



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Darlene Flynn
Director, Department of
Race and Equity

SUBJECT: Inter-Agency Report on
Project Labor Agreements and Racial
Equity Analysis

DATE: September 21, 2021

City Administrator Approval

Date:

Sep 23, 2021

RECOMMENDATION

Staff Recommends That The City Council Receive A Report With Recommendations Regarding (1) The Project Labor Agreement (PLA) Report Prepared By The Estolano Advisors And Related Racial Equity Impact Analysis And (2) Recommendations To Guide Next Steps On Consideration Of A City-Wide PLA.

EXECUTIVE SUMMARY

The consideration of a City-wide Project Labor Agreement (PLA) is an opportunity to implement equitable labor agreement policy, including necessary data collection and accountability practices to favorably impact employment access and address race and gender disparities in the building trades. It can be a vehicle for focusing the City, trade unions and contractors on strategizing to remove structural practices and barriers to inclusive opportunity for Black and female workers. This will require using City leverage to establish a multi-strategy approach that will increase investment in the labor pipeline, strengthen and clarify the language and provisions of the agreements, address needed changes to the culture of the building trades, and follow through with rigorous monitoring and enforcement activities by the City.

The in-depth research and analysis from the report prepared by the Estolano Advisors (EA) (**Attachment A**) provides clear evidence of a need for change and specific areas of focus for advancing equity in City workforce policy involving PLAs. They concluded that PLAs should be designed with workforce goals in mind and should facilitate and monitor their achievement. The work to investigate root causes of race and gender under-representation, and to identify strategies for diversifying the construction workforce through PLAs provides the basis for a range of concrete recommendations that portends roles for a range of partners that reaches beyond the City and the Trades, to include pre-apprenticeship programs, contractors, and other regional agencies. The breadth of the EA report could not be captured within this staff report, so it is recommended that interested audiences read the full report, included as **Attachment A**.

The City of Oakland's commitment to embed "fair and just" into all the City does calls for a reframing of building trade agreements to address the historical exclusion of Black, Indigenous, People of Color (BIPOC) and women from building trade union membership and employment.

City Council
October 5, 2021

It will require a completely redesigned approach that assigns shared responsibilities to begin to reverse over one hundred years of exclusionary history and its impacts.

BACKGROUND / LEGISLATIVE HISTORY

On August 17, 2018, the City Council passed Resolution No. 87293 C.M.S. calling for an equity impact analysis and public process to advise the creation of a general PLA for the City of Oakland. Working together the Office of Contract Compliance [Workplace and Employment Standards] and the Department of Race and Equity conducted multiple community sessions on the topic. The report from these sessions was completed in September 2019 by Junius Williams Consulting and is included here (**Attachment B**). Participants in this process raised a range of concerns that touched on needs for pre-apprenticeship program funding, access to entry into trade apprenticeship programs and that result in jobs for Black residents of Oakland, impacts of PLAs on small and local non-signatory contractors who are most likely to employ Black workers, adequate staff resources for monitoring and enforcing PLA workforce provisions and dissatisfaction with the quality and limited amount of trade specific race and gender membership data.

The racial equity impact analysis did not proceed at that time because of lack of access to building trade locals' membership data disaggregated by race and gender. The City did, however, participate in an informal convening of Bay Area agencies by the Building Trades that resulted in ongoing inter-agency conversations about PLA concerns. This collaboration ultimately resulted in a proposal to combine agency financial contributions to leverage philanthropic support for a consultant led study. This assistance was needed to investigate root causes of race and gender under-representation and to produce recommend strategies for improving workforce equity outcomes through PLAs.

