

LABOR MANAGEMENT COMMUNITY OVERSIGHT COMMITTEE

Community Benefits Agreement Pilots

City Council Presentation

September 22, 2016

LABOR MANAGEMENT COMMUNITY OVERSIGHT COMMITTEE (LMCOC) MEMBERSHIP

- **Owner Rep:** Teresa Elliott/Cathleen Massier, City of Portland
- **Owner Rep:** Loretta Young/Angela Pack, City of Portland
- **Owner Staff/ Secretary:** Mary Kapelczak, City of Portland
- **Prime Contractor Rep:** Jerry Rosette, Hoffman
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- **Prime Contractor MWDBE Rep:** Faye Burch, FM Burch and Associates
- **Pre-Apprenticeship Program:** Bill Kowalczyk, Portland Youthbuilders
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- **MWDBE Contractor Rep:** Maurice Rahming, O'Neill Electric

CITY EFFORTS TO DATE

- 2009 Disparity Study
- 2011: Resolution 36868: Fair Contracting Forum
- 2012: Resolution 36944: Social Equity Contracting
- 2012: Resolution 36954: Model CBA for consideration on City construction projects over \$15 MM



WHAT'S IN THE CBA?

Local Hiring focus

Career Pathways

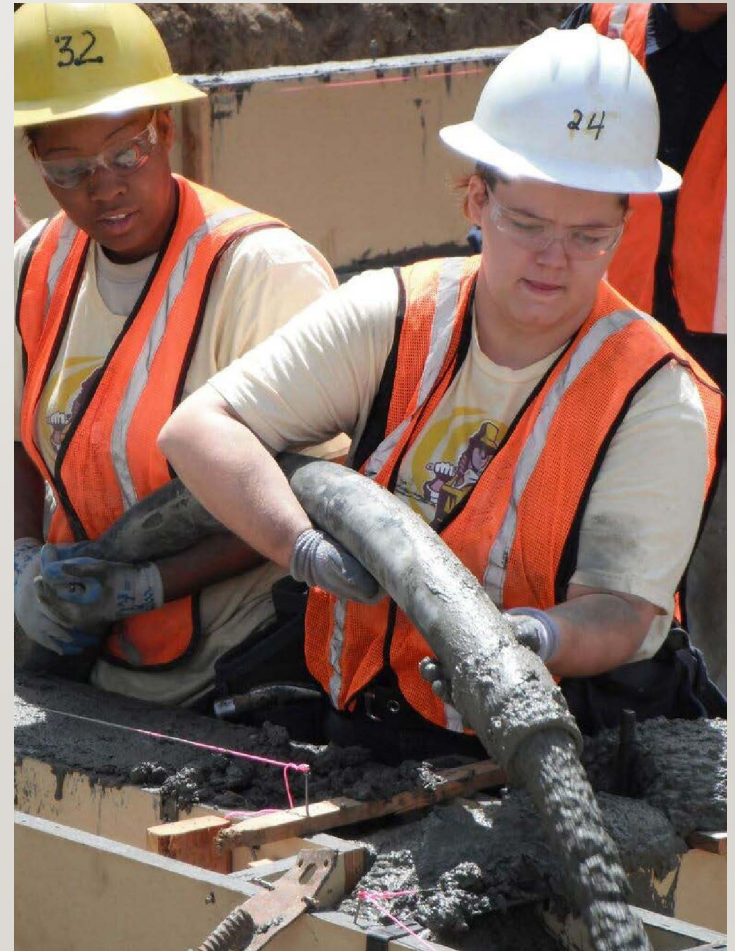
Workforce Diversity

Utilization of Minority and Women-Owned
Businesses

Training Fund

Technical Assistance Fund

Compliance Monitoring Fund

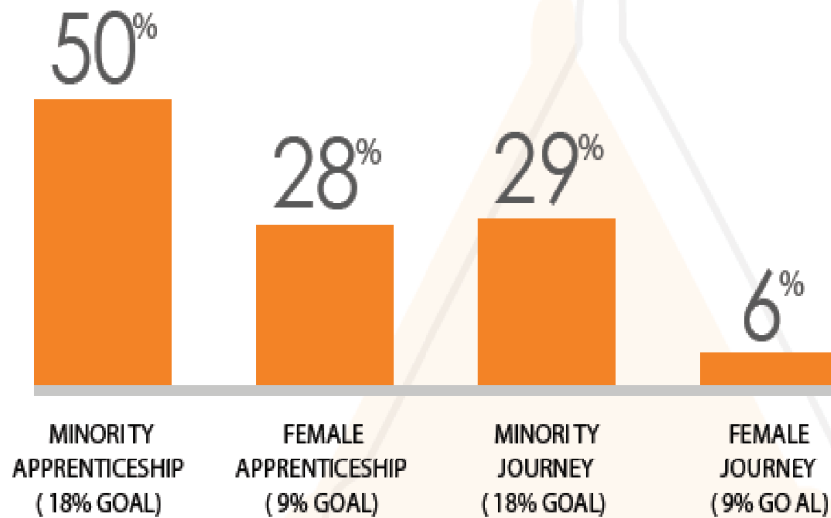


CBA RESULTS TO DATE

WORKFORCE DIVERSITY

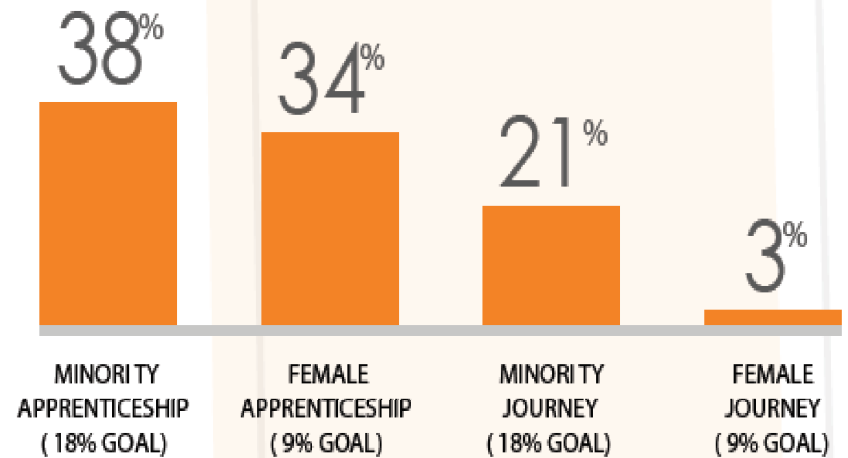
KELLY BUTTE

Total Apprenticeship: 23% (20% GOAL)



INTERSTATE

Total Apprenticeship: 21% (20% GOAL)



TRAINING AND OUTREACH OUTCOMES

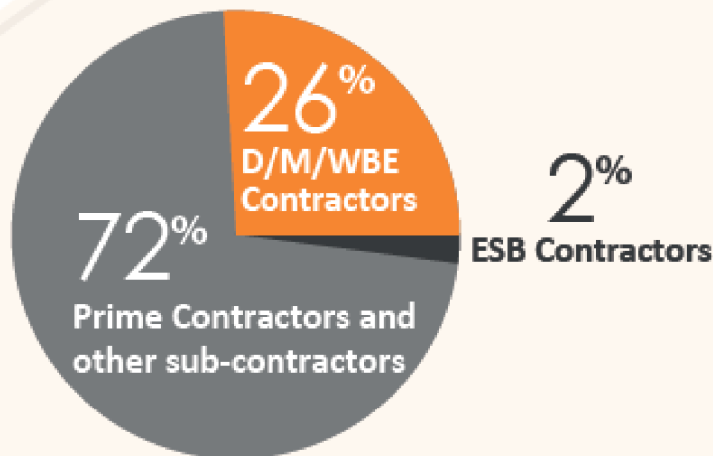
CBA-Funded Pre-Apprenticeship Trainees

Demographics	Portland Youth Builders		Oregon Tradeswomen		Constructing Hope		Program Totals		
	Male	Female	Male	Female	Male	Female	Male	Female	
African American	5	4	0	13	18	3	23	20	43
Asian or Pacific Islanders	0	0	0	3	1	0	1	3	4
Hispanic	8	2	0	4	5	1	13	7	20
American Indian or Alaska Native	1	0	0	3	1	0	2	3	5
Disadvantaged /low income non race specific	11	2	0	4	11	4	22	10	32
	25	8	0	27	36	8	61	43	104

