



Engrossed Substitute Senate Bill 5689 – Section 218

Community Workforce Agreement and Diversity, Equity, & Inclusion Report

Diversity, Equity and Inclusion Background

Since 2016, the Secretary of the Washington State Department of Transportation's Strategic Plan has had three items, Workforce Development, Practical Solutions, and Inclusion. In 2022, the Secretary of Transportation launched a new [Strategic Plan](#) that included updated goals of Resiliency, Workforce Development, and Diversity, Equity, and Inclusion. Last legislative session, to enhance the equitable outcomes of WSDOT, we partnered with the Legislature to fund positions to enhance our Diversity, Equity, and Inclusion, as well as implement Community Workforce Agreements. Section 218 of Engrossed Substitute Senate Bill 5689 required a report of these activities by December 1, 2022.

Anti-Racism Policy & DEI Planning Executive Order

On July 16, 2021, Secretary Millar published the Agency's First Executive Order on [Anti-Racism Policy, and Diversity, Equity, and Inclusion Planning](#). This Executive Order outlined the agency's commitment to actively combatting racism and strengthening its anti-racist, diversity, equity, and inclusion efforts to guarantee that our state's multimodal transportation system serves all Washingtonians.

To further WSDOT's commitment to being an anti-racist organization, the Office of Equity and Civil Rights (OECR)¹, in partnership with the Office of Human Resources and Safety, created an agency-wide workgroup to develop a Diversity, Equity, and Inclusion (DEI) Plan for implementation.

Analysis & Preparation

Prior to beginning the DEI Plan development process, WSDOT completed the [Strategic Planning Listening Sessions & Organizational Equity Readiness Baseline Assessment](#) along with the agency's first [Equity Study](#), conducted by Western Washington University. From these analyses, we learned:

- Land acquisitions: Available datasets suggest that while WSDOT paid less on average than nearby private buyers, the land purchased by the agency also tended to be of lower assessed value. Due to data limitations, the study team was unable to conduct a

¹ The Office of Equity and Civil Rights was previously known as the Office of Equal Opportunity.

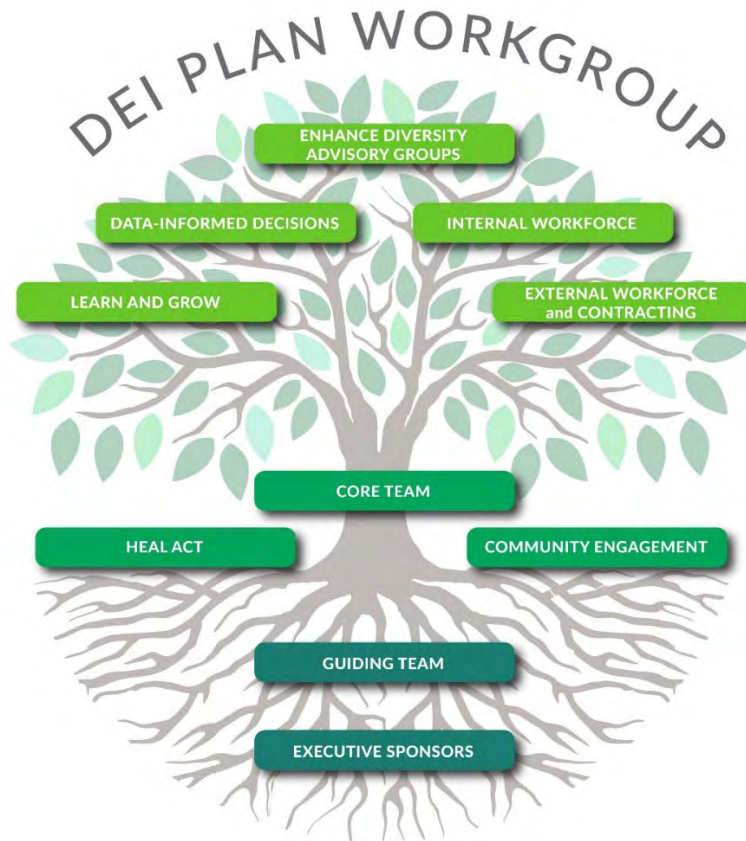
comprehensive property valuation. As a result, no conclusions can be drawn regarding the equity of WSDOT's land acquisitions.