The San Francisco Foundation agreed to partner and convened an advisory committee comprised of representatives from public agencies who had been meeting on this topic, the Alameda County Building Trades, and local community-based organizations to discuss strategies for diversifying the construction workforce through PLAs. San Francisco Foundation engaged Estolano Advisors (EA), with support from Julian Gross (Partner, Renee Public Law Group) and Ari Fenn (Labor Economist, University of Utah) to produce a report to better understand the challenges and opportunities to diversify the East Bay union construction industry and develop recommendations to improve the performance of local PLAs. EA was tasked with gathering qualitative and quantitative data on the state of the union construction industry in the East Bay. Their report, Improving the Effectiveness of Project Labor agreements, summarizes key findings organized into the following sections and is available for your review as **Attachment A**:

- I. Executive Summary
- II. Introduction
- III. Project Labor Agreement/Community Benefits Agreement Scan
- IV. Enabler/Barriers to Diversifying the Construction Pipeline
- V. Construction Labor Supply and Demand Analysis
- VI. Recommendations
- VII. Appendix

RACIAL EQUITY IMPACT ANALYSIS

The purpose of a racial equity impact analysis is to guide the process of equity action through, in this case workforce/labor policy development as it pertains to the elements of Project Labor Agreements. By applying an equity focus and analysis to key deliberations, City government can work with community to create conditions where everyone has access to the opportunities necessary to meet their essential needs, advance their well-being and achieve their full potential.

1. Racial Equity Outcome(s): All residents of Oakland have meaningful access to employment opportunities in living wage occupations, including Black, Indigenous, People of Color experiencing racial disparities in full employment and economic security.

2. Data:

Black and Hispanic/Latino residents experience consistently higher levels of unemployment than White residents.

Economic Policy Institute - [https://www.epi.org/data/#/?subject=unemp&r=*](https://www.epi.org/data/#/?subject=unemp&r=)

Unemployment is the share of the labor force without a job.

Download: [CSV/Excel](#) [Copy](#) Filter rows:

Date	All	Black	Hispanic	White
Mar-2020	3.7%	6.0%	4.4%	3.0%
Feb-2020	3.6%	6.0%	4.3%	3.0%
Jan-2020	3.6%	6.0%	4.3%	3.0%

Impacts of Covid Economic Downturn – The downturn has had the greatest impact on Black residents, employment prospects and this is typical in historical economic constrictions.

Economic Policy Institute - <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

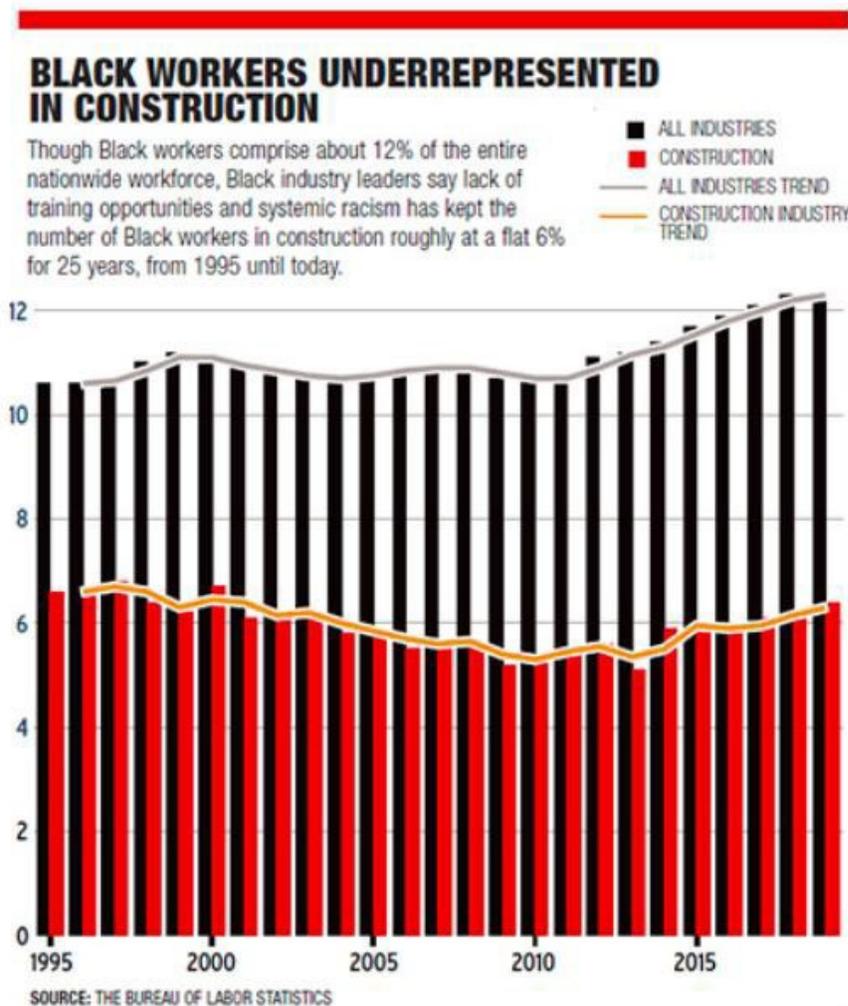
What does the data tell us?

