

Construction Career Pathways

Public Owner Workgroup

Toolkit

Los Angeles

448 South Hill Street,
Suite 1105
Los Angeles, CA 90013
213.612.4545

San Diego

404 Euclid Avenue
Suite 212
San Diego, CA 92114
619.236.0612

Bay Area

2150 Kittredge Street
Suite 3A
Berkeley, CA 94704
510.859.7077

TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION | 3 |
| Workgroup Overview | 5 |
| Toolkit Overview | 6 |
| SECTION I. KEY TERMS | 8 |
| SECTION II. HOW TO USE THIS DOCUMENT | 12 |
| Toolkit | 12 |
| Regional Framework | 12 |
| SECTION III. THRESHOLDS AND GOALS | 16 |
| Project Thresholds | 17 |
| Workforce Diversity Goals | 18 |
| SECTION IV. ROLES AND RESPONSIBILITIES | 22 |
| Roles and Responsibilities for Public Owner(s) | 22 |
| Roles and Responsibilities for Developer/Prime Contractors | 28 |
| Roles and Responsibilities for Trades | 30 |
| SECTION V. WORKFORCE AGREEMENT | 32 |
| Key Terms | 32 |
| Implementation | 35 |
| SECTION VI. REGIONAL COLLABORATION | 36 |
| Coordinate Workforce Demand | 36 |
| Coordinate Workforce Supply | 38 |
| APPENDIX | 42 |
| Supply Memo | 42 |

INTRODUCTION

In response to a nationwide shortage of qualified and available trade craft workers, Public Owner representatives of the Construction Career Pathways Workgroup have developed a regional program to maximize training and employment opportunities in the construction trades for women and people of color.

The Greater Portland Region is facing unprecedented growth, and with that, a boon for the construction industry. There are at least 81 publicly funded construction projects in development over the next five to ten years, totaling approximately \$7.8 billion dollars. Such a robust pipeline of projects requires a formidable and skilled construction workforce. Nearly 14,000 workers will be required to construct the anticipated public projects over the next 5 years.

However, the region's existing construction workforce lacks diversity, with limited women and people of color participating in the field. Few Public Owners have set forth workforce diversity goals – and even fewer track and enforce contractor performance in meeting these goals. If the average agency's workforce diversity goals were applied regionally across all 81 projects – Greater Portland would need 2,700 more apprentices, 3,400 minority, and 1,900 female construction workers over the next five years.¹ These numbers underscore the need to create pathways for women and people of color to enter the construction field – a field that offers family-supporting wages and opportunities for advancement.

Unfortunately, women and people of color face a myriad of barriers in the construction industry. They lack access to the personal referrals or established networks that are the cornerstone to entering apprenticeship programs – a critical first step to a career in construction. In addition, sexist and racist practices and policies have led to hostile job site cultures, which undermines the long-term retention and growth of women and people of color in the trades. Lastly, while State-certified pre-apprenticeship programs are effective in introducing people of color and women to the Trades, they have limited seating capacity and inconsistent funding. Creating a dedicated fund for “supply-side” programs focused on recruitment, training, and retention of targeted populations, can go a long way in diversifying the construction workforce.

¹ Worksystems. *Portland Metro Region Construction Workforce Study*. 2018. Pg. 2.

The growing demand for a qualified construction workforce creates an exciting opportunity for Public Owners to leverage the economic benefits of their projects and drive greater diversity in the industry – and support equitable economic opportunities for women and communities of color in the Greater Portland region. Public Owners collectively wield billions of dollars in contract authority, giving them enormous potential to drive more equitable hiring practices in a way that is intentional and accountable.

Oregon Metro (Metro) convened 16 Public Owners to form the Construction Career Pathways Public Owner Workgroup (Workgroup) to learn more about the barriers to stable career paths for people of color and women, to identify strategies to advance workforce equity, and enable these groups to fully realize the benefits of a career in construction.² The Workgroup met regularly beginning in July 2018 through August 2019. Estolano LeSar Advisors, a consulting firm experienced in working with complex multi-stakeholder groups to address public policy issues, facilitated the Workgroup's discussions. The Workgroup developed the following documents:

Construction Career Pathways Regional Framework: The Framework captures seven (7) key strategies Public Owners should integrate into their practices to eliminate barriers in the construction industry and truly move the needle towards achieving construction workforce equity. Public Owners were asked to sign on to the Framework to indicate their commitment to continue to work together in implementing the strategies articulated in the Framework document.

C2P2 Toolkit (Toolkit): The Toolkit (this document) is an attachment to the Construction Career Pathways Regional Framework. The purpose of the Toolkit is to provide Public Owners with practical approaches and best practices to build a robust workforce pipeline of people of color and women, to remove barriers to entry, monitor progress, and generate the resources needed to ensure collective success. *The Toolkit is meant to provide broad guidance, rather than strict requirements or standards.*

This toolkit is intended as a guide only, and is not a substitute for legal advice regarding

² The Workgroup members include: Prosper Portland, Oregon Health Sciences University (OSHU), Port of Portland, Multnomah County, City of Portland, TriMet, Portland Public School District, Portland State University, Portland Community College, Home Forward, City of Beaverton, Metro, Oregon Department of Transportation (ODOT), State of Oregon Bureau of Labor and Industries (BOLI), Beaverton School District, North Clackamas School District.

specific situations and recommendations. Each agency should assess their own legal risk.

The Framework or Toolkit are not procurement documents or contracts.

No one Public Owner can achieve on the goals of Construction Career Pathways on their own. Public Owners must work together and coordinate their efforts in a way that creates demand for targeted workers. Public Owners can further amplify their impact by collaborating with the Trades, contractors, industry groups, minority-owned firms, community-based organizations, and others, to achieve common goals. If successful, these collaborations can create a truly regional approach, a robust pipeline of work, a demand for workers, and an unprecedented opportunity to place targeted workers into career path jobs and a chance at economic prosperity.

Workgroup Overview

The Workgroup's activities approached these tasks in three phases.

Phase I (Building a Foundation): The first Phase focused on building working relationships and trust among Workgroup members. The Workgroup assessed the Greater Portland region's construction careers ecosystem, reviewed Best Practices from other regions, and established subgroups (Goals and Accountability, Driving Demand, and Creating Supply) to address deficiencies and gaps, and make recommendations for a potential Regional Framework. Metro concurrently convened an external stakeholder engagement process which engaged labor, minority contractors, pre-apprenticeship programs, community-based organizations, general contractors, and sub-contractors. The process enabled Workgroup members to hear from stakeholder representatives to better inform their recommendations. The Workgroup heard presentations from the National Association of Minority Contractors Oregon (NAMC-Oregon), Oregon Tradeswomen, Inc., and Mortensen Construction.

Phase I ran from July through October 2018.

Phase II (Identify and Develop Opportunities): The second Phase focused on the development of recommendations to diversify the construction workforce. The Workgroup engaged with external stakeholders and executive-level agency staff on issues such as funding,

monitoring, and implementation. Julian Gross, a San Francisco-based attorney, conducted a workshop on Project Labor Agreements. Kelly Haines, of Worksystems, Inc., presented strategies to collectively fund workforce recruiting, training, and retention efforts in the region. Finally, the Workgroup delved more deeply into three topics (Goals and Thresholds, Superseding Agreement, and Regional Collaboration) to discuss and make recommendations for how to approach and implement these items on an agency by agency basis as well as regionally.

Phase II ran from November 2018 through May 2019.

Phase III (Implementation): The Workgroup discussed the process for signing on to the recommendations in the Regional Framework. Public Owners also heard presentations from the Metropolitan Alliance for Workforce Equity (MAWE), Oregon Tradeswomen, Professional Development Business Group (PDBG), and Hoffman Construction. Finally, Public Owners discussed the next phase of Construction Career Pathways, which includes the creation of a Regional Implementation Committee that will develop an action plan for implementing and adopting the recommendations of the Framework within each agency and coordinating on a regional scale. Close coordination is needed to ensure that efforts and investments are aligned, and that a structure is in place to address and troubleshoot emerging issues in real time.

Phase III ran from June through August 2019.

Toolkit Overview

The Toolkit sets forth various approaches that are crucial to creating a truly diverse construction careers ecosystem.

The Toolkit contains the following sections:

Section I (Key Terms) defines common terms used throughout the Toolkit to promote common language and understanding of key concepts.

Section II (How to use this document) provides guidance on how key stakeholders such as organizational leaders, Workgroup representatives, and legal and/or procurement staff, can use this document to advance workforce diversity goals within their agencies.

Section III (Thresholds and Goals) outlines regional targeted hire goals and thresholds.

Targeted hire goals are numeric goals aimed at increasing the participation of women and people of color in the construction workforce. The targeted hire goals ensure that Public Owners are doing business with Developer/Prime Contractors who are committed to providing workforce-training opportunities, diversifying the supply of workers, and allocating contracting dollars to support fair and equal opportunities for the region's diverse populations. This Section also suggests project cost thresholds at which workforce diversity goals and other policies should apply.

Section IV (Roles and Responsibilities) details potential roles and responsibilities that Public Owners, Developer/Prime Contractors, and Trades should consider when implementing the strategies contained in the Regional Framework. The responsibilities outlined in the Toolkit ensure that all parties will make reasonable and necessary efforts to recruit, train, and employ a workforce that reflects the diversity of the region.

Section V (Workforce Agreement) outlines terms that can advance the recruitment and employment of a skilled, diverse workforce, and should be considered as part of any future workforce agreement.

Section VI (Regional Collaboration) affirms the Public Owners' support for the development of a diverse construction workforce. It outlines parameters for how Public Owners can coordinate and communicate progress on their workforce diversity goals. This section also describes potential strategies to fund workforce recruitment, training, and retention over the long term and outlines clear procedures for Developers/Prime Contractors to comply with the requirements described in the Regional Toolkit.