- Highway construction investments: Findings indicate that transportation improvements are being made mainly near areas with higher concentrations of low-income individuals. However, this was likely a product of lower property values near significant infrastructure. Findings suggest that these improvements do not disproportionately positively or negatively impact communities of color.
- Employee recruitment and hires: Data shows that WSDOT attracts fewer women than men; however, the gender distribution of hires is similar to applicants. This suggests that qualified female applicants have the same likelihood of being hired as qualified male applicants. Findings also show that WSDOT recruits a more diverse qualified applicant pool than available within the local population, though WSDOT's hires are generally less diverse than the pool of qualified applicants.
- Distribution of transportation benefits: Findings indicate the majority of transportation investments are car-based, and active transportation investments are often not made in areas that would best serve its users.
- On the "Continuum of Becoming an Anti-Racist Organization," WSDOT is currently in the third stage as a Compliance Organization. After years of dedicating resources to this journey, we would like to note we are further along in our efforts. We recognize that while we have accomplished a lot, we still have a lot of work to do. WSDOT is grateful for the Washington State Office of Equity acting as a catalyst to support and guide this meaningful work. As an agency of approximately 7,000 employees, institutionalizing change of this nature will take additional time and resources. We are dedicated to becoming a fully inclusive, anti-racist, and multi-cultural organization.

DEI Plan Work Group

The DEI Planning process was led by OECR in consultation with the Office of Human Resources and Safety as well as the agency's eight location-based Diversity Advisory Groups.

Approximately 35 volunteers in consultation with the DEI Plan Guiding Team (i.e., Executive Leadership Team), and Executive Sponsors, the Deputy Secretary of Transportation in partnership with the Director of OECR worked for nine months to develop the agency's first DEI Plan. After months of collaboration, areas for enhancing equity throughout WSDOT's multimodal transportation system were determined to be structured as follows:



DEI Plan

WSDOT's DEI plan will be a living document and currently consists of seven primary focus areas, including:

- Internal Workforce: Embed DEI throughout the employee experience to improve inclusion, growth, and trust. Support WSDOT managers and staff in cultivating diversity, equity, inclusion, and belonging, where all employees are treated with dignity and respect. This area will strengthen the agency's ability to recruit, hire, develop, promote, and retain WSDOT's talent and remove barriers to equal opportunity.
- Learn and Grow: Develop, promote, and implement guidelines and benchmarks for educational materials, trainings, and events to inform, educate, and shift the agency's culture to an organization where everyone feels that they belong.
- Diversity Advisory Groups (DAG): Serve as advisory bodies to employees in supporting diversity, equity, and inclusion efforts throughout the agency. They promote and sustain a working environment at WSDOT that values diversity, equity, and inclusion by integrating the principles of respect and inclusion throughout the agency. DAGs are crucial to leading and supporting the focus, development, and continuous progress toward diversity throughout the agency.

- **Data-informed Decisions:** Develop, lead, and implement guidelines and benchmarks for collecting, analyzing, and reporting on comprehensive demographic data. This will ensure our decisions, policies, processes, and procedures are informed by data and centered on our values. These strategies aim to evaluate the benefits and limitations of data and our relationship to data that may not be available.
- **Community Engagement:** Create and proactively pursue strategies to improve outreach and engagement with under-represented or under-served groups. These strategies will encourage better stakeholder engagement practices and incorporate diversity, equity, and inclusion practices into discussions between project teams, community members, and other stakeholders.

WSDOT aims to move communications and community engagement from a project-oriented approach, in which communities are contacted only when a study or project is underway, to a community-based approach, where regular communication contributes to better-informed projects and increased community trust.

