



**BEX Oversight Committee Meeting
John Stanford Center of Educational Excellence
2445 3rd Avenue South, Seattle
Friday, January 12, 2018; 8:30 -10:30 am**

Minutes

Call to order (Steve Goldblatt)

1. Vice Chair Steve Goldblatt called the meeting to order at 8:31 am.
2. Roll Call:
 - a. Committee Members Present: Freeman Fong, Steve Goldblatt, Duncan Griffin, Ed Schwartz, Rob Stephenson, Steve Tatge, Daniel Williams
 - b. Committee Members Absent: John Palewicz, Richard Prentke
 - c. Board Attendees Present: Directors Jill Geary and Rick Burke
 - d. Staff Present: Becky Asencio, Christine Bath, Richard Best, Eric Becker, Mike McBee, Lucy Morello, Mike Skutack, Tom Redman
 - e. Staff absent: Flip Herndon
 - f. Guests of the BEX Oversight Committee meeting introduced themselves.
3. Committee members unanimously accepted the proposed agenda.
4. The December 8, 2017 BEX Oversight minutes were unanimously approved.

Budget Update (Melissa Coan/Richard Best)

1. The *BEX IV Program Cost Summary –November 2017 (Activity through November 30, 2017)* was reviewed.
2. Project closeouts:
 - a. Richard Best stated that he has emphasized to Senior Project Managers the need to focus staff efforts on project close out with final acceptance recommendations made to the Board after receipt of all documents. He indicated this will allow project financial remainders to be directed to other projects.
 - b. Melissa Coan explained that funds are not transferred until all project costs have been paid. Because work orders and smaller postings can come in slowly, Ms. Coan waits a few months with zero expenditures prior to transferring funds to the program reserve. These actions take place after board formal acceptance. When the Board accepts a project as final, project notification are sent to the various agencies within the State of Washington and the District awaits receipt of their approval prior to releasing project retainage.
 - c. Ms. Coan stated that funds are not updated in the budget sheet for projects until they have been approved by the Board.
 - d. Steve Tatge stated that the UW includes real forecasts and recommends they be included, though not approved, so that the real forecast can be observable.
 - e. Steve Goldblatt referenced a dashboard used by UW Capital Projects for the Board of Regents that provides a summary with several attributes, showing green, yellow or red indicating if each attribute is getting better or worse; it shows approved

budget and the current forecast. Mr. Goldblatt will provide the document to Mr. Best.

Project update (Richard Best)

1. Mr. Best gave a brief overview of the current projects, including E.C. Hughes, Lincoln High School, Loyal Heights and McGilvra cafeteria. Attendees requested an in-depth discussion concerning the construction status of Lincoln High School.

Project Labor Agreement/Community Workforce Agreement Panel Discussion

(Included below are summary comments from the panel discussion)

1. Panel members introduced:
 - a. Brian Antonsen, Director of Mechanical Construction, Washington, McKinstry
 - b. Mary Jansen, Project Manager, Matia Contractors, Inc.
 - c. Sonja Forster, Seattle District Manager, Associated General Contractors of Washington
 - d. Bill Dobyens, Vice President of Business Development, Lydig Construction
 - e. Steve Goldblatt, Professor Emeritus, UW Dept. Construction Management
2. Director Richard Burke stated that the district is committed to providing career pathways for all its students and noted some concern that one of the motivating factors for the Board is that the District's Construction Trades Skills Center class had to be cancelled this year due to insufficient student interest and last-minute loss of our instructor. With the increased needs in skilled labor fields, Director Burke expressed his wish for educational pathways to be linked with capital projects. He asked if the District could encourage students to find these opportunities through a Project Labor Agreements (PLA) or Community Workforce Agreement (CWA).
3. PLAs and CWAs (Steve Goldblatt):
 - a. The introductory question of the meaning of the term PLA was addressed by Steve Goldblatt. He stated that a PLA is that which its label describes. Once a public agency's governing body passes a resolution or ordinance indicating the preference for a PLA, it is inserted into the project's requirements and the general contractor and its subcontractors agree to follow those stipulations: standardized hours of the job, hiring hall requirements, apprenticeship utilization, etc.
 - b. A CWA directs the participants to do outreach to hire workers from a given area, e.g., distressed zip codes. This reaches out to those not traditionally involved in the trades as a career. In the Seattle area, entities such as the Port of Seattle have its CWA included with its PLA. PLAs date back to the 1930's, while CWAs have developed in the last two decades. Mandated PLAs are prohibited in 24 states, which is more than the number of states that recommend or encourage them. They are a very political issue.
 - c. Sonja Forster noted a distinction between an agency-mandated PLA and other PLAs is that the contractor does not participate in the in the development of the former.
 - d. How PLAs and CWAs are working (Sonja Forster)
 - i. For meeting the community goals, contractors are not as successful as advertised. They try to employ disadvantaged community members and some are very successful, however she cautioned that you need to scrutinize the data carefully to confirm objectives are being met.
 - ii. The good things we see are efforts put behind pre-apprentice programs and support services. But what is happening in the current marketplace is the