SECTION I. KEY TERMS

- (1) **“Career Technical Education (CTE)”** also known as vocational training, connects students to vocational opportunities by providing industry-based skills in the trades, applied sciences, modern technologies, and career preparation.
- (2) **“COBID Firms”** collectively refers to firms that are minority-owned business, enterprises, woman-owned business enterprises, service-disabled veteran-owned businesses and emerging small businesses as determined by the Certification Office for Business Inclusion and Diversity (COBID).
- (3) **“Community-Based Organization”** refers to equity-oriented organizations that have fostered credible relationships with targeted communities and have demonstrated experience with workforce development programs and services.
- (4) **“Construction Career Pathways Project (C2P2) Workgroup”** refers to the group of Public Owner representatives who have convened to learn more about the barriers to entry into the construction industry and identify strategies to provide reliable career pathways – from pre-apprentice and apprentice to journey level – for people of color and women. Also see **“Public Owner(s)”**.
- (5) **“Core Worker”** refers to workers that have been on Employer’s payroll a minimum of 500 hours in the six (6) months prior to the start of the Covered Project, and on the employer’s active payroll a minimum of sixty (60) days before the start of the Covered Project.
- (6) **“Covered Project”** refer to the projects set forth in Section III of this Toolkit.
- (7) **“Creating Supply” Committee** refers to a committee of workforce recruitment and training stakeholders throughout the Portland region that will discuss strategies to better align funding and efforts across local and state workforce development and training systems.
- (8) **“Developer/Prime Contractor”** refers to: (1) a person, firm, partnership, limited liability corporation, joint venture, proprietorship, trust, association, or other entity entering into an agreement with a Public Owner for purposes of developing a public financed project, and; (2) a Contractor that has entered into a prime contract with a Public Owner. Both are used throughout the Toolkit in acknowledgement that, due to the differing nature of

work, Public Owners contract with different types of entities to build construction projects.

- (9) **“Direct Application Agreements”** refer to agreements between pre-apprenticeship training programs and labor unions to allow participants in **“State-Certified Pre-Apprenticeship Programs”** to qualify for entry into apprenticeship positions for a specific construction project if they identify as a targeted worker and demonstrate certain qualifications. These may also be known as “Direct Entry Agreements.”
- (10) **“Funder Collaborative”** refers to a potential means of pooling together and managing Public Owner funds aimed at workforce development and contractor capacity, described further in Section VI.
- (11) **“Good Faith Efforts”** refer to the practice of contractors/developers to fulfill contractual obligations to meet targeted hire goals and if unable to reach these goals, demonstrate the steps taken to try to meet them. Examples of good faith efforts are described further in Section IV.
- (12) **“Greater Portland Region”** refers to the Portland metropolitan area comprising Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties in Oregon.
- (13) **“Labor Management Community Oversight Committee”** refers to the committee for certain Covered Projects that shall discuss progress on the project and resolve issues and/or concerns that may arise during the life of the project.
- (14) **“MWDBE firms”** refers to minority, women, and disadvantaged business enterprises as defined by the State of Oregon’s Certification Office for Business Inclusion and Diversity (COBID).
- (15) **“People of Color”** include, but are not limited to: Native Americans, African Americans, Asian Americans and Pacific Islanders, Latinos or Hispanics, and immigrants and refugees.³
- (16) **“Public Owner(s)”** refers to the public agencies that comprise the Construction Careers Pathways Project (C2P2) Workgroup. They include the following sixteen (16) agencies: Prosper Portland, Oregon Health Sciences University (OSHU), Port of Portland, Multnomah County, City of Portland, TriMet, Portland Public School District, Portland

³ Adapted from Metro. *Strategic Plan to Advance Racial Equity, Diversity, and Inclusion*. 2016.

State University, Portland Community College, Home Forward, City of Beaverton, Metro, Oregon Department of Transportation (ODOT), State of Oregon Bureau of Labor and Industries (BOLI), Beaverton School District, North Clackamas School District.

- (17) **“Regional Collaboration Committee”** refers to the committee tasked with regularly reviewing and advising on the implementation of the targeted hire goals. The Regional Collaboration Committee may also share best practices and discuss strategies to better align funding to meet workforce and contractor needs in the region. See Section VI for more information on the Regional Collaboration Committee.
- (18) **“Regional Implementation Committee”** refers to the Committee comprised of Public Owners who commit to developing an action plan to implement the strategies outlined in the Framework within their agencies and coordinating on a regional scale.
- (19) **“Restricted Funds”** refer to funds that cannot be used other than for its designated purposes.
- (20) **“State-Certified Pre-Apprenticeship Programs”** refer to pre-apprenticeship programs for adults and youth approved by the Oregon State Apprenticeship and Training Council (OSTAC) and certified by the Oregon Bureau of Labor and Industries (BOLI) through the Apprenticeship and Training Division (ATD). These programs include Constructing Hope, Oregon Tradeswomen (OTI), Portland Opportunities Industrialization Center (POIC), and Portland Youth Builders.⁴
- (21) **“State-Registered Apprentices”** refer to apprentices certified by and registered with the Oregon Bureau of Labor and Industries (BOLI). In order to qualify, apprentices must meet certain basic qualifications based on age, education, and experience. State-registered Apprentice Programs require a minimum of 144 classroom hours and lab/shop training per year plus an additional 4,000 to 8,000 hours of on-the-job training.
- (22) **“Targeted Worker”** refers to individuals that identify as women and/or people of color.
- (23) **“Trade(s)”** refers to specialized occupations within the construction industry that have specific requirements for skills, on-the-job training, apprenticeship training and are often associated with a certain labor union who represent those skilled workers. The construction trades include, but are not limited to: electricians, plumbers, craft laborers, boilermakers, brick masons, carpenters, crane and tower operations, iron and steel

⁴ A complete list can be found here: https://www.oregon.gov/boli/ATD/Pages/A_AG_PreApprentice.aspx.

workers, riggers, etc.

- (24) **“Workforce Agreements”** refers to enforceable contracts that govern the terms and conditions of employment for all workers - union and non-union - on a given construction project.
- (25) **“Workforce Development and Contractor Capacity Fund”** refers to the centralized fund that may be managed by the Funder Collaborative comprised of pooled dollars from Public Owner(s), described further in Section VI.

SECTION II. HOW TO USE THIS DOCUMENT

Toolkit

Each section of this Toolkit provides a series of practical approaches – informed by best practices – that Public Owners may refer to when integrating the recommendations of the Framework into their relevant policies, programs, and procurement documents.

This toolkit is intended as a guide only, and is not a substitute for legal advice regarding specific situations and recommendations. Each agency should assess their own legal risk.

Regional Framework

The Regional Framework offers seven key strategies to create the diverse construction workforce needed to meet the projected demand generated by Public Owners in the Greater Portland region. Buy-in and collaboration of cross-sector stakeholders is essential to the success of the recommendations outlined in the Framework. The list below outlines tangible ways in which stakeholders – organizational leaders, Workgroup members, and legal, finance, and procurement staff - can meaningfully incorporate the Framework into their work. In all cases, stakeholders should continuously refer to the Toolkit (this document) for examples of how the Framework's strategies can potentially be implemented.

Organizational Leaders

Organizational leaders are uniquely positioned to articulate the values of an agency and direct staff to investigate the feasibility of various policies and initiatives. Organizational leaders can support the recommendations in the Framework in the following ways:

- A. Invite your Construction Career Pathways Representative to provide an update to your public board, council, or commission.
 1. Invite interested stakeholders (contractors, labor, community-based organizations) to provide feedback and comment.

2. Suggest that staff establish an external Advisory Committee (comprised of interested stakeholders) to oversee the design and implementation of the Framework within your agency.
- B. Introduce a Resolution affirming support for the Construction Career Pathways Regional Framework and directing staff to review the document and incorporate its recommendations into the agency's processes and procedures.
- C. Direct staff to report on agency goals (if any) and progress towards achieving them at an upcoming public meeting.
1. If your agency has goals, direct staff to publicly report on the following: (a) performance by Trade; (b) recommendations to ramp up goals; (c) recommendations to improve on current tracking systems.
 2. If your agency has no goals, direct staff to develop a process for adopting the goals recommended in Section III.
- D. Direct staff to engage a third-party to negotiate a Workforce Agreement with the Trades.
- E. Direct legal, finance, and procurement staff to identify eligible funds for workforce development and contractor assistance.

Workgroup Members

Each Public Owner designated two representatives to participate on the Workgroup. One representative expressed the Public Owner's policy interests, and another provided a strong understanding of contracting and procurement. These perspectives were helpful in developing the recommendations in the Regional Framework and accompanying Toolkit and will be crucial in ensuring the recommendations are widely understood and supported. Workgroup Members can further advance implementation of the Regional Framework through the following:

- A. Brief your policymaker on the Regional Framework.
 - 1. Suggest next steps for the work. Present the Regional Framework to your agency's board/council/commission.
 - 2. Develop an implementation plan for incorporating the Regional Framework's recommendations within the agency.
- B. Brief peers in other departments on the Construction Career Pathways Regional Framework.
 - 1. Design an internal workshop to create a culture of awareness and support within the organization.
- C. Coordinate with your fellow Construction Career Pathways Workgroup Representatives to ensure we can monitor our progress.
 - 1. Share best practices or strategies for communicating this work to a larger audience and addressing indifferent or unsupportive stakeholders or policymakers.
 - 2. Leverage resources where possible. For example, if an elected official would like to hold a hearing or listening session on Construction Career Pathways, consider leveraging efforts with another Construction Career Pathways agency so stakeholders do not have to attend multiple meetings on the same topic.

Legal, Finance, and Procurement Staff

Legal, Finance, and Procurement staff are essential to taking the concepts outlined in this Regional Framework and Toolkit and making them a reality.

- A. Collaborate with your Construction Career Pathways Representative to brief your policymaker and/or board/council/commission on the Regional Framework.

- B. Review the Regional Framework and Regional Toolkit identify legal considerations of implementing the recommendations within your agency. **This toolkit is intended as a guide only, and is not a substitute for legal advice regarding specific situations and recommendations. Each agency should assess their own legal risk.**
- C. When appropriate, assign staff to determine how to implement the recommendations in the Regional Framework.
1. Develop new contract language
 2. Collaborate with legal team to ensure language is legally appropriate
 3. Develop a system of incentives and penalties for non-compliance
 4. Conduct marketing, training, and outreach efforts to educate contractors on new and/or improved requirements
 5. Provide Technical Assistance (or other supports, as needed) to MWDBE contractors

SECTION III. THRESHOLDS AND GOALS

Workforce diversity goals aim to increase employment opportunities for workers who face significant barriers to entering and thriving in the construction workforce. Setting workforce diversity goals creates an inherent demand for and places value on recruiting, training, and retaining individuals that are underrepresented in the construction industry. Approximately 23,000 people work in non-residential construction in the Greater Portland area. Four percent are female. While minorities comprise 20 percent of the construction workforce, most of these workers of color are Latino, with African Americans and Asians underrepresented in the field.⁵

Some Public Owners have already implemented targeted hire goals to address disparities in workforce diversity and supply at an agency-wide or project-by-project level. There has been limited success, however, in enforcement, data tracking, meeting targets, and alignment with other agencies across the region. Achieving meaningful workforce diversity in the construction trades for the capital projects planned over the next 5-10 years requires Public Owners to establish region-wide targeted hire goals and aligning regional efforts to recruit and retain women and people of color in the trades.

Setting these workforce diversity goals also creates opportunities for Public Owners, Developer/Prime Contractors, union and non-union labor, and workforce development partners to collaborate regionally and align workforce development strategies in more measurable, transparent, and impactful ways.