Current conditions are not conducive to the achievement of economic equity because, if opportunities in all key areas of well-being are equitable, then equitable results would follow. Inequity in outcomes is the result of the cumulative impact of over 200 years of institutional policy and practice that excluded BIPOC groups from fair and equitable access to living wage employment and wealth building, and not just in the building trades. Government has a responsibility to right historical wrongs in which it participated, and the City of Oakland has made a commitment to address disparities through intentional equity strategies in all the City

does. This racial equity impact analysis establishes the baseline for problem solving to achieve different outcomes.

Equity Indicator(s) or disparities that this activity might impact?

Despite remedies applied historically, no meaningful improvement in representation of Black workers in the building trades has been achieved to date. Considering these disparities, it would be necessary for the City of Oakland to dramatically change the approach to racial equity in their peace and labor policy to impact these outcomes. The same would be true for increasing gender representation in the trades to advance economic opportunity for women in Oakland. Transformation of PLAs is an opportunity to course correct for greater equity through the City’s approach to this policy.



The EA report identified numerous disparities in participation under PLAs as currently designed and administered. They analyzed a sample of trade local membership provided by the 10 out of 28 trade affiliates that responded to their data survey in July 2020 with the following results and conclusions:

- Journey workers represented 79% of the current members in the data sample, whereas 21% represented Apprentices.
- 98% of the current members in the data sample are male.
- 25% of the members live in Alameda County, followed by 14% in Contra Costa County, and 8% in Solano County.
- Members in the data sample represented 54% white, followed by 35% Hispanic/Latino, 5% Black, 3% Asian, and 4% listed as other or unknown.

The report stated that “[t]his survey result confirms that current data from the trade affiliates does not fully capture the landscape of the local construction workforce because trade affiliates do not collect data consistently and are not mandated to collect and report it. Standardizing data collection and establishing a reporting system is highly recommended to analyze the current workforce trends, as well as track those who have graduated from apprentice programs to determine the effectiveness of local PLAs and apprenticeship programs.”

(Survey responses included Bricklayers, Tile Setters and Allied Craftworkers Local 3; Heat & Frost Insulators, Local 16; International Brotherhood of Electrical Workers Local Union 595; Northern California Elevator Industry Joint Apprenticeship and Training Committee; Painters & Drywall Finishers LU3; Plasterers' Local 66; Plumbers & Steamfitters Local Union 342; Sheet Metal Workers' Local 104; Teamsters Local 853; and UA Sprinkler Fitters Local 483)

3. Engagement with those most impacted by racial disparities

The Contract and Compliance Division and the Department of Race and Equity partnered in planning and conducting a town hall meeting and a series of three community engagement meetings and several organization specific meetings. For more information on the agenda and materials as well as dates, location, and attendance at the meetings, see pages 1-2 in **Attachment B**.

Attachment B is the report prepared by Junius Williams Consultants (JWC), that describes the process and summarizes the comments received from participants at these events including what they see as barriers to training, employment and contracting for Oakland residents in city-involved construction projects, especially for those who live in Oakland neighborhoods which experience negative disparate impacts in terms of access to training and employment.

The sessions offered participants an opportunity to discuss three general topics including:

1. Barriers to and strategies for training, employment, retention, and advancement of focus populations (described as people of color, women and residents of equity impacted neighborhoods in Oakland) in construction-related careers.
2. Barriers to and strategies for increased participation by contractors, especially small local business enterprises and very small local business enterprise contractors as prime or sub-contractors on city construction projects and hiring focus population residents.
3. Possible adverse or positive impacts of a CWA on focus populations, small contractors or city government and provisions needed in a CWA ordinance or other city policies to increase positive impacts and mitigate adverse impacts.

