's used to hard work, having spent a decade in the medical field. But her medical career wasn't what she expected — she wanted more. She heard about construction through a client, and was attracted to its physicality, better pay, benefits and room for career growth. That's why she applied to and completed the Cement Mason's pre-apprenticeship.

She passed with flying colors, and entered the apprenticeship program. Now she is learning the trade, earning great wages and getting benefits. Vianeth could not be happier with her decision to transition her career. She loves the work, building with her hands and admiring what she's completed at the end of each day. In her new career, Vianeth started at nearly \$27 an hour, with no previous experience. This wage is 50% higher than other entry-level positions in our region.



## How do construction wages impact communities of color?



### AVERAGE ANNUAL INCOME IN SEATTLE METROPOLITAN REGION (2018)

### ESTIMATED AVERAGE ANNUAL INCOME ON PRIORITY HIRE PROJECTS (2020)

Sources: National Equity Atlas, Advancing Workforce Equity in Seattle, 2021; City of Seattle, 2021. The estimated average annual income on all Priority Hire projects is based on 2020 wages divided by hours, multiplied by the 1,920 hours a construction worker is likely to perform in a year.

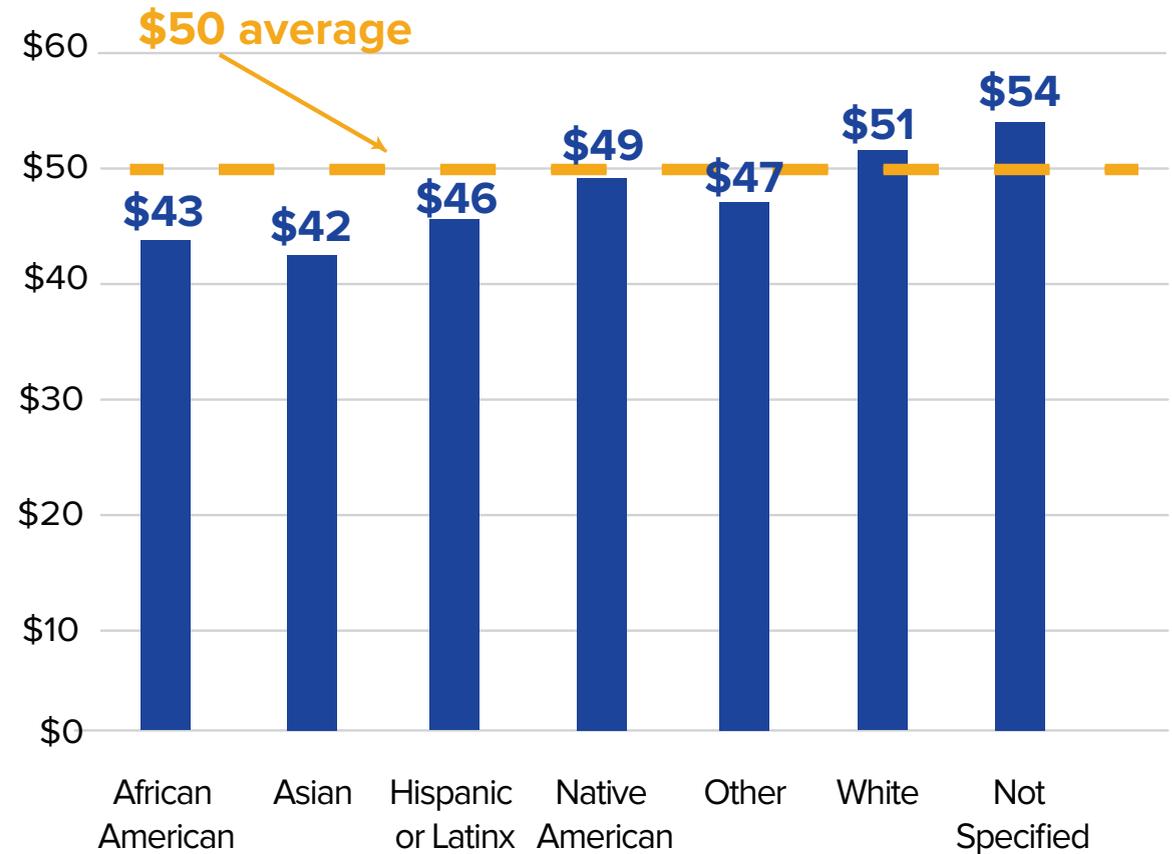
# Working toward wage equity

While quality construction careers create more economic opportunity, there are still disparities in the industry. Higher-paying trades are often less diverse and harder to enter. Priority Hire’s community investments aim to address systemic inequities and offset that disparity, and many trades partners are making efforts to address barriers apprentices may experience entering and staying in their programs, with the intention to diversify their membership over time. This work takes time, commitment, education and dedication.

Priority Hire works to increase access to higher-paying trades by:

- **Ensuring economically distressed communities, people of color and women are aware of and have access to various construction trades, including those with higher wages.** Trades with higher wages can have competitive application processes. Priority Hire invests in pre-apprenticeship training with community partners that prepare individuals to be qualified candidates for any trade they are interested in.
- **Reaching out to all communities of color.** Priority Hire invests in outreach efforts with community partners that have experience serving and relationship with our target populations. The community partners are adept at identifying and removing barriers to entry into construction. In addition, Priority Hire works with other public agency partners to publish the [Construction Apprenticeship Guidebook](#), which helps people learn about construction and navigate training opportunities.
- **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 wraparound 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.

## How do hourly wages on Priority Hire projects compare by race/ethnicity?



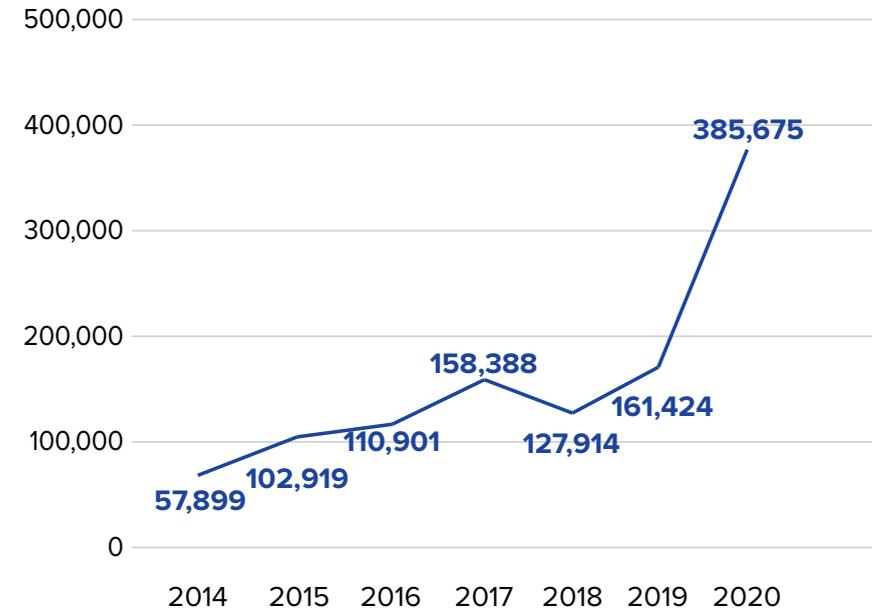
Source: City of Seattle, 2021. Hourly wage income on all Priority Hire projects is based on 2020 wages divided by hours. The Not Specified wage is higher due to contractor with higher-paying scopes of work, such as ironworkers and plumbers/pipefitters, putting Not Specified for all workers.