A Developer/Prime Contractor is expected to make all necessary and reasonable efforts to recruit a diverse workforce that will meaningfully increase the number of qualified women and minorities that work in the construction trades. The Developer/Prime Contractor is responsible for ensuring that Targeted Hire Goals are met depending on the project cost tiers outlined in this section. For projects with a Developer, the Developer is jointly responsible with the Prime Contractor.

⁵ Worksystems. *Portland Metro Region Construction Workforce Study*. 2018. Pg. 2.

Public Owners are mindful of the increased administrative efforts that come with implementing and tracking progress on workforce diversity goals. As such, Public Owners propose a tiered system where the amount of oversight needed varies by project size.

Project Thresholds

Public Owners should set a project cost threshold to trigger targeted hire goals and set a “tiered” system to determine tracking requirements (See Figure 1).

Any project equal to or above the project cost threshold will constitute a Covered Project. Though projects below the threshold are not subject to workforce diversity goals, some less rigorous form of tracking is recommended. Large capital projects are subject to workforce diversity goals and can trigger the full provisions of a Workforce Agreement (Section V). This tiered system is designed to ensure consistent standards across all publicly owned projects, appropriately manage the level of oversight and enforcement, and reduce burdens on contractors for smaller projects.

The threshold “tiers” recommended in this section were developed based on the Public Owner’s typical project size and cost.

- A. Public Owners should set cost thresholds based on their agency’s typical project size and cost range. The tiers in this section are recommended based on existing cost thresholds.⁶
 1. Agencies without project thresholds should consider and adopt the thresholds below or recommend modified thresholds taking into account an agency’s typical project size and the agency’s capacity to monitor compliance.
 2. Agencies with project thresholds should incorporate the recommendations of this section into their existing programs.

⁶ See [Agency Goals and Thresholds Matrix](#) for Public Owners’ existing cost thresholds and how they compare across agencies.

Figure 1: Suggested Workforce Diversity Tiers

| Tiers | Cost Threshold | Requirements | Project Examples ⁷ |
|--|--|---|---|
| Tier 1 – not subject to workforce diversity goals | Total project costs under \$200,000 | Projects are not subject to workforce diversity goals – but tracking is highly encouraged | Minor infrastructure repairs, energy efficiency installations, retrofit improvements, street and sidewalk improvements, park preconstruction services, accessibility enhancements, transit/bike hub installations (e.g. Beech Park, Wilkes Park) |
| Tier 2 – subject to workforce diversity goals | Total project costs equaling \$200,000 - \$4,999,999 million | Prime and subcontractors are subject to documenting good faith efforts to meet targeted workforce diversity goals | Mid-Sized Capital Improvement Projects: Permanent site improvements, upgrades to building infrastructure, stormwater treatment improvements, sewer repair and improvements, transportation safety improvements, transportation station improvements |
| Tier 3 – subject to workforce diversity goals and Workforce Agreement | Total project costs above \$5 million | Subject to all provisions outlined in Workforce Agreement, including targeted workforce diversity goals | Mid-Sized to Major Capital Improvement Projects: Large scale infrastructure developments, transportation infrastructure improvements |

Workforce Diversity Goals

A. **Set Workforce Goals:** The following percentages shall be attained for each Covered Project.

1. A minimum of **20% of total work hours** in each apprenticeable trade shall be performed by **state-registered apprentices**.
2. A minimum of **14% of total work hours** shall be performed by **women and women-identified persons** – tracked separately for journey and apprentice-level workers in each trade.

- i. Optional: Public Owners may wish set separate apprentice and journey-level goals for women in order to create a higher entry rate for women and grow the regional pipeline of diverse workers. Separated goals should still total 14% of total work hours.
- 3. A minimum of **25% total work hours** shall be performed by **persons of color** – tracked separately for journey and apprentice level workers in each trade.
 - i. Optional: Public Owners may wish set separate apprentice and journey-level goals for persons of color in order to create a higher entry rate for persons of color and grow the regional pipeline of diverse workers. Separated goals should still total 25% of total work hours.

Optional: Public Owners may wish set separate apprentice and journey-level goals for persons of color in order to create a higher entry rate for persons of color and grow the regional pipeline of diverse workers. For example: 25% apprentice person of color; 20% journey person of color.

- 1. The data to track these goals should be set and disaggregated by trade categories so that Public Owners can continue to identify ecosystem gaps within individual trades to increase recruitment and retention efforts.
- 2. If a person is both a woman and a person of color, there are different schools of thought regarding the best approach for counting toward goals. Regardless, tracking should be disaggregated by both gender and race to share with the Regional Collaboration Committee.

B. **Restricted Funds:** For restricted funds (e.g. federal funds), or where legally required workforce diversity goals should be applied on an aspirational basis.⁸

C. **“Ramp up” Period:** Public Owners acknowledge that achieving workforce diversity goals will take time and collaborative effort among regional partners. A “ramp up” period can be implemented to ensure Developer/Prime Contractors can meet the targeted hire

⁸ Where the application of these goals be inconsistent with the terms or conditions of a grant, the Public Owner shall segregate these funds to maximize the application of these goals.

goals for women and persons of color. For example: a ramp up period of seven (7) years, with targeted hire interim goals increasing annually, and periodic reviews conducted every two (2) years to evaluate progress. This ramp-up period is important to ensure success towards reaching targeted hire goals and building a pipeline of workers that reflects the diversity of the region.

1. Workforce Participation Ramp-Up Schedule ⁹

- i. **Women:** Female construction workforce participation in the region is currently around 7%¹⁰, which serves as the starting point for this ramp-up schedule. This floor reflects the average current participation.

Figure 2: Female Diversity “Ramp Up” Schedule (Example)

| Year After Policy Effective Date | Participation Level for Project Work Hours |
|----------------------------------|--|
| 0-1 | 7% |
| 1-2 | 8% |
| Periodic Review (Year 2) | 9% |
| 2-3 | 9% |
| 3-4 | 10% |
| Periodic Review (Year 4) | 10% |
| 4-5 | 12% |
| 5-6 | 14% |
| Periodic Review (Year 7) | 14% |

⁹ The City of San Francisco's Local Hire Construction Policies' Local Hiring Requirements (2010) include the following provisions: "the initial mandatory participation level is 20% of all project work hours within each trade performed by local residents, with no less than 10% of all project work hours within each trade performed by disadvantaged workers. Subject to the period review process set forth below, the mandatory participation level for project work hours shall increase annually over seven years up to a mandatory participation level of 50% of project work hours within each trade performed by local residents, with no less than 25% of all project work hours within each trade performed by disadvantaged workers."

¹⁰ Metro. *Strategic plan to advance racial equity, diversity, and inclusion*. June 2016.

<https://www.oregonmetro.gov/sites/default/files/2017/10/05/Strategic-plan-advance-racial-equity-diversity-inclusion-16087-20160613.pdf>.

- ii. **Persons of Color:** Minority construction workforce participation in the region is currently around 20%, which serves as the starting point for this ramp-up schedule. This floor reflects the average current participation.

**Figure 3: Persons of Color Diversity “Ramp Up” Schedule
(Example)**

| Year After Policy Effective Date | Participation Level for Project Work Hours |
|----------------------------------|--|
| 0-1 | 20% |
| 1-2 | 21% |
| Periodic Review (Year 2) | 22% |
| 2-3 | 22% |
| 3-4 | 23% |
| Periodic Review (Year 4) | 23 % |
| 4-5 | 24% |
| 5-6 | 25% |
| Periodic Review (Year 7) | 25% |

- D. **Regional Collaboration:** While the enforcement authority for individual projects will remain within individual agencies, a regional body such as the Regional Collaborating Committee (Section VI) should review performance on a periodic basis and suggest strategies for improvement.

SECTION IV. ROLES AND RESPONSIBILITIES

This section provides a non-exhaustive list of the roles and responsibilities Public Owners, Developer/Contractors, and the Trades should assume to foster a diverse construction workforce. Roles and responsibilities provide clarity and define expectations among stakeholders and promote the alignment of efforts.

This toolkit is intended as a guide only, and is not a substitute for legal advice regarding specific situations and recommendations. Each agency should assess their own legal risk.

Roles and Responsibilities for Public Owner(s)

- A. **Set Clear Goals:** Public Owners should set clear, enforceable workforce diversity goals for construction contracts (Section III). Public Owners that already have set goals should implement tracking and enforcement mechanisms to ensure Developer/Contractors are contractually motivated to perform accordingly.
- B. **Negotiate a Workforce Agreement to deliver diversity goals:** Public Owners should direct a third party to negotiate a Workforce Agreement with the local construction labor unions, and other partners, as necessary. The purpose of the Workforce Agreement includes:
 - 1. Ensuring an adequate skilled and diverse labor pool;
 - 2. Promoting labor peace and an efficient and binding procedure in the case of labor disputes;
 - 3. Ensuring projects are completed on time and on schedule for the benefit of all Greater Portland residents.
- C. **Align Procurement Documents:** Public Owners should direct staff to review their standard procurement documents and incorporate workforce diversity goals language into contracts used for Covered Projects. In addition, Public Owners should also ensure Developer/Prime Contractors have clear guidance on how to meet goals.

D. **Provide a Contractor Checklist:** The Checklist is a summary of key contractual obligations for Developer/Prime Contractors working on a Covered Projects. Public Owners should adopt similar (and to the extent possible, identical) checklists to create predictability and minimize administrative burden for Developer/Prime Contractors. The checklist should include, at minimum, the following:

1. A description of Public Owner's commitment to workforce diversity and reference relevant agreements/ordinances to ensure procurement is aligned with existing policies.
2. An outline of actions necessary to meet targeted hire requirements for Developer/Prime Contractors and subcontractors.
3. List of documentation necessary to demonstrate "good faith" efforts to achieve the targeted hire goals. Provide templates, if applicable. Good faith efforts are described later in this section under "Roles and Responsibilities for Developer/Prime Contractors."
4. Description of regular reporting procedures for Public Owners to track progress on workforce diversity goals. Reporting procedures should be selected to minimize administrative burden on Developer/Prime Contractors.
5. Clearly outline processes and remedies an Owner can employ if a Developer/Prime Contractor does not comply with the requirements.
6. Provide a list of qualified jobs coordinators, community-based organizations, workforce development partners and technical assistance providers that are available to the Developer/Prime Contractor throughout the life of the project.
7. Guidance on approved workplace training curriculum to address construction job site culture, and list of steps to implement curriculum at a given job site.¹¹

¹¹ Public Owners noted several existing resources that could be applied regionally, such as Green Dot, which provides a curriculum to address bullying, harassment, hazing, and other forms of aggression in Portland's construction trades.

