

PDC

PORTLAND DEVELOPMENT COMMISSION

SOUTH WATERFRONT WORKFORCE DIVERSITY SUCCESSES

PDC executed the South Waterfront Central District Project Development Agreement in August 2003 as Board Resolution 6041 with Oregon Health and Science University (OHSU) and private development partners: North Macadam Investors, LLC, River Campus Investors, LLC, and Block 39, LLC. The development agreement specified the responsibilities of all parties to redevelop a 31-acre "Central District" within the City of Portland's South Waterfront Plan area and North Macadam Urban Renewal Area.

In June of 2004, the parties amended the agreement with an innovative provision establishing a new South Waterfront Workforce Diversity Strategy. The strategy was designed to increase employment of minorities and women workers in the construction trades, with a goal of 20 percent for minorities and 15 percent women.

In 2005, these partners came together again with local trade union leaders to sign the groundbreaking Project Apprenticeship Agreement (PAA), designed to achieve the objectives of the Workforce Diversity Strategy by outlining a model to permanently increase the participation of minorities and women in the construction trades. December 14, 2009 will mark the four year anniversary of the signing of the PAA.

PDC's community-based model to increase diversity in contracting and workforce was a true partnership on a number of levels, and there are many people who have helped with this process over the past six years. Commission Report 09-129 was drafted to recognize and celebrate the successes of the past six years and to underscore the challenges ahead. The following results have been achieved since the signing of the PAA:

- Since fiscal year 2005, when PDC started tracking apprenticeship training programs, 534,588 apprentice hours have gone into South Waterfront projects that have been subject to the Workforce Training and Hiring Program or the Project Apprenticeship Agreement, which equals millions of dollars in family-wages;
- Of the 164 apprentices who have graduated with their journey card after having worked on a South Waterfront project, 51 (31.10%) were minorities or women;
- Minority participation has grown from 13.83% of the South Waterfront construction workforce hours in fiscal year 2005-2006 to 23.20% this past fiscal year; and
- Together, apprentice hours for minorities and women on the South Waterfront in fiscal year 2008-2009 totaled 67,286 hours, or 40.57% of the total apprentice hours for the fiscal year.

	FY 05/06		FY 06/07		FY 07/08		FY 08/09	
	Hours Worked	% of Total	Hours Worked	% of Total	Hours Worked	% of Total	Hours Worked	% of Total
Total	529,826		362,864		665,598		693,884	
Minority Hours	73,272	13.83%	58,769	16.20%	163,101	24.50%	160,956	23.20%
Female Hours	27,044	5.10%	21,603	5.95%	35,000	5.26%	42,207	6.08%
Apprentice Hours	123,334	23.28%	76,531	21.09%	168,886	25.37%	165,837	23.90%

<u>FY 06/07</u>	<u>FY 07/08</u>	<u>FY 08/09</u>
-12.21% of subcontracted work, or \$59.8 million, went to MWESBs -49.5% of apprentice hours on the South Waterfront were worked by minorities and women	-13.32% of subcontracted work, or \$40.4 million, went to MWESBs -42% of apprentice hours on the South Waterfront were worked by minorities and women	-12% of subcontracted work, or \$36.7 million, went to MWESB businesses -40% of apprentice hours on the South Waterfront were worked by minorities and women; 29% of total workforce hours were worked by women and minorities.

Excerpts from the FY03/04 SWF Central District Diversity in Contracting & Workforce Training Report are below:

Development Agreement Provision

For reporting purposes, the M/W/ESB provision of the South Waterfront Development Agreement follows:

“9.11.1 PDC Minority Business Enterprises, Women Business Enterprises, and Emerging Small Business Regulations

PDC has a strong interest in ensuring that PDC participation in development activities provides employment opportunities for minorities, women, and emerging small business firms in order to promote economic growth, increase capacity and expand market competition. Therefore, NMI, RCI and OHSU will make good faith efforts to contract with minorities, women and emerging small business firms for work to be performed by a subcontractor in compliance with PDC’s Emerging Small Business Opportunity Program that promotes the participation of Emerging Small Businesses (ESB), Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) in connection with PDC projects (collectively, “M/W/ESBs”) as described in Attachment B of the Fair Contracting Guideline Index. The Fair Contracting Guideline Index is attached to this Agreement as Exhibit S. NMI, RCI and OHSU agree to attach Attachment B to all agreements with a general contractor for their Contingent Projects and to abide by its provisions. For the purpose of this Section 9.11.1 and the ESB Opportunity Program, the twenty percent (20%) goal for M/W/ESB participation in Attachment B is to be applied to the construction costs of each Contingent Project. PDC will provide technical assistance to NMI and RCI in the implementation of the ESB Opportunity Program for the Project. The provisions of this subsection apply to all Contingent Projects in the Project Area, except the Phase 1 Street Improvement Project which will comply with the PDOT regulations required by the public bidding exemption referred to in Section 5.2.10.”

South Waterfront Workforce Diversity Strategy

In June 2004, the parties amended the South Waterfront Central District Development Agreement to add an unprecedented workforce diversity goal aimed at achieving 35 percent participation by ethnic minority and women workers by 2013 (20 percent ethnic minorities and 15 percent women). Recordkeeping will begin in FY 04/05. The new provision, applicable to both public and private projects in the Central District, calls for a good faith effort to:

- a. Adopt a phased workforce diversity goal of 35 percent to be achieved on a project-by-project basis within a 10-year period (20 percent minorities and 15 percent women).
- b. Increase women and minority workforce participation by encouraging unions to increase apprenticeship enrollment and journeyman completion rates over the same 10-year period.
- c. Negotiate agreements to normalize graduation rates for minorities and women participating in the apprenticeship programs in the Columbia-Pacific Building Trades Region.
- d. Obtain written commitments from the individual trade apprenticeship programs to accomplish admission targets and an increase in journeyman.

Implementation Status

Agreements: Since the Commission action in June 2004, PDC has been actively engaged with the parties to the South Waterfront Central District Project Development Agreement, construction trade unions, Oregon Bureau of Labor and Industries (BOLI), affected construction companies and others in an effort to reach implementation agreements that can be in place for the 2005 construction season. These agreements, scheduled for completion in early 2005, will:

- a. Outline good faith effort requirements to attain diversity workforce goals of 20 percent minority and 15 percent women in each apprenticeship trade by the year 2013.
- b. Establish metrics based on total apprentice and journeyman work hours for each construction trade on a project – by – project basis.
- c. Implement vehicles to track the progress of apprentices working in South Waterfront.

Other Implementation Activities: Oregon Health and Science University has taken the lead in proposing a new non-profit organization to assist Portland-area public and private developers with recruitment and retention of a diverse construction workforce plan. Called Construction Apprenticeship & Workforce Solutions, Inc. (CAWS), the proposed organization would help the Central District developers fulfill their Development Agreement commitment in establishing a new workforce diversity goal for South Waterfront projects. This program is not designed to replace any agency's current efforts, but rather to pool resources across the region to achieve common workforce diversification goals.