# Providing more opportunity

Priority Hire launched in late 2013, with the beginning of a pilot on the Elliott Bay Seawall. Priority Hire was the first program of its kind in the region, but its success led to rapid expansion with newer programs at King County, the Port of Seattle and Seattle Public Schools.

In addition to the City’s public works projects, the City negotiated the use of Priority Hire on a number of public-private partnership projects. This expansion has resulted in a significant spike in demand for workers living in economically distressed communities, people of color and women. For example, Priority Hire workers worked about 570% more hours in 2020 than 2014, which was the first year of Priority Hire. This was in large part due to the Climate Pledge Arena, which, at \$900 million, is far bigger than our typical Priority Hire project of around \$40 million. The Arena alone has provided significant opportunities for Priority Hire workers.

## How has demand increased for Priority Hire workers?



Source: City of Seattle, 2021. Data reflects public works and public-private partnerships.

### Building affordable housing as a carpenter apprentice

Jeff (pictured right) is a Native American carpenter apprentice for BNBuilders on 2<sup>nd</sup> and Mercer Supportive Housing, a public-private partnership project and pilot for using Priority Hire on supportive housing projects. Prior to being a carpenter, Jeff had a forklift job, but after getting married and having two daughters, he knew he needed better wages and benefits. He applied for the Carpenter’s pre-apprenticeship program.

During his pre-apprenticeship, BNBuilders participated in the class mock interview sessions. They loved Jeff’s commitment and passion, and offered him a job. This is now Jeff’s seventh project with BNBuilders. Jeff is making more money, which allows him to be diligent in paying down debt and saving money. These efforts paid off once the pandemic hit — his wife had to leave her job to care for their daughters, but they have been able to comfortably live on Jeff’s earnings.



# Meeting Priority Hire demand

While demand for Priority Hire workers has spiked, the availability of workers has increased more slowly for three key reasons:

- **It takes time to build [construction careers](#).** On average, construction apprenticeships take about four years to complete, so seeing changes in the makeup of the journey workforce will take time.
- **Construction apprenticeships cover a much larger area than Seattle — programs bring in workers to meet demand from a larger region.** Priority Hire’s [outreach and training investments](#) aim to ensure residents of our economically distressed communities are aware of and have access to construction apprenticeships. While outcomes have very real impacts on people’s lives, only 17% of new apprentices in our key trades partners live in economically distressed communities in 2020 (based on a 2021 City analysis of Washington Department of Labor and Industries apprenticeship data). Our key trades partners are the carpenters, cement masons, electricians, ironworkers, laborers, power equipment operators and truck drivers, as they perform about 80% of hours on Priority Hire projects. This supply needs to increase to meet our demand and further move the needle toward racial equity.
- **Construction is hard and some apprentices may not make it through their program.** We call this retention — and we are invested in making sure more workers are retained. In general, only about half of apprentices make it through their third year (Sound Transit Construction Hiring Analysis, Community Attributes, 2020).

Demand for Priority Hire workers will continue to increase in the coming years, as King County’s \$1.74 billion Harborview Medical Center expansion gets underway, SPS begins \$1.4 billion in school construction and the City, Port of Seattle and King County continue to implement Priority Hire on more projects. Priority Hire investments will help meet the demand, though Priority Hire project owners will need to increase partnerships with construction trades unions, contractors, community groups and training organizations to bolster efforts. The Priority Hire Advisory Committee (PHAC) will also review and discuss worker supply and demand in 2021.



*Jessica worked as an ironworker apprentice for Danny’s Construction and Farwest Steel on the Climate Pledge Arena for over a year, earning more than \$123,000, plus benefits. Jessica completed the TRAC pre-apprenticeship program, which provides basic construction and job-skill training for incarcerated women. Jessica’s work on the Arena helped her gain the experience needed to advance in her apprenticeship — she’s now close to becoming a journey worker! Photo courtesy of the TRAC pre-apprenticeship program.*

# Addressing challenges

Until we see more of a long-term impact from our efforts in the construction workforce, the increased demand for Priority Hire workers may affect contractors' ability to find and hire them on our projects. The pandemic has further impacted worker availability, by exacerbating existing challenges such as access to childcare and transportation. It has also resulted in fewer training opportunities as programs adjust to smaller and hybrid in-person/online classes to maintain social distancing. We have been working with contractors, training providers, labor and community partners to adjust to these changes

Worker availability impacted our projects in 2020. For the first time, we were off-track toward our Priority Hire Ordinance goal of workers living in economically distressed ZIP codes performing 40% of hours by 2025. When accounting for good faith efforts, where contractors attempt to hire a worker from an economically distressed ZIP code, 2020 performance was 31%.

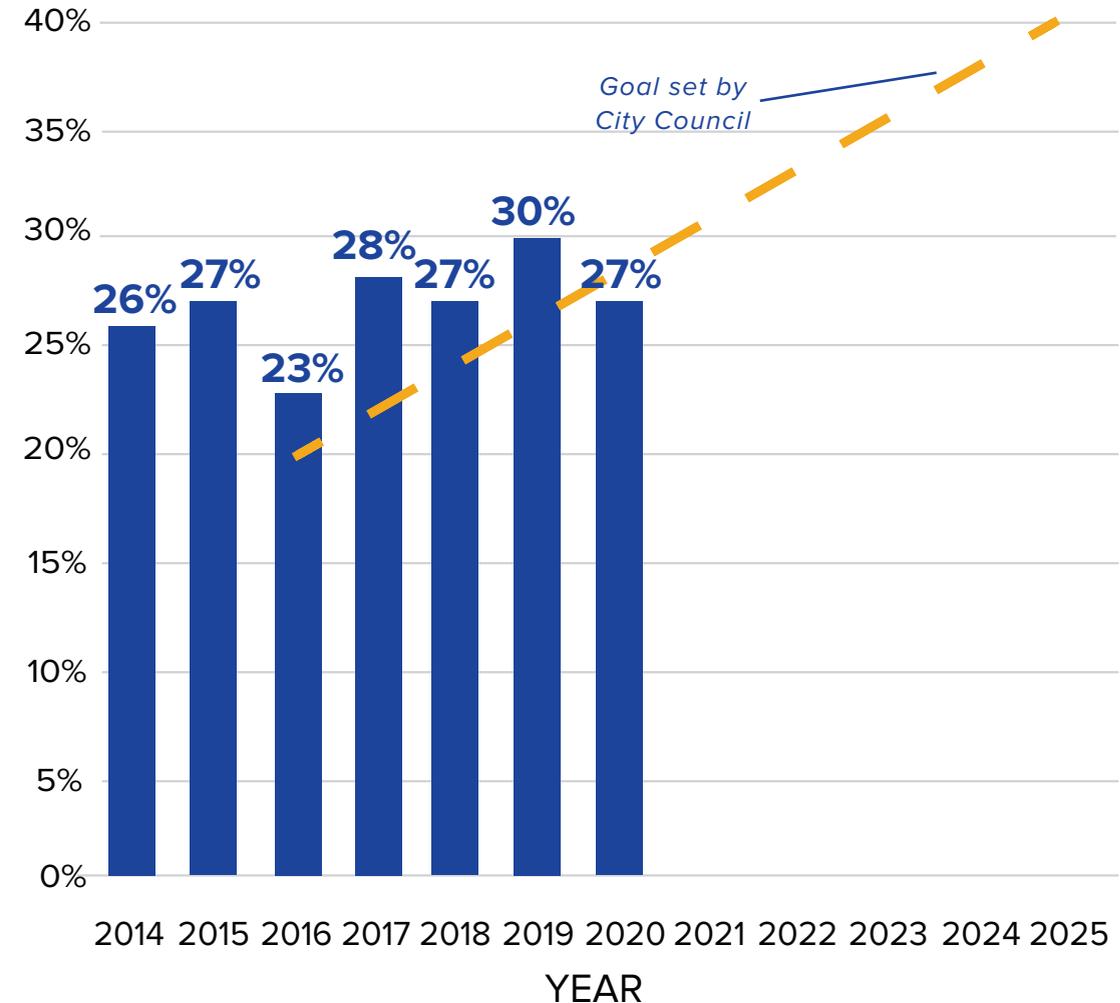
City investments are continuing to increase availability of Priority Hire workers. Despite the pandemic challenges and related shutdowns, community partners funded by the City placed over 100 people in construction training and employment. These individuals are now able to work on Priority Hire projects.