E. **Adopt Tracking Systems:** Public Owners should utilize a software tracking system (e.g. Elations, LCPtracker, B2GNow) to streamline reporting and compliance. Adopting a data-driven approach will facilitate the enforcement of targeted hire goals and help Developers/Prime Contractors troubleshoot any issues that may arise. Public Owners can elect one of several options to track workforce data. Public Owners may elect to approach coordinated tracking in one of the following ways:

1. All Public Owners adopt the same tracking system.
2. Public Owners use different tracking systems; smaller agencies contract with larger agencies to conduct their tracking.¹²
3. Every agency selects its own tracking system.
4. Regardless of which option Public Owners select (1-3), they should at minimum commit to collecting the same types of data. Suggested data points are below:

Figure 4: Suggested Data Points

| Category | Suggested Data Points |
|--|---|
| Project Information | <ol style="list-style-type: none"> 1. Name of and Type of Project 2. Total Project Cost 3. Project Threshold – Tier 1, Tier 2, Tier 3 (Section III) 4. Construction Start Date |
| Contractor Information | <ol style="list-style-type: none"> 1. Name of Developer/Prime Contractor 2. List of Subcontractor(s) |
| Workforce Diversity ¹³ | <ol style="list-style-type: none"> 1. Apprenticeship Utilization – by trade and by contractor <ol style="list-style-type: none"> a. Number of Workers and Percentage of Project Work Hours |

¹² Smaller agencies may consider the option of entering into agreements with larger agencies to help track and align workforce data, as is the case with Home Forward and the City of Portland.

¹³ See City of Portland Housing Bureau Workforce Reports as an example of workforce utilization data that is disaggregated by race/ethnicity and pulls out specific data on women of color and female apprentices: <https://www.portlandoregon.gov/phb/article/653827>. Metro's Regional Construction Workforce Market Study also provides a sample Construction Workforce Utilization Report Template (p. 21) that is disaggregated by gender and race/ethnicity: <https://www.oregonmetro.gov/sites/default/files/2018/07/02/C2P2-regional-construction-workforce-market-study-07022018.pdf>.

| | |
|------------------------------|--|
| | <ol style="list-style-type: none"> 2. Female Utilization – apprentice, journey-level, by trade, and by contractor <ol style="list-style-type: none"> a. Number of Workers and Percentage of Project Work Hours b. Disaggregated by Race/Ethnicity 3. People of Color Utilization – apprentice, journey-level, by trade, and by contractor <ol style="list-style-type: none"> a. Number of Workers and Percentage of Project Work Hours b. Disaggregated by Race/Ethnicity 4. Subcontractor Utilization – MWDBE firms 5. Union or Non-Union Workers |
| Efforts to Meet Goals | <ol style="list-style-type: none"> 1. Unmet worker requests to apprenticeship programs 2. Community-Based Organizations and Pre-Apprenticeship Training Programs Contacted 3. Number of Referrals from Community-Based Organizations and Pre-Apprenticeship Training Programs |

F. Require a Workplace Harassment Prevention Program: Public Owners should require an approved workplace harassment prevention strategy, such as Alteristic's Green Dot Program¹⁴, to ensure all employees, regardless of race, gender, or creed, are guaranteed a safe and respectful working environment. Contractors should work with the Trades and Public Owners to develop comprehensive training and intervention processes for worksites.

G. Determine and Enforce Consequences for Non-Compliance: Public Owners should define consequences for non-compliance with workforce diversity requirements. Consequences listed below would only be levied in the case of a serious breach of workforce requirements (as determined by individual agencies):

¹⁴ Alteristic's Green Dot Violence Prevention program is a bystander intervention strategy that aims to prevent and reduce power-based personal violence at school campuses and workplace environments, including sexual harassment and bullying. Green Dot develops curriculum and training materials using strategic planning, bystander mobilization, interpersonal communication, and coalition building. The Green Dot program was successfully implemented as part of the project labor agreement for the Multnomah County Central Courthouse and can be a model adapted for projects and jobsites across the region. More information can be found at: <https://alteristic.org/services/green-dot/>.

1. Withhold all of parts of any progress payment or payments from Developer/Prime Contractor until parties comply.
2. Retain sums as liquidated damages: Liquidated damages can be calculated to be equal to the average project wage for each hour the project fell short of the requirement. Damages collected can be used by Public Owner to support hiring goals, recruitment and retention, and job training efforts.
3. Declaration of Non-Responsible Contractor and Notification of Possible Debarment: Declare a party that substantially and consistently violates the workforce diversity goals and/or Workforce Agreement (as applicable) to be a Non-Responsible Developer/Prime Contractor who should be disqualified from bidding on and receiving other Public Owner contracts for a period.

H. **Encourage Alignment of Career Technical Education Efforts:** Public Owners, such as Beaverton School District, North Clackamas School District, Portland Community College, and Portland Public Schools are in the unique position of managing construction funds *and* providing Career Technical Education (CTE) in the construction trades. These Public Owners, along with BOLI, play a key role in ensuring CTE curriculum aligns with the current and future construction workforce needs of the region. These Public Owners can and should consider themselves as an important source of new construction workers specifically focused on efforts that will engage women and people of color in schools that can meet the workforce demand generated by public projects.

1. Consider forming a **“Creating Supply” Committee**, comprised of K-14, workforce development agencies, state agencies, workforce training providers, community-based organizations, etc. The Committee should meet periodically to develop strategies to further align the workforce development systems around the common goal of diversifying the construction workforce. Their efforts can include the following.

- i. Review the findings of the Metro Market Study and craft a detailed regional strategy to meet projected demand for a diverse construction workforce.
 - ii. Strengthen relationships among CTE and workforce development organizations and industry partners, to create and support initiatives related to increasing diversity in the trades.
 - iii. Ensure alignment among various agencies to provide oversight and authority over new funding allocations.
 - iv. Align outreach and engagement efforts among CTE programs, industry partners, and labor unions to strengthen support and improve quality and quantity of women and people of color who are workforce-ready graduates.
- I. **Invest in Supply:** All Public Owners should make a joint commitment to fund workforce recruitment, training, and retention efforts in the region. See (Section VI) for approaches to funding supply.
- J. **Acknowledge and Encourage High Performing Developer/Prime Contractors:** Any Developer/Prime Contractor and subcontractors that exceed each of the hiring requirements by 5% or more of the required hours, and that has complied with the other terms, should be commended by the Public Owner as a highly responsible Developer/Contractor. Public Owners should consider publishing a list annually to recognize these highly responsible Developer/Contractors.
 - 1. Public Owners should also consider awarding additional points in the bidding process to Developer/Prime Contractors that are able to demonstrate success in complying with workforce diversity goals on future construction bids.

- K. **Coordinate Efforts Regionally:** While implementation and enforcement authority will remain within individual agencies, Public Owners should convene a Regional Collaboration Committee (Section VI) to review and monitor progress towards targeted hire goals and discuss relevant issues of regionwide significance.
- L. **Monitor Outcomes of Workforce Agreement:** Public Owners should periodically assess the trades' performance on the Workforce Agreement and make recommendations for improved performance.

Roles and Responsibilities for Developer/Prime Contractors

- A. **Meet Workforce Requirements:** Public Owners have prioritized workforce diversity as an outcome of projects. As such, Developer/Prime Contractors should aim to meet the goals as they would any other contractual aspect of the project.

If a Developer/Prime Contractor has not met workforce diversity goals, but has satisfied each of the activities below, the Developer/Prime Contractor has met the requirements of the policy and program. These are known as “good faith” efforts.

1. **Hiring Schedule:** Developer/Prime Contractor should submit to Public Owner a Hiring Schedule to establish approximate hiring timetable of construction workforce to provide basis for workforce demand and to satisfy requirements.
2. **Craft Request Form:** Developer/Prime Contractor should submit a Craft Request Form to request workers from union(s). The union(s) shall agree to accept and utilize the Craft Request Form and all the procedures outlined therein, including providing referrals of targeted workers (i.e. people of color and women) for Developer/Prime Contractor to meet targeted hire goals on a priority basis. Developer/Prime Contractor is responsible for keeping accurate documentation of forms submitted, including time and date transmitted.
3. **Pre-Construction Orientation:** Developer/Prime Contractor should convene an orientation with the Public Owner to discuss requirements of workforce

diversity goals, workforce agreement (if applicable), documentation, and reporting to ensure project compliance.

4. **Pre-Bid Construction Meeting:** Developer/Prime Contractor should convene a meeting to educate the construction project manager and subcontractors about hiring requirements and goals of the Workforce Agreement and workforce diversity goals.
 5. **MWDBE Engagement:** Developer/Prime Contractors should engage with MWDBE firms regularly to discuss how they can collaborate in achieving workforce diversity goals. Developer/Prime Contractors may choose to engage in a variety of ways such as pre-bid open houses and other outreach events.
 6. **Jobs Coordination:** Developer/Prime Contractor should engage in Jobs Coordination activities to facilitate the implementation of targeted hire requirements. The activities can be performed in-house or the Developer/Prime Contractor can elect from list of pre-qualified firms who will facilitate the implementation of targeted hire requirements.
 7. **Workplace Harassment Prevention Program:** Developer/Prime Contractor should implement an approved mandatory workplace training plan for contractors, staff, foremen, leads, and workers. The training plan should include policies and procedures around how workplace grievances are addressed, such as Alteristic's Green Dot Program.¹⁵
- B. **Implement Workplace Harassment Prevention Program:** Developer/Prime Contractor should implement a comprehensive workplace harassment prevention strategy, such as the Green Dot Program, to ensure all employees, regardless of race, gender, or creed, are guaranteed a safe and respectful working environment. The strategy will include in-person training for supervisors and employees (permanent and temporary), as well as meaningful policies and procedures for

¹⁵ See footnote #14.

employees in need of recourse.

- C. **Develop Partnerships with Workforce Organizations:** Developer/Prime Contractors should develop meaningful partnerships with organizations that have demonstrated experience working with historically disadvantaged populations and have knowledge of workforce recruitment and retention. Developer/Prime Contractors should utilize these partnerships to facilitate the following:
1. Create a database or list of pre-qualified targeted workers for referral to work on specific projects.
 2. Access networks of WorkSource centers, community, non-profit, and faith-based organizations to help identify targeted workers.
 3. Facilitate referral and coordination of training and employment of targeted workers among contractors, unions, registered apprenticeship programs and training programs.

