
Council Bill Number: 118282

Ordinance Number: 124690

AN ORDINANCE relating to City public works; providing findings regarding priority hire; establishing a policy to promote training and career opportunities for individuals in the construction trades; establishing priorities for the hiring of residents in economically distressed areas with particular priority for Seattle and King County; directing the Department of Finance and Administrative Services to execute a project labor agreement for public works projects estimated to cost \$5 million or more; directing that the program be evaluated and reported on annually; adding a new Chapter 20.37 to the Seattle Municipal Code, which includes Sections 20.37.010, 20.37.020, 20.37.030, 20.37.040, 20.37.050, 20.37.060, 20.37.070, and amending Seattle Municipal Code Sections 20.38.005 and 20.38.010 in connection thereto.

Status: Passed

Note: Pursuant to SMC 1.04.020.C, this Bill shall be in effect 45 days after passage by the City Council.

Vote: 9-0

Date filed with the City Clerk: 2015/02/02

Date of Mayor's signature: 2015/01/21 ([about the signature date](#))

Date introduced/referred to committee: 2014/12/01

Committee: Housing Affordability, Human Services, and Economic Resiliency

Sponsor: CLARK, HARRELL, LICATA, O'BRIEN

Index Terms: FINANCE-AND-ADMINISTRATIVE-SERVICES, LABOR, EQUAL-OPPORTUNITIES, JOB-TRAINING, EMPLOYMENT, CONTRACT

Fiscal Note: [Fiscal Note to Council Bill No. 118282](#)

Electronic Copy: [PDF scan of Ordinance No. 124690](#)

Text:

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to City public works; providing findings regarding priority hire; establishing a policy to promote training and career opportunities for individuals in the construction trades; establishing priorities for the hiring of residents in economically distressed areas with particular priority for Seattle and King County; directing the Department of Finance and Administrative Services to execute a project labor agreement for public works projects estimated to cost \$5 million or more; directing that the program be evaluated and reported on annually; adding a new Chapter 20.37 to the Seattle Municipal Code, which includes Sections 20.37.010, 20.37.020, 20.37.030, 20.37.040, 20.37.050, 20.37.060, 20.37.070, and amending Seattle Municipal Code Sections 20.38.005 and 20.38.010 in connection thereto.

WHEREAS, the City of Seattle funds and contracts for construction projects to construct, repair and maintain municipal facilities and infrastructure; and

WHEREAS, the City of Seattle protects the City and public interest by ensuring all such projects under its purview are constructed and administered in accordance with plans, specifications, contract provisions, and provisions protecting the social and economic justice policies of the City; and

WHEREAS in 2013 the City of Seattle spent approximately \$219 million on public work contracts through payments to private construction companies; and

WHEREAS, the City's capital investment dollars create the equivalent work hours of two jobs per million dollars spent, providing enough total hours to equal approximately 438 full time construction jobs in 2013, with a similar number of total hours in most years; and

WHEREAS, the City of Seattle will continue major construction project bids and awards in future years;

WHEREAS, the City of Seattle is a strong supporter of and has found construction job training programs, including apprentice and pre-apprenticeship programs, to be an effective way to prepare individuals for entry into construction jobs, and to ensure women, people of color, and otherwise disadvantaged individuals, particularly those who are Seattle residents, can acquire the necessary job skills and be prepared to successfully pursue construction careers; and

WHEREAS, under Seattle Municipal Code Chapter 20.38, the City requires a percentage of contract labor hours on public works to be performed by apprentices enrolled in registered apprentice training programs, and pre-apprentice and apprentice training programs have successfully established a meaningful diversity of apprentice workers; and

WHEREAS, apprentices on City projects in 2013 include 38 percent people of color and more than 14 percent women representing a greater percentage of worker hours on City projects than the percentage of people of color and women in journey level craft hours; and

WHEREAS, since 2002 the City of Seattle has pursued aspirational programs for women and minority business participation in City funded construction work, and established pursuit of aspirational goals for such businesses beginning in 2005 through Seattle Municipal Code Chapter 20.42; and

WHEREAS, the City's Women and Minority Business (WMBE) aspirational goals have increased the share of dollars spent with underutilized women and minority businesses for construction of City funded projects; and

