



September 27, 2017

Re: Public Testimony on Council Agenda items 798-800

Dear Mayor and Portland City Commissioners,

We are the Metropolitan Alliance for Workforce Equity (MAWE), an historic partnership between the Carpenters, Operating Engineers, Laborers, other unions, construction contractors, pre-apprenticeship programs, and community-based organizations. MAWE works to promote economic opportunity and equity in workforce and contracting, and develop practical strategies to address historic inequities in the region. These partners developed Portland's first Community Benefits Agreement (CBA) to create a framework for shared community oversight and accountability, fair labor standards, and goals and resources to increase contracting and workforce opportunities for historically underserved community members.

The goals of MAWE are to:

- Support the creation of good quality construction jobs and contracting opportunities in the Portland Metro area.
- Specifically connect these jobs and opportunities to historically underrepresented populations, including people of color and women.
- Sustain and grow the training and community infrastructure with resources in order to address the regional need for a trained, qualified, and diverse construction workforce and contractor pool.
- Work with partners, contractors and public owners to replicate best practices on construction projects and systematize those practices region-wide in order to accomplish workforce and contracting equity.

We are part of a broad coalition of community partners who are working together to address the complex issues that have resulted in disparate impacts for communities of color, those with low-incomes, renters, workers, and minority- and women-owned small businesses. We are united in the belief that the benefits of the City's investments must be broadly shared, focused particularly on achieving equitable outcomes for communities who have historically been burdened by or currently experience displacement from public investments and development.

We are writing to let you know that we oppose the City Council adoption of the Community Equity and Inclusion (CEIP) Resolutions, unless it includes the amendment from Commissioner Saltzman and seconded by Commissioner Fritz to apply a CBA to any projects over \$25 million.

This amendment will ensure:

- Clear direction to the City on applying the Community Benefits Agreement (CBA) on all projects \$25 MM and above
- Better efficiencies for large Public Projects by eliminating project-by-project assessments and negotiations
- Increased opportunity to apply a proven tool in the CBA to large capital projects resulting in more earned wages and contracting revenue for women and people of color in the community

If you cannot adopt the proposed amendment, we oppose the CEIP resolutions and urge you to vote no and not pass CEIP into policy in its current form.

We see the CEIP as significantly flawed for the reasons set forth below, and a policy that will not benefit underserved communities or create equitable economic opportunities on publicly funded capital projects.

The CBA pilots came in ahead of time and under budget. They exceeded nearly all diversity goals and targets, oftentimes double and triple the stated goals. There was true Community oversight and investment in community capacity building. There was transparency of data reporting and accountability of the Contractors and Subcontractors.

The City needs to carry on and build on the success of the CBAs with clear language in the Resolutions that directs them to do so.

The CBA has been the single best tool in the City's efforts to achieve the goals of equitable outcomes for diverse, historically excluded community members. Critical to the success of the CBA were the following components: (1) true partnership and commitment between City, community, contracting and labor partners through the use of a signatory agreement; (2) transparency in process, strategy and outcomes and the involvement of affected stakeholders from the ground level; and (3) shared oversight and accountability measures where all parties (community, labor, contractors) are involved in the oversight process in real time and are accountable for delivering on contracting and workforce equity goals. This formula, which is the true recipe for success in the City's diversity efforts, includes:

- **High road construction career pathways** that pull people out of poverty
- **A collaborative and transparent process** between the involved stakeholders and the City
- **Clear and explicit goal setting**
- **Clear engagement and commitment secured by all relevant parties**, specifically including the City, training providers, community partners, contractors, and labor unions, **who become party to a signatory agreement on the respective project**
- **Built-in financial funding and mechanisms to support the necessary community capacity building at the workforce and contractor levels** of not less than 1% of hard construction costs
- **Ongoing real-time data monitoring and meaningful oversight and accountability** through an oversight group composed of all stakeholders – City, contractors, labor, and community organizations

The CBA template we are advocating for builds on the proven results and successful mechanisms of the original City of Portland CBA from 2012, integrates the lessons learned from the two Water Bureau pilot projects, and also includes the negotiating outcomes from the recent Multnomah County courthouse