- **Environmental Justice – Healthy Environment for All Act:** On May 17, 2021, Governor Inslee signed the Healthy Environment for All Act (HEAL Act) codified in the Revised Code of Washington (RCW) 70A.02, Environmental Justice. Effective July 25, 2021, Washington Legislative Senate Bill 5141, HEAL Act, is a historical step that is intended to address the disproportionate exposure of Black Americans, Indigenous people, and communities of color, along with low-income communities, to environmental hazards in Washington neighborhoods. Due to this exposure, there is a higher risk of adverse health outcomes for those communities, which is further amplified for communities with pre-existing economic barriers and environmental risks. WSDOT met the first HEAL Act deadline by updating our community engagement plan by July 1, 2022. At the recommendation of the Environmental Justice Council, the updated community engagement plan will remain draft until the Council has the capacity to engage and provided recommendations on what they would like to see incorporated into the plan. WSDOT is on track to meet the next deadline of January 1, 2023, to have developed an environmental justice implementation plan within the agency’s strategic plan, but is also awaiting guidance from the Council. Staff is making good progress towards meeting the HEAL Act’s July 1, 2023 deliverables and looks forward to future guidance and recommendations from the Environmental Justice Council on those requirements.
- **External Workforce & Contracting:** Develop programs and revise contracting language to ensure our contractors’ workforce is reflective of the communities we serve. Additionally, ensure all WSDOT spending is equitable by quantifiable measures. This includes diverse business programs, enhancing Title VI and Americans with Disabilities, support services, pre-apprenticeship, Community Workforce Agreements, and other external-facing initiatives.

Positions

Within the funding for enhancing the agency's DEI and Community Workforce Agreement efforts, the Legislature funded the following positions:

- WMS II – The position has been established, reviewed, and recruited. It is anticipated the successful candidate will start on December 1, 2022.
- Program Specialist Fives:
 - One Position in Northwest Region – established, approved, and under recruitment.
 - Two Positions in Washington State Ferries Region – established, approved, and in recruitment.

Community Workforce Agreements Background

With historic levels of investment in transportation infrastructure at the state and federal levels and the current and future workforce and supplier demand exceeding available capacity, the Washington State Department of Transportation (WSDOT) is prioritizing regional efforts to expand labor capacity in the trades. WSDOT is also committed to ensuring significant transportation project investments support statewide equity goals and work as an agency to continue improving the experience small and disadvantaged businesses have contracting with WSDOT.

One tool that can support developing a pipeline of qualified local workers is a Community Workforce Agreement (CWA). A CWA is a Project Labor Agreement designed to benefit under-represented and under-served communities' access to capital construction investments made in their communities. These benefits include access for local workers to participate in projects, opportunities for available local contractors to engage in construction opportunities, and the expansion of qualified local workers contributing to regional economies.

In Spring 2019, WSDOT included its first pilot CWA as part of the construction contract for the SR 520 Montlake Project. WSDOT has lessons learned from the first few years implementing the pilot CWA and stakeholders have also shared feedback along the way.

Stakeholder engagement process

Following the 2022 legislative session, WSDOT engaged stakeholders to collect feedback about CWAs. Outreach focused on the under-represented and under-served business community, prime and subcontractors, pre-apprenticeship and apprenticeship organizations, and workers. Key activities included:

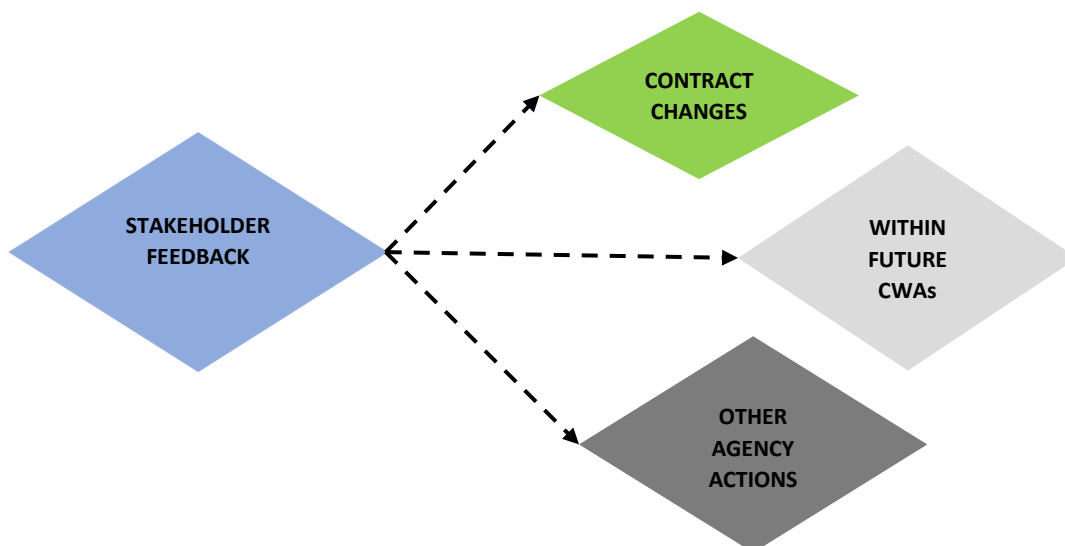
- Hosting three listening sessions with stakeholders
 - May 19 – focus on under-represented and under-served business community partners
 - August 18 – focus on prime and subcontractors

- September 15 – focus on pre-apprenticeship and apprenticeship organizations and workers
- Participating in meetings and briefings between May and October 2022 with Under-served and under-represented business stakeholders representing various stakeholder perspectives:
 - Associated General Contractors – Washington Chapter
 - Association of Women and Minority Businesses
 - Black Collective
 - Conference of Minority Transportation Officials – Washington Chapter
 - Latino Civic Alliance
 - National Association of Minority Contractors – Washington Chapter
 - National Association of Women in Construction
 - Northwest Minority Builders Alliance
 - Tabor 100
 - WSDOT’s Disadvantaged Business Enterprise Advisory Committee
 - WSDOT’s Megaprograms Community Partners Forum
- Online survey to collect experience and feedback from stakeholders
 - Twenty-five respondents, both identified and anonymous, representing various perspectives provided responses and feedback

Stakeholder feedback and next steps

We heard feedback on Community Workforce Agreements, Project Labor Agreements as well as general comments and ideas about contracting with WSDOT. View a summary of what we heard in Appendix A: November 10 CWA Listening Session Wrap Up Meeting Presentation.

Given the broad set of feedback we received, WSDOT will work to address feedback in multiple ways.



These include through negotiations in upcoming and future CWAs WSDOT pursues and negotiates as an agency, potential changes to our construction contract, and other actions WSDOT will take to address ways small and disadvantaged businesses experience WSDOT contracting, including on contracts with a CWA.

The SR 520 Portage Bay Bridge & Roanoke Lid Project is the next contract WSDOT anticipates including a CWA, subject to negotiations with the Seattle/King County Building and Construction Trades Council and the Northwest Carpenters. The Request for Qualifications, part of the design-build procurement process, was published on November 14 and included language to notify interested contractors.

In the first quarter of 2023, WSDOT will start delivering a comprehensive training series expected to last several months with a focus on CWAs. Topics will range from what employers can expect related to CWAs as companies develop bids during the procurement process to reporting and tracking requirements.

While the current phase of stakeholder engagement has concluded, WSDOT is committed to continuous and ongoing dialogue with the many partners that make delivering WSDOT projects possible in the years to come.

Appendix A:

November 10 CWA Listening Session Wrap Up Meeting Presentation

Community Workforce Agreements

Listening Session Wrap-up Meeting

Roger Millar, Secretary of Transportation

Earl Key, Director - Office of Equity & Civil Rights

Julie Meredith, Assistant Secretary - Urban Mobility, Access and Megaprograms

November 10, 2022

Chris Christopher, Director - Construction Division

Agenda

- Welcome and meeting purpose
- Agency introductions and opening remarks
- Overview of stakeholder engagement process and feedback
- Next steps and upcoming milestones
- Closing remarks

