

## CONSTRUCTION CAREER PATHWAYS PROJECT - UPDATE

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Date: September 17, 2019

Department: Diversity, Equity, and Inclusion

Meeting Date: October 1, 2019

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Presenter:

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Length: 30 minutes

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### ISSUE STATEMENT

The Construction Career Pathways Project aims to address a lack of diversity in the construction workforce in greater Portland, where people of color and women face multiple barriers in accessing and sustaining these careers. This project convened stakeholders from across the region to develop a shared policy framework to implement effective strategies to address these barriers and meet the growing demand for a skilled construction workforce.

### ACTION REQUESTED

The public owner workgroup (participants listed below) completed the Construction Career Pathways Project policy framework at the end of August. At the end of October, the framework will come before Council to be considered for adoption and to direct staff to begin implementation.

The purpose of this work session is to provide Council an opportunity to review and respond to the policy framework, to define Metro's ongoing regional role, and to get feedback on implications of adoption for Metro. It is also a request for Metro Council to provide regional leadership in advancing racial equity in the construction industry through the framework.

### IDENTIFIED POLICY OUTCOMES, POLICY QUESTION(S), POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Would Council like to continue leading the effort to have additional jurisdictions adopt the policy?
- Does Council want staff to move forward with implementation of the policy?
- Which option for thresholds would Council recommend in order to advance Metro's goals and priorities?

#### *Project Thresholds*

Each adopting agency should set thresholds for their projects to set a consistent standard for elements of the framework and to publicly communicate this standard. Agencies will adopt thresholds that make the most sense for their agency.

The Construction Career Pathways Project Team, conducted an analysis of the current 5-year Capital Investment Projects for Metro. From this analysis, staff developed a list of options for thresholds based on the size of Metro projects and the analysis focused only on projects that have construction labor scopes included. This means that the following are not included: assessments, land acquisition, stand-alone engineering/architectural studies, equipment/furnishing purchases or Informational Services projects. This methodology returned 95 projects with a total value of \$144,973,548.

The threshold options were developed considering:

- The overall scale and scope of Metro’s Capital Project Program
- The resources, human, financial, and schedule, needed to activate the various thresholds and qualify/quantify those impacts to both Metro and the Contractor.
- The risk of cannibalizing our efforts to remove barriers to contracting opportunities COBID firms posed by the increased administrative burden of the recruiting, training, and tracking requirements.

The lowest threshold amount at \$50,000 is the same as the state prevailing wage requirement. Staff recommend that using this threshold will provide additional consistency for contractors on Metro projects.

|                 | Tier 1         |               | Tier 2        |               | Tier 3    |               |
|-----------------|----------------|---------------|---------------|---------------|-----------|---------------|
|                 | Threshold      | # of Projects | Threshold     | # of Projects | Threshold | # of Projects |
| <b>Option A</b> | \$50k – \$200k | 15            | \$200k - \$2M | 62            | >\$2M     | 18            |
| <b>Option B</b> | \$50k - \$200k | 15            | \$200k - \$5M | 74            | >\$5M     | 6             |
| <b>Option C</b> | \$50k - \$500k | 46            | \$500k - \$5M | 43            | >\$10M    | 6             |

- **Framework Workforce Goals:** 20% apprentices, 14% women, 25% people of color
- **Tier 1** projects will simply track workforce utilizing information already collected in certified payroll and some degree of anti-harassment training/activities.
- **Tier 2** (+Tier 1) projects will be asked to meet the stipulated workforce participation goals and some degree of anti-harassment training/activities.
- **Tier 3** (+ Tiers 1 & 2) would utilize a full workforce agreement based on the regional template, which is still in development. They would also be required to have anti-harassment training/activities.

The majority of the projects represented in Tier 3 for options B & C are already under contract, meaning that they will not be eligible under the policy. It is more likely that this would apply to 2 upcoming projects – Property and Environmental Services’ transfer stations.

Metro stands to have the largest impact at the Tier 2 level, given the size and scope of currently known projects and the history of Metro construction levels. Anti-harassment is required to some degree at every level as it is one of the key reasons individuals leave the industry and will have significant impact on the retention of workers throughout the industry and on Metro projects.