CBA RESULTS TO DATE

BUSINESS DIVERSITY

Contractor Utilization on Kelly Butte & Interstate CBA Projects (PORTION OF TOTAL CONSTRUCTION BUDGET)



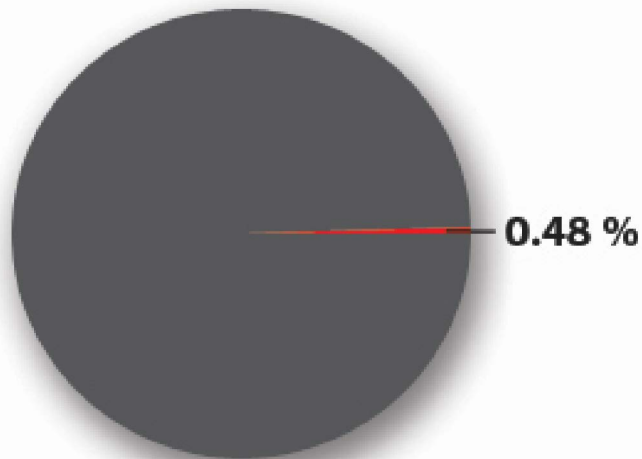
Approximate Contracted Amount across CBA Pilot Projects:

- \$23,997,463 (26%): D/M/WBE Contractors
- \$1,581,023 (2%): ESB Contractors
- \$66,996,478 (72%): Prime Contractors and other sub-contractors (Majority Firms)*

CBA Comparison

Contracting Opportunities for African American Firms

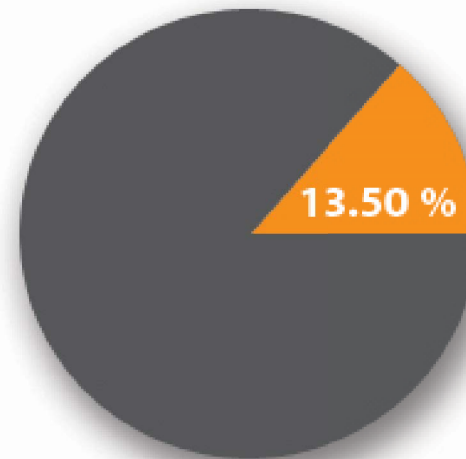
City of Portland
Disparity Study Projects (2004 - 2009)



■ Subcontracts to African American Firms:
\$ 4,329,000

■ Total Subcontracts (2004 - 2009):
\$ 902,434,000

Kelly Butte & Interstate CBA Projects
(January - August 2013)