## How do we help contractors meet Priority Hire requirements?

We have upped support for our partners during the pandemic. We are:

- o Providing more technical assistance through regular meetings, additional reporting and increased education on the program.
- o Meeting with union representatives to better understand worker dispatch processes and partner on contractor education around CWA expectations.
- o Increasing community investments in the worker pathway to ensure an available pool of qualified Priority Hire workers.
- o Holding contractors accountable to workforce projections and performance.

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



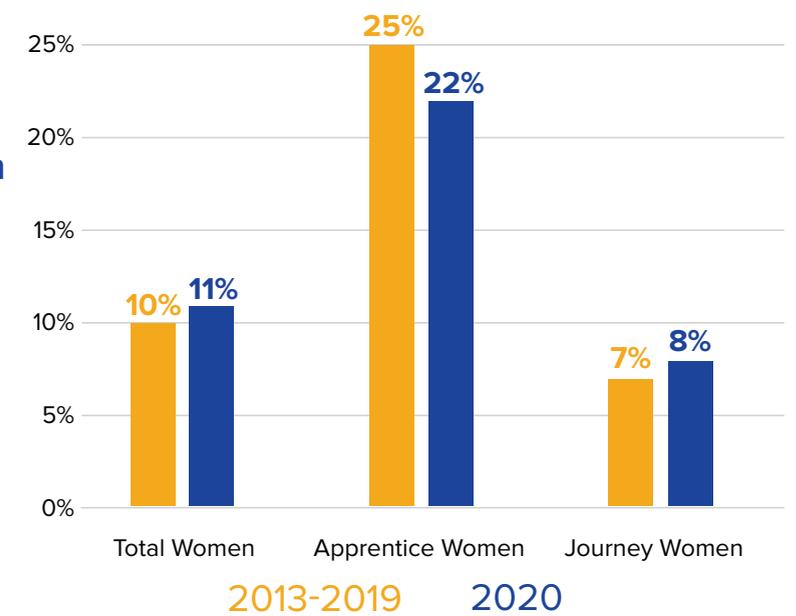
Source: City of Seattle, 2021. Data reflects public works projects only.

# Hiring women in construction

The pandemic has had a huge impact on [women across all sectors](#), causing many to leave their jobs to care for children who were suddenly out of school or daycare, or to provide care for other family members. This was already a challenge for parents working in construction, in which varying job locations and unusual hours could make it hard to find reliable childcare. We saw some of this impact with apprentice women on our projects in 2020, though journey women actually performed a higher share of hours than we'd seen in past years. We've also made targeted attempts to address these barriers through our community investments.

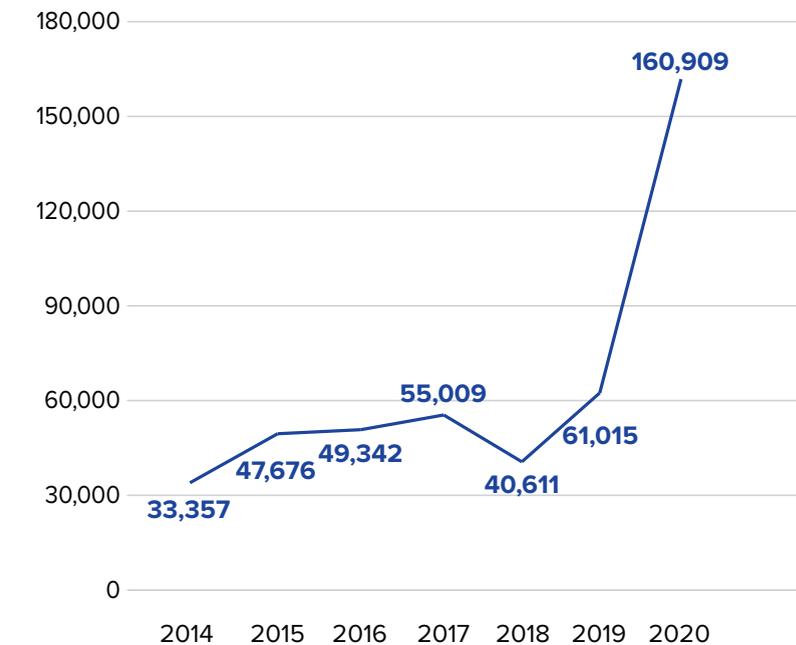
Even before the pandemic, women were underrepresented in the construction trades, typically making up a small portion of the workforce. Priority Hire's goals for women lead to more opportunities to work on projects. On average, they perform about 50% more hours than the average worker on Priority Hire projects. And in 2020, due to the demand on Priority Hire projects, women worked far more hours than in any prior year — nearly 400% more than when Priority Hire started in 2014. This is critical to ensure their ongoing success in construction, especially for the roughly 200 women who were placed into construction training and employment through Priority Hire community investments since 2016.

## How did the share of hours worked by women on Priority Hire projects look in 2020 compared to prior years?



Source: City of Seattle, 2021. Data reflects public works projects only.

## How has demand for women workers increased?



Source: City of Seattle, 2021. Data reflects public works and public-private partnership projects.

## 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 2020, apprentices worked 19% of all hours across public works Priority Hire projects, which is slightly higher than the 17% of hours they worked between 2013 and 2019.