WHEREAS, the City's progress in WMBE business utilization evidences the opportunity to develop similar improvements for women and minority workers in construction, and also recognizes that the gains made by WMBE firms need to be specifically considered, protected and not harmed by any new City contracting policies for construction firms performing public works for the City; and

WHEREAS, the City has executed a Community Workforce Agreement on the Alaskan Way Seawall Replacement Project with aspirational goals and successful outcomes to increase employment of women, racial minorities and those from economically distressed areas as defined by zip code; and

WHEREAS, the City Council and the Mayor seek to increase and enhance the skilled construction labor force for City public works, utilizing a Project Labor Agreement (PLA) and strategies to recruit individuals who are underrepresented in the construction trades into training and job placements, especially those individuals residing in economically distressed areas of Seattle and King County; and

WHEREAS, on September 23, 2013, the Council adopted joint Resolution 31485, which established a Construction Careers Advisory Committee (CCAC) and asked CCAC members to recommend to the Mayor and City Council policies, programs and resources to increase career opportunities for underrepresented workers on public works projects funded by the City of Seattle; and

WHEREAS, the City commissioned professional studies and analyses to guide the CCAC and the City, including the Construction Industry Labor Market Assessment, Community Attributes Inc., March 2014; Worker Profile in City of Seattle Construction Projects, UCLA Labor Center, February 2014; and Exploring Targeted Hire: An Assessment of Best Practices in the Construction Industry, UCLA Labor Center, March 2014; and

WHEREAS, the CCAC delivered its report to the Mayor and City Council on July 30, 2014, and recommended the City adopt an ordinance to require a PLA for all city funded projects at or above a construction budget of \$5 million; and

WHEREAS, the CCAC recommended that the PLA also provide accommodations for non-union contractors, include resources for training programs, and require higher rates for hiring pre-apprentice and apprentice workers as well as

mandating the hiring of residents in economically distressed areas, particularly in Seattle and King County, and encouraging aspirational goals for the hiring of women and racial minorities; and

WHEREAS, the Mayor and City Council considered the CCAC's recommendations, other jurisdictions' experiences, the City's experience under the Alaskan Way Seawall Replacement Project Community Workforce Agreement that was executed on September 7, 2012, and input from contractors, labor union representatives, community advocates, women and minority businesses, training providers and policy experts;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council makes the following legislative findings of fact and declarations of intent:

A. Based on studies commissioned by the City of Seattle, recommendations of the Construction Careers Advisory Committee, and numerous public discussions, the Mayor and City Council find that it is in the City's and public's best interest to increase the supply of qualified construction workers, particularly those historically underrepresented in the construction industry, including women, racial minorities, and those who live in economically distressed areas of Seattle and King County.

B. The Mayor and City Council have a commitment to ensuring equity in the public works workforce where disparities exist between underrepresented workers' availability to work and their opportunity to be hired and establish a career in the construction trades.

1. Chapter 20.42 of the Seattle Municipal Code requires contractors to actively solicit employment of women and minority group members, and authorizes the Director of Finance and Administrative Services to assist contractors awarded or bidding on City projects in such efforts.

2. The City commissioned the Construction Industry Labor Market Assessment, which found that women, irrespective of race, are underrepresented in the construction industry. Between 2009 and 2013, 10 percent fewer women finished their apprentice training program than males (p.35).

3. The Construction Industry Labor Market Assessment also found that between 2009 and 2013, 14 percent fewer racial minority apprentices finished their apprentice training program than white apprentices (p.36).

4. The Construction Industry Labor Market Assessment also found that underrepresented workers face barriers to completing apprentice training. Between 2009 and 2013, 65 percent of the racial minorities exiting apprenticeships did not complete the programs compared to 51 percent of the white apprentices who failed to complete the program. During that same time period, 65 percent of all women, irrespective of race, failed to complete their programs compared to 55 percent of all men (p.35-36).

5. According to American Community Survey data, the County's average unemployment rate in 2012 was 6.7 percent; however, the unemployment rate was greater for certain portions of the County's population: Latinos were at 8.4 percent, head-of-household women were at 7.6 percent; and African-Americans were at 12.9 percent.