Roles and Responsibilities for Trades

- A. **Demonstrate Commitment to Workforce Diversity Goals:** The Trades agree to dispatch workers in a manner that best supports Public Owners' workforce diversity goals for people of color and women.
- B. **Fund an Equity Officer:** The Trades agree to jointly fund an Equity Officer who can oversee the design, coordination, and implementation of efforts to address systemic, racial, and gender disparities in the Trades.
- i. The Trades may wish to collaborate with other stakeholders to jointly fund these efforts by identifying additional grant funding sources.
- C. **Implement Workplace Harassment Prevention Program:** The Trades should implement a comprehensive workplace harassment prevention program to ensure all

members, regardless of race, gender, or creed, are guaranteed a safe and respectful work environment. The strategy will include in-person training for members of all ranks as well as meaningful policies and procedures for aggrieved members in need of recourse, such as Alteristic's Green Dot Program.¹⁶

- D. **Develop Partnerships with Workforce Organizations:** The Trades should develop meaningful partnerships with organizations that have demonstrated experience working with historically disadvantaged populations and have knowledge of workforce recruitment and retention. These organizations can and should be a source of pre-apprentice and apprentice level recruitment.
- E. **Establish Direct Application Agreements:** The Trades should enter into Direct Application Agreements with registered pre-apprenticeship programs and community- based organizations with credible relationships in targeted communities. Direct Application agreements modify the apprenticeship entry process by allowing pre-apprentices to bypass the rank list in order to access an apprenticeship program - provided they meet minimum qualifications.¹⁷
- F. **Develop and Strengthen Pathways in the Trades:** The Trades should continue to work with the K-12 and Community Colleges to align and strengthen Career Technical Education (CTE) and develop direct pathways for diverse graduates into the Trades.

¹⁶ See footnote #13

¹⁷ Direct Application refers to a change in application procedures that allows select qualified individuals to apply to the apprenticeship program at any time during the year. This procedure allows for applicants to be tested and interviewed right away rather than waiting for a public application opening. This procedure is currently in place at IBEW Local 48/NECA and approved by BOLI.

SECTION V. WORKFORCE AGREEMENT

Union trades can be effective partners in delivering on workforce goals. Workforce Agreements are enforceable contracts that govern the terms and conditions of employment for all workers - union and non-union - on a given construction project. They serve as a useful mechanism to align practices to ensure diversity goals are met and these agreements allow for clear tracking and monitoring of contractors by Public Owners and the broader community. A Workforce Agreement also avoids costly delays due to labor disputes or shortages of workers, and contractually ensures that publicly funded projects are completed on time and on schedule for the benefit of taxpayers. A Workforce Agreement offers Public Owners increased oversight of numerous contractors and unions on large Covered Projects. It also creates a structure and process for contractors, both union and non-union, to diversify their workforce in a manner that reflects the diversity of their region.

Workforce Agreements vary in size, scope, and signatories. While some Workforce Agreements are applicable to one project, or multiple related projects, others can apply on an agency or region-wide basis. Public Agencies can be a signatory to a Workforce Agreement along with contractors and trade unions. Public Agencies can also direct a winning contractor to negotiate a Workforce Agreement with the unions while not being a party to the agreement.

All terms of a workforce agreement must be negotiated with the Building Trades Unions and Carpenters' Union.

Key Terms

Regardless of the structure of the Workforce Agreement, the following terms are critical to achieving workforce diversity goals:

- A. **Dispatch Diverse Workers First:** Trades must agree to dispatch workers in a manner that best supports Public Owners' workforce diversity goals for people of color and women, regardless of the parties to or scope of the Workforce Agreement. This means reaching down into the list of available workers to dispatch people of color and women to a job site when requested, rather than dispatching the first people on the list.

- B. Ability to Use Core Workers:** All hiring beyond core workers is done through a union hiring hall. The Trades agree to refer qualified targeted hire workers to the contractor based on the contractor's craft request form. If the Trades cannot supply a qualified worker within 48 hours, then the contractor is free to hire from other sources.
1. Employers who do not have a collective bargaining agreement with the signatory unions on this Workforce Agreement but are a party to this Workforce Agreement may employ their own core employee craft workers.
 2. For open shop contractors who are signatory to this Workforce Agreement, the limits on Core Employees shall be as follows: the first two (2) workers shall be Core Employees; the next two (2) craft workers shall be union referrals. Thereafter, dispatch may alternate Core Employees and union referred employees on a one-for-one (1:1) basis, with the Core Employee total number not to exceed 50% plus one worker of the Employer's craft workforce, or otherwise by mutual agreement of the Employer and Union.¹⁸
- C. Protections for MWDBE contractors:** All qualified MWDBE contractors will be allowed to bid on projects subject to Workforce Agreement, without regard to whether they are otherwise parties to collective bargaining agreements. Furthermore, MWDBE contractors will be able to use a specified number of core workers, but must adhere to workforce diversity goals.¹⁹
- D. Cost Control Mechanism / Rule of Three:** If the Developer/Prime Contractor receives subcontractor bids that result in the Covered Project exceeding 10% of the total expected project cost, then, for those subcontracts with fewer than three (3) bidders, the Developer/Prime Contractor will be granted a 10-day re-bid period to identify and encourage additional bidders on those subcontracts. If, after the re-bid period, there are still fewer than three (3) bidders for those subcontracts, then the Developer/Prime Contractor may re-bid those subcontracts outside of the requirements of the Workforce Agreement.

¹⁸ Multnomah Central Courthouse Project Labor Agreement (2017).

¹⁹ To be negotiated as part of multi-jurisdictional project labor agreement process.

- E. **No Strike/No Lockout:** The Workforce Agreement shall provide guarantees against work stoppages, strikes, lock-outs, and other disruptions.
- F. **Labor Management Community Oversight Committee:** The purpose of the Labor Management Community Oversight Committee is to ensure transparency and accountability and to discuss and resolve issues and/or concerns that may arise during the life of the project, such as:
1. Workplace grievances including reporting on workplace climate assessments. Workplace anti-harassment training attendance, and complaints and issues arising from harassment, bullying or other forms of workplace issues.
 2. Oversee compliance with targeted hire goals and other agreement terms;
 3. The Oversight Committee shall be comprised of the following representatives as applicable: Public Owner(s), signatory Unions, Developer/Prime Contractor, MWDBE Contractors, and community based organizations with demonstrated experience working with and serving racial and ethnic minorities, women, and low-income persons in construction, including diverse contractors and workers.
 4. Provide periodic updates to the Regional Collaboration Committee (Section VI).
- G. **Outreach, Training and Retention:** The Trades shall, at minimum, conduct the following outreach activities.
1. Active recruitment of women and people of color;
 2. Direct Application/Direct Entry Agreements with pre-apprenticeship programs that train people of color and women
 3. Develop strategies to ensure recruited workers are fully trained and prepared to enter the workforce as journey level skill workers in their respective trades through strategies such as mentorship programs and support networks.

- H. **Consequences of Noncompliance:** The Workforce Agreement shall have clear consequences for Trades or Contractors that are unable to demonstrate “good faith” efforts towards meeting the terms of the Agreement. Consequences can include the termination of the Workforce Agreement for a given craft or contractor.
- I. **Workplace Harassment Prevention Program:** All Contractors subject to a Workforce Agreement shall implement an approved workplace harassment prevention program to ensure all workers, regardless of race, gender, or creed, are guaranteed a safe and respectful work environment. The strategy will include in-person training for workers of all ranks well as meaningful policies and procedures for aggrieved workers in need of recourse.
1. Contractors and Trades agree to support a worksite monitoring and intervention program like Occupational Safety and Health Administration (OSHA) ten-hour program, including reporting employee complaints, issues with contractors, additional training to stewards and foremen on positive job site culture and intervening on harassment and bullying.
- J. **Track Workforce Participation:** Trades agree to collect and report data to Public Owners on the demographics of their apprentice and journey level members.
- K. **Review Progress on Goals:** The Workforce Agreement shall be reviewed for effectiveness in diversifying the workforce two (2) years from the original signature date. The review will examine what if any additional efforts the Trades should take to further diversity the workforce to meet targeted hire goals.

Implementation

This section will be updated based on the outcome of conversations with Public Owners and Trades.

SECTION VI. REGIONAL COLLABORATION

The success of the recommendations outlined in this document depends on implementation. Simply adopting a workforce diversity policy and Workforce Agreement does not guarantee the goals will be met. Public Owners must institutionalize a structure and process to carry out the recommendations of this Toolkit – not just within their own agency, but on a regional scale among Public Owners. Public Owners must communicate regularly to truly get a sense of their progress on their goals and calibrate efforts as necessary.

Public Owners acknowledge that a region-wide workforce diversity policy must be paired with a coordinated approach to recruitment, training, and retention of women and people of color. Public Owners must also engage labor, industry groups, and community-based organizations to address ongoing barriers that prevent people of color and women from entering the trades.

Matters of training and retention are understandably outside most Public Owners' wheelhouses. However, Public Owners can coordinate investments in workforce supply in a way that creates dedicated funding for workforce development services and helps meet their unprecedented demand for workers.

This section provides recommendations for regional collaboration around monitoring workforce goals (demand) and determining how to fund and maintain a diverse pipeline of workers (supply).

Coordinate Workforce Demand

Public Owners should establish a **Regional Collaboration Committee** comprised of agency representatives that meet regularly to review and monitor progress towards targeted hire goals and discuss relevant issues of region-wide significance. Understanding that agencies will have different levels of staff capacity and resources to contribute to the Committee, the purpose is not to create undue administrative burden on agencies to conduct additional enforcement procedures, but rather to align and coordinate workforce diversification efforts on a regional

scale. Enforcement authority for Covered Projects will remain within individual agencies.

The formal structure and functions of the Regional Collaboration Committee may include the following elements:

A. Committee Structure

1. **Representation:** The Committee will be comprised of Public Owner representatives who are knowledgeable about contracting equity, purchasing, workforce development, and upcoming capital projects. The Committee will also include representatives from Labor and Community Based Organizations.
2. **Meeting Frequency:** The Committee will convene regularly (e.g. twice a year) to report on progress made towards targeted hire goals across agencies and projects.
3. **Lead Convener:** Public Owners recommend that Metro, given the agency's leadership in convening the Construction Career Pathways Workgroup, be the lead convener for this Collaboration Committee.

B. Primary Functions

1. **Compile Regional Workforce Data:** Public Owners will collect their own workforce data and agency representatives will submit and share this data with the Committee to create a collective "snapshot" of the region's performance and progress towards targeted hire goals.
2. **Review and Adjust Ramp-Up Schedules:** Periodically review ramp-up schedules for workforce participation (Section III) and recommend timeline adjustments if necessary.
3. **Address and Troubleshoot Challenges from Contractors/Trades:** Evaluate how individual contractors and trades are performing on workforce diversity, identify problem areas and pressure points related to targeted hire

goals, and share strategies and best practices to improve performance.

