

Student and Community Workforce Agreement Task Force Meeting Minutes

Dec. 4, 2019, 9 a.m.-12 p.m., Auditorium,
John Stanford Center, 2445 3rd Ave. S, Seattle, WA 98134



Opening: The meeting began at 9:50 a.m.

Attending task force members: Monty Anderson, Richard Best, Hannah Blackburn, Dale Bright, Stephanie Colbert, Karen Dove, David Hackney, Sandy Hanks, Bob Korth, Tom Peterson, Keith Weir, Pastor Lawrence Willis and Harvey Wright

Attending contractor panel: AGC Seattle District Manager Sonja Foster, Salinas Construction President John Salinas, Western Ventures Construction Principal Ryan Carlyle, President, Ahora Construction Jimmy Matta, Steel Korr Owner Bill Slusser and Moe Welding & Erecting Owner Moe Holland

Also, in attendance were School Board Director Zachary DeWolf, Chief Operations Officer Fred Podesta, Task Force Facilitator Nancy Locke, Mary Cauffman and other community members

The meeting got a late start due to traffic challenges. The agenda order was changed. Sonja Foster from AGC presented first. Foster said handouts were shared in a Dec. 3, 2019, email.

AGC is opposed to government enforced Project Labor Agreement (PLA) or Community Workforce Agreement (CWA). Voluntary negotiation OK because it doesn't have the same requirements. Mandatory requirements concern AGC. They foresee problems down the road for the school district with CWA.

AGC said it doesn't believe agreements are union or non-union issue. Small businesses need support. Black and Hispanic workers make up 98 percent of small businesses that are not union. PLA will make it tougher for them to compete. Foster said it's a social equity issue. PLA also will increase costs (from 13 percent to 19 percent), decrease competition, increase paperwork, provide less access to priority workers, require additional work hours to monitor, have costly dual benefit payments, delay projects, cause union jurisdiction disputes, and interfere with current union rules.

Foster happy to respond to questions. She asked that task force review documents shared. Then she introduced contractor panel. Panel gave short bios.

Salinas Construction President John Salinas II is a specialty subcontractor. Does concrete flatwork. He is third generation and has completed or under contract six CWAs with Seattle and two with King County. Estimates that 50-70 percent of cost is labor. Comparison of CWA vs non-CWA is about 23 percent to 27 percent decrease in productivity. Salinas said CWA increases labor costs. Orientation process for CWA employee takes time and decreases productivity. They are union shop and work with three unions. Most of their workers have been with them for seven or more years. Winter weather decreases jobs. Salinas hears complaints about CWA. Effectiveness on bringing diversity to worksite? Salinas said it's not more diverse. Company is 65 percent minorities. Main dispatch out of Everett. Most work in northern King County and southern Snohomish County.

Western Ventures Construction Principal Ryan Carlyle has been in business 21 years. Company has had 47 contracts with Seattle Public Schools (SPS). The largest was Meany Middle. With CWA, long-term employees wouldn't be able to work. CWA would take competitive bidder out of the running. Bidding on Sound Transit project. No competition on this. Seattle project requires him to rely on others to find workers, and then he has to find work for long-term employees.

President, Ahora Construction Jimmy Matta is also mayor of Burien, but not present in that capacity. He was a union rep. Matta said we have a construction industry that hasn't been hiring people of color. He wants to make sure the community is represented on job sites. Management and labor unions don't have African-Americans in charge. He wants to make sure numbers reflect the community and said there needs to be more education from labor to contractors. He also said a buffer is needed between labor and generals. There are disadvantages on both sides. He wants us to come together and make sure minorities get opportunities.

Moe Welding & Erecting Owner Maurice "Moe" Holland employees seven minorities. Holland is able to help minorities and people as an owner to make sure they get a fair shake. This is not just about jobs, but about careers. He hasn't had an opportunity to work for SPS, but he has worked on Pierce County schools. Blue book is an excellent tool to look at qualifications. He is always seeking opportunities to get more jobs and help more people.