C. The Mayor and City Council find that Seattle has geographic areas of economic distress as evidenced by poverty indicators; including poverty levels, concentrated unemployment, and gaps in educational attainment. Additionally, areas in King County, outside of the City, have similar areas of economic distress that affect workforce availability and Seattle's neighboring communities in the County. The City seeks to act effectively and expeditiously to encourage solutions toward economic growth and job creation in areas of the City that are economically distressed as evidenced by comparatively high levels of poverty, unemployment rates and education attainment.

1. The City finds that these geographic areas in Seattle and King County that have high levels of poverty, unemployment, and low-educational attainment rates may be defined by zip codes, and the City finds that these areas require measures to encourage economic growth, job creation and/or job retention for residents of these areas.

2. The Seawall CWA has an aspirational goal to hire 15% of the workforce from economically distressed zip codes as defined and prioritized by the City. Seawall Article IX. The City compared zip codes in King County using the following criteria: 1) number of people living under 200% of the Federal Poverty Level, 2) number of unemployed individuals, and 3) number of individuals without a college degree. Zip codes with a high concentration, i.e. density per acre of at least 2 out of the 3 criteria, were identified as Economically Distressed Areas. For the Seawall project the City identified 15 zip codes in Seattle and 11 zip codes in King County.

D. The Mayor and City Council find that a Project Labor Agreement ("PLA") is an effective tool to manage public works projects, reduce risk of project delays, reduce schedule interruptions, and reduce labor disruptions and labor shortages. A PLA is also an effective tool to improve job-site safety and overall working conditions.

1. The Exploring Targeted Hire: An Assessment of Best Practices in the Construction Industry study reports that PLAs are an effective tool to increase access to qualified labor, assure labor harmony and prioritize employment of targeted disadvantaged workers (p.24).

2. In September 2012, the City executed a PLA entitled the "Alaskan Way Seawall Replacement Project Community Workforce Agreement" (the "Seawall PLA"). In addition to provisions to avoid project delays and achieve labor harmony, the Seawall PLA includes aspirational goals to promote employment opportunities on the project for women, racial minorities and those from economically distressed areas as defined by zip code, and the Seawall PLA is successfully achieving these goals.

3. The City's experience with the Seawall PLA offers evidence that PLAs may be negotiated in a manner that allows non-union ("open-shop") contractors to successfully bid, compete and win contract awards. City data shows that as of August 22, 2014, the percentage of open-shop subcontracts is 56.9 percent in the Alaskan Way Seawall Replacement Project whereas traditional city roadway projects have a rate of 56.4 percent open-shop subcontracts.

4. The City has a commitment to providing education, training and technical assistance to open shop contractors unfamiliar with a union environment and those unaffiliated with a labor union.

5. The City's experience with the Seawall PLA also provides evidence that PLAs are consistent with the utilization of Women and Minority Businesses; as of July 31, 2014, 23 percent of total construction payments on the project went to Women and Minority Businesses as compared to the typical 14 percent the City has historically experienced on roadway projects when considering all such projects within the past three calendar years.

E. The City commissioned the Construction Industry Labor Market Assessment, which found that the City may reasonably anticipate a reduced surplus of qualified labor and possible labor shortages in certain construction trades by 2019. The City is concerned that these labor shortages may increase construction costs on the City's public works projects unless the City supports efforts to increase the supply of trained apprentices and journey-level workers for local public works projects. Other pertinent findings from this study that support the City's need to minimize the risk of anticipated labor shortages are as follows:

1. The demand for construction trade workers is calculated to increase through 2019, leaving only a 5.8 percent marginal surplus of workers by 2019 (pg. ii), such that the City may expect worker shortages in certain construction trades needed to execute the City's public works projects.

2. Workers likely to respond to new training and employment opportunities are those who (i) live in a local region that promotes new training and employment opportunities, (ii) can travel to a jobsite located in the local region a worker lives in without significant advance notice and (iii) are unemployed or living in poverty.

