

September 24, 2007

1:00 – 4:00 PM

WSDOT APPRENTICESHIP UTILIZATION ADVISORY COMMITTEE

MEETING MINUTES

Capital Conference Room
WSDOT Transportation Building
310 Maple Park Ave
Olympia, WA 98504

Committee Members: Linea Laird (Chair), Bob Abbott, Bob Adams, Dave Johnson, John Little, Randy Loomans

Absent: Butch Brooks, Tom Zamzow

Vacant: Contractor representing firms with 30 or fewer employees

Attendees:

Meeting Observers: Valerie Whitman (Max Kuney), Cathy Nicolas (FHWA), Alice Curtis (L&I), Van Collins (AGC), Adam Lawrence (GA), John Lynch (GA), Bob Scott (Puget Sound Metal Trades Council), Cody Arlene (Sheet Metal Workers), Al (Puget Sound Metals Trades Council), Ship Building, Alison Helberg (See sign-up)

WSDOT Staff: Jenna Fettig, Paul Ganalon, Dave Jones, Craig McDaniel, Ron Wohlfrom

Meeting Overview and Outcomes:

Meeting Outcomes:

The committee made the following decisions:

1. The committee agreed with the approach taken by WSDOT to gain interim approval to place the state apprenticeship requirements on federally funded contracts. WSDOT and FHWA have implemented a memorandum of understanding for the next year that allows WSDOT to utilize apprenticeship specifications on federally funded contracts. WSDOT will provide quarterly reports to FHWA detailing the number of federal training hours and apprenticeship hours achieved per contract requirements. The intent will be to determine if the two programs work harmoniously together. This issue will be revisited if issues come up.
2. The committee generated a number of comments and proposed changes to the first draft of the committee's report to the legislature (see minutes). These edits, as well as any other edits that are submitted, will be incorporated into the next draft of the report. WSDOT expects to provide a second draft of the report by late October. The committee will also discuss the report at the next apprenticeship meeting.
3. Trades associated with shipyard work will approach Todd Shipyards, the contractor for WSDOT's new ferries, regarding their desire to include apprenticeship requirements on the ferries contract. Since the contract was advertised before July 2007, State law does not require the specification be used on the contract.

Agenda Items:

The committee established the following topics for discussion at the next meeting:

1. Overview of actions taken since last meeting
2. FHWA approval of state requirements
3. The committee's report to the legislature
4. Requirements for new Washington State Ferries 144 car ferry boats

Date Setting:

The Apprenticeship Utilization Advisory Committee set the following tentative meeting date:

- **November 8th, 1:00 PM**
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Meeting Minutes:

Welcome

Linea Laird began the meeting and sent around the sign-in sheet. Linea debriefed attendees on safety issues, what to do in the event of an emergency and the safe way to exit the building. Attendees began introductions.

Agenda Overview

Linea provided an overview of the agenda for the meeting. The meeting will touch on actions action since the last meeting, the usual update, reviewing the draft report and discussion the agreement reached between WSDOT and FHWA. Linea emphasized that the draft report is still a draft and that there is still time to incorporate comments before it's submittal to OFM and then to the Legislative Committees. After the report is discussed, there will be an opportunity for round table issues or anything else. The shipyard discussion can occur at the end.

Actions taken since last meeting

Vacant Seat on Committee

Since our last meeting, committee member Nick Tommer representing small contractors has resigned due to his heavy workload. Linea has tried to find a few other members, but everyone has been busy. Linea is looking for another representative to represent those interests. Right now the committee is unrepresented, but the committee will continue on until the replacement member can be found.

Pilots Update

The handouts show the results of the two pilot projects. Cornwall to Hatch dowel bar retrofit is substantially complete. The apprenticeship hours percent of achievement is 19% and below is a pie chart representing utilization by trade. This was a federally funded contract and they also achieved the federal training goal required for the job. The breakdown of women and minorities is over 50%

The second project, SR 9 Schloman Road still has another year before it is complete. Currently they are at 25% for their percent of apprenticeship hours. The breakdown of women and minorities is 76%. Since July, there have not been other projects advertised that meet the apprenticeship utilization requirement, though as of this afternoon there are several projects that are being advertised.