Our pre-apprenticeship training investments go a long way toward changing lives. Sixty City-funded pre-apprentices who graduated between 2016 and 2020 earned over \$7.5 million while working as apprentices. Their hourly wage nearly doubled once they graduated pre-apprenticeship and entered apprenticeship — going from less than \$17 to \$32 an hour.

In addition to supporting career training, Priority Hire provides work opportunities for pre-apprenticeship graduates. Nearly half of the 60 City-funded pre-apprenticeship graduates worked on Priority Hire projects, and many reached preferred entry status. That means they worked at least 350 or 700 hours on a Priority Hire project, depending on its size, earning living wages and benefits.

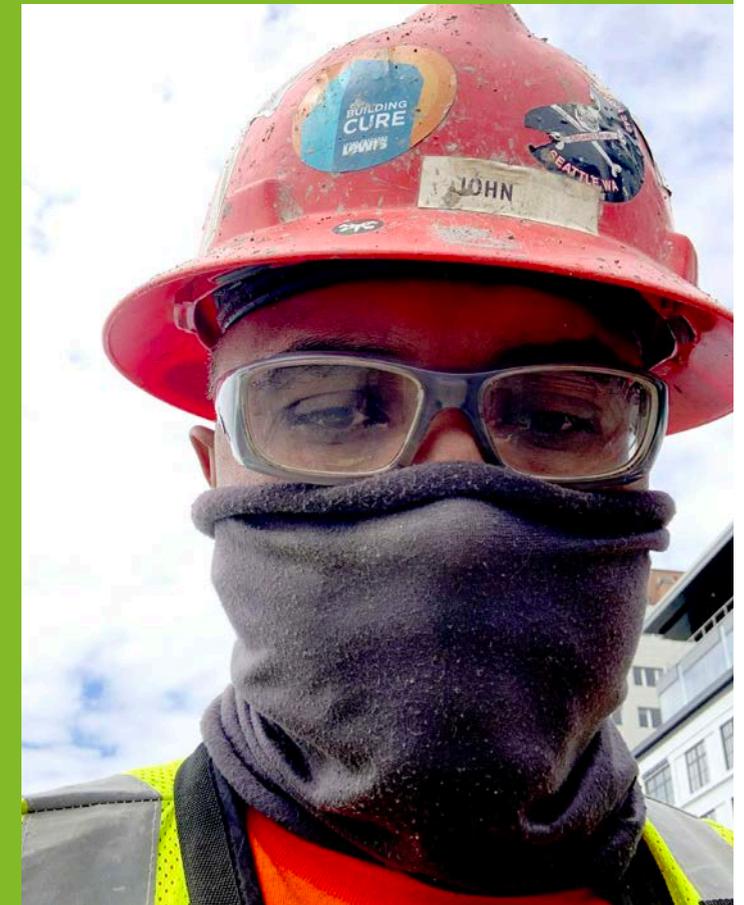
### From pre-apprentice to apprentice to journey worker

John is a journey laborer who graduated from the PACE pre-apprenticeship program. Prior to entering the construction industry, John spent time in a correctional facility. After his release, PACE provided the opportunity to train for a living-wage career, and Priority Hire provided the opportunity to work.

John started working for Gary Merlino Construction as an apprentice on a Priority Hire project in the summer of 2017, and has continued his career with them ever since. They love his drive, reliability and work ethic. John is now working on a pipe crew, honing his craft and developing leadership skills.

John loves everything about construction, particularly working with his hands and building the city he lives in. He now enjoys taking vacations, cruising in his new vintage car and saving money. His next goal is to buy a home. John's proud of his accomplishments and is loving his freedom, his job and his new life.

John shares his apprenticeship experience with many others. Requiring contractors to hire apprentices ensures that experienced journey workers are sharing their knowledge and a workforce for tomorrow's projects.



## Addressing systemic barriers

Priority Hire removes barriers for people to enter and succeed in construction. We invest in and partner with community organizations to recruit workers, using tools such as the [Apprenticeship Guidebook](#), provide training with tools and construction math, assist with getting driver's licenses and more.

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.

Priority Hire focuses on the entire [worker pathway](#), so once an individual starts their career, they'll feel supported throughout. Construction is challenging for lots of reasons, and many apprentices, particularly people of color and women 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.

### Pre-apprentice to business owner

Marquia changed her professional pathway from a dead-end job to a high-paying career. As a mother, she knew it would be important to find a career that would provide for her family. She enrolled in and completed ANEW's pre-apprenticeship program in 2013, and went to work on the City's first Priority Hire project.

She's now a journey operating engineer and business owner of GN Squared Construction. Throughout her career, she's worked on several Priority Hire projects, both as a worker and a contractor. Marquia shares her story at construction career outreach events to encourage more women to start apprenticeship programs. She also mentors young apprentices and sits on ANEW's Board of Directors.



Photo courtesy of GN Squared Construction.

Since 2016, the City invested

# \$4 million

## in recruitment, training and support services

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

**274** Priority Hire individuals recruited and placed into construction by community organizations

**659** Trained pre-apprentices and Priority Hire clients placed in construction

**228** Priority Hire individuals who received targeted retention support still working at least one year after services began

**174** Individuals obtained or regained their driver's licenses

**1,200+** Workers who received Acceptable Work Site training to prevent bullying, hazing and harassment

# Making construction careers work

The City approaches retention – the length of time someone stays working in construction – through a multi-pronged approach designed to address system barriers, including:

- **Investments with community organizations to keep clients working.** Community organizations provide wraparound, culturally inclusive support specific to individual needs, such as helping with transportation or childcare needs. They regularly check in on clients, and work with contractors and apprenticeship coordinators to provide a collaborative response as barriers arise. These efforts paid off in 2020 – 77% of the 122 clients were still in construction after one year, compared to 70% of other construction apprentices in the tri-county region. See [Attachment 2](#) for more performance data.
- **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 2020, we trained over 1,200 people in construction, from workers building the projects to those in leadership and management positions. This training will continue to expand and help workers identify unacceptable behavior, and tools to address situations if and when they arise. For more information on Acceptable Work Site training, 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.** Prior to the pandemic, we regularly visited workers and supported workers on Priority Hire projects. During the pandemic, we transitioned to hybrid virtual check-ins and in-person interviews with safety protocols in place. These job site visits help us partner with contractors, construction labor unions, apprenticeship coordinators and community organizations to address barriers on and off the job site that affect a 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 receive training to give to all workers on the site



### Work site orientation

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



### Job box talks

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

# Ensuring project success

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 2020, and were slightly higher when compared to previous years.

The CWA influences and promotes a safe working environment while keeping the project on track with minimal to no impact from strikes and lockouts. There were 17 reportable injuries on public works Priority Hire projects in 2020. Five projects finished on time, and three 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 2021?

