

OREGON BUREAU OF LABOR AND INDUSTRIES

DIVERSIFYING THE CONSTRUCTION WORKFORCE

2010 Report to the Oregon Legislature for HB 2021

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Bureau of Labor and Industries (BOLI)
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Section I. Context

In 2007, the Oregon Legislature passed House Bill (HB) 2021 (ORS 279C.807). This legislation established the importance of the State's goal of increasing diversity among workers employed on public improvement projects subject to the State prevailing wage laws. The prevailing wage laws for public improvement projects are administered by the Bureau of Labor and Industries (BOLI). ORS 279C.807 directs BOLI to develop and adopt a plan, and to report to the Legislature on progress towards the goal and effective measures that will improve diversity among workers on public improvement projects.

In its January 2009 report, *Diversifying the Construction Workforce, Bureau of Labor and Industries (BOLI) Initial Report to the Oregon Legislature for HB 2021*, BOLI outlined the historic context for diversifying the construction workforce, then current actions and best practices, and priorities for action identified by diverse stakeholders in the construction industry to carry out the Legislature's mandate.

This report provides a review of the current status of programs and progress over the last 24 months, an overview of promising initiatives, a summary of where the biggest challenges lie, and recommendations for administrative or legislative action to further progress towards achieving equal opportunity in the construction workforce for women and minority trades people.

While it is hard to see beyond the impacts of the current recession on the construction industry over the last three years, it is vitally important to do so in order to achieve the Legislature's directive. Statewide hiring is projected to begin recovering in 2011¹, starting a growth trend pointing towards the need for over 10,000 new and replacement building and construction trade workers by 2018 in order to meet the projected demand (OLMIS 2010). This looming shortage presents an unmatched opportunity to bring minority and female workers into the construction trades, without displacing existing workers.

Increasing living wage employment, especially among historically disadvantaged groups - people of color and women - is key to the overall recovery of Oregon's economy and its payroll tax base. Construction jobs pay a living wage averaging \$19.23 per hour, and the industry's reliance on skilled workers who learn the trades on the job make it one of the few industries where workers with lower levels of formal education can earn a living wage and benefits and advance up the job ladder within the industry.

Despite some success through effective model programs, minorities and women in the workforce statewide do not view the construction trades as a likely career path. Limited awareness of apprenticeship opportunities or lack of academic capacity and prior trades related experiences to achieve competitive scoring on apprenticeship selection lists create significant barriers, as do practical issues such as lack of transportation, reliable childcare, and acquiring tools required for the trade. Significantly, when these workers enter registered apprenticeship, many do so without a formal support network to rely upon, resulting in a much higher percentage of minority and women apprentices than white males exiting their programs before achieving journey person status.

¹ Construction First In, Last Out of Recession, by Mike Meyers, Published Jun-23-2010 Oregon Labor Market Information System <http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00005457>

The path to progress is in understanding how these challenges can be addressed through coordinated, replicable and effective strategies that are supported by government coordination, industry initiative and legislative action. These include consistency and accountability in public contracting policy; sustainable funding to strengthen and align apprenticeship preparation training programs; the creation of greater connections with the regional trades groups and apprenticeship programs; and reinvesting in construction career exposure and preparation in public middle and high schools to develop a future pipeline of diverse and qualified apprenticeship candidates.

This report describes in more detail both the challenges and the opportunities for progress from the perspective of a wide range of public and private sector professionals working in the public contracting and construction industry. Additionally, the report concludes with practical recommendations for actions that can be taken across the private and public sectors, in partnership with BOLI and with the leadership of its Commissioner.

Methodology

BOLI contracted with Bruce M. Watts & Associates for research assistance and preparation of this report. Final drafting and editing was performed by Apprenticeship and Training Division and BOLI staff.

Bruce M. Watts & Associates reviewed existing information about diversity in the construction workforce and conducted a series of interviews with key stakeholders throughout the system, including representatives of the Oregon State Apprenticeship and Training Council, apprenticeship preparation programs, owners, contractors and employer associations. The purpose of these interviews was to determine whether the identified barriers and proposed solutions reflect similar conclusions reached in prior diversity studies and by other groups familiar with the underlying issues.

Mr. Watts brings his experience from both the private and public sectors in increasing opportunities for Minority, Women and Emerging Small Business enterprises to participate in publicly funded construction projects. He served as the Executive Director of the Coalition of Black Men, a non-profit organization in Portland where he led efforts to increase minority participation in public works projects. He serves currently as the Director of Diversity and Transit Equity at TriMet, where he has led the agency's nationally recognized programs to increase contracting for capital projects for the last 11 years.

Recently, Mr. Watts was appointed to the Co-Chair position of The Conference of Minority Transportation Officials' (COMTO) Historically Under Utilized (HUU) / Disadvantaged Business Enterprise (DBE) Advisory National Board.

Section II. Environmental Scan

Effect of the Economic Downturn

Oregon's economy has been among the hardest hit in the nation by the 2009 recession. From January 2009 to December 2010, statewide unemployment ranged from a high of 11.6% in May-June 2009 to 10.6% in January 2010 where it stayed for the year, compared to 9.8% nationally in November 2010, and rates below 8% in other regions of the country. Construction was one of the first Oregon industries to enter the recession and it is projected to be among the last to recover. Construction employment in Oregon declined 40 percent between March 2007 and March 2010, losing a greater percentage of employment in the recession than any other industry in Oregon - no other industry even came close. In comparison, total construction in the U.S. declined by 28 percent peak-to-trough during the recession (OMLIS 2010).

As the truism goes, when the economy gets a cold, minority and female sectors of the construction industry get pneumonia. The unemployment rate for African Americans in Oregon has consistently been double that of white Oregonians, even in good times. In 2009, construction industry unemployment rates for minority males trended 3-5% higher than for white males and industry unemployment rates for women trended 2% higher, nationally (USBLS 2009).

While public works projects, both locally funded and those that have benefited from American Reinvestment and Recovery Act (ARRA) funding, have been a lifeline in retaining some activity in the construction industry, two other effects of the economic downturn negatively impact efforts to diversify the workforce.

In the Portland metro region and elsewhere in the state, large contractors are bidding smaller jobs than they would have in pre-recession times, in order to keep their core workforce employed. These small projects were historically opportunities for smaller, Minority Business Enterprise (MBE) or Women Business Enterprise (WBE) firms whose workforce is typically more diverse.

Continued pressure on statewide K-12 school funding has exacerbated disinvestment in trades training in public schools for non-college bound youth resulting in those students, often minority youth in urban schools, neither getting exposure to information about careers in the trades nor getting engaged in a pre-apprenticeship education and training track at an early stage.