- Dave Johnson asked if on the Cornwall to Hatch project, the 200 federal training hours, were met by apprentices.
- Dave Jones responded affirmatively.

Advance Schedule of Projects

In past meetings the committee had asked for the potential work coming up that would have apprenticeship requirements. Linea went over the Advance Schedule of Projects (handout) with the group. The list tries to capture those projects that meet the intent of the legislation and identify which have federal funds and those that have the goals. There are two projects going on ad today and one is federally funded and one is not. The rest of the information breaks down the projects into smaller sizes to give you a view of what is coming through February. The next implementation phase is next July. The 10% over 5 million is the current phase. On occasion, some of the projects on the Advance Schedule are moved around, however this is the best guess now of what is coming.

- Bob Adams asked if all the projects are funded.
- Linea replied they are all currently funded however it depends if estimates change or if bids come in higher than expected.

Outreach

Linea asked the committee to share outreach efforts that might be underway.

- Dave Johnson said that he just completed an outline of state approved apprenticeship programs and all the criteria required to apply for a program. It is general information to go to schools, OSPI, and L&I have quite a few copies they are getting out to different agencies. He also gave a presentation to the council of Western States on apprenticeship in Washington and the other states were excited to see what we were doing.
- Bob Abbott says they have completed their DVD and they are in schools and job fairs. They also have a radio ad in the Puget Sound area. Starting in the spring, there were ads in May. They had over 500 contacts off those radio ads so far. The campaign has been very successful. In the last year they have increased by almost 500 apprentices or 50%. They are graduating 20 a month and bringing in 40 or 50 a month and don't see that trend stopping.
- Randy Loomans said that the Operating Engineers has tripled in the last year and expects the trend to continue. It's never about a pool of applicants. It is about applicants that are ready.
- Linea asked if the trades are graduating them.
- Dave Johnson said that the percent varies from craft to craft.
- Randy mentioned that the workforce board does a compilation program to program. Apprenticeship has the best training program in the state. The community colleges use our numbers to make all their numbers look good.
- John Littel said that from the carpenters' standpoint they are growing at a historic pace. The program size has doubled, and they have expanded

training centers and merged our committees into one statewide committee to have one uniform recruitment procedure. This has been a very effective tool. They are examining streamlining the process for interviews and testing. Having enough interviewers on call is the biggest challenge. Contactor partners are as busy as we are. The carpenters continue to focus on veterans' re-employment. The focus is on the Helmets to Hardhats program. They just formed a national workforce development committee. Part of it is to look at best practices around the county. They are also looking at minority outreach. Who has the best reference in veterans' re-employment? Since they have formed one national group, they are also looking at bringing people from low-demand areas into high-demand areas.

- Bob Adams said Atkinson continues to reach out to the high schools and community colleges and has had pretty good reception and requests for follow-up visits. They have had presentations at Shoreline and a number of schools. They are getting a somewhat better response than in the last couple of years.
- Dave Johnson mentioned that both he and John Littel are members of the Correctional Industries board and one of their missions is a pre-apprenticeship program. They are looking at inmates in the re-entry process and getting them plugged into pre-apprenticeship programs and pre-apprenticeship training. There has been a positive response. California has a good program. This will address industry issues and significant social issues. It has some clear positive social impacts.
- Bob Adams said the union contractors in WA with the basic trades have formed cooperative committees that meet quarterly and go over apprenticeship utilization by contractor. That seems to be helping.
- Randy said that about four years ago, she got funding from LNI and employment security to go into jails and talk about apprenticeship. A lot of people are in and out. They had someone go in and speak and talk about it. They said that 12 in one year went into apprenticeship programs and didn't go back into jail. A program like that could be put back in place. It would pay for itself. That is something we can look at.

