

COMMUNITY BENEFITS AGREEMENT (CBA)

PILOT PROJECTS WITH THE CITY OF PORTLAND – APRIL 2016



While conditions have improved, people of color, women and disadvantaged businesses continue to face significant barriers to employment and opportunity in the construction industry and beyond. In 2011, a coalition of community, labor, business and equity partners formed the Metropolitan Alliance for Workforce Equity (MAWE) to promote economic opportunity and equity in workforce and contracting, and develop practical strategies to address historic inequities. To support Portland's equity policies, these partners developed the model Community Benefits Agreement (CBA) template as an implementation tool. The CBA includes shared community oversight and accountability, fair labor standards, and goals and resources to increase contracting and workforce opportunities for historically underserved communities.

On September 5, 2012, the Portland City Council unanimously passed Resolution No. 36954, which approved the draft Model CBA for consideration on construction projects over \$15 million and piloted the CBA on two Portland Water Bureau projects: the Kelly Butte Reservoir and Interstate Maintenance Facility projects. After negotiating a Modified CBA, City staff and community, contractor and union partners piloted the CBA between fall 2012 and spring 2016. Construction on the Kelly Butte project is complete and construction on the Interstate Maintenance Facility project will be completed in spring 2016. This document summarizes the outcomes of the CBA pilot projects. All information in this document was derived from the "CBA Labor-Management-Community Oversight Committee Final Report on CBA Pilot Projects," which is based on data provided by City staff, qualitative interviews with all participants from the CBA Oversight Committee and Compliance Subcommittee, and multiple rounds of edits by City staff and other participants.

Shared CBA Oversight and Accountability

While the Community Benefits Agreement (CBA) itself provides the legal framework for CBA goals and resources, these goals would be not achieved without shared oversight and accountability from many partners. The CBA sets up a governance structure – the CBA Labor-Management-Community Oversight Committee (Oversight Committee) and Compliance Subcommittee – that complements the City's existing oversight and compliance activities. The CBA Oversight Committee and Compliance Subcommittee are tasked with: overseeing the projects; setting clear expectations for compliance and reporting; planning and prioritizing the allocation of CBA resource funds; reviewing data and proactively resolving issues as they arise; supporting entities' efforts to meet CBA goals; leveraging community resources; and developing new resources to support workforce and contracting equity. This structure provides a forum for direct communication between CBA partners, dispatch hall, unions, and contractors, and helps partners to deepen their understanding of the workforce pipeline and CBA interventions.

CBA Goals and Outcomes

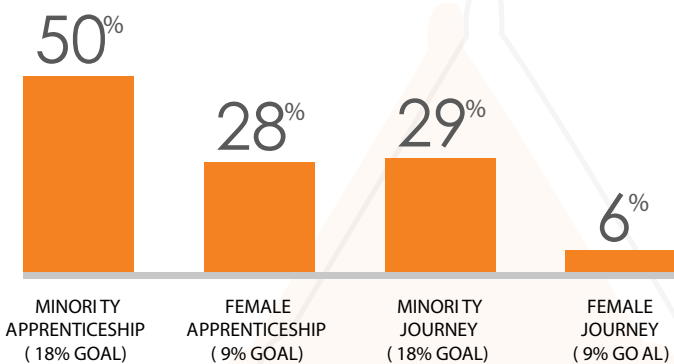
Construction on both CBA pilots will be completed by spring 2016, and according to data provided by City of Portland Procurement Services, both projects have exceeded all but one goal. The CBA includes utilization goals for registered apprentices, women, people of color and disadvantaged contractors.

WORKFORCE DIVERSITY

Registered apprenticeship is a pathway into the construction trades for new workers, and the primary pipeline for diversifying the industry. To promote hiring and retention of women and people of color by construction contractors, the CBA sets and tracks separate utilization goals for diverse apprentices and journey workers. The CBA pilot projects exceeded all goals except for the female journey worker goal. As most trade apprenticeships last 3 – 5 years, it takes time to shift workforce diversity across the industry, and more work needs to be done to recruit and retain female workers.

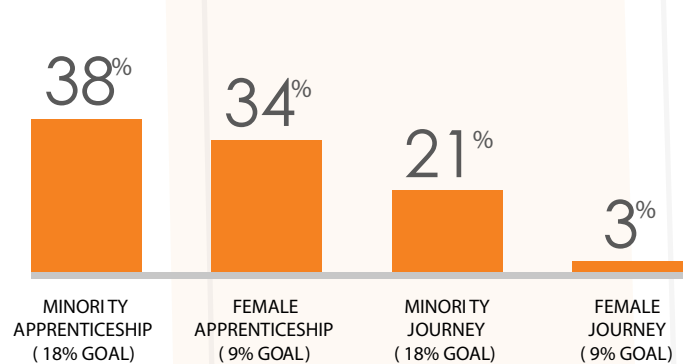
KELLY BUTTE

Total Apprenticeship: 23% (20% GOAL)



INTERSTATE

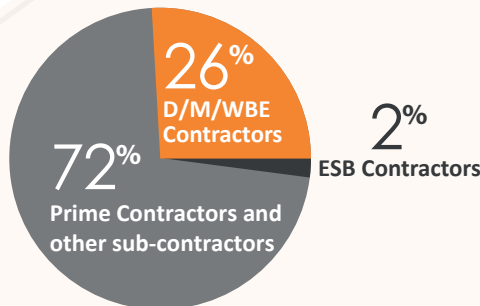
Total Apprenticeship: 21% (20% GOAL)



BUSINESS DIVERSITY

The CBA also sets utilization goals to promote opportunities for historically disadvantaged business enterprises. In keeping with City policy, the CBA sets a 22% aspirational goal for Disadvantaged, Minority Owned, Woman Owned (D/M/WBEs) and Emerging Small Business (ESBs). The CBA also places special emphasis on D/M/WBEs, who have been certified by the federal or state government as historically disadvantaged and thus eligible for targeted project contracting opportunities, by setting a 12% aspirational sub-goal for D/M/WBEs.