3. The Washington Legislature has found, in RCW 39.04.300, that a trained and qualified workforce is critical to accomplish public works and that qualified apprentice training programs are essential to, and effective in, assuring an adequate supply of trained workers. RCW 39.04.320 (1)(a) provides that for all public works estimated to cost \$1 million or more, the contract specification shall require that no less than 15 percent of labor hours be performed by an apprentice, absent statutory exceptions or adjustments for specific projects for specific reasons. Under Seattle

Municipal Code Chapter 20.38 titled "Apprenticeship Program," the Department of Finance and Administrative Services and its Director are responsible for implementation of these requirements on City of Seattle public works contracts.

4. Exploring Targeted Hire: An Assessment of Best Practices in the Construction Industry, a study commissioned by the City, found that policies in Milwaukee, Cleveland, the City of Los Angeles, and San Francisco and other jurisdictions are effective for recruiting those individuals that are available, but not fully represented in the construction labor supply (p.27, p.32).

F. The City has a commitment to reduce environmental impacts by promoting environmentally sustainable practices that reduce commuting distances, lower transportation costs, lower greenhouse gas emissions and brake dust emissions, thereby fulfilling the goals of Council Resolution 31447 that adopted the Seattle Climate Action Plan in June 2013.

1. City public works projects employ construction workers living throughout the tri-county region, and beyond, who travel to construction job sites located within the City and King County. A City-commissioned study, The Worker Profile in City of Seattle Construction Projects found that among the construction trade workers employed on City public work projects, 69 percent of the workforce travel into King County from other regions, resulting in negative impact to the environment.

2. City data indicates the City could reduce more than 80,000 miles driven by prioritizing those residing closer to City public works job sites. The Worker Profile in City of Seattle Construction Projects study shows that in a review of 33 City-funded projects, 6% of the workers lived in Seattle; with 25% being from King County.

Section 2. A new Chapter 20.37 "Priority Hire" is added to the Seattle Municipal Code as follows:

Chapter 20.37 -Priority hire

20.37.010 Definitions

When used in this Chapter 20.37, the following words and phrases shall have the meanings given below unless the context in which they are included clearly indicates otherwise:

"Apprentice" means any worker enrolled in an Apprentice Training Program.

"Apprentice Training Program" means a program registered and in compliance with the Washington State Apprenticeship and Training Council as defined by RCW 49.04 and WAC 296-05-011 and WAC 296-05-013.

"City" means The City of Seattle.

"Contractor" means any person, firm, partnership, owner operator, limited liability company, corporation, joint venture, proprietorship, trust, association or other legal entity that employs individuals to perform work on Covered Projects, including general contractors, subcontractors of all tiers, and both union and non-union entities.

"Core Employee" means an employee of an Open-Shop Contractor that meets the Core Employee criteria established under a PLA.

"Covered Project" means a City public works project with a project budget at or above \$5 million.

"Department" means The Department of Finance and Administrative Services or any successor department.

"Director" means The Director of Finance and Administrative Services or his or her designee or successor.

"Dispatch" is the process by which a union refers workers for employment to contractors under the authority of a collective bargaining agreement. The process typically mandates the distribution of work via a "first in, first out" priority but can legally be adjusted via special agreements to allow for out of order dispatching and priority worker hiring.

"Economically Distressed Area" means a geographic area defined by zip code and found by the Director to have a high concentration of individuals; 1) living at or below 200% of the Federal Poverty Level, 2) unemployed, and or 3) without a college degree, compared to other zip codes. King County zip codes, with a high density per acre of at least two out of the three criteria, will be identified as Economically Distressed Areas. There shall be two classes of such zip codes: tier one zip codes located within the City of Seattle and tier two zip codes located within King County and outside of the City of Seattle.

"Helmets to Hardhats" means a nonprofit program that connects National Guard, Reserve, retired and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry.

"Jobs Coordinator" means a City Employee or third party entity that facilitates the hiring of Priority Workers in collaboration with Contractors and Union Dispatch.

"Journey-level" means an individual who has sufficient skills and knowledge of an occupation, either through a formal Apprenticeship Training Program or through practical on-the-job work experience, to be recognized by a state or federal registration agency and/or an industry as being fully qualified to perform the work of the occupation. Practical experience must be equal to or greater than the term of apprenticeship.

"Labor Hours" means hours performed on Covered Projects by workers who are subject to prevailing wages under RCW 39.12.