The community conversations were far ranging and, in some cases, quite specific, also largely in alignment with the findings and recommendations of the EA study. Their report highlights the following buckets of barriers:

- Entering the Trades
- Navigating the Worksite
- Lack of Racial and Gender Diversity and mentorship
- Training Challenges
- Awareness of/Interest in the Trades

In addition, the community sessions highlighted PLA impact on small contractors, more likely to be women and BIPOC owned, and their ability to participate in City contracts when PLAs are required.

4. Equity Gaps

- Persistent under-representation of Black and female building trade union membership
- Vastly different, opaque, and sometimes subjective entry processes for each trade
- Disparities in representation and success rates in apprenticeship programs, particularly for Black and female participants
- BIPOC members disproportionately found in lower paid apprenticeship programs
- Small/ local contractors functionally shut out of City contracting under PLAs
- Poor/inconsistent gathering and reporting of race and gender membership in the building trades
- Ineffective/inconsistent monitoring and enforcement of contractor obligations
- Inconsistent/low funding levels for pre-apprenticeship programs
- Poor/inconsistent data collected for pre-apprenticeship programs
- Unwelcoming worksite culture for under-represented groups, lack of mentorship support for underrepresented groups
- Lack of public accountability for equity outcomes of PLA provisions

5. Address Equity Gaps

The final section of the consultant's report recommends actions that public agencies, unions, contractors, educational institutions, and other partners can take to create a diverse and sustainable pipeline of union construction workers. They also point the way to additional work that is needed with the partners to move them forward. They refer to either: "demand-side" recommendations that can drive demand for diverse workers through contracting and procurement language and policies, or "supply-side" recommendations that refer to the scaling up of recruitment, hiring, training, and retention of diverse workers to meet the needs of the region. The recommendations include the following:

RECOMMENDATIONS

SET DATA-DRIVEN WORKFORCE GOALS We recommend setting workforce goals to low-income zip codes to direct economic opportunity to the areas that need it most. Similarly, agencies may wish to set a simple list of categories for "disadvantaged workers." The number

and type of categories should be short and easily verifiable so as not to dilute the intent of the program. Setting goals by trade is also a strategy to ensure all segments of the industry are addressed and goals are not achieved merely by placing diverse workers in lower paid crafts.

ESTABLISH CLEAR RESPONSIBILITIES FOR ACHIEVING WORKFORCE GOALS We recommend setting clear language to describe workforce requirements and means of achieving them. We recommend using clear language laying out the steps contractors are expected to make. Such steps must not be inconsistent with industry practices. Public agencies should pay attention to the role of union hiring halls in dispatching diverse workers. Further, contractors should be required to sponsor apprentices where opportunities are available.

COLLECT DATA TO TRACK PROGRESS ON WORKFORCE GOALS Regular data collection is crucial to gathering an accurate picture of the construction workforce. However, this data is difficult to access and inconsistent at best. We recommend a series of data metrics for public agencies, trades, apprenticeship programs, and pre-apprenticeship training programs to collect to get a sense of the region's performance. We also recommend displaying this data collectively, as a dashboard, to communicate PLA outcomes to a broader audience.

ENFORCE TO ENSURE PROGRESS ON WORKFORCE GOALS Enforcing workforce goals is a longstanding challenge. We recommend tackling this problem early on by requiring an operational plan at the onset of any agreement. Such a plan can describe clear roles and responsibilities for all parties in the monitoring and enforcement of a contract. Furthermore, including workforce goals and contractor requirements on all prime contracts, whether the project is covered by a PLA, sends a signal that these are as important to the public agency as all other requirements – and should not be ignored.

SUPPORT THE RETENTION AND ADVANCEMENT OF DIVERSE WORKERS Harassment and discrimination impacts worker safety, productivity, and retention. We recommend that the region explore the adoption of a worksite harassment prevention program that provides all employees with concrete tools to step up and intervene when harassment and discrimination occurs on a jobsite.