■ Subcontracts to African American Firms:
\$ 5,912,226

■ Kelly Butte & Interstate Total Subcontracts
as of 9/20/2013: \$ 43,827,385

M/W/DBE FIRMS ON CBA PILOTS

Open Shop (Non-Union) Contractors who participated in Technical Assistance

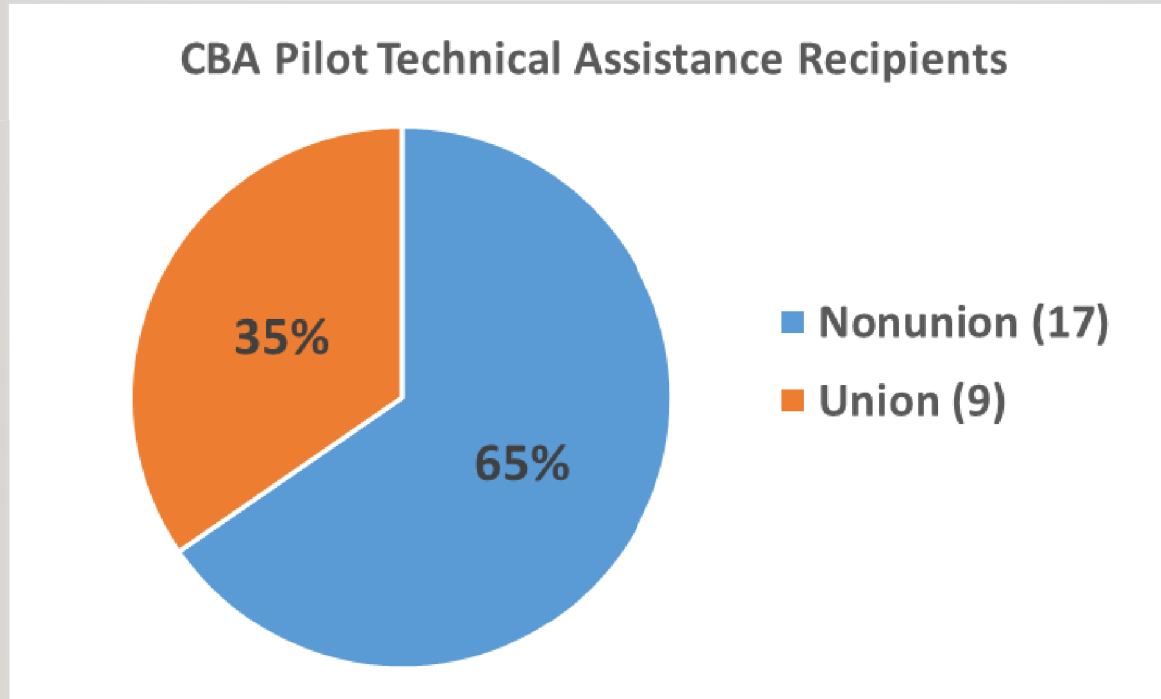
Ace Events (Kelly Butte)
A2 Fabrication
All About Flagging (Interstate)
Arellanos Construction
Azuri Construction (Kelly Butte)
Bestrade Services (bid)
Champion Sweeping (Interstate)
Ha's Painting (bid)
Kathy H Construction Cleanup (Interstate)
Miller Factors Landscaping
MSD Construction
Pacificmark Construction
Plumbing Concepts
Safeguard Security
SBG Excavation
Valley Growers Landscape (bid)
Wifi Now

Signatory (Union) Contractors who participated in Technical Assistance

Alarm Tracks
Art Cortez Construction
AS Construction
Faison Construction (Interstate)
GeoGrade
McDonald Excavation (Interstate)
PDX Glass (bid)
Professional Lath and Plaster (Interstate)
N W Infrastructure (Interstate & Kelly Butte)

Note: "Interstate" or "Kelly Butte" = contractor completed work on project. "Bid" = contractor bid on a project.

CONTRACTOR TECHNICAL ASSISTANCE OUTCOMES

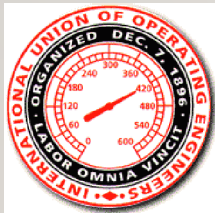
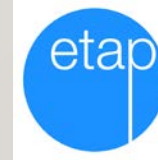


- Participating contractors provided survey feedback with an overall rating of **8.93 out of 10**

2012 Inaugural CBA Partners



Urban League
of Portland



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THE ONGOING CHALLENGE

- Historical discrimination in construction
- Institutional racism
- Business as usual built on past practices