Project <sup>1</sup>	Engineer's Estimate <sup>2</sup>	Estimated Construction Start in 2021
430 Water Transmission Pipeline Improvements	\$10.0 million	Q4
Brace Point Lid Conduit Installation	\$6.1 million	Q2
Lake Forest Park Reservoir Floating Cover Replacement	\$6.0 million	Q2
Marion Street Pedestrian Bridge	\$6.5 million	Q3
Seattle Municipal Tower Elevator Rehab	\$22.1 million	Q2
Union Street Pedestrian Bridge	\$7 million	Q1
<b>Public-Private Partnership Projects</b>		
Climate Pledge Arena — Street Improvement Project	\$4 million	Q1
<b>Total</b>	<b>\$61.7 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, 2021.

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

	Priority Hire Projects (40 bids)	Non-Priority Hire Projects (414 bids)
2015-2019	3.6	3.4
2020	3.9	4.3
<b>2015-2020</b>	<b>3.6</b>	<b>3.5</b>

Data begins in 2015 to align with the Priority Hire Ordinance and CWA. Prior to 2015, only the Priority Hire pilot, a GCCM project, was under construction. Alternative delivery contracts, such as GCCM, were excluded. Data reflects public works projects only.

Source: City of Seattle, 2021.

# 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. The Priority Hire program works with [FAS's WMBE program](#) to ensure that WMBE contractors have opportunity and success on public works projects.

On Priority Hire projects, we offer dual reimbursements to open-shop contractors. 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 for workers on those projects. WMBE contractors have made about 75% of the dual reimbursement requests.

The City requires prime contractors bidding on public works projects over \$300,000 to develop a plan on how they'll include WMBE contractors and suppliers. This plan requires the contractor include an aspirational goal for the percentage of the contract amount that will go to WMBEs. Contractors can reference past performance on similar projects when setting this goal.

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

November 2013-December 2020

Dual Benefit Reimbursement Paid (9 projects)	Priority Hire Project Spend (35 projects)	Share of Project Payments	Number of Workers Affected
\$511,335	\$900,878,586	.06%	98

Source: City of Seattle, 2021. Data reflects public works projects only.

## What share of payments did WMBEs earn in 2020?

Project Type	Total Spent	Estimated Aspirational WMBE Goal for Projects with Payments in 2020 <sup>1</sup>	WMBE Utilization	MBE <sup>2</sup> Utilization	WBE <sup>2</sup> Utilization
Priority Hire Projects	\$201,911,970	9%	15%	8%	6%
Non-Priority Hire Projects	\$138,028,566	12%	19%	12%	7%
<b>Total</b>	<b>\$339,940,536</b>	<b>10%</b>	<b>17%</b>	<b>10%</b>	<b>7%</b>

<sup>1</sup>Estimated aspirational WMBE goals were calculated by multiplying each projects' unique goal to their total contract amount, adding both up, and dividing to get the percentage. For example, if Project A was \$1 million with a 10% WMBE goal, we'd anticipate WMBEs earning \$100,000. If Project B was \$4 million with a 15% WMBE goal, we'd anticipate WMBEs earning \$600,000. When put together, you'd have an overall estimated aspirational WMBE goal of 14% (\$700,000/\$5,000,000=14%).

<sup>2</sup>Minority-owned contractors are MBEs and women-owned contractors are WBEs.

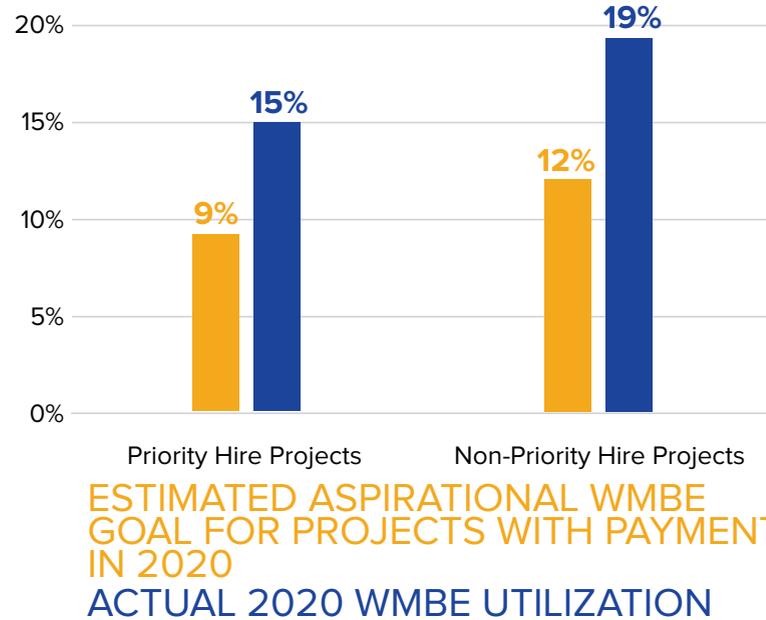
Source: City of Seattle, 2021. Data reflects public works projects only.

# Supporting women- and minority-owned contractors

Priority Hire projects with payments in 2020 exceeded estimated aspirational WMBE goals. They also had lower goals, and therefore lower performance, than non-Priority Hire projects. There could be several reasons for this — the amount of work available, WMBE availability in certain scopes of work, and federal funds that prohibit use of the City’s WMBE program on certain projects.