FHWA Approval

Linea reminded the group that WSDOT left the last meeting with a task to meet with FHWA on allowing apprenticeship utilization requirements on federally funded projects. WSDOT and FHWA have developed a draft agreement, to potentially allow the apprenticeship requirements to be included in federally funded projects. This agreement is currently under review by FHWA DC legal departments, but that we are hoping to move forward in the interim. Cathy Nicolas from the Washington division of FHWA is here today to help answer any questions regarding this approach. .

- Cathy Nicolas told the group that FHWA hasn't heard back from D.C yet but has agreed to allow WSDOT to move forward in the interim. .

- Linea said that WSDOT requested to be allowed to move forward for one year to see if there were potential impacts on the projects. The Construction Office put together a memorandum of agreement. It is under legal review and this legal review is required for approval. This approach allows WSDOT to gather data regarding how the two programs work together.
- Dave Johnson said that in reading the draft report, he is trying to understand where we are trying to get to if state approved programs can address the federal training requirements.
- Linea said that what we are trying to get is federal approval to use the requirement on federally funded projects. We will look at the data to see if the two programs can work in harmony. This law could be implemented on state projects only, and not on federal projects.
- Randy asked how mixed money projects are affected.
- Linea said that most contracts with federal funding have a little state funding too. Any contract with any federal dollars will be a federally funded project. WSDOT will use the requirement on federally funded projects as a pilot program.
- Randy said that she thinks what Dave is saying is that this has been going on a long time.
- Dave Johnson said that in his experience, the federal requirements for trainees can be met by state approved apprentices.
- Linea replied that not all apprentices are minority and female, which they must be to meet the federal training requirement.
- Dave Johnson said that not all trainees are minority and female. He thinks the two programs already do work harmoniously together. If you go to get a state approved apprentice if it is a female or minority they meet the federal training requirements.
- Cathy said that the overall civil rights goals of the federal program is to promote minorities and women, and to requirement fairness in contracting competitiveness. . FHWA approves trainees from both union and non-union programs. FHWA is concerned that apprenticeship requirements may impact the competitiveness of non-union contractors, and that contractor's may not be able to meet both training and apprenticeship goals.
- Randy asked if FHWA is working with federal CFRs for apprenticeship. She said there are two federal agencies and they should be able to work together. FHWA has a union non-union concern, but the folks that are coming to your door, what happens in the federal program, how do they get to complete their training?
- Cathy said that some of the contractors here set up a program and how many hours they are going to do and how they will meet the requirements. That is submitted to WSDOT and then to our office.
- Linea said she thinks the apprenticeship and training programs can work in harmony. The agreement is an approach, at least for the next year that

- will set the stage to work together and collect the data. We have agreed to provide data quarterly to FHWA.
- Bob Abbott said that in reference to union and non-union programs, contractors don't have to have a non-union apprenticeship program available. Union programs are open to non-union contractors and that needs to be very clear here. It is available to non-union shops. We have apprentices running through our programs now. It is about becoming a training agent.
 - Cathy said that is what FHWA wants to hear. FHWA does not want it to impact the program.
 - Bob Adams asked for clarification on the agreement between WSDOT and FHWA. Will the federal contracts have both the federal and state requirements or just the state requirements?
 - Linea said that apprenticeship requirements as well as federal training requirements will be placed on federally funded projects.
 - Craig said that FHWA is concerned about competitiveness, and if it places an advantage or disadvantage on any contractor. WSDOT is saying we don't think that will happen, but let us show you the data.
 - Dave Johnson said he can understand specific requirements. He has run into that before. Approaching this from the perspective of training and what we are really trying to do here, we are a SAC state and this allows us to adopt a set of standards that go above and beyond the federal standards. They have to be as good as or better than the federal requirements. To my knowledge, an approved state apprentice meets the federal requirements.
 - Rick Slunaker said that the On-the-job training requirement can be met by apprentices that aren't women or minority only if there has been a waiver granted. That would be the exception to the rule. That is the confusion. An apprentice satisfies the federal requirement if they are women or minority. You can have a federal trainee that isn't an apprentice.
 - Linea thinks that is why we are where we are at. The data shows that we think the two programs can work harmoniously together. Right now we will move forward with the placing the requirement on the federally funded projects and track the data.
 - Randy asked if the On-the-job trainees get paid prevailing wage.
 - Dave Johnson said that they get a trainee wage unless they are in an apprentice program.
 - Cathy said that if FHWA needs to come back and have a separate meeting they can do that.
 - Linea thinks we should see what results from the data show at this point. .