Steel Korr Owner Bill Slusser has worked on several Seattle projects as an ironworker. He is a SPS grad and learned to weld and read blueprints in SPS. He learned about the apprentice opportunity at the gym. He doesn't come from a wealthy family. Slusser is concerned that he doesn't see kids from city of Seattle on job sites. He said equity is in a paycheck. Being a minority but didn't stop him from being a foreman, general foreman and superintendent. His sons go to SPS schools. He is looking to help others in the community. He wants all kids to have opportunities and a pipeline created for SPS students. Most kids don't know about the opportunities.

Q&A for panel:

- Lawrence asked Holland: Why didn't you get bids? Holland said low number was reason for not getting bid. Company is qualified. He looks for any advantage he can get. He isn't just bidding on minority projects. Also, they don't want to get every job. They would mean they are bidding too low. Matta also weighed in on this question. Holland said non-union contractors come in very low and win bid.
- Hackney said he hears administrative costs as a complaint of CWAs, but said this shows contractors are bringing on new, diverse workforce, which is the goal. Salinas said long-term workers don't get the work.
- Anderson said Meany Middle project was almost \$21.5M and provided some data. Three percent women on job. Three Women- and Minority-Owned Businesses (WMBE). This is what happens when open market; WMBEs get less work. This is not representative of Seattle or King County. Owner has responsibility to reflect the community, he said. Minorities working less than 2 percent of hours. Women working less than 3 percent on a 2017 project. Foster responded that awareness is being raised among owners. PLA or CWA a terrible way of going after that. Tacoma example provided. Foster said there is an alternative way of meeting community needs. Locke reminded group to be respectful and hear the information. The task force is being asked

by School Board to look at information and figure out what best serves students. Locke asked they group allow contractors to share information.

- Grover Johnson, a representative of the National Association of Minority Contractors, asked Holland if he has worked under CWA? Holland said no, he works mainly commercial. Johnson thinks CWA should be separate. He mentioned the Tacoma housing project as an example and said we have a moral obligation. Community not at the table for PLAs. Asks for people to do their research.
- Dove asked panel what percentage of women are working in trade?
 - Answers were none, three, 20 percent and two women
- Locke followed up question by asking what percentage are African-American?
 - Answers were not sure, seven, four to five
- Colbert appreciated the contractors' stories and said they illustrate that we are working against the beast of racism. We cannot be narrow at looking at data. It's not just zip codes, because people of color are being pushed out of Seattle. Colbert wants to more opportunities and pathways created.
- Blackbourn thanked everyone for information. She said the diversity of views provided passionate input. A theme she heard was around pipelines and raised awareness around contractors and owners around hiring more diverse groups. Blackbourn said to Foster that good attentions don't work. We need solutions, Blackbourn said. We don't want to exclude anyone, so we need to put mechanisms in place. Those mechanisms will include paperwork and administrative work to make the change. Is there an inability to hire because of zip codes? Is there a labor gap? Dove said she is seeing growth in trades.
- DeWolf asked Matta if we are moving in the right direction? He reminded the group that we are focusing on students. Matta said he understands both points of view. There is a cost involved.
- Johnson said the task force was created because this has been a problem. It's not new. Minority businesses are micro businesses.
- Foster followed up and said education is the answer. Goals should be in contract and kept out of labor agreement.