#### *Regional Convening*

As the regional convener of the Public Owners’ Workgroup, there are two ways for Metro to continue this role.

First, at a staff level, the framework calls for Metro to convene the Regional Collaboration Committee. This committee would make recommendations about strategic investments, analyze regional workforce data, and assess the success of the project.

Second, Metro can play a role in bringing on additional jurisdictions as partners in the Construction Career Pathways policy. Metro Council may engage other agencies on a regional level with their peers regarding adoption of the policy.

## **STAFF RECOMMENDATIONS**

- Adopt the Construction Career Pathways Project regional policy framework
- Adopt Option B for Metro Thresholds
  - This threshold represents thresholds outlined in the regional toolkit
  - This threshold represents a compromise based on stakeholder feedback with community based organizations advocating for more aggressive thresholds and some contractors advocating for less stringent thresholds
  - Given the size of Metro projects, Option B would provide the highest level of impact for Metro by having contractors participate in goals but the lowest impact on small contractors.

## **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

The Construction Career Pathways Project supports Goal A of Metro’s Strategic plan to advance racial equity, diversity and inclusion: Metro convenes and supports regional partners to advance racial equity.

This project provides an opportunity for meaningful regional collaboration to:

- Build economic prosperity through construction careers that provide family-sustaining wages;
- Ensure equitable benefit from public capital project investments for underrepresented communities;
- Create more effective and efficient use of public resources and investments; and
- Address significant barriers for people of color and women in accessing and growing careers in construction such as:
  - Inconsistent nature of construction work, and
  - Lack of sufficient and consistent funding and resources for education, training, and support services.

To address these challenges, a Public Owner workgroup was convened in the summer of 2018 to develop the Construction Career Pathways Project Regional Framework. This framework meets the goals of the project to:

- Support and grow a diverse construction workforce,
- Gain efficiencies in public construction projects, and
- Promote equitable growth in the region’s economy.

### *Public Owner Workgroup Participants*

- |                                  |                                     |                              |
|----------------------------------|-------------------------------------|------------------------------|
| • City of Beaverton              | • North Clackamas School District   | • Portland Community College |
| • Beaverton School District      | • Oregon Department of              | • Portland Public Schools    |
| • Bureau of Labor and Industries | Transportation                      | • Portland State University  |
| • Home Forward                   | • Oregon Health Sciences University | • Prosper Portland           |
| • Metro                          | • Port of Portland                  | • TriMet                     |
| • Multnomah County               | • City of Portland                  |                              |

In addition to the workgroup, the project has also engaged community based organizations, pre-apprenticeship programs, apprenticeship programs, COBID contractors, and larger contracting firms.

Financially, there will be several areas impacted by the policy. Regional collaboration needs are in the current budget with the Construction Career Pathways Project manager position which is 1.0 FTE. The following items would need to be budgeted for moving forward:

- Yearly workforce tracking software, around \$6,500 a year
- Staff for data tracking and analysis
- Additional project manager time for policy compliance
- Additional contractor costs to do effective outreach and compliance
- Regional investment into workforce supply

## **BACKGROUND**

In 2018, Metro and City of Portland commissioned a construction workforce market study in anticipation of upcoming public construction projects. This study clearly showed:

- Construction is a high-growth industry reporting a severe shortage in skilled workers,
- There is a need for nearly 14,000 construction workers between now and 2021 on 81 known publicly funded project
- The need for construction workforce will only increase in the next ten years as new construction projects arise and nearly 20% of the workforce is at or near retirement age,
- The construction workforce has been historically homogenous – currently only 4% women and 20% minorities, and
- People of color and women are more likely to work in the lower paying trades.

For a year, members of the Public Owners' Workgroup met and developed a regional policy framework to address these issues. The framework was finalized on August 30. Endorsements will happen throughout the fall by member of the workgroup. We also anticipate additional jurisdictions to join in the coming year.

To date, Multnomah County and TriMet have signaled support of the framework and will be carrying it to their leadership for formal adoption.

## **ATTACHMENTS**

- Is legislation required for Council action? ☒ Yes ☐ No
- If yes, is draft legislation attached? ☐ Yes ☒ No
- What other materials are you presenting today?
  - Power Point Presentation
  - Final Construction Career Pathways Policy Framework