"Non-manual Position" means a job position on a public works project that is not primarily for the purpose of performing physical construction work, including but not limited to, superintendents, supervisors, staff engineers, quality control and quality assurance personnel, time keepers, mail carriers, clerks, office workers, messengers, guards, safety personnel, emergency medical and first aid technicians and other engineering, administrative, supervisory and management employees.

"Open-Shop Contractor" means a Contractor that is not a signatory to a collective bargaining agreement with a Union representing the trade(s) of the Contractor's workers, also known as non-union Contractors.

"Pre-apprentice" means a student enrolled in a construction Pre-apprentice Training Program recognized by the Washington State Apprenticeship and Training Council.

"Pre-apprentice Graduate" means an individual who completed a Pre-apprentice Training Program and has been accepted into an Apprenticeship Training Program, including those who are still completing their first year of Apprenticeship training.

"Pre-apprentice Training Program" means an education-based program, recognized by the State of Washington Apprenticeship and Training Council and endorsed by one or more registered apprenticeship sponsors, with a focus on educating and training students to meet or exceed minimum qualifications for entry into an Apprenticeship Training Program upon graduation.

"Preferred Entry" means an agreement provided by a PLA that allows Pre-apprentice Graduates and Helmets to Hardhats veterans, who are also Priority Workers, entry into an Apprenticeship Training Program ahead of other applicants.

"Priority Worker(s)" means an individual prioritized for recruitment, training, and employment opportunities because the individual is a Resident in an Economically Distressed Area.

"Project Budget" means the construction budget for the project that includes all costs estimated to be paid to Contractors, including contingency funds, as estimated at the time of bid or, if absent a bid, at the time of the contract award.

"Project Labor Agreement (PLA)" means an agreement executed between the Director, on behalf of the City, and Labor Unions that represent workers who typically perform on City public works projects.

"Resident" means a person who provides evidence to the satisfaction of the Director demonstrating that the person lives at a particular address.

"Training Programs" are pre-apprenticeship and/or registered apprenticeship programs.

"Union" is a representative labor organization whose members collectively bargain with employers to set the wages and working conditions in their respective trade or covered scope of work.

"Women and Minority Business (WMBE)" has the same meaning as given under Chapter 20.42, as may be amended from time to time.

20.37.020 Director powers

A. The Director shall implement and administer this Chapter 20.37 and may develop and adopt rules consistent with the requirements of this Chapter 20.37.

B. The Director may reduce or waive requirements or goals of this Chapter 20.37 when impracticable for a Covered Project for one or more of the following reasons: when work is required due to an emergency, when work is subject to limitations of a sole source, when requirements or goals would be inconsistent with a grant or agreement with a public agency, when requirements or goals are inconsistent with federal funding or other funding sources, when the project is in a remote location, when superseded by safety or other legal requirements, or absent an executed Project Labor Agreement.

20.37.030 Training assistance

The Director may assist local Pre-apprentice or Apprentice Training Programs to encourage additional programs, classes and curriculum that may increase graduation, retention and employment rates of women, racial minorities, other preapprentice program participants, and or Priority Workers.

20.37.040 Priority Hire

A. For Covered Projects which are not found impracticable under Section 20.37.020, the Director shall establish in the bid documents the required percentage of Labor Hours to be performed by Priority Workers. The Director shall establish the percentages separately for Apprentices and for Journey-level workers. Contractors and Dispatch under a PLA shall seek to first hire and dispatch Priority Workers so as to meet or exceed the required percentages.

B. For each Covered Project, the Director shall establish the greatest practicable required percentage of Labor Hours to be performed by Priority Workers by using past utilization percentages on similar public works projects from the previous three calendar years, and shall increase that percentage by no less than two full percentage points above past performance. The Director shall calibrate these required percentages annually and shall consult with the Priority Hire Implementation and Advisory Committee regarding these requirements.

C. In order to maximize the impact of this program in Economically Distressed Areas, the Director shall set projectspecific requirements with the intent of achieving a total percentage of no less than 20% for all Labor Hours performed annually by Priority Workers on the combined total of Covered Projects by 2016, and shall strive to achieve 40% of Labor Hours performed by Priority Workers by 2025. Annual percentage rates will be measured January 1-December 31 of each applicable year.