4. **Ensure Transparency and Data Accessibility:** Aggregated workforce data should be made accessible to the public online in a transparent and consistent manner and reported to appropriate agency Boards and Commissions.
5. **Analyze and Share Workforce Data Snapshot:** Agencies may also consider sharing in the cost of procuring a third-party firm to conduct annual reports of how agencies, contractors, and trades are performing on a yearly basis.
6. **Coordinate Funding and Resources:** Coordinate and, if possible, leverage funding and programmatic resources to support a qualified, diverse workforce (See Coordinate Workforce Supply below).
7. **Convene External Stakeholders:** Agency representatives may also consider arranging occasional convenings with labor, trades, supply-side and workforce partners to identify workforce gaps and discuss potential strategies.

Coordinate Workforce Supply

In order to address barriers to entry for women and people of color into the construction trades, Public Owners should collaborate on funding strategies to ensure a consistent pipeline of diverse workers into construction careers. Supply-side strategies refer to the types of services needed to create a diverse, skilled workforce. They include recruitment, training, retention, and other support services. These concepts are explained in detail in Worksystems' concept memo *Investing in a Diverse Construction Workforce Supply* (see Appendix).

Public Owners must financially support supply-side strategies to create the workforce they need to meet construction demand. Worksystems' memo notes that if recruitment and retention rates remain the same, the region will need to fund 5,530 pre-apprentices at a cost of \$20.4 million

annually.²⁰ However, if there are improvements entry and recruitment rates, the region would only need to fund 2,540 pre-apprentices at \$10.6 million annually.²¹ In other words, if Public Owners ramp up their support of workforce organizations now, they can close the workforce gap and save money over the long term.

Public Owners should direct funds towards increasing the number of qualified women and people of color in the construction industry. Public Owners may elect one of several options listed in this section, but should make a commitment to facilitate secure and continuous investment in these strategies.

A. Establish a **Funder Collaborative**

1. A Funder Collaborative is comprised of multiple funders with common goals pooling their resources into a **Workforce Development and Contractor Capacity Fund**. The fund is managed by a single intermediary. A single intermediary creates efficiencies in fund management and can fund complementary – not duplicative – initiatives.²²
2. Representatives from each of the participating Public Owners help set strategy and vote on funding decisions. Money from the fund is disbursed from the collaborative but can still be tracked from the original donor.
3. Public Owners can partner with philanthropy and other donors to grow the capacity of the fund.
4. The intermediary can be a standalone organization knowledgeable in managing these types of initiatives or potentially one public agency contracted to provide the capacity for this collaborative. The day-to-day work of the Funder Collaborative will be managed by staff hired by this effort, who will assume the following tasks.

²⁰ Kelly Haines, Nick Knudsen, Andrew McGough (Worksystems) and Noelle Dobson (Metro). *C2P2 Regional Framework: Concepts for Investing in a Diverse Construction Workforce Supply*. 2018. pg 2.

²¹ Kelly Haines, Nick Knudsen, Andrew McGough (Worksystems) and Noelle Dobson (Metro). *C2P2 Regional Framework: Concepts for Investing in a Diverse Construction Workforce Supply*. 2018. pg. 2.

²² More information on Funder Collaboratives can be found here:
http://www.grantcraft.org/assets/content/resources/funder_collaboratives_secure.pdf

- i. Analyze and evaluate regional workforce development and contractor needs to determine the most effective grant making strategy.
- ii. Issue Request for Proposals (RFP) for services.
- iii. Grantee Management.
- iv. Develop clear and transparent metrics to evaluate the Collaborative's success.
- v. Seek additional funding (private, philanthropic sources) as appropriate.

B. Establish a Set-Aside Fund

1. Public Owners may also consider setting aside at least one percent (1%) of their capital project budget for workforce development and contractor support services. Public Owners would manage their funds internally.²³
2. Public Owners reserve the right to allocate the 1% among workforce development, contractor technical assistance, and compliance based on the needs of their contractor base and workforce. An example of a recommended allocation is: ²⁴
 - i. 0.5% to workforce development programs
 - ii. 0.25% to MWDBE contractor technical assistance
 - iii. 0.25% to compliance.
3. To align efforts and learn from best practices, Public Owners should share their grantmaking strategy with other members of the Regional Collaboration Committee (described earlier in this Section). This committee could share best practices and discuss strategies to better align funding to meet the workforce and contractor needs of the region. Public Owners, while encouraged

²³ There are a number of 1% set-aside examples at work in the Portland Metro region and Pacific Northwest: City of Portland Community Opportunities and Enhancements Program (COEP), Multnomah County's Construction Diversity and Equity Fund (CDEF), Sound Transit Regional Apprenticeship Preparation Integrated Delivery System (RAPID), and City of Portland Community Benefits Agreements (CBA) Pilot 1% Set Aside.

²⁴ This suggested allocation is in response to Public Owner's wish for more flexibility in fund allocation and disbursement.

to align funding, would not be obligated to do so, and would disburse funding independently.

C. Allow Workforce Development as an **Allowable Cost**

1. Public Owners may also adjust their procurement documents to allow Developer/Prime Contractors to allocate up to one percent (1%) of hard costs on a project toward workforce development and/or contractor technical assistance.
2. Public Owners should provide direct guidance on the types of assistance that would be considered allowable. However, this approach gives Developer/Prime contractors flexibility in electing workforce development or contractor assistance services that are directly tied to their project. The Owner could also direct the Developer/Prime Contractor to contribute those funds to the Funder Collaborative Model, as described above.

APPENDIX

Supply Memo

C2P2 Regional Framework

Concepts for Investing in a Diverse Construction Workforce Supply

Prepared by Kelly Haines, Nick Knudsen, Andrew McGough, Worksystems; Noelle Dobson, Metro

Introduction

Collectively, our public capital projects pipeline shows an unprecedented building schedule. The five-year projection of *green lighted* large projects is over \$7.5 Billion in construction work for the region. This economic activity is an incredible opportunity for the region to direct efforts that will result in tangible and meaningful lifelong careers for local women and people of color. Now is the time to look at addressing the ongoing barriers to diversity at the regional level with a coordinated investment approach that includes large public agencies and relevant industry stakeholders.

There are many activities that need to be considered when looking to invest in supporting the diversification of the construction trades workforce. To date, data show that, although diversity goals have been outlined for decades to increase the participation of women and people of color in this industry, no real progress has been made.

This document specifically addresses how to invest in the supply of a diverse construction workforce. It is critical to also state that, without robust and enforceable workforce utilization goals and targets on capital projects, these investments will not realize their full return. The supply side activities outlined in this document must be inextricably linked to the demand for diverse workers that is created through strong and explicit workforce diversity requirements.

To help outline and guide a deep discussion on how this could be accomplished at the regional level, Metro requested that Worksystems draft the following Discussion Guide for the C2P2 Public Owners Workgroup. They requested, specifically, that Worksystems address these major areas:

- Using estimates of workforce need from Market Study, create a financial estimate for what it would take to provide the support and services, including pre-apprenticeship, stipends for pre-apprentice students, outreach and referral activities, mentorship and marketing
- Structures for how the money could be raised
- Other potential funding sources such as foundations that could help support the work
- Structure(s) for how this money could be managed, including how management of these funds relates to a regional Funder Collaborative

Note: This investment Discussion Guide, in line with the C2P2 primary focus, only covers workforce investment needs, based on the research conducted in the Construction Workforce Market Study, which was also requested by Metro and the City of Portland to focus on the gaps in diversifying the construction workforce.

We recognize the critical importance of also investing in the parallel needs of growing the capacity of minority and women owned construction companies, which are a different but equally necessary component of advancing equity in construction. Because there has yet to be a similar process involving in-depth research, community input, and best practice inquiry related to equitable contracting conducted, investment recommendations for this area are not included in this document.

Resource Needs and Supply Side Strategies

Workforce Need

| 5 year workforce gap (public projects over \$15 MM) | # Minority | # Female | TOTAL |
|---|--------------|--------------|--------------|
| Apprentices (20%) | 215 | 283 | 498 |
| Journey (80%) | 859 | 1,133 | 1,992 |
| Total gap (all trades) | 1,074 | 1,416 | 2,490 |

As this table from the Market Study shows (pg. 25)²⁵, there is dire need for major collaboration and intervention if the supply of diverse apprentices and journey workers is to hit the five-year target for large public projects in the pipeline. The region needs roughly 1,000 minority workers and 1,400 female workers over the next five years (80% journey, 20% apprentices).

Based on this need, below are some estimates for how much it will cost the region to invest in workforce supply strategies that will help achieve these goals. The following analysis is first based on current rates of entry from pre-apprenticeship into apprenticeship and the current rates of retention from apprentice to journey level (Scenario 1), and then covers how the costs decrease if the recruitment and retention rates improve (Scenario 2). In other words, to produce the needed number of apprentices and journey workers with the current rates, the region will need to fund 5,530 pre-apprentices. If entry rates and retention rates improve, as outlined in Scenario 2, the region would instead only need to fund 2,540 pre-apprentices because more of them would successfully enter apprenticeship and more of them would ultimately become journeyworkers.

Financial Estimates

Scenario 1: Current State: Entry Rate 50%, Retention Rate 36%

| Annual cost for workforce capacity building to hit demand | | | | |
|---|-------------|--------------------------------------|--------------|-------------------|
| | | % of Annual Capital Project Pipeline | 1.35% | |
| Scenario 1 | | | \$20,430,673 | |
| | # of people | Cost per person | Total cost | Outcome of people |
| Recruitment | | | | |
| Marketing | 221,200 | \$5.00 | \$1,106,000 | 2,212 |
| Outreach/Career coaching | 1,106 | \$2,000 | \$2,212,000 | 553 |
| Training | | | | |
| Pre-apprenticeship training | 1,106 | \$12,700 | \$14,046,200 | 553 |
| Advancement | | | | |
| Mentoring | 1,106 | \$1,400 | \$1,548,400 | |
| Jobsite Culture | 1,000 | \$500 | \$500,000 | |
| Support Services | | | | |
| Hardship Assistance | 1,106 | \$500 | \$553,000 | |
| Job Readiness Assistance (tools, work boots, rain gear) | 1,106 | \$300 | \$331,800 | |
| Fuel assistance | 774 | \$400 | \$309,680 | |
| Lodging/per diem | 553 | \$681 | \$376,593 | |
| Child Care | 332 | \$5,000 | \$1,659,000 | |

²⁵ <https://www.oregonmetro.gov/sites/default/files/2018/07/02/C2P2-regional-construction-workforce-market-study-07022018.pdf>

Scenario 1: Current State: Flat rates of entry and retention: The factors used to calculate variable costs in the current state are:

- Factor One: Current entry rate of pre-apprentices entering registered apprenticeship (the current rate is about 50%).
- Factor Two: Current retention rate for women and minority apprentices to become journey-level (the current rate is about 36%).