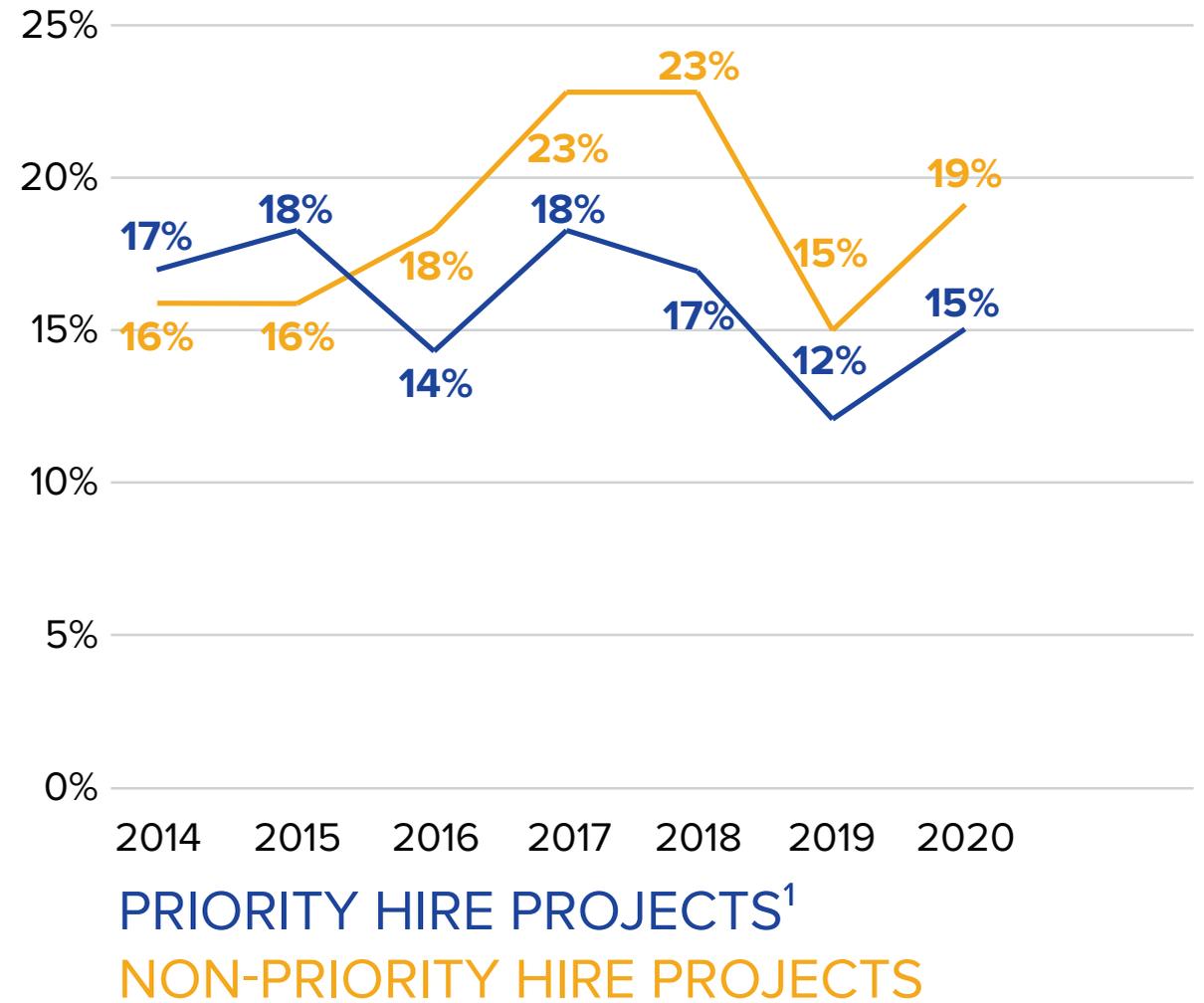
As a City, we’ll continue to focus on economic and racial equity through the WMBE program. This includes implementing a racial equity toolkit, which identifies strategies to increase engagement and equity. Strategies include increased technical assistance and partnerships to educate and build capacity. For information on the WMBE program, go to [www.seattle.gov/purchasing-and-contracting/social-equity/wmbe](http://www.seattle.gov/purchasing-and-contracting/social-equity/wmbe).

## How did WMBE performance compare to goals in 2020?



Data reflects public works projects only. See note on page 20 for methodology.  
Source: City of Seattle, 2021.

## What is the WMBE trend over years?



Source: City of Seattle, 2021.

# Strengthening partnerships

While the City is a leader with Priority Hire, we know takes all our partners to help 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's expertise, as they help us do the work. A crosswalk of PHAC recommendations can be found in [Attachment 3](#).

## Public-private partnerships

To maximize Priority Hire's impact, the City expanded into private development projects with significant City investment. We administer Priority Hire as a third party on these projects. We had two active projects in 2020. The first was the Climate Pledge Arena, an enormous project with a lot of opportunities for Priority Hire workers. The second was 2<sup>nd</sup> Ave. and Mercer St., the first affordable housing project to pilot Priority Hire. At the end of 2020 a third project, the Seattle Aquarium's Ocean Pavilion expansion, started construction.

## Seattle Public Schools (SPS)

In 2020, SPS negotiated a Student and Community Workforce Agreement (SCWA) with local construction unions that covers approximately 15 projects that are part of a recent \$1.4 billion, six-year levy. The SCWA includes and expands Priority Hire provisions to provide opportunities to workers who are family members of current SPS students or were prior SPS students themselves. At SPS's request, FAS will act as a third-party administrator for their SCWA, similar to our role on public-private partnership projects. The first SPS projects covered under this agreement are expected to begin construction in summer 2021.

## Regional Public Owners (RPO)

The RPO group consists of public agencies with programs and/or investments that reduce economic inequities by increasing construction opportunities for those historically underrepresented in the industry. RPO jointly works toward increasing access, diversity and retention in the trades. The City's, Sound Transit's and Port of Seattle's [\\$1.75 million investment](#) to provide construction careers for underserved communities in 2021 and 2022 is a key example of joint efforts.

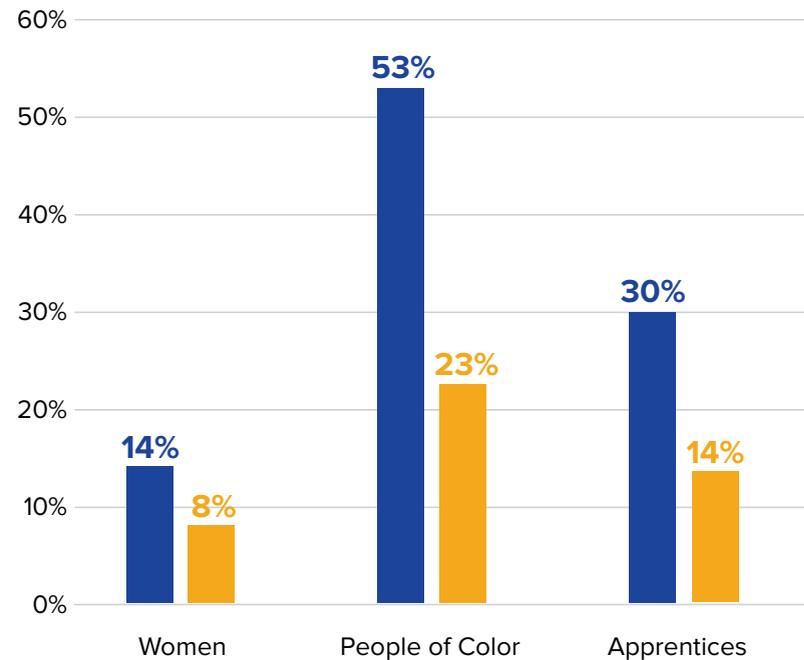
## Regional Pre-Apprenticeship Collaborative (RPAC)