The Committee's Report to the Legislature

Linea said that WSDOT sent out a very rough draft of the report. Her intent is not to go over it word by word but make sure we are in agreement and have covered appropriate topics. As an example, the report does not address projects that will

be going on ad. Things could be organized differently. Have we captured appropriate information?

- Dave Johnson said there are some elements that are really encouraging in terms of the increase in apprenticeship and enrollment. The problem he sees initially is the delineation between union and non-union programs. What the legislation outlines is the availability of apprentices and availability of programs. The Ironworkers in Lewis County did apply for standards. Lewis County is listed on the request. With the exception of cement masons in Columbia County, every other county is covered by the programs used primarily by the DOT. To document a debate about union and non-union differences is inappropriate and outside the scope of the legislation. Dave thinks that any references to union and non-union programs should be stricken and removed from the report. Graphs should include the availability of programs and number of apprentices in each county. We should clarify apprentices are registered in state approved programs throughout the report.
- Linea said that at this point it is just data.
- Bob Abbott said that the labor side of the committee had a meeting before this and all agreed that we would like it removed.
- Bob Adams would like the opportunity to get back to the group on that topic.
- Linea asked for any other feedback on the union/non-union issue.
- Dave Johnson said the report should specify that apprentices are registered and approved in Washington State. It was encouraging to see the number of bidders, but in the last paragraph there is an ongoing disagreement in terms of what employing apprentices on jobs actually does. We have heard it increases the cost. There is no agreement on this issue. The apprentices are the only workers on the job that can be paid a lower wage rate. We do not believe the contractor would have hired apprentices in addition to journeymen. I think it is misleading to say that they have to hire additional journeymen because we have seen no evidence of this. There is always someone that will fill that slot. It is counterintuitive to think that employing apprentices will cost more money. Not to mention a lot of the apprentices are sharp. We have a problem with calling up contractors and telling them they can't employ enough apprentices on the job. You could contact apprenticeship programs and get information from sources. This nameless contractor makes a comment that we have heard before, but the report is not the right place for this.
- Bob Abbott said the program they are stating should also be contacted for reference to confirm this.
- Dave Johnson: We have been through this process with GA and although some of these elements are unique to DOT, we have been doing this for 7 years and some is historical background. A lot of what I'm saying comes from experiences taken. Dave said that he was encouraged when reading the report that if a state approved apprenticeship program had all the

ingredients of the cake a female or minority apprentice could be used to satisfy the federal requirements. There seemed to be some doubt as to whether that had ever occurred in past meetings, but the data in the reports confirms that many on-the-job trainees fulfilling the federal requirement were apprentices. Dave also said that maybe statements could be used until we get to the memorandum of understanding between FHWA and DOT. Increasing the number of trainees/apprentices, may not be increased necessarily. I think that language should be removed.