Scenario 1 illustrates a situation where activities don't change any of the known entry rates (currently 50%) of a pre-apprentice entering registered apprenticeship and don't improve retention rates for women and minority apprentices to become journey level (currently 36%). Here, the annual cost to supply the necessary number of women and minority apprentices and journey level workers would be roughly \$20.4 Million annually, or about 1.35% of the known projected annual Capital project costs for the region (\$1.5 Billion).

Scenario 2: Future State: Entry Rate 70%, Retention Rate 56%

| Annual cost for workforce capacity building to hit demand | | | | |
|--|-------------|--------------------------------------|--------------|-------------------|
| | | % of Annual Capital Project Pipeline | 0.70% | |
| Scenario 2 | | | \$10,632,876 | |
| | # of people | Cost per person | Total cost | Outcome of people |
| Recruitment | | | | |
| Marketing | 121,880 | \$5.00 | \$609,400 | 1,219 |
| Outreach/Career coaching | 711 | \$2,000 | \$1,421,600 | 355 |
| Training | | | | |
| Pre-apprenticeship training | 508 | \$12,700 | \$6,451,600 | 356 |
| Advancement | | | | |
| Mentoring | 711 | \$1,400 | \$995,400 | |
| Jobsite Culture | 1,000 | \$500 | \$500,000 | |
| Support Services | | | | |
| Hardship Assistance | 711 | \$500 | \$355,500 | |
| Job Readiness Assistance (tools, work boots, rain gear) | 711 | \$300 | \$213,300 | |
| Fuel assistance | 498 | \$400 | \$199,080 | |
| Lodging/per diem | 356 | \$681 | \$242,096 | |
| Child Care | 213 | \$5,000 | \$1,066,500 | |

Scenario 2: Future State: Improved rates of entry and retention: The factors used to calculate variable costs in the future state below are:

- Factor One: Entry rate of pre-apprentices entering registered apprenticeship is improved to 70% (the current rate is about 50%).
- Factor Two: Retention rate for women and minority apprentices to become journey-level is improved to 56% (the current rate is about 36%).

Assuming that the activities outlined have a positive impact on the workforce pipeline and contribute to less "leakage" of workers falling out of their career pathways, the "future state" analysis illustrates how both the entry rates and retention rates could be improved, and thereby produce more journey workers

and overall cost less in the long run. If these investments lead to more women and people of color qualifying for the trades and more women and people of color staying in the trades, then the upfront costs will decrease, and the returns will increase.

Scenario 2 is the ideal one where all efforts have tangible impact by improving both the entry rates of pre-apprentices into Registered Apprenticeship and improve retention rates of apprentices becoming journey level (both by 20%). This scenario costs about \$10.6 Million, or roughly .70% of the Annual projected Capital Project costs for the region.

Supply Side Strategies

The preceding cost estimate tables are directly based on research in the Construction Workforce Market Study and ongoing conversations with industry that have uncovered four key areas for investment that should be separately and competitively procured: *recruitment, training, advancement and support service provision*. Below is more detail that describes those cost estimates and included activities.

Recruitment

Region-Wide Marketing Campaign

- Available funds should be identified to go toward the launch of a sustained marketing strategy.
- Procure for the design and launch of a highly targeted marketing approach.
- Through identified contractor, conduct research into the target market, including focus groups and market-testing of messaging, and map existing outreach efforts through agencies like the State Apprenticeship Programs²⁶ and Oregon Tradeswomen that can be built upon.
- Design materials and messaging approaches to be used by outreach providers and disseminate.
- Launch a highly targeted digital campaign based off research conducted, in coordination with existing efforts. According to research, Google Ads generally have a fairly high “Cost per Acquisition (CPA)” for the categories of Employment and Education.

Outreach & referral agreements with partner agencies

- Structure community provider contracts (range of \$50,000-\$300,000 /yr) with monthly retainers to cover core staffing infrastructure and with pay-for-performance goals for outreach activities and successful referrals.
- Ensure outreach is occurring above-and-beyond existing client recruitment efforts by requiring dedicated staffing/outreach project lead(s).
- Require each outreach agency to have at least one MOU/formal relationship with registered apprenticeship and/or pre-apprenticeship programs to ensure they are well connected to the industry and have a clear pathway for their referrals to get into registered apprenticeship programs.

²⁶ https://www.linkedin.com/learning/skilled-trades-construction-apprenticeship-foundations?trk=course_title&upsellOrderOrigin=trk_default_learning

- Refer jobseekers to apprenticeship and pre-apprenticeship programs through regular info sessions & community events, and by educating agency case managers and career coaches about what makes someone a good candidate for the trades.
- Include an industry-informed assessment tool that helps frontline staff know how to best refer someone to either a pre-apprenticeship program or directly to a registered apprenticeship program.
- Work directly with trades they have relationships with to understand their quarterly needs/when they are accepting applicants and build an annual or quarterly plan with goals that line up with industry demand.
- Agreements may be best structured as multi-year contracts so that providers can build their capacity and gain momentum in delivering these services. Providers would negotiate performance-based contracts with placement and referral outcome goals they would report on quarterly.
- Have specific goals and targets for recruitment by race and gender categories that are aligned with the capital project goals and regional labor pool gaps.
- The cost methodology for this activity is based on current contracts with community-based providers who provide career coaching services.
- The financial analysis assumes roughly 50% of apprentices come from outreach and marketing efforts.

Training

Pre-Apprenticeship Training

- Pre-Apprenticeship programs in the region are certified by the Bureau of Labor and Industries (BOLI) and typically offer 8-12 week courses for jobseekers interested in entering a career in construction. Locally, there are five state-certified programs that specifically target the recruitment of women and people of color.²⁷
- These programs offer an array of wraparound comprehensive services to help their students successfully apply for apprenticeship programs. This includes not just preparatory training, but also includes in-depth outreach and recruitment, screening and assessment of applicants, and extensive support services like career coaching and job placement, as well as resources around transportation, child care, substance abuse, housing, and living expenses.²⁸
- The cost methodology for this activity is based on providers' estimates of their costs, which also include student stipends.
- The financial analysis assumes roughly 50% of apprentices come from pre-apprenticeship programs.

Advancement

²⁷ https://www.oregon.gov/boli/atd/pages/a_ag_partners.aspx

²⁸ https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/10-014.pdf?_ga=2.117252751.80239873.1553797310-1122156562.1550183444

Mentoring

- Mentorship is a time-tested model in many different industries and with many different populations, including youth, disadvantaged communities and other groups that may not otherwise have the resources or intergenerational knowledge and networks that oftentimes leads to better career advancement and competitive advantage. Intentionally creating these networks in construction will address these barriers and strengthen recruitment and retention efforts regionwide.
- Mentorship Matters is a program in Canada that has gained international momentum as the leading model to maximize effectiveness of communication and skill transfer between the new worker and the mentor in Construction. The program is divided in to two separate courses. The first is targeted at the mentee or trainee. The skills learned in this course will enable the mentee to gain the most from verbal and practical instruction from the mentor with whom they are paired, with such skills as clear and collaborative communication, and taking the lead in goal setting for their learning. The second course is targeted at the mentor. Here efficient skills transfer, including techniques for demonstrating, evaluating and providing feedback, will be targeted.²⁹

Consider a Mentorship framework where workers are required to earn a mentorship credential before becoming a foreman or running a jobsite. Make it a currency for them to gain in order to advance in the company.

- The cost methodology for this activity is based on national averages for one-on-one high-touch mentorship programs with barriered youth. The cost would vary based on the level of touchpoints the program wants to include.

Jobsite Culture

- The most promising jobsite culture training model emerging in the industry is an evidence-based bystander intervention model, known as Green Dot. This model relies on a jobsite implementation approach, where large capital projects adopt Green Dot on their Project and work in partnership with the Prime Contractor to implement and embed with all workers and subcontractors on the site. Because the culture occurs real-time on the jobsite, this is the best venue to address these issues.
- There are also other positive jobsite culture models emerging, including a curriculum that has been developing and rolled out by the Carpenters, as well as a national effort with the Ironworkers called “Be that one Guy,” among others.
- The cost methodology for this section is based on the Green Dot model being piloted on the Multnomah County Courthouse.

Support Services

- The support services listed are those that the ODOT-BOLI “Build Oregon” Support Services program provide³⁰. These include hardship assistance, job readiness assistance (tools, work

²⁹ <https://www.skillplan.ca/construction/mentorship-program>

³⁰ <http://akana.us/odot-boli-main/>

boots, rain gear), fuel assistance, lodging/per diem, and child care, which is one of the leading reasons people leave the trades early in their careers.

- Consider including components that include mental health and addiction services.
- The cost methodology for this activity is directly calculated by actual cost and uptake numbers of that program.

Generating Resources and Implementing a Collective Fund

Funder Collaborative

Collaborative partnerships to address workforce challenges are effective in large part due to their ability to optimize available resources, align essential services and increase collective impact.

While every problem and partnership is unique, a *Funder Collaborative* model offers a promising approach to achieve the shared goal of increasing the number of women and minorities engaged in the regional construction workforce. There are a few primary reasons for this:

1. When an individual funding entity wants to support a project to make an impact in the community, but funding to facilitate the impact is one-time or sporadic, the community provider(s) tasked with enacting the vision suffer ramp-up and ramp-down fatigue which make the outcomes more expensive over time. Project-specific funding from individual public owners will be episodic in this way.
2. When multiple funders attempt to implement similar initiatives discretely, community providers are forced to build in reporting and accountability structures to each funder, which further forces them to inefficiently spend resources on administrative capacity that could have otherwise been deployed toward direct services.
3. When a group of funding entities has similar or identical funding objectives, those entities can realize greater efficiency and impact if those resources are effectively leveraged against each other – ideally in complement to other resources available in the community that can support their goals.
4. By pooling episodic resources from multiple funders and administering the funding centrally through a single intermediary, funding gaps for service providers are mitigated, and those community agencies get to focus on training and serving more people in the community rather than repetitive administrative burdens by reporting to a single agency through a common reporting system that can compare apples to apples for outcome evaluation.

If the Portland Metro Area were to create a funder collaborative focused on diversifying the construction workforce, participating entities would first need to agree on several specifics relating to the scope and logistics of the investment model. Once those agreements were reached, however, the funder collaborative model would maximize the clarity, relationships and leverage necessary to achieve ambitious goals and increase collective impact.

A first step in determining alignment between funding agencies and investment needs would be to assess individual funders' appetites for investing in each of the four focus areas: recruitment, training, advancement and support services. Once these preferences are compared to funders' expected contributions based on upcoming capital projects, the collaborative will be able to assess if there are major gaps in anticipated funding by category. The group can then decide to adjust investment preferences or seek funding from other sources to bridge the funding gap.