Diversity of Oregon's Apprentice Population

The economic downturn greatly depressed the demand for registered apprentices over the past three years. In November 2008, there were 7,792 active apprentices registered with BOLI. This included 435 female apprentices (5.46%) and 1,122 minority apprentices (14.07%).

By January 2010, the registered apprenticeship population had decreased to 6,455 individuals. This included 335 women (5.19%) and 911 minorities (14.11%).

The total number of registered apprentices as of January 2011 had fallen to 5,417, including 310 women (5.7%) and 822 minorities (15.06%). Of interest are the slight gains in the overall percentage of active minority apprentices, despite a numerical decline and the rather static percentage of female participation.

Current Quantitative Data on Prevailing Wage Projects

During calendar 2008, the total dollars spent in Oregon on prevailed projects as reported to BOLI was \$2.1 Billion (\$2,152,018,499). Those public agencies (owners) responsible for the majority of this spending were led by ODOT at approximately 21% (\$435,314,435) of all prevailed spending. Total ODOT contracting was almost four times as much as the next largest spender, the Medford School District 549C at \$116,555,128.

In 2009, total spending on public works projects reported to BOLI increased slightly to \$2.2 billion. Once again, ODOT was the leading public agency in total contracting at \$552,820,825, representing almost 25% of all public contracting in the State for the year. ODOT’s spending was followed by the City of Portland with \$194,230,982 in public works subject to the prevailing wage law. It is clear that what happens with ODOT, the City of Portland and among other State and local public bodies dramatically affects the overall prospects for workforce diversity.

Ten Largest Prevailing Wage Contracting Public Bodies - 2008

| | | |
|-----|-------------------------------------|------------------|
| 1. | OREGON DEPARTMENT OF TRANSPORTATION | \$435,314,434.92 |
| 2. | MEDFORD SCHOOL DIST 549C | \$116,555,128.47 |
| 3. | CLACKAMAS CO. SERV. DIST. 1 | \$103,673,601.38 |
| 4. | NORTH CLACKAMAS SCHOOL DIS. 12 | \$76,228,834.54 |
| 5. | EUGENE WATER & ELEC BOARD | \$73,909,688.75 |
| 6. | OREGON STATE UNIVERSITY | \$71,781,363.36 |
| 7. | CITY OF PORTLAND | \$66,904,457.57 |
| 8. | CITY OF REDMOND | \$55,998,323.82 |
| 9. | UNIVERSITY OF OREGON | \$43,444,781.87 |
| 10. | PORT OF PORTLAND | \$40,496,125.77 |

Ten Largest Prevailing Wage Contracting Public Bodies - 2009

| | | |
|-----|-------------------------------------|------------------|
| 1. | OREGON DEPARTMENT OF TRANSPORTATION | \$522,820,825.53 |
| 2. | CITY OF PORTLAND | \$194,230,982.08 |
| 3. | UNIVERSITY OF OREGON | \$142,388,577.01 |
| 4. | PORT OF PORTLAND | \$92,909,163.18 |
| 5. | OREGON MILITARY DEPARTMENT | \$75,881,138.98 |
| 6. | HOUSING AUTHORITY OF PORTLAND | \$41,719,890.19 |
| 7. | PORTLAND DEVELOPMENT COMM | \$41,024,993.90 |
| 8. | CENTRAL SCHOOL DISTRICT 13J | \$37,592,100.00 |
| 9. | WESTERN OREGON UNIVERSITY | \$36,720,177.25 |
| 10. | CHEMEKETA COMMUNITY COLLEGE | \$36,634,379.95 |

The following is a list of the leading private contractors who were awarded public works projects for 2008 and 2009, respectively:

2008

| | |
|-------------------------------------|------------------|
| SLAYDEN CONSTRUCTION GROUP INC | \$149,360,510.00 |
| HAMILTON CONSTRUCTION CO OREGON | \$116,231,794.98 |
| KIRBY NAGELHOUT CONSTRUCTION CO | \$71,205,667.00 |
| HOGAN & ASSOCIATES CONSTRUCTION INC | \$68,061,095.00 |
| ANDERSEN CONSTRUCTION COMPANY | \$66,193,196.00 |

2009

| | |
|-----------------------------------|------------------|
| HOFFMAN CONSTRUCTION CO OF OREGON | \$147,471,012.64 |
| KNIFE RIVER | \$122,966,815.68 |
| LEASE CRUTCHER LEWIS CORP | \$101,574,511.20 |
| WILDISH STANDARD PAVING CO | \$62,291,633.10 |
| JAMES W FOWLER CO | \$57,785,018.00 |

Section III. Status of 2009 Report Recommendations

BOLI's 2009 report *Diversifying the Construction Workforce, Bureau of Labor and Industries (BOLI) Initial Report to the Oregon Legislature for HB 2021*, set forth eight recommendations to advance efforts to diversify the construction workforce in Oregon:

- Work with Oregon Department of Education to restore funding for career and technical education in all Oregon school districts;
- Conduct ongoing research to review and validate recommendations (made in the report) and to identify statewide implementers;
- Incorporate recommendations into the work of the Oregon State Apprenticeship and Training Council's Affirmative Action Task Force (OSAATF);
- Work in collaboration with state and local contracting agencies and stakeholders to develop diversity expectations, rewards, and sanctions;
- Appropriate adequate funding for research, plan development & implementation required by HB 2021;
- Support the work of OSAATF to implement marketing, outreach and education, cultural competence training and mentoring and support programs for minority and women apprentices;
- Work in collaboration with Joint Apprenticeship Training Councils (JATCs) on process and program improvement and evaluation; and
- Evaluate the possibility of replacing the current "low bid" requirement in public contracting with "Best Value Contracting" or incentive-based programs to boost diversity.

The following describes the results achieved by BOLI through December 2010:

Oregon Department of Education Funding

One of the recommendations from the 2009 BOLI report on *Diversifying the Construction Workforce* was that BOLI and the construction industry work in collaboration with the Oregon Department of Education to restore the availability of career and technical education (CTE) in all Oregon school districts, with an emphasis on construction and manufacturing related coursework. It is generally accepted that a decline in the number of construction related CTE

programs offered in the K-12 public education system has resulted in high school graduates being ill informed about and unprepared for construction industry careers.

The lack of participation by public schools in preparing young people for construction careers leaves minority students and women at a distinct disadvantage in competing for entry into apprenticeship programs. As traditionally underrepresented populations in the trades, they do not have the same informal network of associates and mentors to assist them in obtaining summer jobs in the trades and preparing them for trades careers. Women and minorities need greater access to apprenticeship preparation programs and hands-on training opportunities to compensate for the lack of CTE provided in high school and to place them on similar footing with those who have access to these informal networks.