Opening remarks

Stakeholder engagement process

- The intention of the Community Workforce Agreement policy review effort is to deepen stakeholder relationships while improving access to WSDOT work
- Feedback will inform WSDOT's priorities and next steps
 - Listening sessions and follow-up surveys
 - May 19: under-represented and under-served business community
 - August 18: Associated General Contractors members
 - September 15: Seattle Building & Construction Trades Council members
 - Participation in more than 20 stakeholder briefings

What we've heard – under-represented and under-served business community

More core workers should be provided to address how allowing only three core workers means MWDBEs and/or small subcontractors remove work opportunities for existing staff

MWDBEs and small businesses experience cash flow challenges because of the requirement for employers to payments based on worker hours and make multiple Trust Fund payments before they have been paid

MWDBEs and small businesses experience impacts from the current CWA environment and should be exempt from future CWAs

Union audits are overreaching and costly, resulting in financial impacts to MWDBEs and small businesses

Companies with benefit programs are required to pay dual benefits to keep their existing policies in place and participate in CWA; this should be addressed through a waiver or reimbursement

MWDBEs and/or small subcontractors need additional training/education, technical assistance, legal and administrative support to understand and implement the employer requirements of CWAs

What we've heard – under-represented and under-served business community

Union halls don't always have available workers when contractors ask for more workers

Union halls lack diversity, including at the journey-level

Non-union employees are sometimes recruited and/or experience harassment on the jobsite

Contractors and workers pay into union pension and health care during projects but can't access these funds after the project ends

CWA negotiations and ongoing Labor/Management discussions lack transparency; all impacted parties need to approve CWAs, not just WSDOT or the unions

WSDOT should study other jurisdictions' CWA policies and related best practices

Independent, third-party oversight is needed to keep all parties accountable

Union shop stewards on CWA projects must be certified to accept and/or handle initial filing of race and other types of discrimination complaints on job sites

What we've heard – Associated General Contractors / Washington Chapter

In response to WSDOT's statement that CWAs will only be used on large and complex projects, contractors believe \$500M and above would be "large" and requests discussion about definition of "complex"

AGC believes a CWA or PLA is not needed for social issues as they can be addressed in WSDOT's contract specifications

AGC believes a CWA negotiated between Building Trades and WSDOT is an illegal document per the NLRA as it makes WSDOT a regulator

Request WSDOT follow model of Nevada DOT to address issues the MWDBE community has been impacted by within the current CWA

What we've heard - Associated General Contractors / Washington Chapter

CWAs inhibit contractor's ability to quickly deal with issues as they arise on projects	If WSDOT is going to negotiate a CWA, they should be with basic trades not Building Trades
CWAs for large and complex projects should be contractor negotiated	CWA administration is tedious and costly to a contractor
CWAs erode contractor's already bargained CBAs	CWAs create more cost uncertainty

What we've heard - Seattle Building & Construction Trades members and workers

CWA apprenticeship goals for project hours to be performed by people of color and women result in more women, people of color, veterans and others who are disadvantaged entering into construction

The apprenticeship programs and support services provided through the CWA provide individuals with the assistance needed to enter the construction trades industry

CWAs create advantages for small businesses through including percentages of work awards, training support and Priority Hire which helps contractors prioritize their existing crew before moving new workers on to their crews