Project Labor Agreement (PLA) conversations. It is essentially the same formula that worked so well on the CBA pilots, but with improvements made, including:

- increasing the diversity % goals
- increasing the amount of the 1% fund allocated for workforce outreach and support services
- creating a pathway for non-represented employees to file grievances if needed
- formalizing conflict of interest and Oversight Committee role and responsibilities language
- adding anti-harassment efforts as a retention strategy

Conversely, the proposed CEIP falls short in many areas and will struggle to succeed, both in its ability to produce real outcomes and in its implementation actually bringing notable results in an efficient way. This is due to the document, as written, lacking the critical components that contributed to the historic success of the CBA, such as real enforcement and meaningful community partnership. Below is a summary of many of those issues with the CEIP.

#### **CEIP issues:**

- **Decreased Funding and transparency for workforce equity**
  - There is no transparency for the grantmaking process nor specificity that the funds would support activities that are directly related to construction workforce. The only place where the funds are mentioned are with contracting technical assistance “as requested by the Owner” (pg. 22), not with workforce development or equity.
- **Decreased Workforce goals and standards**
  - Loophole: “Exemptions to the percentage goals set forth in the Partnership Agreement shall be assessed on a project-by-project basis through the Contractor’s and Owner’s assessments of the scopes of work for each trade implicated in the Project, current marketplace availability for such trades, and historical disparity data and other assessment as reviewed by the CEIC.”
  - No requirements for Contractors to submit a workforce outreach and recruitment plan to the CEIC
  - The source for hiring now includes CBOs which may not be BOLI-approved programs
- **No Community Oversight**
  - The “Community Equity and Inclusion Committee” (CEIC) has no decision making or enforcement authority
  - Project data will be reviewed by the CEIC quarterly, instead of monthly, unless more frequent reviews are requested and approved
  - The CEIC has no clear makeup except that they have added a seat for non-diverse, majority contractors
  - The membership includes a seat for the “Building Trades: union and non-union” which doesn’t really make sense, since the Building Trades are a union organization
  - The CEIC is tasked with all the utilization goals: they have been taken out of the main document and instead inserted into the Exhibit A which describes the responsibilities of that committee
  - The appointment of committee members would be decided by the Director of the Office of Equity and Human Rights, as well as the Chief Administrative Officer and Bureau Directors.
  - Exemptions to the contracting and workforce goals will be decided by the Owner and “reported to the CEIC.”
- **Decreased Contracting diversity**

- The City’s Prime Contractor Development Program (PCDP) will be used as a “first source, in either direct contracting or soliciting for bids...” (pg. 21) for any subcontracting opportunities.
- PCDP will be the first source and Contractors only go to other sources if they receive less than two bids.
- The document specifies that the contracting diversity goals will not include “Specialty work,” based on a project by project assessment of the “market availability” of diverse firms to achieve the work.
- **Watered down Enforcement**
  - The liquidated damages for non-compliance have been reduced from \$500 per day for each violation to \$250 per day with a \$2,000 total cap.

Thank you for your consideration. We hope that the City will do the right thing and adopt policy tools that will advance tangible economic opportunities for women and people of color on large capital public projects. Please use the CBA template, the model that has been proven to work.

Sincerely,

The Metropolitan Alliance for Workforce Equity  
 Native American Youth and Family Center  
 Columbia Pacific Building Trades Council  
 Hacienda CDC  
 IBEW Local 48  
 Oregon Tradeswomen, Inc.  
 Constructing Hope  
 Pacific NW Regional Council of Carpenters  
 LiUNA Local 737  
 The Urban League of Portland  
 Portland Youthbuilders  
 Portland Jobs with Justice  
 East Portland Action Plan  
 The Rosewood Initiative  
 Operators Union Local 701  
 O’Neill Electric  
 Worksystems, Inc.  
 Rose CDC



**Urban League  
of Portland**



## East Portland Action Plan

**LiUNA! LOCAL 737**  
*Feel the Power!*





Oregon Tradeswomen, Inc.



COMMUNITY DEVELOPMENT CORPORATION