BOLI, along with representatives from three organizations sponsoring apprenticeship programs (Sheet Metal Training Fund, Northwest College of Construction, International Brotherhood of Electrical Workers), participated in the Career and Technical Education Collaboration Task Force over the past 12 months. Established by House Bill 2732 (2009 Session), the Task Force was charged with developing a plan to increase collaboration and develop partnerships among kindergarten through grade 12 schools, community colleges, labor, business, and industry in relation to CTE.

The taskforce's primary goal was to 1) identify the collaborations and partnerships among kindergarten through grade 12 schools, community colleges, labor, business and industry in relation to CTE that are currently established or are in the process of being established, and 2) make recommendations for increasing collaborative efforts and using partnerships for the purpose of better sharing facilities and resources and developing a high-skill, high-wage sustainable workforce.

The Task Force made a number of recommendations such as making a long-term commitment and plan to restore CTE programs in schools around the state; a long-term commitment to create regional CTE centers; and a long-term commitment for wrap-around programs and Extended Learning Opportunities, such as industry mentorships, internships, summer and after-school programs, and summer professional development programs for current and future CTE faculty. These recommendations are good initial steps to ensuring that graduating high school seniors are prepared to enter a career in the trades or other fields, but they do not address the immediate need to provide female and minority students with information about the variety of career opportunities available within and outside of the trades, the lack of essential workplace skills such as critical thinking and problem-solving, the lack of understanding of the requirements of today's dynamic workplaces, and the lack of the critical science and technology foundations required to pursue post-secondary education and technology-focused careers.

To address these immediate needs, BOLI has initiated small youth trades programs in 11 schools around the state, with five additional programs incorporating three more schools that are in various stages of development. A long list of diverse supporters are coming together in support of CTE classes in all of Oregon's middle and high schools, because anything less means thousands of students going without the opportunity to learn about different career options and the skills needed to succeed in those fields.

Restoring programs to every school over a period of years is not only in the best interest of the students who would benefit from the experience, but it helps reverse the trend that has added a

full decade to the average age of apprentices in Oregon, seen a steadily aging workforce in all of the skilled trades, and left employers statewide scrambling to fill the pipeline of future workers.

Given the current economy, the public investment in prevailed projects can best be leveraged by making sure that they support education and training outcomes that produce a better trained and more diverse workforce. Oregon should align its workforce development efforts in concert with K-12 education to maximize the return on public investments. There has been no better, or more necessary, time than now to use public projects as an investment in job training and public education.

Ongoing Research

The 2009 Diversifying the Construction Workforce report also recommended continued research into the issues of increasing diversity on public projects by interviewing current and inactive apprentices of color and women to look at barriers from their perspective, convene statewide audiences to review and validate subsequent recommendations, and to identify those in the best position to implement recommendations.

Until recently, BOLI has been unable to engage in targeted research in this area over the past year due to resource limitations. Pursuant to an interagency agreement with the Oregon Department of Transportation (ODOT), BOLI has contracted with a vendor to conduct outreach and research with female and minority apprentices and applicants about what they perceive as barriers to the pursuit of careers in the heavy highway trades. BOLI expects to receive the results from this research in October 2011. The Bureau has also been able to work with a number of other agencies focused on the issue of diversity in the trades to further develop the knowledge base in this area.

BOLI has worked with Construction Apprenticeship and Workforce Solutions (CAWS) to determine the specific barriers to careers in the trades faced by women and minorities participating in pre-apprenticeship programs. CAWS is a non-profit membership organization, serving the Portland metro area. CAWS is comprised of contractors, developers, labor and employment organizations and community stakeholders that are determined to increase apprentice utilization and representation of minorities and women in the construction trades.

BOLI and CAWS have concluded a multifaceted strategy is necessary to address the underutilization of women and minorities in the trades. These strategies include increasing opportunities for women and minorities to be exposed in middle and high school to the benefits of a career in the trades; the adoption of diversity and training utilization goals by contractors within their own workforces; greater tracking of the success of women and minorities already enrolled in registered apprenticeship programs or in apprenticeship preparation programs; public recognition for public contractors who employ a diverse workforce and greater uniformity between government agencies in the application and enforcement of diversity strategies.

BOLI has also worked with the Diversity Workforce in Construction Committee (DWCC), a coalition of contractors, state and local agencies and industry organizations interested in developing best practices for diversifying the construction workforce. The DWCC has concluded that BOLI should increase the data gathered on women and people of color attempting to enter apprenticeship programs to determine the services necessary to increase their competitiveness in comparison to white male applicants. The DWCC has also recommended that BOLI identify and/or confirm any disparity in the graduation rates of minorities and women in comparison to

white males in the State approved construction and related trades apprenticeship programs and address such disparities as identified.

The DWCC has developed a number of other recommendations directly related to the issue of workplace diversity on public works contracts. It recommends that all public contracting agencies develop consistent boilerplate language supporting workforce diversity as a part of their public contracts; that an alternate source of funding for BOLI approved pre-apprenticeship programs be developed; and that prime and subcontractors initiate a real-time targeted strategy to connect minority and women apprentice candidates with potential employers, using formal and informal networks to diversify their work force with a general goal of 20% of labor hours being apprentice hours and 20% of these hours being women/minority apprentice.

BOLI generally concurs with these recommendations. Interestingly, these recommendations are substantially similar to some strategies already being utilized by some public agencies. The Portland Development Commission's (PDC) Workforce Diversity Advisory Committee is an oversight group that meets regularly to examine results and set even higher standards for diversity in PDC construction projects. Composed of a representative group of contractors, developers and labor organization representatives, this body reviews progress towards the goals of ensuring that contractors on PDC projects use registered apprentices for at least 20% of the available skilled construction craft hours and that minority apprentices account for at least 20 percent of the apprenticeship hours and female apprentices account for 15 percent of such hours.

The City of Portland's Workforce Training and Hiring Program requires that prime contractors on projects exceeding \$200,000 and subcontracts exceeding \$100,000 must allocate 20% of all workforce hours, by trade, to registered apprentices. Contractors must also demonstrate that they have taken all reasonable and necessary efforts to employ a diverse workforce.

ODOT has engaged the discussion of diversity on a statewide basis. As the largest public contracting entity in the State, ODOT faces the challenges of dealing with different workforce demographics in different parts of the State and the reality that heavy highway construction has some unique features that present challenges not necessarily faced by workers engaged in vertical construction.

All ODOT construction projects in Multnomah, Clackamas and Washington counties (ODOT Region 1) include aspirational EEO targets of 14% for female workers and 20% for minority workers. The EEO targets for the remainder of the State are 14% participation for women and minorities respectively. ODOT also has an apprenticeship training goal for Region 1 and all statewide Oregon Transportation Investment Act projects of 10% of all hours. This goal is race and gender neutral.