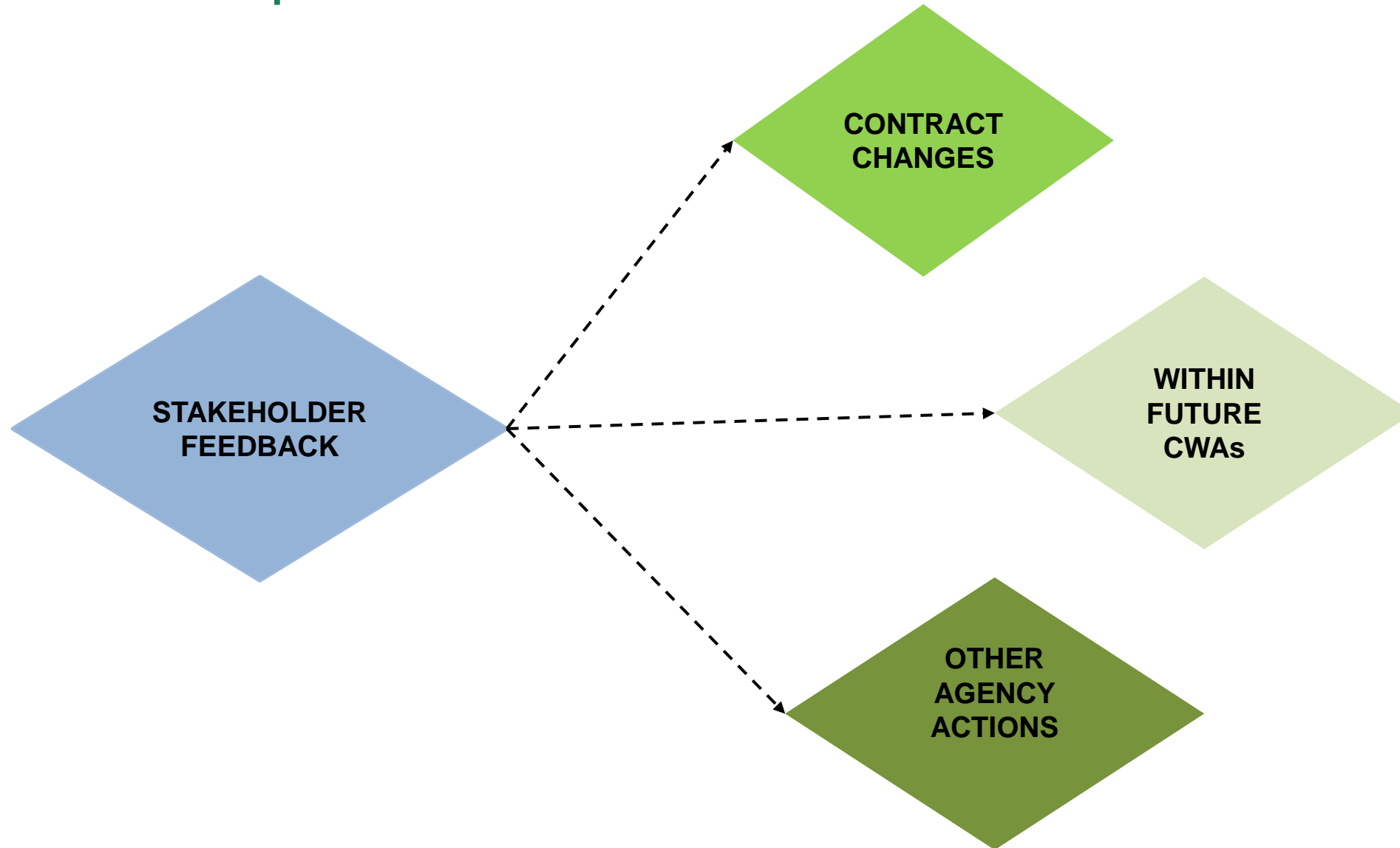
CWAs and DBE goals together improve access to work for DBEs, a way to provide support

What we've heard - Seattle Building & Construction Trades members and workers

The prevailing wage element of CWAs helps level the playing field for DBEs/small businesses

CWAs create opportunities for living wage jobs and career advancement, including but not limited to people of color, women, veterans, those who have been incarcerated and others who have been disadvantaged

Next steps



Upcoming milestones

DATE	ACTIVITY
Nov. 14, 2022	SR 520 Portage Bay Bridge & Roanoke Lid Project Request For Qualifications (RFQ); WSDOT anticipates including a Community Workforce Agreement in the contract
Dec. 1, 2022	Legislative Progress Report delivered to House and Senate Transportation Committees
Jan. 23, 2023 (tent)	SR 520 Portage Bay Bridge & Roanoke Lid Project Request For Proposals (RFP) Issued to Shortlisted Teams
Starts Q1 2023	Community Workforce Agreement 101 Training Series
Summer 2023	SR 520 Portage Bay Contract Awarded

Closing remarks

Questions or comments?

- Send questions or comments related to CWA to:
Earl Key, Director of Equity & Civil Rights
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Thank you!