Generating Resources

Each agency will need to understand what funds they deem allowable for these activities. The Funder Collaborative can serve as an ongoing Community of Practice, and agencies can share what they've learned about fund allowability and allocation methodology with new members.

There are a handful of examples that can be used as starting points for this discussion.

- City of Portland Community Opportunities and Enhancements Program (COEP): "OMF and OEHR will work with the infrastructure bureaus and the City Budget Office to establish mechanisms for collecting one percent (1 %) from all City public improvement construction contracts to support program goals"
- Multnomah County's Construction Diversity and Equity Fund (CDEF): "The County will set aside one percent (1%) of the County Construction Cost and one percent (1%) of other funds' Construction Costs (when permitted by other funding entities) into a Construction Diversity and Equity Fund (CDEF)"
- Sound Transit Regional Apprenticeship Preparation Integrated Delivery System (RAPID) "Nickel an Hour Fund: "RAPID helps prepare unemployed and underemployed populations compete for entry-level positions as preferred entry apprentices in the building and construction trades. Unions and contractors actively recruit RAPID graduates for entrance to and successful completion of State Apprenticeship Council approved apprenticeship programs."
- City of Portland CBA pilots 1% set aside: "The Modified CBA for the Kelly Butte and Interstate projects set aside 1% of hard construction costs in dedicated CBA funds to help achieve CBA goals."
- There are examples of general contractors including funding in their project costs to support workforce diversity, pre apprenticeship and support services (e.g. Mortenson, Colas on Metro Convention Center and Hyatt Hotel, Hoffman and JE Dunn on Multnomah County Courthouse and Health Headquarters).

In addition, there are opportunities to bolster agency funds and expand available resources – creating additional leverage opportunities for the funder collaborative. These opportunities can arise from traditional resource development, resource alignment & strategic participant recruitment.

Private foundations, public agencies and private industry partners provide potential revenue sources to bolster the funder collaborative in the form of grant funding. Early in the implementation of collaborative planning, the funding intermediary agency should identify potential funding sources through a comprehensive search of funder priorities, and a resource development plan should be developed to drive forward funder networking and to build a timetable for grant writing.

There are many existing local systems, programs and resources that can be strategically aligned to support the construction workforce pipeline development efforts of this initiative. Efforts should align with (and integrate, where possible) existing community funds that provide support services to those pursuing occupational skills training, existing community-based organizations that recruit and advise diverse community members on career pathway opportunities, and existing career mentorship models, for example.

Distributing funds

RFPs allowing for multi-year extensions should be used to distribute resources. In order to streamline these funding opportunities for CBOs in the community, ideally these activities are solicited either

through one centralized RFP process, where community providers can propose to provide service delivery in one or more of the four focus areas. This is another benefit of having a regional, pooled fund: providers can apply for one grant based on which activities they want to deliver and report on their activities and outcomes via a centralized database. The “flavor” of funding over time will change as new capital projects bring additional resources, but the service delivery and reporting framework remains constant.

An important consideration is that members share a common focus and believe they can have a greater impact by working together. In a collective impact model such as the one proposed here, investors are better off evaluating outcomes of collective efforts, while collectively setting expectations about expected increases in community impact as money is added to the pool or available resources.

Tracking Outcomes

The Funder Collaborative will need to determine the regularity and form of reporting, and the intermediary providing the data infrastructure must be capable of producing real-time or scheduled reports to quickly update investors.

The Collaborative should be able to account for both individual outcomes and collective impact. Resources should be pooled and distributed with a streamlined approach that maximizes greater outcomes through economies of scale, while each funder is also assured that their specific investments can be tracked and accounted for.

Critical point of agreement: Funders must understand that their dollars are supporting the diversification of the construction workforce pipeline as a whole, not the diversity outcomes for the specific capital project that is infusing resource into the pool. Workforce pipeline development happens on a longer time horizon than that of most capital projects. Funders agreeing to enter the collaborative must truly embrace the philosophy that the participating entities are working to raise the tide and lift everybody’s boats over time.

Governance

Decision making

Initial Funder Collaborative members would be those organizations and individuals who are willing to invest in the model. Decisions regarding membership, governance and problem resolution should be made early by the initial members. Things to consider include member eligibility, changes in membership, voting rights/privileges, oversight and evaluation.

All funders should have the opportunity to provide annual decision-making input, receive quarterly performance reports of activities and outcomes, and that anyone can “opt in” to being more involved through ad hoc work groups that may address topic area needs such as retention or recruitment activities.

Embed in the decision-making process a clear role for industry partners and community groups to provide an ongoing feedback loop on the effectiveness of the investment activities. The funders should regularly ensure their investment decisions reflect the best approach to connecting with and equipping women and people of color to be competitive in the industry by partnering with area employers, trade associations and community providers to learn where the gaps are.

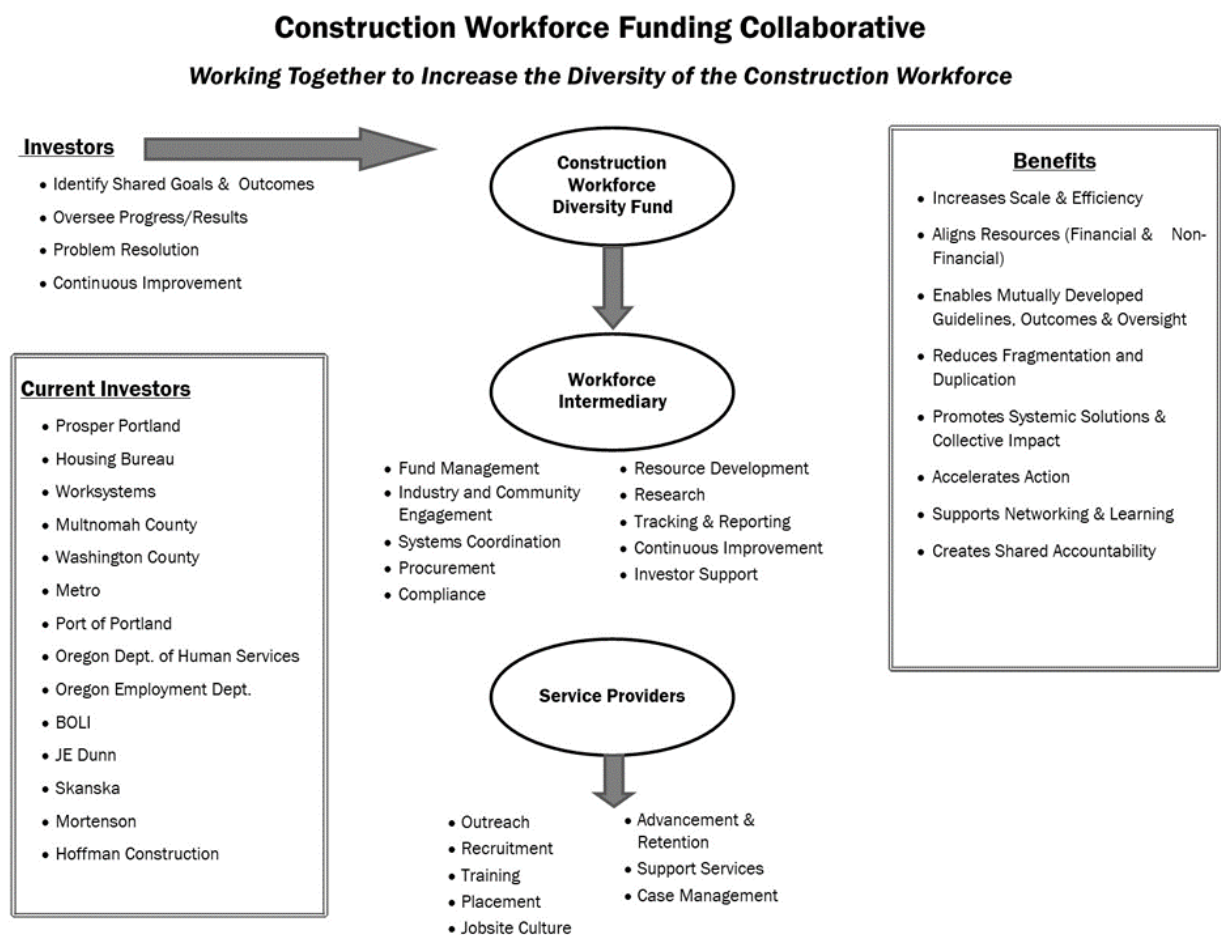
Fund Management

To implement the fund, a centralized and cost-effective intermediary entity should be utilized, such

that the majority of the resources in the fund go directly into the community. The managing regional entity should be one that can leverage additional resources in their role to maximize the benefits of working collectively at the regional level (for example, experience attracting foundation funds, connections to existing social service resources, etc.)

Utilizing a regional centralized intermediary entity is more cost-effective for achieving collective impact. In order to ensure funds are used well, that entity should be selected based on a core set of criteria:

- Have a deep understanding of robust and transparent Procurement practices such as the Federal Procurement Standards 2 CFR 200.317 through 200.326
- Have a demonstrated ability to manage, account for and report on multiple funding streams
- Possess content knowledge and expertise in the area of construction workforce diversity
- Have the ability to leverage in additional resources and/or partnerships to complement and supplement the investment from Funders



Example structure of a Construction Workforce Diversity Funding Collaborative

CASE STUDY: Community Construction Training Program and Economic Opportunity Program

Through investments made by local contractors and public agencies, Worksystems is currently managing a suite of training activities that is explicitly focused on training women and people of color for the construction trades.

The current investors include Hoffman and JE Dunn, through their work on two Multnomah County PLA Projects, Metro and Mortenson on the Hyatt Convention Center Hotel, Skanska on the Port of Portland Terminal Rebalancing WPA Project, and the City of Portland with their ongoing Economic Opportunity Program (EOP).

Through competitive procurement processes, these investments were awarded to area certified pre-apprenticeship programs that specifically serve women and people of color.

All combined, these funds have collectively trained 278 individuals over the last two years. 83% are women and people of color.

Worksystems has streamlined the contracting, invoicing, reporting and management process with our providers, as well as been able to leverage other resources such as rent assistance and childcare for the pre-apprentices while they are in training and for up to one year during their placement into the industry.

| Community Construction Training Program and Economic Opportunity Program | | | | |
|---|--|-------------------------|------------------------|--|
| Current Investors | Current training providers | Invested to date | Trained to date | Women and People of color trained |
| Hoffman Construction | Constructing Hope | \$1.1 MM | 278 | 83% |
| JE Dunn | Oregon Tradeswomen | | | |
| Metro | Pacific NW Carpenters Institute | | | |
| Mortenson | Portland Opportunities Industrialization Center (POIC) | | | |
| Skanska City of Portland | Portland YouthBuilders | | | |