The training specification percentage is the minimum a contractor is required to meet to be in compliance. According to ODOT officials, contractors often exceed the minimum requirements and ODOT monitors compliance on a monthly basis. ODOT has also collaborated with BOLI to fund pre-apprenticeship training programs (PATPs) to prepare women and people of color for careers in the heavy highway trades.

Such policies clearly communicate a message from these agencies that training and workforce diversity are essential elements for contractors interested in working on their public projects. Continued work around such initiatives is crucial to the development of broad policies to

increase diversity that can be fully embraced by private contractors, employer organizations, construction unions and contracting agencies. However, they do not take the place of direct research with women, minorities and contractors on their experiences with the hiring and employment practices of the skilled trades. BOLI will continue to explore possible strategies for additional research in this area.

Apprenticeship Affirmative Action Task Force

The initial Diversifying the Construction Workforce report also encouraged additional efforts be made to respond and incorporate the recommendations from that report into the recommendations for increasing diversity in the trades made by the Oregon State Apprenticeship and Training Council's (OSATC) Affirmative Action Task Force.

BOLI has or is in the process of implementing many of the recommendations of the Task Force. In March 2010, BOLI launched a new web site, www.oregonapprenticeship.com, targeted at women, minorities and potential applicants aged 18 – 39. The site includes pictures and stories of female and minority pre-apprentices and apprentices and provides direct information on how individuals can access apprenticeship opportunities. While BOLI oversaw the development and implementation of the site, it is controlled by a coalition of apprenticeship program sponsors and community-based organizations, providing more diverse content than what could be made available on BOLI's website. The site has generated over 9,000 views since its inception and more than 70% of those hits stay on the site to link directly to apprenticeship program operators. Sponsors report that they believe that they are in fact reaching a more diverse applicant population.

BOLI is also in the process of requiring that training in cultural competency (diversity) is included in the related classroom instruction curriculum for all apprentices. This requirement was originally scheduled to take effect on September 1, 2010. However, due to difficulties in making sure that adequate curriculum and training was available to all programs in the state, implementation has been delayed until December 1, 2011.

BOLI, through OSATC, also approved a requirement that all apprenticeship programs in the state include one affirmative mentoring strategy as a part of its affirmative action program by January 1, 2011. However, due to the difficulties in initiating the cultural competency/diversity training, the start date for the mentoring requirement has been delayed until January 1, 2012.

Other Task Force recommendations will take more time and resources to deploy. BOLI and OSATC fully support stronger enforcement of the Equal Employment Opportunity obligations agreed to by all apprenticeship committees as a part of the program approval process. This will require a thorough evaluation and redesign of the various selection processes used by approved apprenticeship programs. The ideal outcome would be implementation of a unified apprentice application and screening process. BOLI and the Apprenticeship Council are dedicated to a complete redesign of apprentice selection procedures within the next 24 months.

Such an overhaul will require extensive work with program operators and stakeholders who have an affinity to the current processes for a variety of reasons. BOLI hopes to provide information and technical assistance to JATCs and others (e.g. diversity training, outreach planning, host conferences on best practices in apprenticeship and diversity to share tools, templates, technologies and ideas) as a means of fostering necessary changes in the system.

While not included in the Affirmative Action Task Force recommendations, BOLI hopes that all public agencies will adopt specific strategies, policies or contractual language which will drive increased demand for diverse apprentices on public works projects. BOLI believes that such strategies will serve as an incentive for apprenticeship programs to make changes to their apprentice selection methods in order to attract and retain more qualified female and minority applicants.

As resources permit, BOLI will calculate and publicize regularly the apprenticeship completion rates, termination rates and other statistical information by gender and ethnicity for each approved apprenticeship program. This greater access to information should increase dialog between apprenticeship committees, community based organizations, educational institutions and BOLI around strategies for diversifying the construction workforce. BOLI, the Apprenticeship Council and the Affirmative Action Task Force will continue to pursue these strategies as time and resources permit.

Section IV. Current Public Agency Programs

Data

Data reviewed in preparing this report included:

- Listings of all 2008 and 2009 Public Contracts subject to Oregon’s Public Works Law, statewide, by agency;
- Apprenticeship program registrations and completions for 2006-2009 comparing gender and race/ethnicity, compiled by BOLI’s Apprenticeship and Training Division;
- The 2009 report *Construction Apprenticeship in Oregon: An Analysis of Data on Union and Non-Union Apprenticeship Programs*, prepared for the Oregon State Building and Construction Trades Council by Barbara Byrd, Ph.D., Labor Education and Research Center, University of Oregon;
- FY 2008-09 City of Portland Procurement Services Office Workforce Training and Hiring Program apprentice hours results;
- Portland Development Commission *Minority, Women and Emerging Small Business 2008-2009 Annual Report, Diversity in Contracting and Workforce Training Report*; and
- Tri-County Metropolitan Transportation District of Oregon (TriMet) apprenticeship and workforce diversity reports.

City of Portland Workforce Training and Hiring Program

As a result of the recommendations from the *Oregon Regional Consortium Disparity Study*, referenced above, the City of Portland initiated its Workforce Training and Hiring Program (WTHP) in 1996. The goal of the WTHP is to “increase the number of women and minorities in the construction trades through apprenticeship opportunities on City of Portland projects.”

Pursuant to City Council Ordinance 167374, the program’s directives were to explore ways to maximize apprenticeship opportunities generated by public contracting activities; implement the program through appropriate terms and requirements—such as requiring maximum utilization of apprentices to journey-level workers, requiring that bidders on City contracts be certified as training agents with the State or other conditions aimed at maximizing the potential of this program; and assist historically underutilized groups in the construction trades, especially women and minorities, to gain access to livable wage jobs and career opportunities.

On prime contracts in excess of \$200,000 and subcontracts over \$100,000 that contractors register with a local apprenticeship program, the WTHP requires contractors to allocate 20% of all labor hours worked, by trade, to state registered apprentices; make reasonable and necessary efforts to employ a diverse workforce; and submit monthly employment reports to the contracting agency. Supportive services are provided to contractors by the City to assist in hiring qualified female and minority apprentices.