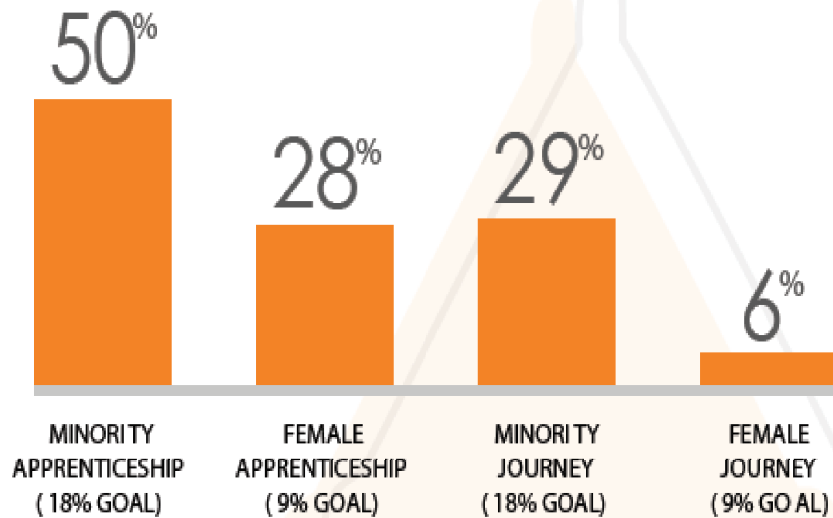


CBA RESULTS TO DATE

WORKFORCE DIVERSITY

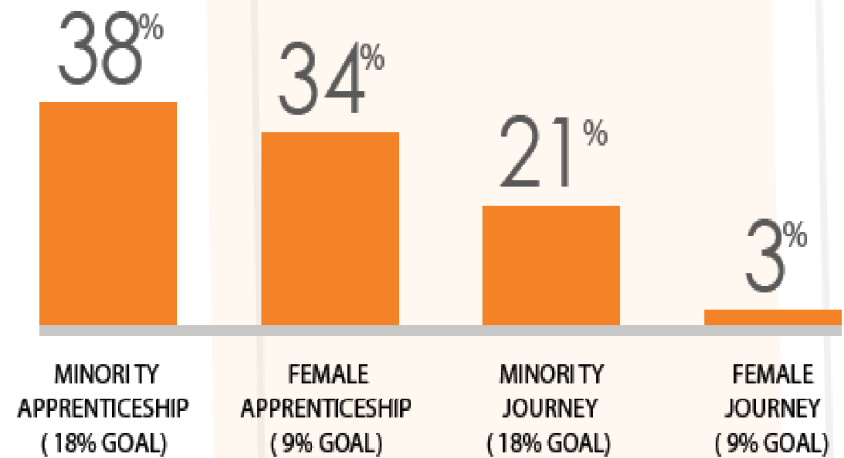
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CELEBRATING SUCCESS



UNDERSTANDING LESSONS LEARNED

PROJECT BACKGROUND

- Project Launch
 - Modified CBA
- City oversight
 - City support
- Project development
 - What's in a pilot