- Bob Abbott said that in section three on the statewide availability of union and non-union programs. We should remove the language about how contractors can create their own programs.
- Alice Curtis mentioned that you cannot become a training agent, you become a sponsor.
- Randy said she thinks there is an error in the cost of the federal highway program and how much is put in by state you reference that in two places. I think it is the opposite when the program comes in. Just before section three starts.
- Alice said that most trades in Pacific county cover only half of the county.
- Linea said that what she is hearing is that we should focus on just the first two pages of the report.
- Alice said that Lewis County is taken care of for Ironworkers, Cement Masons are taking care of and the painters are covered in Columbia County.
- Dave Johnson said that programs exist for all the crafts that DOT uses in all the counties. If you go back to what the committee was assigned to do according to the report, there are programs available everywhere.
- Randy said all the report needs to do is put the numbers out here and the availability of programs can be put aside.
- Dave Johnson said that as a State Apprenticeship Council member, he reminds anyone that looks at this from a union non-union view that except for the committees that represent plant programs, all programs are expected to allow other employers to allow them to participate in the program. That is a good way to show that the program is focused on training.
- Linea asked what is missing in the report.
- Randy thinks more about what the committee has done should go into this report. She thinks the legislature wants to know what is in place.
- Linea said there is stuff in the back about agency adjustments and asked if the committee wants to keep that.
- Bob Adams asked if it is possible to have significant data about trends.
- Linea asked the labor groups if they have the trends about what the program sizes were in 2005.
- Dave Johnson said there is data in the report.
- Linea said that the report can show how many people have graduated as well as how many that have come in and that Alice Curtis can help.

- Dave Johnson said that until there is more data, under the availability of apprentices by geographic area the report puts a solution in place to a problem that we don't know exists. I think it is premature to make the suggestion that it is desirable to reduce or remove the requirements.
- Rick does not think adjustments can be ignored because the legislation requires the adjustments to be made.
- Linea said that maybe it can be tied down to what the law requires.
- Dave Johnson said the same goes to the concept that is in the next paragraph. If a contractor is doing work in a specific area where they just couldn't find apprentices and if they made a good faith effort to find apprentices, they are covered. Dave doesn't think that based on the criteria of what establishes good faith and if they have established good faith, that should be a negative mark on them (in references to contractors being concerned how they would be viewed if they consistently use good faith to meet the goal). If you met the good faith effort, you shouldn't be viewed any differently from anyone else.
- Linea said that if there truly isn't anyone available in a certain area then there are actions that could or should be taken. The data is useful to have.
- Dave Johnson said that if there are areas where labor cannot meet the demand they want to know about it.
- Bob Abbott suggested that the last paragraph of that section replaces the part about if areas can be identified.
- Randy mentioned a typo in this section and said to add contract after WSDOT.
- Linea summarized the discussion by saying that WSDOT will make sure apprentice is tied to the language from the law about approved programs. In section two, WSDOT will update for something more current, try to tie in to some trends in effects or availability. The results of pilot projects will be kept together. WSDOT will make sure we validate cost associated with recruiting and get input from apprenticeship programs. The statements on quality of construction will be dumped.
- Randy if in the section on the concerns of the cost, there was anything similar about the cost of a trainee to apprentice.
- Bob Adams said that the only cost that is important is the cost to WSDOT and if contractors are saying they will increase their bid price that is important to WSDOT. To the extent that they have interviewed contractors and they are making statements that they are going to increase their bid prices it is important.
- Dave Johnson said that just because a contractor says it is going to increase their cost does not necessarily establish that the contract as a whole will cost more. It is counterintuitive for the labor side to believe that statement. They have run into contractors that are going to bid higher because of this, but there is no evidence that it is going to be true.
- Bob Adams said it needs to be worded more appropriately.
- Dave Johnson asked is it or is it not. It should cost you less. The argument that comes up the most often is that lower skill sets produce less and they