During fiscal year 2006/2007, the City accomplished their 20% goal with 59,745 apprentice hours on its construction projects. 36% of the apprentice hours were worked by women and people of color. The City’s program has continued to demonstrate success in placing women and people of color on its public works projects:

City of Portland Workforce Training and Hiring Program

| | <i># of Hours Worked</i> | <i># of Apprentice Hours</i> | <i>% of Apprentice Hours</i> | <i># Minority Apprentice Hours</i> | <i>% Minority Apprentice Hours</i> | <i># Female Apprentice Hours</i> | <i>% Female Apprentice Hours</i> |
|----------------|--------------------------|------------------------------|------------------------------|------------------------------------|------------------------------------|----------------------------------|----------------------------------|
| FY07/08 | 736,309 | 127,079 | 17.3% | 32,368 | 25.5% | 24,776 | 19.5% |
| FY08/09 | 734,626 | 115,671 | 15.7% | 24,730 | 21.4% | 13,371 | 11.6% |
| FY09/10 | 942,598 | 153,352 | 16.27% | 42,078 | 27.44% | 17,112 | 11.16% |

It should also be noted that the City’s workforce plan has gradually increased the number of hours worked by female and minority journey level workers.

| | <i># of Hours Worked</i> | <i># of Journey level hours</i> | <i># of Journey Level Hours worked by Females</i> | <i>% of Journey Level Hours worked by Females</i> | <i># of Journey Level Hours worked by Minority</i> | <i>% of Journey Level Hours Worked by Minority</i> |
|----------------|--------------------------|---------------------------------|---|---|--|--|
| FY07/08 | 736,309 | 609,230 | 22,962 | 3.8% | 87,355 | 14.34% |
| FY08/09 | 734,626 | 618,955 | 17,797 | 2.9% | 95,147 | 15.37% |
| FY09/10 | 942,598 | 789,247 | 28,494 | 3.61% | 131,484 | 16.66% |

Housing Authority of Portland

The City’s Bureau of Purchases also administers the WTHP on select projects owned by the Housing Authority of Portland (HAP). With the completion of the New Columbia project in North Portland in 2006, there has been a dramatic increase in public contracting by HAP. However, on the recently completed Humboldt Gardens project in North Portland, women and minorities worked 59% of the total journey level and apprenticeship hours on the project. Registered apprentices represented 25% of the total of 112,395 hours available.

| | <i># of Hours Worked</i> | <i># of Apprentice Hours</i> | <i>% of Apprentice Hours</i> | <i># Minority Apprentice Hours</i> | <i>% Minority Apprentice Hours</i> | <i># Female Apprentice Hours</i> | <i>% Female Apprentice Hours</i> |
|----------------|--------------------------|------------------------------|------------------------------|------------------------------------|------------------------------------|----------------------------------|----------------------------------|
| HAP | | | | | | | |
| FY07/08 | 145,360 | 28,343 | 19.5% | 12,910 | 45.5% | 4,092 | 14.4% |
| FY08/09 | 19,049 | 4,355 | 22.9% | 533 | 12.2% | 0 | 0.0% |
| FY09/10 | 177,432 | 38,423 | 21.66% | 13,476 | 35.07% | 4,110 | 10.70% |

Portland Development Commission

The Portland Development Commission (PDC) has attempted to utilize its investments in Portland as a tool to diversify the construction industry. The City of Portland, Bureau of Bureau of Internal Business Services, Procurement Services, administers PDC's Workforce Training and hiring program. A 20% apprenticeship requirement, by trade, applies to PDC's South Waterfront projects. Similar goals apply to projects outside the South Waterfront district.

During FY 2006-07, the Bureau of Purchases monitored workforce participation on 29 PDC projects, with more than 200 subcontractors subject to the WTHP requirements. More than 950,000 hours were worked during this fiscal year. A total of 362,864 hours were worked on projects within the South Waterfront Central District in FY 2006-07. PDC's South Waterfront Strategy has also proven effective in increasing the number of women and people of color employed on public improvement projects.

PDC South Waterfront Apprentice Utilization

| | <i># of Hours Worked</i> | <i># of Apprentice Hours</i> | <i>% of Apprentice Hours</i> | <i># Minority Apprentice Hours</i> | <i>% Minority Apprentice Hours</i> | <i># Female Apprentice Hours</i> | <i>% Female Apprentice Hours</i> |
|----------------|--------------------------|------------------------------|------------------------------|------------------------------------|------------------------------------|----------------------------------|----------------------------------|
| PDC | | | | | | | |
| FY07/08 | 1,109,356 | 254,758 | 23.0% | 57,283 | 22.5% | 20,880 | 8.2% |
| FY08/09 | 1,077,930 | 248,535 | 23.1% | 38,284 | 15.4% | 18,320 | 7.4% |
| FY09/10 | 402,679 | 93,752 | 23.28% | 16,813 | 17.93% | 9,489 | 10.12% |

PDC South Waterfront Female and Minority Journey Worker Utilization

| | <i># of Hours Worked</i> | <i># of Journey level hours</i> | <i># of Journey Level Hours worked by Females</i> | <i>% of Journey Level Hours worked by Females</i> | <i># of Journey Level Hours worked by Minority</i> | <i>% of Journey Level Hours Worked by Minority</i> |
|----------------|--------------------------|---------------------------------|---|---|--|--|
| PDC | | | | | | |
| FY07/08 | 1,109,356 | 854,598 | 19,045 | 2.2% | 184,020 | 21.53% |
| FY08/09 | 1,077,930 | 829,396 | 15,173 | 1.8% | 157,453 | 18.98% |
| FY09/10 | 402,679 | 308,927 | 4,486 | 1.11% | 57,300 | 18.55% |

While the data contained in this material can be looked to for some effective strategies for increasing diversity in the workforce, it provides neither a comprehensive look at progress towards the legislature's goals, nor the information needed to assess outcomes for the workforce statewide. BOLI's 2009 report, the update on recommendations made therein that is included in the previous section of this report, as well as feedback provided by numerous interview subjects, all point to the need for comprehensive reporting across all affected agencies.

Without the ability to create a statewide baseline of data on the participation of minority and women workers employed on prevailed projects through all programs, BOLI will have a very difficult time creating, implementing and enforcing programs that effectively increase the diversity of the workforce.

Section V. Anecdotal Analyses

The primary source of information for this report concerning efforts, effectiveness, and challenges in diversifying the construction workforce were responses to a survey and follow-up interviews conducted by the consultant in December 2010 and January 2011. The identification of persons to be interviewed was a collaborative effort with BOLI and the consultant.

A cross section of construction perspectives was derived by interviewing 20 key stakeholders including, General Contractors, Subcontractors, Representatives from Public Agencies, Pre-Apprenticeship programs, Building Trades Industry Representatives, Trade Union Representatives and Representatives from Minority Trade Associations.

Questions for the survey were developed by reviewing the 2009 survey, responses and recommendations, and determining with BOLI what questions could identify the challenges that the different parties encountered in their efforts to diversify the workforce, and what programs and strategies are working and have the potential of bringing greater diversity to the construction workforce statewide over the next several years.