D. In order to meet the percentage of Labor Hours to be performed by Priority Workers, the Director shall require Contractors and Dispatch under a PLA to first seek to employ a Priority Worker who is a Resident in an Economically Distressed Area within Seattle City limits. The second priority shall be workers from Economically Distressed Areas within King County, and then workers from any other Economically Distressed Area as needed to meet the percentage of Labor Hours to be performed by Priority Workers. The Director shall establish in consultation with the Advisory and Implementation Committee, by Director's Rule the specific process by which Contractors, Union Dispatch and the Jobs Coordinator will collaborate in order to facilitate the hiring of Priority Workers.

E. For Covered Projects, the Director shall ensure the availability of a Jobs Coordinator to perform the following functions: maintain a database of pre-qualified Priority Workers for referral to work on a Covered Project; network with various work source centers, community, non-profit and faith-based organizations to facilitate the identification of Priority Workers; and facilitate referral and coordination around training and employment of Priority Workers between contractors, Unions and Training Programs.

F. The Director shall enforce the requirements in this Chapter 20.37 and may use actions such as withholding invoice payments or debarment to the extent allowed by contract as authorized by Seattle Municipal Code Chapter 20.70.

G. Public works bidders shall evidence good faith efforts to achieve aspirational goals for a percentage of Labor Hours performed by women and racial minorities. The Director shall establish the greatest practicable aspirational goals, using the average of past utilization on similar projects in the previous three calendar years and increasing that percentage by no less than two full percentage points beyond past performance. The Director shall calibrate such goals annually.

H. In determining compliance with the percentage hiring requirements of sections 20.37.050 (A) and (B), the Director shall exclude from the calculation Labor Hours performed by Residents of states other than the State of Washington. The Director shall track Labor Hours performed by Residents of states other than the State of Washington and shall review this percentage annually together with the Priority Hire Implementation and Advisory Committee.

I. If approved by the Director, Contractors may receive a credit of up to 10% applied to their required Priority Worker hours by 1) hiring Priority Workers to fill Non-manual Positions; and 2) continuing to employ workers in these positions for the duration of the Contractor's work on the Covered Project.

I. The Director shall establish a Priority Hire Implementation and Advisory Committee that includes representatives of the following groups; 1) Labor Unions, 2) community organizations, 3) Contractors, including at least one WMBE firm, and 4), Apprentice and Pre-apprentice Training Programs. The Committee shall provide an advisory role to the City regarding the implementation and effectiveness of the Priority Hire policy. Each of the four named groups above shall make nominations from among themselves for Committee representatives to the Mayor. The Mayor shall appoint no less than two and no more than three persons from each group to the Committee. The Department will convene the Committee on a regular basis, at least once every quarter, and will provide the Committee with information about program performance. The Director shall assign at least one staff member from FAS to support the work of the Committee. The Committee shall submit an annual report in writing to the Mayor and City Council, and may submit recommendations, findings or other reports to the Director, Mayor or City Council, for consideration as appropriate. The Committee shall establish rules for its procedure.

20.37.050 Project labor agreement

A. The Director shall negotiate and execute a Project Labor Agreement that applies to all Covered Projects other than projects deemed impracticable under Section 20.37.020. The PLA shall comply with and include the applicable terms of this ordinance and any applicable rules and standards developed by the Director. The PLA shall require that all Contractors agree to abide by the terms of the PLA in order to compete and serve on the Covered Project.

B. The Director shall include a requirement in the PLA that one of every five Apprentices employed on a Covered Project be Preferred Entry candidates.

C. The Director shall establish provisions within the PLA that encourage Open-Shop subcontractors to compete and participate in Covered Projects, including reimbursing existing employer sponsored dual-benefit health and pension costs paid by OpenShop Contractors, which are determined by the City to be compliant with usual benefits as defined in WAC 296-127-014.