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

# 1. 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 2020



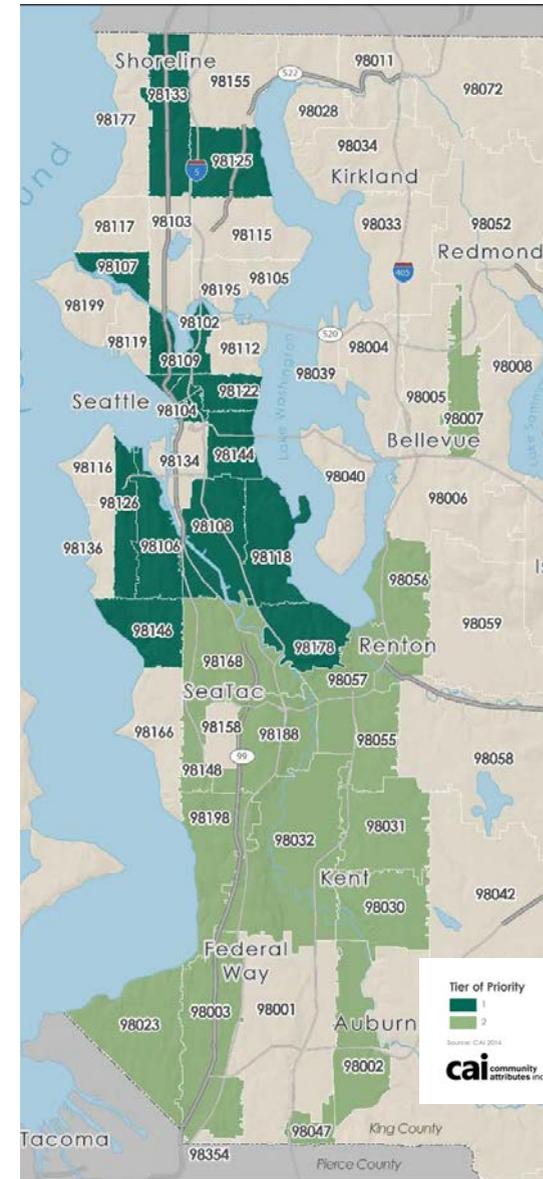
2020 ECONOMICALLY DISTRESSED ZIP CODES    2020 NON-ECONOMICALLY DISTRESSED ZIP CODES

Source: City of Seattle, 2021. Data reflects public works and public-private partnership projects.

## 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

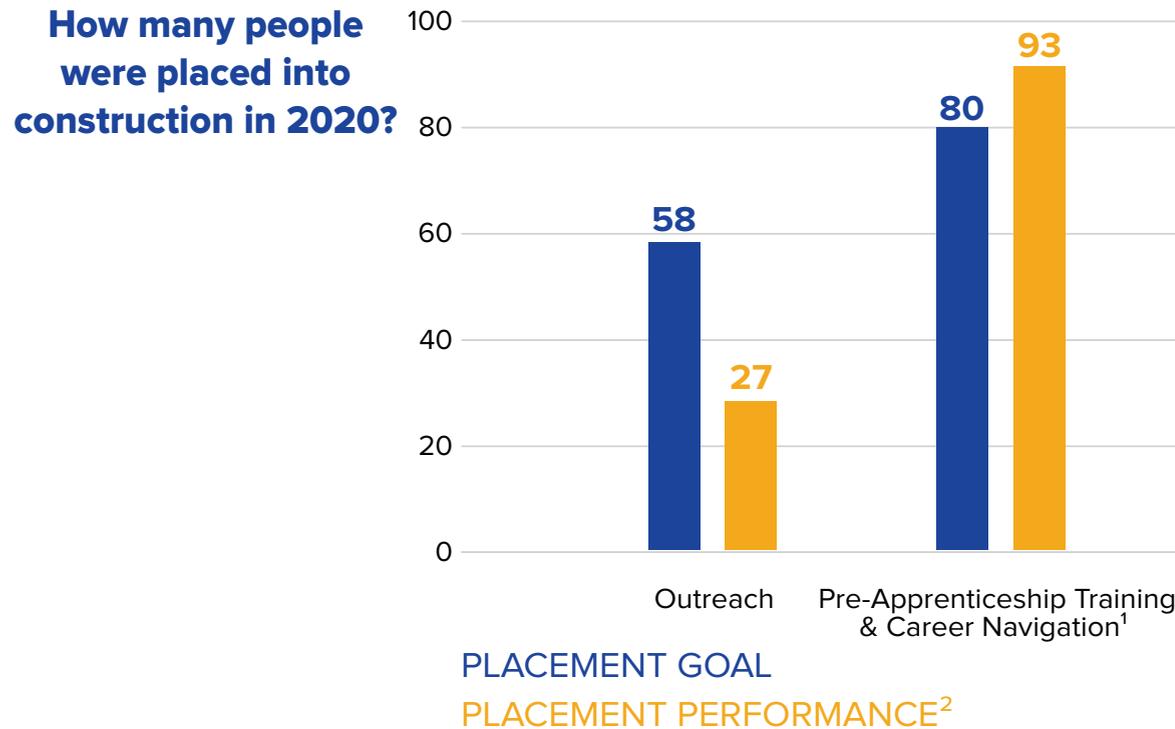


Tier	Neighborhood	ZIP Code
Tier 1	Downtown	98101
Tier 1	Capitol Hill/Eastlake	98102
Tier 1	Downtown/ID	98104
Tier 1	Delridge	98106
Tier 1	Ballard	98107
Tier 1	S. Beacon Hill/South Park	98108
Tier 1	Interbay/Queen Anne	98109
Tier 1	Rainier Valley/Rainier Beach	98118
Tier 1	Belltown	98121
Tier 1	Central 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	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

## 2. Investing in the worker pathway

In 2020, we invested more than \$680,000 in the construction worker pathway. These investments helped people learn about construction, receive training and get career navigation and barrier removal help. Community partners struggled to provide services consistently throughout 2020, as the pandemic seriously impacted those served. Our community partners adjusted their services as best they could to meet client needs, though progress toward performance goals was impacted as they learned to operate in a pandemic environment. By the end of the 2020, they had implemented safety protocols for interacting with clients and adjusted to the various opening phases for King County.



<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, 2021.

### What organizations did the City contract with in 2020?

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)
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
2016-2019	247	81%	14%	87%
2020	27	93%	15%	96%
<b>Total</b>	<b>274</b>	<b>82%</b>	<b>14%</b>	<b>88%</b>

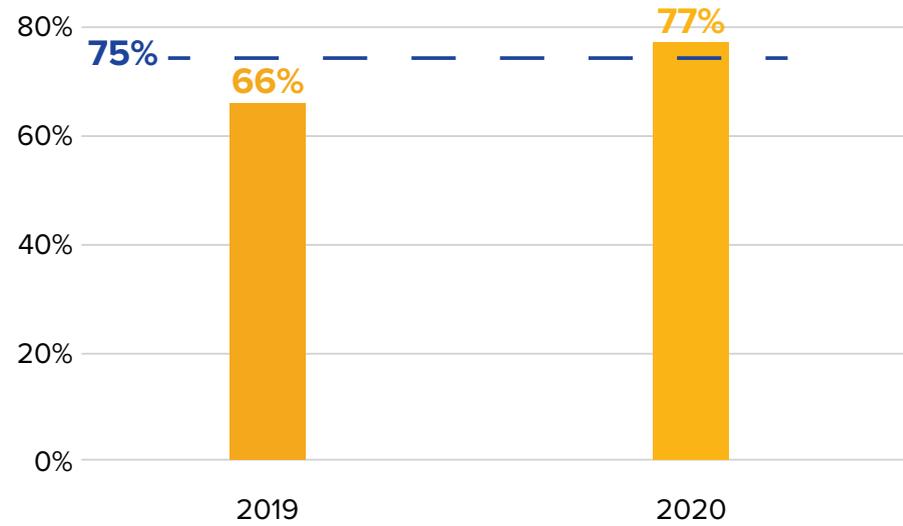
Source: City of Seattle, 2021

### 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
2016-2019	566	66%	35%	64%
2020	93	58%	28%	73%
<b>Total</b>	<b>659</b>	<b>64%</b>	<b>34%</b>	<b>65%</b>