graduates will often not work at public works jobs. There remain difficulties filling the pipeline.

- e. A bureaucratic requirement (Bill Dobbins): PLAs are sometimes viewed as another bureaucratic requirement that increases the costs of a project, limits competition and generally makes a project harder to implement. He noted that PLAs generally will limit the contractors bidding a project as many do not have processes in place to fulfill the requirements. He questioned if PLAs help, noting that they discourage many contractors from doing public projects in Seattle. People will pursue projects that do not have these requirements. In addition, subcontractors also take their business elsewhere. Bigger contractors have processes in place to deal with PLAs, but the smaller/more specialized trades do not have the internal structure to address these requirements.
- f. Where has it worked, not worked (Brian Antonsen): We are on board with the outcome being sought, however he encouraged the District to review where they have worked and where they not worked. He indicated that the firm has experienced both success and failures with PLAs and described a problem they recently experienced on a smaller project.
- g. It isn't just the administrative burden (Mary Jansen): For specialty subcontractors, PLAs are difficult to implement. Our work is specialized and we spend a significant time training our staff. On our projects, we are required to offer a one-year warranty, so it is best to train those we hire. If the workers come from the union they do not come in with a lot of experience and when a project completes we are unable to keep them as well. We try to keep the people we hire. The continuity of the crew is essential. They work better together. If new workers are constantly brought in, the continuity is lost which increases project expense. The diversification goes to the negative side.
- h. Detriment to small jobs (Steve Goldblatt): Some jobs are just too small; think of how few new people you could hire on a \$5M project (the City of Seattle's threshold). The workforce is very limited, and it just does not make economic sense as there are so few people that work on those projects.
- i. It sounds like finding workers is hard (Rob Stephenson): PLAs are trying to get at something that the community desires, trying to get people into the trades so there is an available work force, particularly if they are local. What other avenues are there to create this workforce?
- j. The lack of a skilled workforce is the biggest crisis facing the construction industry (Bill Dobyms): The lack of a skilled workforce is killing our industry. SPS has the biggest opportunity, yet there is no viable program. We want to attract students to these careers. A good trade worker can earn a six-figure income and have a great career. I would like to see junior high and high school classes introducing the students to these trades but am uncertain as to how to accomplish that objective.
- k. We aren't feeding the pipeline as well as we could (Rob Stephenson): If you start at grassroots, at the class level, students will want to work with their hands.
- l. Make it easier (Sonja Forster): There is so much work we can do in our schools. That is where the rubber meets the road. Someone who wants to get into the trades must take six weeks of classes, and then enter an apprenticeship program taking additional time. That is a length of time that is not acceptable for someone who doesn't have the financial means to wait. It does not make it easier. The young person is ready to go and we need to find a way for them to go through the program.