Response panel to contractor panel: Dove, Anna Pavlik (City of Seattle), Anderson

Locke summarized issues raised. Then said we will talk about that near end. Costs is an issue we need to understand. Q&A:

- Locke asked about the difficulty in bringing in union workers. How can we mitigate that? Anderson said growing pains necessary to lift someone out of poverty. He has been involved in his apprentice program for 20 years. Owners set priorities. He thinks the complaint is an excuse. Best clarified that Salinas seemed to be making point that work is duplicated.
- Locke asked how do you help the various issues that have been presented? Pavlik said this is a primary sticking point for city. They are looking at core workers coming onto projects and keep that in mind when negotiating. More than three core workers possible, and they support meeting with union. Pavlik disclosed that she is SPS parent. Dove added an investment in training is easily pushed aside when looking at profits and costs, but construction trades need people to replace baby boomers. Costs will increase without a pipeline. Dove said there has never been a social program that doesn't require an investment.

- Locke did some analysis on count of core workers that is typical. She said that data will be shared.
- DeWolf asked if CWA and PLA opens skilled union workforce, and what is impact? Dual benefits is a concern. Anderson said prevailed rate job vs private work – doesn't really exist. Dove said there are exceptions. You can ask for reimbursement, but there is a cost upfront. Pavlik said the city doesn't have line items on costs of a CWA. In general, only cost they can quantify is dual benefits. Cost of reimbursing out of \$380M of construction has been .07 percent. Korth said apprentice program is a way to decrease cost. Anderson said apprentice program is huge cost saver.
- Blackburn asked why is there a concern that small business will be excluded? Anderson said not true. Pavlik said subcontract bids not tracked at city, but she has heard some subcontractors and general contractors won't bid on CWA projects. They have had number of nonunion contractors. There is some bad blood between some groups. Pavlik shared some bid number data. Dove said if small contractor, there is an intimidation factor. A lot of misinformation because lack of education. This is a capacity issue.
- Best asked for elaboration on support Pavlik provides. Pavlik said they have trained a group of field advisers who meets with people about the CWA. Then out on job site and interacting with workers. Prime and subs are supported through technical assistance. Workforce side there is an advisory committee. Pavlik has two field staff and a third focused on public/private sector. Then job adviser.
- Korth asked about costs. Dove said cost is learning curve. They need to build capacity through programs. LCPTracker is a frustration for some contractors, Locke said. LCPTracker is separate from CWA.
- Hanks said King County has priority hire program. Education needed at all points of the process in the bid. There is a cost, as in most things. Hanks said there is never enough resources. Dual benefits – program similar to city of Seattle. Three core workers allowed. There are exceptions. Hanks shared example of Brightwater project. It is not make or break for small contractors.
- Hackney asked has city's experience with CWA meant cost overrun and other issues brought up? Pavlik provided city data. She also pointed out data provided by Foster. Pavlik said city gets feedback from contractors on how to improve the CWA.
- Peterson said he sees all sides of this. There are learning curves. PLAs don't cost more money. Peterson said he wished he could have asked Steel Korr owner some questions about if it costed him more to work with PLAs. Peterson bets not. Locke asked if Carlyle has people who won't bid because of PLA. Carlyle said PLA is not a concern regarding to cost. It's about jumping through hoops.
- Best asked if there is a size of project where you have PLA and one you don't? Pavlik said correct. City's advisory committee landed on \$5M. Pavlik said it seems to be the sweet spot on capturing the majority of work opportunities. Program was piloted first. Hanks said King County is \$15M. Anderson said numbers can be misleading. A large portion of job can be supplies. He said to look at labor hours.
- Locke asked task force if Pavlik's detailed data and technical information would be helpful. Locke proposed an extra hour on Jan. 22? Consensus was yes.

Locke quickly flipped through PowerPoint that was handed out. She reviewed items on page 3. Asked task force to read materials and review risks. Locke said Best will have to put task force's recommendations in play. Then Locke reviewed page 7 data. Locke said WMBE initiative that SPS had years ago hurt that program. SPS is trying to come back from that. WMBE percentages are low. Page 8 is what our profile looks today. Review. This data sets us up for Jan. 8, 2020, meeting.

Dale Bright said opportunities needed. Diversification needed. Foster said this could be accomplished with or without CWA.

Meeting adjourned at 12:02 p.m.

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