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)*

While the CBA pilot project outcomes are important, as Gerry Hein, Hoffman Construction Project Manager for the Interstate project put it: *“the strength and success of Portland’s CBA are not just a matter of hitting goals. Rather, a significant measure of the CBA’s success is the fact that it supports the long-term development of the individuals and businesses who are the subjects of the workforce and contracting goals. It does so by providing critical funding for outreach, recruitment, training, mentoring, and technical assistance. This allows those individuals and businesses the opportunity to develop long-term, sustainable careers and successful contracting practices in the construction industry.”*

CBA Investments Lead to Success

The Modified CBA for the Kelly Butte and Interstate Renovation projects set aside 1.0% of hard construction costs in dedicated CBA funds to help achieve CBA goals. CBA funds were divided as follows: **Compliance Funds (0.25%)** to support compliance strategies, administration of funds, community-based organization participation, contingency funds, and preparation of a final report; **Community Construction Training, Outreach and Recruitment Funds (0.5%)** to support the outreach and recruitment of diverse workers, and pre-apprenticeship training for these workers; and **Contractor Technical Assistance Funds (0.25%)** to support customized technical assistance for disadvantaged businesses. These funds are critical to the success of CBA projects and benefit the community and construction industry as a whole.

CAWS / Worksystems was designated as the administrator for all CBA funds on the pilot projects, received an agreed upon 14% fee for fund administration and program coordination. CAWS / Worksystems worked with the CBA Oversight and Compliance Committees to develop strategies and innovative approaches consistent with CBA goals, procure for target services (primarily through RFP/RFQ processes), and review outcome reports.

COMMUNITY CONSTRUCTION TRAINING, OUTREACH AND RECRUITMENT FUNDS

The CBA Oversight Committee leveraged the Community Construction Training Fund (almost \$400,000) to provide construction training opportunities for community residents by awarding grants to qualified, Oregon Bureau of Labor and Industry (BOLI) registered Pre-Apprenticeship Training Programs (PATPs) with a strong record of serving historically underrepresented people, including people of color, women, and low-income people. All funded PATPs provided outreach, recruitment and training services. Outreach to diverse workers occurred at community partner locations, PATP sites and across the regions public workforce investment system known locally as WorkSource Portland Metro. Participating PATPs were able to recruit and train 104 people who are just beginning their careers in the construction industry and applying to apprenticeship and work opportunities:

CBA-Funded Pre-Apprenticeship Trainees

	Portland Youth Builders		Oregon Tradeswomen		Constructing Hope		Program Totals		
	Male	Female	Male	Female	Male	Female	Male	Female	
Demographics									
African American	5	4	0	13	18	3	23	20	43
Asian or Pacific Islanders	0	0	0	3	1	0	1	3	4
Hispanics	8	2	0	4	5	1	13	7	20
American Indian or Alaskan 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

CONTRACTOR TECHNICAL ASSISTANCE FUNDS

The CBA Oversight Committee leveraged the Contractor Technical Assistance (TA) Funds (almost \$200,000) to implement an innovative approach to build the capacity of certified Disadvantaged, Minority Owned and Woman Owned businesses (D/M/WBEs) to be successful in the construction industry. TA services were designed to be responsive to each business' needs, while helping to build a long-term foundation for growth. TA services ranged from understanding basic costs and accounting processes, to hands on assistance with complex bidding and estimating systems. TA services were made available to D/M/WBE contractors who bid or could have bid on the CBA pilot projects. Participating contractors received pre and post service assessments, individual development plans and access to A La Carte resources.

Participating D/M/WBE Contractors

26 D/M/WBE businesses began the TA Program and participated in initial needs assessments, 22 actively engaged in TA services and were very happy with the services they received. As of November 2015, TA businesses had provided an average Client Experience Rating of 8.9375 on a scale of 1 – 10 (1 = poor, 10 = excellent). Participating businesses included:

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.

Participating Consultants and Technical Assistance Providers

Emerald Cities Portland – Lead Program Development Contractor

FM Burch & Associates – Lead Program Coordination Contractor

Mitali & Associates

Spellman Consulting Inc.

Micro Enterprise Services of Oregon (MESO)

Kinetics Technology Training

Metropolitan Contractor Improvement Program (MCIP)

Grimes & Associates

Cody Gray Consulting

COMPLIANCE FUNDS

The Compliance Subcommittee leveraged Compliance Funds (almost \$170,000) to support compliance strategies, administration of funds, community-based organization participation, contingency funds, and preparation of a final report. The Compliance Subcommittee developed a suite of compliance strategies intended to support industry partners in achieving CBA goals, and support greater diversity and equity across the construction industry. Compliance strategies included: early development of a bystander intervention model to reduce harassment in the construction industry (Green Dot); tools to connect contractors with a diverse workforce (Dispatch Guides and Report); and an engagement strategy with target trades around a diverse workforce.

All data referenced in this report was derived from the Interstate / Kelly Butte CBA Subcommittee Summary 12/11/2015 (REVISED), October / November 2015, prepared by Angela Pack, City of Portland. For more information about the CBA Pilot Projects see: www.portlandCBApilotprojects.com/2016