Tables displaying the complete responses to the survey and interview notes can be obtained by contacting BOLI.

The survey was designed to walk through the established “steps ” in the process for a worker to learn about construction career opportunities, access training through pre-apprenticeship programs, transition into and through apprenticeship and be hired and successfully employed as part of a diverse workforce on public works projects subject to prevailing wage laws. The breadth of survey respondents had diverse perspectives on the challenges presented through these steps. This section provides a synthesis of responses and observations about how these inform the recommendations in the next section.

When asked about the effectiveness/availability of career counseling and information about the construction trades as a career option, the PATPs and the private sector construction industry, as represented by general contractors and labor and trade organizations, identified this as one of the most challenging issues. Many respondents specifically recommended increased and sustainable funding for education in the public schools for CTE and for the availability of standardized and effective PATPs.

PATPs indicate that qualified diverse applicants are available and point to the need for sustainable funding for their programs, from a variety of sources, in order to adequately prepare them for an apprenticeship. Construction industry representatives identify the recruitment and preparation of diverse workers as more of a challenge. This disconnect could be resolved by building stronger links between the labor and construction industry associations and the PATPs.

Most respondents across the board, inclusive of PATPs, government agencies and construction industry representatives, identify the apprenticeship program intake process as being a significant and on-going challenge.

The majority of respondents expressed concerns about both the projections for future construction workforce needs and the availability of sufficient work for current apprentice/journey workers. This can certainly be attributed in no small part to the current employment and economic conditions. Projections by State economists for necessary growth in the construction workforce indicate that the State will require approximately 10,000 new workers beginning in 2011 through 2018. While there may be differences of opinion about the rate of growth, this points to the importance of getting programs and processes right at this time, to leverage the workforce growth to deliver results for the Legislature and for minority and female workers.

Both PATPs and construction industry respondents believe that project owners, government agencies in this case, can and should do more to stress the need for a diverse workforce and to hold contractors accountable for their efforts to diversify the workforce. Use of Workforce Training and Hiring Programs, incentive programs and Best Value procurement programs are effective ways to accomplish this.

Generally, survey respondents felt that BOLI or other government agency compliance enforcement was an effective measure, although PATPs believe that additional compliance monitoring and enforcement will be needed to achieve greater progress towards the Legislature's goals.

Two respondents cited specific programs that they thought presented effective methods of ensuring that workplace diversity and apprenticeship training would be incorporated into all public works contracting. The following programs were commended for incorporating strategies to assist owners and agencies in holding their prime contractors responsible for increasing the diversity in the construction workforce.

Construction Apprenticeship and Workforce Solutions (CAWS) has outlined its proposals for increasing apprentice utilization and representation of minorities and women in the construction trades in a research paper. Copies of this document can be obtained by contacting BOLI.

Portland Youth Builders (PYB) provided practical approaches to strengthening the pre-apprenticeship training programs, including establishing a percentage of contract gross receipts to be dedicated to PATPs, strengthening the standards for PATPs with apprenticeship program input so PATP completers meet their needs, and establishing through BOLI a requirement that in order to be certified, PATPs have apprenticeship representation on their boards. PYB described its efforts to strengthen the cultural support for construction trades and the development of "soft skills" by PATP students. Copies of this document can be obtained by contacting BOLI.

Section VI. Owners' Strategies

As stated earlier, some public owners have attempted to promote diversity in the trades through contract terms that create additional opportunities to train new workers with encouragement to place women and minorities in these new positions. The **City of Portland's** Workforce Training and Hiring Program and similar programs used by the **Portland Development Commission** and **Housing Authority of Portland** on their projects have all been successful in increasing the number of women and people of color employed on public works projects.

The idea of mandating apprenticeship training as a strategy to increase diversity on public works projects has yet to be tested outside of the Portland metropolitan area. BOLI would be encouraged to see other agencies outside of the metropolitan region take a leadership role by incorporating workforce development into their public contracting protocols. In addition to mandatory apprenticeship requirements, at least two other public agencies have attempted to create incentives for contractors to maintain diverse workforces.

Through its Disadvantaged Business Enterprise (DBE) and Workforce Hiring and Training Programs, **TriMet** has effectively and consistently met its goals for utilization of D/M/W contractors, utilized a diverse workforce and provided opportunities for apprentices. TriMet generally uses a Request for Proposals (RFP) process for its capital construction projects, allowing it to take factors other than low bid into consideration. TriMet has the authority to engage in negotiations on alternate contracting processes and is not necessarily required to award projects to the lowest responsive bidder.

Rather than evaluating bidders for public contracts solely on the basis of the lowest bid, TriMet can award bidders points, or otherwise favor them, for a number of other societal factors. Among the factors TriMet has used in evaluating proposals are the support for training and registered apprenticeship, the bidder's affirmative action plan and history of supporting diversity in the workplace, and the bidder's plan for ensuring diversity on the job being bid. These factors are weighed and taken into consideration in evaluating responsive bids.

The results have been impressive. Starting In 2000, the Interstate MAX Light Rail project achieved 25% apprentice utilization and 29% minority participation. On the Washington County Commuter Rail Project, completed in 2009, 17% of the workforce was apprentices, 9% were female and 39% minority. On its most recently completed Green Line Light Rail line (2010), the Mall segment achieved 28.03% apprentice utilization, 12.40% female participation and 18.59% minority participation. The recently completed I-205 segment delivered 39.13% apprentice, 6.74% female, and 19.82% minority. TriMet's methodologies have been utilized for over 10 years and provide a strong example of what can be achieved with leadership and will.

ODOT has instituted a pilot incentive/disincentive-based program on some highway construction projects. The program is aimed at increasing the use of apprentices on highway construction projects.

An apprentice goal is established in the contract specifications at an estimated 10 percent of the total hours to be worked on select ODOT highway construction projects. The Office of Civil Rights is responsible for making this estimate based upon the list of bid items that are labor based (cost of materials is excluded). The goal is set based on approximately 300 training hours

per \$1 million of the total labor based bid item value. The goal is inserted into the contract with the value of the training goal bid item pre-set at \$20 per hour (for reimbursement). The prime contractor submits a training plan and designates apprentices or trainees for approval. The training plan must account for all hours in the training bid item and all trainees must be registered in a BOLI approved apprenticeship training program or an ODOT/Federal Highway pre-approved in-house training program.

The contractor is then reimbursed at \$20 per hour for each hour an apprentice works towards the 10 percent training goal. These hours are reported monthly to ODOT on the apprentice monthly progress record form and verified against certified payrolls. Contractors who meet or exceed the goal receive the reimbursement. Contractors can be reimbursed for up to 150 percent of the hours established as the training goal for the project, creating an incentive for the contractor to provide more training than what is required by the specifications.