PILOT EVALUATION FINDINGS

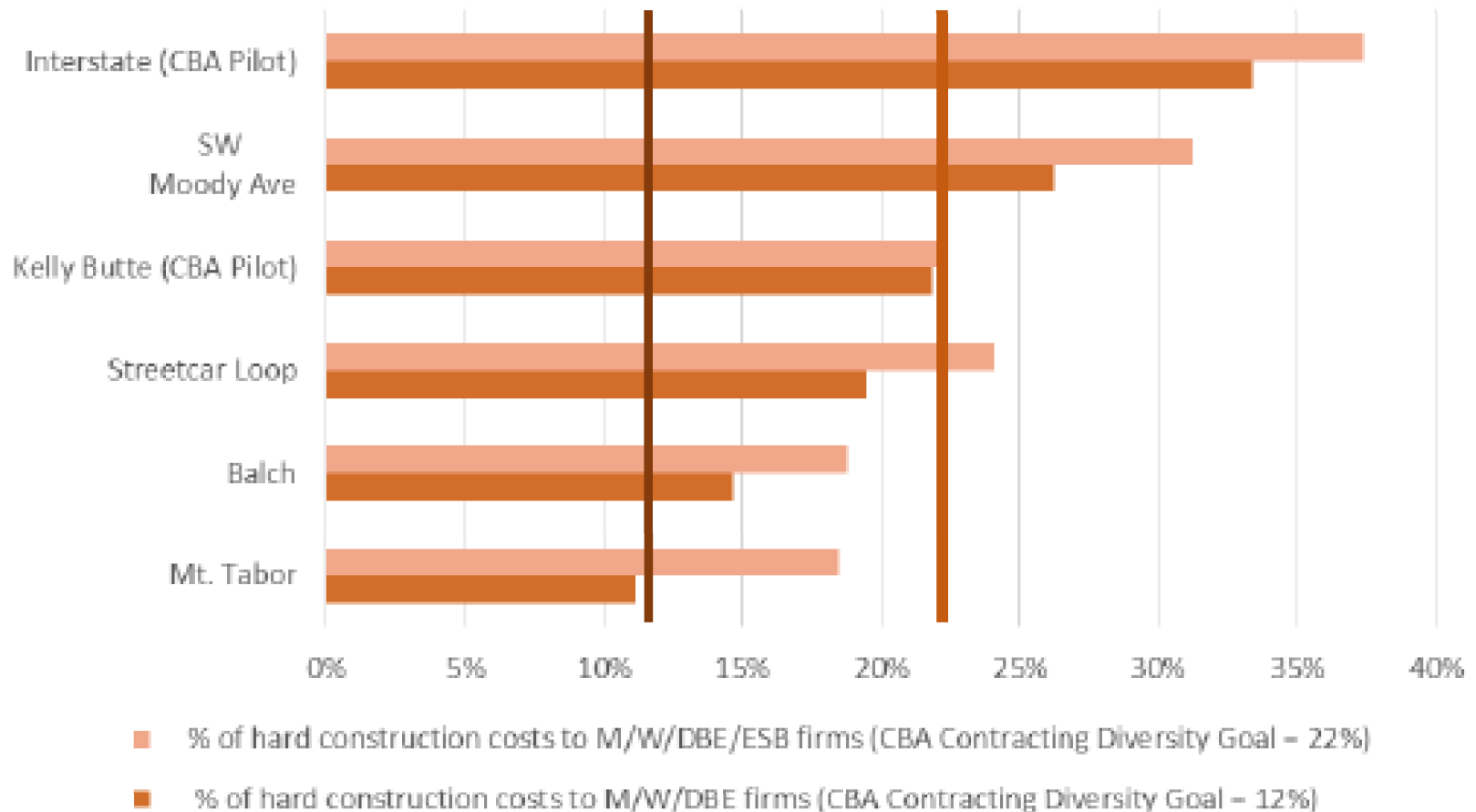
- LMCOOC was important but had too many responsibilities.
- CBA governance provisions created potential for conflict of interest.
- CBA program administration costs were relatively high.
- Startup and admin costs in TA programs may have outweighed short term benefits.

PILOT EVALUATION FINDINGS CONT.

- Procurements used good practices.
- CBA 1% fund contracts were not performance based.
- CBA compliance activities were duplicated and not all compliance funds were spent.
- Comparable projects also achieved good results against CBA goals.

THE TRUTH ABOUT THIS GRAPH

Performance of Comparable Projects Against
CBA Contracting Diversity Goals



LESSONS LEARNED/ BEST PRACTICES

- Goals for workforce and contracting diversity that included both apprentice and journey-level goals. CBA goals and objectives were communicated to all participants and were well-understood.
- Accountability The CBA created a mechanism for holding contractors, subcontractors and stakeholders accountable for goals and active compliance monitoring.
- Participation of key stakeholders in real-time project workforce support and in the design of programs funded by the CBA. The Labor Management Community Oversight Committee (LMCOC) performed this role for the pilot projects.
- Contractor commitment to the City's diversity goals, capabilities to support them and willing participation in the CBA process.
- Investments in outreach and training for minorities and women and technical assistance to M/W/DBE/ESB firms.
- Union engagement in recruitment, training and placement of workers.



RECOMMENDATIONS

- **High road construction career pathways**
- **A collaborative and transparent process**
- **Clear and explicit goal setting and data monitoring**
- **Clear engagement and commitment secured by all relevant parties**
- **Built-in mechanisms to support the necessary community capacity building**
- **Identify external neutral fund administrator- BOLI, OED, WDB**
- **Ongoing meaningful oversight and accountability**