Source: City of Seattle, 2021

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



RETENTION GOAL  
RETENTION PERFORMANCE

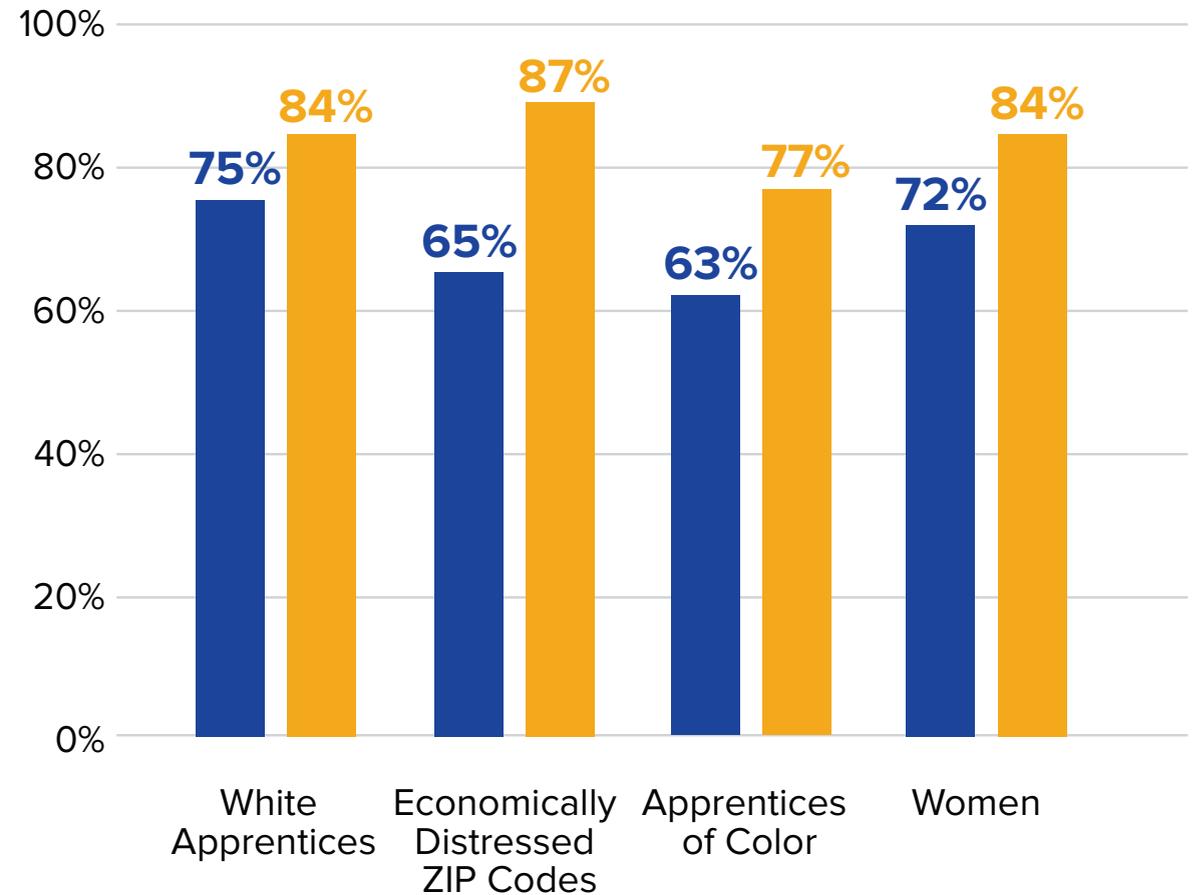
2019 performance is based on 203 individuals placed in 2018. 2020 performance is based on 122 individuals placed in 2019. Source: City of Seattle, 2021.

### 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>	94	65%	38%	67%
Tri-County Construction Apprentices <sup>2</sup>	1,790	25%	8%	35%

<sup>1</sup>Priority Hire provider data reflects apprenticeship and construction employment placements after one year.  
<sup>2</sup>Based on all 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 were excluded from tri-county construction apprentices. Source: City of Seattle, 2021.

### 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 2019, 84% were still active after one year (excluding suspensions and transfers).  
<sup>2</sup>Tri-county construction apprentices reflect retention of 2,546 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 2019. They also exclude apprentices who received Priority Hire retention services.  
<sup>3</sup>Priority Hire provider data reflects apprenticeship and construction employment placements after one year. Source: City of Seattle, 2021.

In 2020, seven individuals obtained or regained their driver’s license, which is a critical step to accessing construction training and jobs. This was lower than the goal of 29; the pandemic impacts to communities served and access to court systems and state agencies made the work extra challenging.

Community organizations shifted focus toward a driver’s relicensing manual for any organization to use. The manual includes process steps, tips and resources to help someone obtain or regain their driver’s license. It was then shared with the Regional Pre-Apprenticeship Collaborative in early 2021.

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

	Licenses Obtained/Regained	Economically Distressed ZIP Codes	Women	People of Color
2016-2019	167	71%	11%	78%
2020	7	71%	14%	57%
<b>Total</b>	<b>174</b>	<b>71%</b>	<b>11%</b>	<b>77%</b>

Source: City of Seattle, 2021

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

PHAC worked through a common good framework through 2020. Much of PHAC’s 2020 discussions focused on the challenges faced by the construction industry in a pandemic environment. In 2021, we will continue discussion on these topics to further PHAC goals and potential outcomes.

PHAC Recommendations (2020 Annual Report)	City of Seattle Priority Hire 2021 Plans
1. Recommend the City advocate the Governor restart vocational workforce training programs earlier, from phase 4 to phase 2.	1. The Governor moved vocational workforce training programs to an earlier phase immediately after this recommendation; no City action needed.
2. Recommend the City support regional and national efforts to reduce driver’s license suspensions as a workforce barrier for low-income populations. <i>(Continuation of 2019 recommendation.)</i>	2. Approach relicensing through four strategies: <ul style="list-style-type: none"> <li>a. Contract with community partners to provide driver’s relicensing services to pre-apprentices and those being recruited by organizations under contract with the City.</li> <li>b. 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> <li>d. Track and support relicensing efforts and policy changes at the state level.</li> </ul>
3. Recommend the City provide outreach, training and support service funds to formerly incarcerated populations. <i>(Continuation of 2019 recommendation.)</i>	3. Contract with community organizations, such as Urban League of Metropolitan Seattle (ULMS), ANEW, Seattle Central College’s PACT program and Rainier Beach Action Coalition, to recruit and provide financial support services and barrier removal to individuals transitioning from the justice system to construction careers.
4. Receive regular updates on the City’s Acceptable Work Site training program.	4. Continue to work with PHAC in 2021 to provide updates and receive input on the programs implementation and effectiveness.
5. Recommend the City explore establishing additional annual funding between \$500,000 and \$750,000 to support the ongoing capacity-building (outreach and support services) of community organizations.	5. FAS will evaluate the recommendation with its contracting authority. Budget determinations will be made by City Council and the Mayor.