If the contractor does not achieve the training goal, the total amount of the bid item is withheld at final payment of the contract. Contractors who do not achieve 100% of the training goal as outlined in the bid item for training in the contract, then have 100% of the bid item withheld at final payment. It is important to note that the contractor is receiving progress payments for training hours achieved over the life of the project, so even though 100% of the bid item is withheld if the goal is not met, the net result to the prime contractor is a loss of the balance of hours needed to reach the goal.

The program appears to be achieving its goals. Apprentice hours averaged 13 percent of all hours worked as of the third quarter of 2010 and 12.7 percent overall for 2010.

All of the foregoing programs are promising in that they take workforce diversity from the passive realm to one where by contractors have a financial incentive to employ a diverse workforce. There is adequate evidence available to support the proposition that the construction industry can provide a diverse workforce when it is required in order to secure public improvement work or when remedies exist if a contractor should fail to maintain a diverse workforce. These and other creative strategies must be taken under advisement by public owners in order to fulfill their obligations to all Oregonians.

Section VII. Recommendations

These recommendations reflect the wisdom and insights shared by practitioners in workforce development, apprenticeship programs and public sector contracting. They place emphasis on approaches that are replicable, scaleable and cost effective. Some recommendations can be pursued administratively, while Legislative action will be needed for others.

A comprehensive solution to the under-utilization of women and people of color on public improvement projects has three essential components. First, underrepresented populations must have access to early education and training in career and technical education so they are prepared to enter careers in the trades. An increase in female and minority trades participation can only occur if more individuals leaving high school have the necessary skills to compete for

entry into apprenticeship programs and this means that they will have to have access to career and technical education classes in high school.

The solution will also require that an adequate system be put in place to recruit women and people of color, provide them with additional training to compete for apprenticeship opportunities and have adequate support systems in place to assist them in addressing barriers and negotiating a system where few have role models and mentors to assist them in completing their apprenticeship programs.

Finally, public and private contracting bodies must be more creative in motivating their contractors to address the issue of diversity. This includes contract language that promotes a diverse workforce and contractor efforts to make sure that women and minorities feel secure and welcome in the construction trades. The following recommendations are made with these factors in mind.

1. Increased funding for pre-apprenticeship programs.

The need to stabilize the funding of BOLI approved pre-apprenticeship programs that are focused on minorities and women candidates was a consistent theme throughout the interviews. Steady funding for PATPs coupled with consistent reporting on and accountability for program outcomes will allow effective programs to concentrate on recruiting and training good quality candidates for the industry instead of having to spend time and resources on fundraising to support the programs. Any increased funding would also necessitate increased industry participation and ownership in pre-training activities.

One suggested strategy is dedication of the workforce “makeup” funds (liquidated damages) on projects where a locally initiated workforce or training program is required by the owner, when contractors fail to meet their training or diversity goals. These funds could be used to support PATPs. This strategy is used to a limited extent on contracts within the Portland Development Commission’s South Waterfront projects. It would motivate contractors to avoid breach and provide additional funding for PATPs.

2. Reinvest in Education and Hands on Training in Middle & High Schools. With the projected shortage of skilled construction workforce personnel, there is an excellent opportunity to bring previously underrepresented populations into the construction industry. Efforts should include reintroducing career and technical programs back into our public schools, providing coordinated and focused information for students describing their options to go into the construction trades, and providing hands on training classes in a joint effort with BOLI approved pre-apprenticeship programs, JATCs and local school districts. Information about JATC application guidelines and deadlines should be provided to high school teachers and counselors.

Based upon interviews conducted for this report, it is clear that leaders in the skilled trades are looking for a better prepared, more diverse pool of future workplace applicants. One way of meeting this need is to increase the number of specialized programs, such as Youth Apprenticeship, within public education. A more comprehensive way of meeting this need is to give all students access to CTE programs that will provide every student with the fundamental skills to succeed in the trades or in any other career field.

Trades employers often state that they feel the female and minority applicants that they interview do not possess the right job skills for construction. HB 3362, introduced in the current

session of the Oregon Legislature, proposes a method to foster increased access to CTE programs for all Oregon students, most directly by funding a grant program to immediately jump-start CTE programs at schools around the State. This concept is currently supported by a broad coalition of businesses, labor union, trade association, educators and legislators from both parties. Restoration of practical career education in Oregon's public schools will help prepare more Oregon students for living wage jobs in the trades and other occupations, while ensuring more Oregon businesses have the highly skilled workers they need to remain competitive.

HB 3362 would revitalize CTE in Oregon's middle and high schools by (1) establishing a grant program to fund the restoration and expansion of CTE classes; (2) facilitating the formation of skill centers and CTE-focused charters; and (3) promoting CTE partnerships between public schools, community colleges, universities, state agencies, local businesses and labor unions. Increased CTE classes mean that more women and people of color would have access not only to basic training for trades careers, but for careers in other occupations currently experiencing skill shortages such as health care, manufacturing and high-tech services.

Students could be introduced to construction-related careers through hands-on building and educational field trips. School-to-career construction classes and hands on training opportunities could be patented along the line of those offered by the Oregon Building Congress. Students could explore post-high school opportunities, including apprenticeship programs, community college and four-year universities. Students would be exposed to technical and managerial careers in construction along with the traditional field related work. By targeting outreach for these programs to reach minority and female students, a new pipeline of diverse candidates would be ready to enter the trades in a short period of time.

3. Implement Workforce Training and Hiring Goals Statewide.

The City of Portland, TriMet, Multnomah County, Metro, Housing Authority of Portland, Port of Portland and Portland Development Commission all utilize a Workforce Training and Hiring Program that applies to selected prime contracts of \$200,000 or more and to each subcontract of \$100,000 or more, on a public works project. The prime contractor and all subcontractors are encouraged to fulfill this requirement even if their contracts are less than these amounts. These programs are designed to maximize apprenticeship and employment opportunities for minorities, women and economically disadvantaged workers in the construction trades.

Contractors are required to ensure that a minimum of 20% of labor hours in each apprenticeship trade performed on the project by the prime contractor and subcontractors (\$100,000 or more), are worked by state registered apprentices throughout the duration of the project. Contractors and subcontractors must fulfill the 20% apprenticeship hour requirement without exceeding the apprentice ratios approved by the applicable apprenticeship program.

An extremely important component of this program is the monthly reporting requirement. Contractors submit a monthly report detailing all hours subject to prevailing wage rates, hours worked by registered apprentices, and a breakdown of workforce diversity by ethnicity and gender. If the prime or subs are failing to meet any of the above criteria, steps are discussed to remedy the situation.