- are not producing enough. That you can pay them less is the offset. Why does it cost more?
- Linea mentioned the administrative effort associated with recruiting, tracking and reporting.
 - Dave Johnson said that they have all that information anyway. Everything is on computer anyway and they are all listed as apprentice hours. It is on the timesheets.
 - Randy said that looking back to 1998 when we were talking to GA, they thought we would never have enough, but we do have enough.
 - Bob Adams said it might be appropriate to include cost information from GA.
 - Dave Johnson said WSDOT can check with John Lynch.
 - Adam Lawrence said that GA believes that it is going so smoothly because the contracting community is putting the data in public record and will look into it. It also depends on how many subcontractors they have. There can be significant time concerns with getting all the data in one place and making sure it is there.
 - Valerie Whitman thinks that is something that you should be looked at. Getting the data from subcontractors is not something the contractors currently do. Will it need to be transcribed manually onto a separate form? When a cost is unknown, contractors add a cost.
 - Dave Johnson mentioned that GA has offered their online reporting system as a prototype.
 - Linea said she would like to move the meeting along. She continued summarizing changes that will be made to the next draft of the report. On the federal program, WSDOT will look at percentages and if they are appropriate. The language about the federal negotiations will be modified to say that we are moving forward, not that we aren't and that there is potential for working together. In section three, there will be more feedback from contractors, but the proposal is to speak to apprenticeship availability on a statewide basis and dump all union non-union data. In section four the high ratio of material costs viewpoint will be used for the geographic topic. The report will speak more to work the committee has done together. It will include trends, data from 2005. Hopefully, some conclusions will surface. We need to talk about how we want this report to be submitted. There were three areas identified as interest groups for submitting the report.
 - Rick asked if the report can be put in track changes format the next time that the draft goes out.

Requirements for New Washington State Ferries

Dave Johnson said that John is a representative to the metal trades and invited Bob Scott. When the legislation was passed, the trades had some discussions with Doug (MacDonald) about the ferries falling under the requirements. There was a consensus that they would. Now that WSDOT is building ferries it seems

like an appropriate time to bring folks to the table and have that discussion. That is included in the resolution.

- Linea asked if the question whether ferries are a public works contract. Any contracts after July 2007 would be under the same implementation program as the rest of the state.
- Ron Wohlfrom said that that is why he came down. The ferry system has no objection in putting the language into the existing new build contract, but it went on ad before the legislation, so there has to be agreement with the shipyards.
- Bob Scott believes that this legislation was enacted at the same time and not after.
- Linea said that legally and contractually the requirement does not apply to the ferries contracts because they were advertised before July 2007, so the question is can you develop a partnership with the builder.
- Bob Scott introduced himself and said that the trade gone from 3,000 maritime workers in this area to 4,000. They've worked with the contractors to come up with the documentation for the new build. They believe it is intended in the program that is it all for future state work and we've heard some muttering that the legislation applies to them. We would like to make sure for future reference that they intent and work that went into this committee is solid.
- Linea said there is a great opportunity there to work with the builders and the owners.
- Bob Scott said he is asking for support from the committee and that this was the intent of the committee.
- Linea said that the committee generally doesn't engage in the contractual negotiations. This committee will not take contractual action.
- Randy asked if the ferries are under the same requirement.
- Linea said that the legislation applies to all public works contracts advertised after July 2007.
- Rick said if the contract was advertised after July 2007, the requirements apply.
- Ron said the contract went on ad and was held due to court action. Ferries did not re-bid it. It originally went on ad in 2003.
- Linea said that it still sounds like there is a great opportunity. For the legal aspect it is contracts that go on ad after July.
- Dave Johnson said if it was advertised for bid in 2003, even though legal wrangling went on between 2003 and 2007 but based on that it cannot be put in the contract based on law, however if everyone agrees that it should be put in place, it can be.
- Bob Scott asked what action needs to be taken to assure this.
- Linea said he needs to work with the contractor and the owner.
- Bob Scott doesn't expect them to stand up and volunteer. How do we go forward with what we are gearing up for?

- Ron said that Bob needs to approach Todd (Shipyards).
- Randy said he should take a more proactive role and say it would be appropriate to put in the contract.
- Ron said Bob needs to lobby the contractor.
- Rick said if the department has agreed, you need to put out a change order and see if there is additional cost.
- Bob Scott said there was a snafu as it would be there was a change in what the state wanted as a ferry, they changed their request from a 133 car boat to a 144 car boat and it got changed, that is what caused the delay.

Next Topics, Next Meeting Date

Linea said at the next meeting there will be a typical update of where we are at. If coordination with FHWA becomes a problem, we will tackle it. The report will also be discussed.

Meeting Date

November 8th at 1:00 p.m.

Meeting adjourned.