D. The PLA shall permit an Open-Shop Contractor to employ as many as five Core Employees on each contract in a Covered Project, provided the Core Employees meet the Core Employee criteria set forth in the PLA. Open-Shop Contractors are allowed to select and hire up to 5 Core Employees before filling any further hiring needs through Dispatch. Open-Shop Contractors must notify the Union and identify their Core Employees. FAS has authority, at any

time, to verify that the employees meet the definition of Core Employee as established in the PLA.

E. No worker shall be required to become a member of a Union to be eligible for employment on a project under a PLA with the City of Seattle. No Contractor shall be required to become affiliated with a Union to be eligible for work on a project under a PLA with the City of Seattle.

F. The Department may provide technical assistance to WMBE and Open-Shop Contractors in transitioning to a PLA environment.

20.37.060 Program evaluation

A. The Department shall establish benchmarks and metrics to evaluate the program, such as project costs; completion times; workplace safety; utilization rates and graduation rates of Priority Workers, women and racial minorities from Preapprentice and Apprentice Training Programs; and changes in the percentage of dollars paid to WMBE Contractors working on Covered Projects.

B. The Department shall report findings to the Mayor and City Council annually.

C. The Mayor and City Council will review program results during 2016 to determine if the program should be expanded or amended by increasing or decreasing thresholds. Consideration should also be given to imposing a small fee on non-compliant contractors to help fund the program.

20.37.070 Severability

Any term or provision prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Chapter 20.37.

Section 3. Section 20.38.005 of the Seattle Municipal Code, as last amended by Ordinance 120794, is amended as follows:

20.38.005 Apprentice requirements ~~((utilization-))~~

A. On public works contracts with an estimated construction cost of \$1 million ~~((One Million Dollars (\$1,000,000-))~~ or more, the Director ~~((is authorized to-))~~ ((is authorized to)) require that ~~((up to fifteen((15) percent-))~~ no less than 15% and no more than 20% of the contract ~~L((L))~~ labor H((H)) hours be performed by A ~~((a))~~ apprentices ~~((enrolled in training programs approved or recognized by the Washington State Apprenticeship and Training Council (SAC). Furthermore, it is the City's intent that, on public works projects with an apprentice utilization requirement, there shall be a goal that twenty-one (21) percent of the apprentice labor hours be performed by minorities and twenty (20) percent of the apprentice labor hours be performed by women)).~~

B. In determining the percentage for each project, the Director may consider such factors as project size, project duration, Labor Hours anticipated for the project, skills required, the likely crafts required for the project, historic utilization rates and Apprentice availability.

C. The Director shall establish aspirational percentage goals for Apprentices who are women and those who are racial minorities using similar factors. Contractors may be allowed to offer utilization below the aspirational percentage goals by substituting other efforts to meet the intent of building a trained construction workforce for a portion of the utilization percentages for women and minorities.

Section 4. Section 20.38.010 of the Seattle Municipal Code, as last amended by Ordinance 123361, is amended as follows:

20.38.010 Definitions ~~((--))~~

~~((When used in this chapter:--))~~ The following words and phrases shall have the meanings hereinafter described unless

the context in which they are included clearly indicates otherwise :

"Apprentice" shall have the same meaning as given under Section 20.37.010, as may be amended from time to time.

~~((A-))~~ "Apprentice ~~((+))~~ Labor ~~((h-))~~ Hours" means the total hours required to be worked by ~~((a-))~~ Apprentices on a public works project.

~~((B-))~~ "Director" means the Director of Finance and Administrative Services or his or her designee , or any successor.

~~((C-))~~ "Labor ~~((h-))~~ Hours" means ~~((the total))~~ hours ~~((of-))~~ performed by ~~((of-))~~ workers who are subject to prevailing wages under RCW 39.12. ~~((receiving an hourly wage who are directly employed on the site of the public works project. "Labor hours" shall include hours performed by workers employed by the contractor and all subcontractors working on the project. "Labor H ours" shall exclude hours worked by foremen, superintendents, owners and workers who are not subject to prevailing wage requirements.))~~

Section 5. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this ordinance, or the invalidity of its application to any person or circumstance, shall not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2015, and signed by me in open session in authentication of its passage this

____ day of _____, 2015.

President _____ of the City Council

Approved by me this ____ day of _____, 2015.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

Patricia Lee LEG Priority Hire ORD January 15, 2015 Version #4 final