If at close of project, the prime or any sub has failed to meet the 20% apprenticeship hour requirement, workforce make-up damages (liquidated damages) are assessed. This approach of

mandating training and monitoring the diversification of a contractor's workforce on each project has proven to be achievable and highly effective and is a model that could be adopted throughout the state. However, the design of such programs must be carefully tailored to the size, scope and location of the project and there is no "one size fits all" solution. Recruitment, employment, training and retention strategies will have to take into consideration the type of construction (vertical versus horizontal, for example) and the differences in urban and rural workforces.

Documents explaining the Workforce Training & Hiring Program in use by the City of Portland may be obtained by contacting BOLI.

4. Consider Alternatives to Low Bid Procurement.

Low bid contracting does not necessarily result in the best bid, particularly where issues of workforce diversity are concerned. The State of Oregon should consider alternatives to low bid procurement to ensure that it gets the best value for its money.

If workforce diversity on public improvement contracts is truly a valued goal, then the bidding process should reward bidders who can deliver on that objective. Of course, this would create a disincentive for those contractors who do not employ a diverse workforce; their opportunities for public contracting would ideally be limited. Their contracting opportunities should of course increase, if they demonstrate a commitment to hiring women and people of color. Until the delivery of a diverse workforce is treated like any other contract deliverable, meaning that it is not a responsive bid unless the contractor can provide a diverse workforce, or even that the assessment of penalties, liquidated damages or even debarment will be considered when contractors fail to engage in good faith efforts to employ a diverse workforce, the current situation will not change. Public owners can demand specific performance from their contractors in this regard.

There are a variety of strategies that can be employed to elevate the status of workforce diversity in public contracting. The low bid process could be bifurcated and in the first phase, contractors could be evaluated and awarded points based upon their past and current record of employing a diverse workforce as well as their current activities to increase employee diversity. Points awarded would then be given a weighted value that would be applied to the low bid process. The contract would then be awarded based upon the low bid as impacted by the weighted diversity score.

Alternately, contractors could be required to complete an equal employment opportunity certification in order to bid on public improvement projects. Prequalification would entail demonstrating a past history of employing a diverse workforce; providing a specific plan to continue to engage in diversity efforts and the existence of the necessary personnel to fulfill the plan. These examples are unorthodox, but demonstrate some of the strategies that must be considered to fully address the underlying issue.

It was noted in the 2009 *Diversifying the Construction Workforce Report* recommendations that the current low bid requirement often seen in public works procurement language has a limiting effect for the inclusion of minority and women owned subcontracting firms. In many cases the cost of doing business is greater for minority and women owned construction firms—due to factors such as higher costs of materials, rental of equipment, higher premiums for insurance and

bonding and lack of access to capital—which is reflected in the Disadvantaged/Minority/Women (D/M/W) firms' bids to cover their additional costs.

It has been noted both in survey responses and anecdotally that minority and women owned construction firms bring greater diversity to the construction workforce. These firms, primarily small- and medium-volume subcontractors, traditionally have stronger ties to their communities and utilize a workforce that reflects those community ties.

There are a couple of alternate procurement options that have a greater probability of yielding better diversity results than low bid, by including rating factors that reflect the diversity goals of the contracting agency. These requirements can be crafted as a set of enforceable criteria that create a single point of accountability, performance qualifications, diversity requirements, workforce developments and effective oversight program transparency on public funded projects.

By leveraging public dollars, this type of procurement creates a cost effective investment in workforce diversity without additional cost to the taxpayer. The RFP procurement process is a well known example. In it, language can be incorporated and evaluated that requires bidders to establish the D/M/W utilization percentage they will achieve on the project, how they are currently utilizing minorities and women throughout their own workforce, their past history of subcontracting with D/M/W's, their outreach plan to achieve their utilization commitment and the percentage of apprentices they will have on the job.

Other criteria can include: the quality of the contractor's performance on previous projects, the timeliness of the contractor's performance on previous projects, their record of project completion on budget and ability to minimize cost overruns, the contractor's ability to minimize change orders, their ability to prepare appropriate project plans, the contractor's technical capacities, their safety record, the individual qualifications of the contractor's key personnel, and their ability to assess and minimize risks.

The criteria used to evaluate projects under alternate procurement should be included in the RFP and must be evaluated in an open and competitive manner. The RFP must also state the relative weight of price and other selection criteria. If a project owner uses an interview of the contractor's personnel as a factor in the selection criteria, the relative weight of the interview must be stated in the RFP and applied accordingly.

Another method is a Two Step Invitation to Bid procurement. In Step One, the owner can include a requirement that bidders respond to the same or a modification of the language from the RFP process described above. Then based on scoring of the evaluation criteria, contractors making the section cut move to Step Two, which is evaluation of price.

This type of procurement meets the owners' need for the lowest responsible price and also allows for evaluation of diversity and other valuable criteria.

5. Appropriate adequate funding for comprehensive data collection, analysis and workforce research. BOLI and its industry partners have identified the need for comprehensive data on the current levels of participation by minorities and women apprentices on projects identified in HB 2021, and for continued research into the issues of increasing diversity on public projects by interviewing current and inactive apprentices of color and women to look at barriers from their perspective.

With adequate annual funding, BOLI and its partners across industry and agencies can review effective data collection methods currently in use, such as at TriMet, and identify the key information to be reported by agencies. BOLI may consider using interns from masters level academic programs such as the Labor Education and Research Center at the University of Oregon for this research. Further, funding should support research (by interview and other methods) that focuses on current and inactive apprentices of color and women to determine the specific barriers to careers in the trades faced by women and minorities participating in pre-apprenticeship programs.

By establishing a statewide baseline of data on the participation of minority and women workers employed on prevailed projects through all programs, and specific information on barriers, BOLI can further its work to create, implement and enforce programs that effectively increase the diversity of the workforce.

Section VIII. Conclusion

In its next report, the Bureau of Labor and Industries, in collaboration with stakeholders in the skilled trades—developers, contractors, employer associations, organized labor and community based organizations—hopes to present firm proposals for meaningful legislation to increase diversity on projects covered by the state prevailing wage rate law. While successful bidders on public contracts have a statutory and contractual obligation to provide equal opportunity in employment when working on public improvements projects, these mere words do not translate into the dynamic actions necessary to change the status quo. Such change will require public agencies to embrace the concept that workforce diversity is just as important a deliverable as any other set forth in the contract specifications. Public contract language needs to ignite changes in the way the construction trades recruit, train and hire their workforce and provide an incentive that motivates contractors to employ women and people of color in representative numbers. If the current low bid process for public contracting does not lead to such a result, then that process must change. The foregoing recommendations provide a platform for thoughtful discussion of this issue.