- m. How are we informing our kids about these careers (Rick Burke)? Rainier Beach HS has a construction class that SPS could not fill this year and had to close. There was not enough student interest. We have a huge demand problem, and SPS educates students; some of them could be the supply side of the equation. How do we as a District work on the supply side of the equation?
- n. Signatory contractors such as Lydig must hire through the union (Bill Dobyms): If you are a non-signatory contractor you could hire on the spot.
- o. What is SPS not doing—or what should we be doing—to develop a work force at the high school level (Sonja Forster)? We must get parents to understand these are well paying jobs that provide satisfying careers. AGC of WA has an education foundation that is highly engaged with this and works with school districts. It must come systematically from the top down to make parents understand this as a viable career pathway for their children. There are partnerships being worked on with the trades and AGC to work on apprenticeship programs while students are still in high school and can take some classes to meet some of the requirements – similar to the Running Start program. It would provide a head start for getting into the construction field.
- p. What are we doing to market those programs (Bill Dobyms)? Our business is competing with those who can go abroad with amazing opportunities. The millennial high school student will look to these opportunities over construction. Today, they will say to go take woodshop. This does not teach construction. It is viewed as a second choice. But it should be a first-choice decision, so parents encourage their children to go into construction.
- q. We should battle the perception that construction is a second-class choice (Brian Antonsen): One of the perceptions that is hard to break is the perception that you do not work regularly. Students see people with a desk jobs as having an uninterrupted work schedule. It is to maintain a steady labor pool.
- r. It goes back to money and funding for education (Mary Jansen): We need to put money into the marketing and the education. Close to 100% Bellingham Technical College graduates are getting jobs. Studies have shown that in perception, out of 100 fields, construction was ranked below being a cowboy.
- s. The misstep of the schools (Sonja Forster): A misstep by the schools is they decide whether the student is college bound or non-college bound. You don't know where these students are going to land.
- t. SPS is getting apprentices on our projects (Richard Best): The State of Washington requires 15% apprentices on projects. We are now monitoring our projects and are meeting the requirements.
- u. Vocational opportunities (Duncan Griffin): There is a need for intervention and a bridge into construction. We could be connecting high school students with construction/technical programs. Create a college pathway that allows a student to get into construction site through a program outside the union. Eventually the student could join the union.
- v. We could do a lot more (Brian Antonsen): We must connect the 25-year-old pipe fitter with the student in the classroom. Students will find a younger field worker more credible than a 30-year-experienced manager.
- w. The private sector could work to get out the message.
- x. Presentations that shows career pathways should be in front of the students and parents (Sonja Forster): However, if parents do not think it is a viable pathway they will not encourage their children in that direction.

- y. High schools could have a construction classroom (Freeman Fong): There are a diminished number of students exposed to these pathways. A focus is placed on test results and the core classes preparing students for those tests. Funding flows to those things that are evaluated for test results.
- z. Look to the industry for support (Brian Antonsen):
 - aa. How do you provide opportunities for students (Rob Stephenson)? They want to earn money when they are in high school despite labor agreements. Why can't they do it while they are in high school? Perhaps it could become a school project.
 - bb. Perceived lack of glamour (Steve Tatge): I think part of the education is discovering you may not have to stand out in the rain. When you walk into contractor's office—if you didn't know what they did—you would guess it is a software company. It is open, light and well designed. The perception is not how the construction contractor's office looks. That is another part of the education. Architecture and construction industries are merging.
 - cc. The community benefits from skilled labor's work (Bill Antonsen): We have started marketing the fact that when a project is done, the community is better.
 - dd. The District is doing a lot of outreach (Mike McBee): We do a lot in our Career and Technical Education program (CTE). Schools are doing CTE as well. The union does extensive outreach to communities. We have 40 unfilled positions and 15 are apprenticeship positions.
 - ee. On behalf of AGC (Sonja Forster): AGC encourages SPS to not impose a PLA or CWA on its projects. Let the contractor and the union work out an agreement through collective bargaining that will work well for each party.
 - ff. Director Richard Burke expressed his appreciation for the input received today, as well as the willingness to take on a confrontational topic. He noted that if we see barriers for our students, we as adults need to take them down.

Meeting Re-cap and Next Meeting Agenda Items (Steve Goldblatt)

1. BEX/BTA Charter Review; BTA III and BTA IV Financial and Project Updates (February 2018)
2. Energy Use Index Update (March 2018)

Adjournment (Steve Goldblatt)

1. The meeting adjourned at 10:34 am.