COORDINATE ONGOING SUPPORT FOR DIVERSE WORKERS Public agencies should coordinate funding on recruitment, training, retention, and other support services to ensure the region is directly responsive to projected demand and the needs of BIPOC and women workers.

COLLABORATE ON A REGIONAL LEVEL TO CREATE A DIVERSE WORKFORCE Increasing economic opportunity for BIPOC and women is a regional challenge. As such, the advisory committee should continue meeting, and continue to collaborate and coordinate in the implementation of the recommendations of this report.

COMMUNITY ENGAGEMENT SESSIONS inform a city staff recommendation that a substantial “carve out” (example: contracts under \$5,000,000 - \$10,000,000) for non-union small/local businesses is needed to provide necessary opportunity for them and their employees to benefit from expenditure of tax-payer financed spending on public projects.

6. Implementation

The challenges, barriers and shortcomings in current conditions laid out here imply the need for a complete redesign of the peace and labor agreement approach. The following implementation steps can be taken immediately:

- Opt in to participate in Phase II Implementation collaboration with the San Francisco Foundation, Estolano Advisors and regional PLA involved agencies to develop a new model that could be adopted consistently and then use that template to design the City of Oakland's approach.
- Meanwhile, locate resources for establishing a public facing City of Oakland dashboard for equity performance of existing PLAs with the information that is currently available and place holders for missing data.
- Establish a minimum requirement that building trade locals provide membership data disaggregated by race and gender to enable the identification of equity outcome goals to be achieved by the agreement prior to its finalization. If necessary, restrict participation in the agreement to only locals that comply with this equity requirement.
- Review and strategize to meet necessary staffing levels in the Department of Workplace and Employment Standards, to assure vigorous monitoring and enforcement of current and future agreement requirements
- Support the CAO to initiate a public PLA design process by establishing a Task Force to explore provisions for an equitable PLA for the City of Oakland. The Task Force would include Community Based Organizations, Building Trades Council, Educational/Research Organizations, Pre-apprentice Training Organizations, Small Business Organizations, and Contractors.

7. Evaluation and Accountability

- See recommendations regarding data collection and public reporting.
- Final policy should include annual audit/review for equity efficacy and possible course corrections, report results to City Council.

FISCAL IMPACT

Long term, to be determined based on final policy. Short term, time commitment for ongoing regional collaboration, may also result in request for contribution to Phase II of consultant supported work on implementation. The City of Oakland contributed \$15,000.00 to the Phase I study.

PUBLIC OUTREACH / INTEREST

See equity analysis section.

COORDINATION

Ongoing with Workplace and Employment Standards staff and the Inter-agency PLA project workgroup and Estolano Advisors.

SUSTAINABLE OPPORTUNITIES

Economic: Employment and economic security opportunities for women, Black, Indigenous, People of Color through equitable workforce and labor policy.

Environmental: There are no environmental opportunities associated with this report.

Race & Equity: See Racial Equity Impact Analysis section.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive A Report With Recommendations Regarding (1) The Project Labor Agreement (PLA) Report Prepared By The Estolano Advisors And Related Racial Equity Impact Analysis And (2) Recommendations To Guide Next Steps On Consideration Of A City-Wide PLA. (3) Work with a CAO supported Task Force that includes residents representing community interests to use these findings to design equitable agreement elements for the City of Oakland that center closing race and gender disparities, with outcome data collection and accountability to under-represented communities.

For questions regarding this report, please contact Darlene Flynn, Director – Department of Race and Equity, dflynn2@oaklandca.gov.

Respectfully submitted,



Director, Department of Race and Equity

Attachments (2):

A - SAN FRANCISCO FOUNDATION

Improving the Effectiveness of Project Labor Agreements – Prepared by Estolano Advisors

B - REPORT FROM COMMUNITY ENGAGEMENT SESSIONS FOR A POSSIBLE COMMUNITY WORKFORCE AGREEMENT ORDINANCE FOR THE CITY OF OAKLAND -

Prepared by: Junious Williams Consulting, Inc

