



DATE: December 15, 2021
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 21-37
Update on the Construction Business and Workforce Equity Policy

BRIEF DESCRIPTION OF INFORMATION ITEM

No action requested; information only.

At the December 15, 2021, Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on the Construction Business and Workforce Equity (CBWE) Policy, focusing on the status of conversations with partners about applying a community workforce agreement (CWA) provision to Prosper Portland public/private development projects.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

The CBWE Policy delivers on the agency’s Strategic Plan priorities of increasing access to quality employment; supporting equitable wealth creation; and fostering partnerships. The CBWE Policy aligns with the agency’s Equity Policy goal of leveraging investments that support Black, Indigenous, and other/all People of Color (BIPOC), and women in contracting opportunities.

BACKGROUND AND CONTEXT

On April 14, 2021, through Resolution No. 7411, Prosper Portland Board of Commissioners approved the CBWE Policy, which:

1. Elevated Prosper Portland’s construction-related Business Equity and Workforce Hiring programs into a policy in accordance with the agency’s Equity Policy;
2. Increased the Certified Firm participation goal on owned and sponsored projects from 20 to 22 percent and implemented a sub-goal of 14 percent Minority Business Enterprise and Disadvantaged Business Enterprise participation;
3. Established a Construction Equity Fund to provide additional resources for business technical assistance and workforce development; and
4. Required that 0.25 percent of hard construction costs for qualifying projects be set aside to the Construction Equity Fund.
5. Committed to include antiharassment language once approved at the regional Safe from Hate discussions; this language is designed to mitigate and eliminate race and sex-based bias on Prosper Portland construction projects.

In addition, the Prosper Portland Board action directed staff to hold discussions and convene a joint working group discussion with key external and internal workforce development practitioners to further understand the implications of enacting a CWA provision within the context of Prosper Portland’s unique role in public/private projects.

During the summer and early fall, staff had individual discussions with key partners where the following individual input was received:

- There were varied and differing perspectives about what level of investment could or should trigger a CWA requirement.
- Some partners shared the need for a CWA on all projects to realize economies of scale and shift the market.
- Some partners expressed the draft CWA language does not take into consideration open-shop apprenticeship programs.
- Others observed the CWA language creates excessive discretionary authority regarding Minority Business Enterprises and other certified firms being included or able to be signatory to a CWA which could potentially exclude the entire non-union minority contracting community.
- A few partners talked about the need for clarity between a CWA and i) how it relates to broader Community Benefit Agreements Prosper Portland is involved with and ii) how it differs from the regional Project Labor Agreement (PLA) discussion underway for public projects.
- There was a mixed understanding/appreciation for Prosper Portland's work being largely delivered through public/private partnerships that are privately financed as distinct from publicly led and funded projects.
- Multiple partners identified this CWA conversation as occurring in parallel with ongoing Construction Career Pathway Program (C2P2) discussions regarding potential alignment of regional construction equity standards, with that process anticipated to conclude early 2022.
- Multiple partners flagged the importance of Prosper Portland continuing to be part of and to lead policy changes related to construction equity.

Following individual discussions, on October 26, 2021, Prosper Portland staff hosted a facilitated joint meeting amongst representatives of the following organization to have a shared discussion about the CWA concept:

- LatinoBuilt
- National Association of Minority Contractors-Oregon
- NW College of Construction
- Worksystems Inc.
- Metropolitan Alliance for Workforce Equity
- Pacific Northwest Regional Council of Carpenters
- Professional Business Development Group
- International Union of Operating Engineers Local 701

In short, there was lack of consensus about how or if to incorporate a CWA provision into the CBWE Policy with the largest differentiators being i) the public investment financial threshold for a CWA and ii) potential benefits or impacts of a CWA for non-union BIPOC businesses. Multiple partners pointed out the importance of aligning Prosper Portland efforts with the ongoing regional PLA work of the C2P2 process which would help ensure consistency throughout the region and increase the use and practice of agreements that centered BIPOC and women workers.

C2P2 was initiated by Metro through their Strategic Plan to Advance Racial Equity, Diversity, and Inclusion. The regional effort produced the C2P2 Regional Framework, which the Prosper Portland Board adopted through Resolution No. 7344 on October 9, 2019. Largely focused on publicly funded and implemented projects, the framework provided recommendations on key areas regional partners

could collectively address, including workforce diversity goals, workplace harassment prevention, and a project labor agreement. As noted, the C2P2 discussion is anticipated to conclude in early 2022 and could provide a shared regional template to guide Prosper Portland's CWA language related to our publicly funded and direct contracted work.

Therefore, at this time, staff are not recommending any formal changes to the Prosper Portland Board to consider. At the December 15, 2021, Prosper Portland Board meeting, staff will provide greater detail on feedback received to date and seek direction on how to proceed.

EQUITY IMPACT

The CBWE Policy increases Prosper Portland's ability to guide, influence, and assess the agency's progress toward construction equity goals. The CBWE Policy is fundamental to Prosper Portland's efforts to ensure widely shared prosperity among Portland residents and equitable outcomes for BIPOC and women in the construction trades. The establishment of a Construction Equity Fund allows the agency to provide resources to organizations that help grow small businesses, as well as develop and provide support to the workforce. Supporting these efforts along with other regional agencies will provide lasting meaningful growth and a strong foundation for BIPOC and women in the construction industry.

ATTACHMENTS

None.