

September 29, 2008

1:-30 – 4:00 PM

WSDOT APPRENTICESHIP UTILIZATION ADVISORY COMMITTEE

MEETING MINUTES

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

Attendees: Committee Members: Linea Laird (Chair), Bob Abbott, Bob Adams, Dave Johnson, John Littel, Dean Smith
Absent: Randy Loomans, Jason West, Tom Zamzow
WSDOT Staff: Jenna Fettig, David Jones, Craig McDaniel, Ron Wohlfrom
Meeting Observers: Van Collins, Tom Gaetz, Chris Hansen, Emily Hansen, Allison Hellburg, Rich Henderson, Denise Roach, Jody Robbins, Valerie Whitman, Shelly Williams, Colin Wright

Meeting Overview and Outcomes:

Action Items:

Future action is needed on the following items:

1. Groups should provide feedback to Jody Robbins at Labor & Industries about the Apprentice Utilization Fact Sheet he created to assist contractors.
2. David Jones will add page numbers to future Project Update reports.
3. Jenna will check into adding ferry and rail projects to WSDOT future project forecasting.
4. WSDOT, AGC and L&I will hold a workshop for contractors in December. Gather feedback from the workshop for the January meeting.
5. Work on getting a draft plan and final plan into specifications, and other changes to make the specification more clear.
6. Coordinate with GA, King County and others to determine the best way to get the contractor's reports.
7. Invite someone from the Teamster program, possibly Rick Imes to the next meeting.
8. Invite a contractor that can speak to issues with the Teamster program.
9. Contractors should continue to try to come up with a definition for a ratio of materials to labor that prevents them from meeting the goal.

Date Setting:

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

- January 7, 2009 – 1:30 – 4:00 PM

Meeting Minutes:

Welcome

Linea Laird welcomed the group. She directed the group what to do during an emergency. Members introduced themselves to the group.

Actions Taken Since Last Meeting

Apprenticeship Utilization Fact Sheet (handout)

Jody Robbins at LNI developed the fact sheet to assist contractors who have questions about the apprenticeship requirement. **Jody asked for feedback** on how to improve the document if anyone has any.

Project Update (handout)

Linea directed the group to the summary sheet. There are 27 contracts that have the requirement. Nineteen contracts are reporting to date. WSDOT has calculated a weighted average of the contracts that are reporting. The yellow areas show the individual results of the projects reporting.

- Bob asked about the weighted average.
- Dave Jones explained how that was calculated by adding the apprentice hours for each contract. He also explained that yellow shaded contracts have a 10% requirement, while the blue areas have a 12% requirement.
- Linea mentioned that the percentage of time charged column provides a good milestone for where the project is at.
- Dave Johnson asked about the Bossburg Rd to Canada HMA Paving contract and why it has 52% utilization.
- Dave Jones explained the 52% utilization reflects just 239 hours (one reporting period). He continued to explain how the reporting lags behind the time.
- Linea asked to **number the pages on future reports**.
- Dave Johnson asked about the Wilder project at the bottom of the list and why there is no data.
- Dave Jones explained they are not due to report until October.

Advance Schedule of Projects (handout)

Linea directed the group to the updated Advance Schedule of Projects. The report has been updated. Federal dollars are included, as well as the anticipated percentage of apprenticeship utilization required.

- Linea asked if ferry and rail projects are included. They are not currently included. She would like to see them on future reports.
- Bob Adams asked about the Mountlake Terrace Freeway Station and if it had any federal participation because of Sound Transit money. WSDOT staff was unsure, but will **check and see if Sound Transit dollars guarantee participation in federal programs**. Bob also asked about coordination with the federal and state program and what the status is with the 1 year pilot project.
- Linea responded that WSDOT wrote a letter requesting a continuation of the program. Absent an answer from FHWA, the program is continuing.

- Dave Jones said that 47% of all apprentice hours are female and minority. Dave said that compares well to the 30% in the programs that was in the report.

Outreach

Linea asked for folks to talk about outreach efforts they are taking.

- David Jones met with contractors and project offices in Olympic Region to discuss the requirement and WSDOT's specs and reporting forms. In addition, in partnership with the AGC and LNI, Dave is developing a workshop for contractors in early December. Dave and Linea will speak with the TERO group about apprenticeship requirements next month at their annual meeting.
- Dave Johnson has a Pathways to Apprenticeship event in October and Construction Career Days at the Puyallup Fair Grounds following. The Helmets to Hardhats Liaison position is also in the process of being filled.
- Bob Abbott has been using radio ads this summer and they are working to get female and minority enrollment higher.
- John is adding a program to take 3rd year apprentices to the International Center for Carpenters in Las Vegas. There are about 9,000 3rd year apprentices across the county so it is a large undertaking. The international center has labs, shops and classrooms.

Apprenticeship Program Implementation Issues (Handout)

Linea directed the group's attention to the implementation issues sheet in the folder. She said there have been issues with the more one-dimensional projects, or projects involving just one type of work. There have been issues with these smaller projects where there are no programs for the type of work involved like landscaping. The region-wide seal projects are not achieving hours due to the small crew sizes and the specialty nature of the work.

- Dave asked what Linea meant by the specialty nature of the work.
- Linea said that means a specific crew comes in to do that kind of work.
- Craig mentioned it is a small sample of projects to date and this year we are only dealing with good faith effort, but there are opportunities to look at exemptions.
- Bob Abbott asked what projects they were referring to that had a landscaping issue because the Horton Wetland Mitigation is currently achieving 20% utilization.
- Linea said that it is the specific work activities that have potential to cause a problem.
- Dave Jones explained that the wetland mitigation project is only digging (operators) right now. They are trying to achieve the goal through the operators. The landscaping labor will come in later, so to do, they appear to be doing well, but the landscapers haven't started yet. They anticipate not being able to meet the goal.

- Linea explained that with owner/operators there are hours, but no opportunities for apprentices.
- Dave Johnson asked how many owner/operator contracts there are.
- Scarsella's Contract Administrators explained that it is not contracts, but hours on a contract. On one job, most of the truckers are owner/operators. These hours do not count though, because they are not subject to prevailing wage.
- Dave Jones agreed and said that is the approach he has taken with the owner/operator issue to date. The hours do not count because they are not subject to prevailing wage.
- Linea said that contractors are having trouble obtaining Teamster apprentices.
- Dave Jones mentioned there are only 30 apprentices per year in the Teamster's program.
- Scarsella's Contract Administrators mentioned the liability issue with putting an apprentice on the road and the issues experienced with trucks and sweepers in the last season. These are concerns for the contracting community as well.
- Linea also brought up smaller business with few installers, like fence installers. This is one scenario that could be an exemption area.
- Dave Johnson thought that fencing and such would be where apprentices are typically used.
- Dave Jones said it is an issue of crew size.
- Dave also said that reporting is a challenge.
- Valerie agreed. Getting subcontractors to report has been an issue for primes.
- Scarsella's Contract Administrator's agreed that it is a huge time concern.
- Linea said that she expected some startup issues. The Teamsters is a challenge though. Startup with smaller crews is also a big challenge. Subcontractors do not have a clear understanding of the requirement.
- Scarsella's Contract Administrators mentioned that crews are not hiring because of the economic challenges.
- Dave Johnson asked if they don't employ apprentices anyway.
- Scarsella's Contract Administrators said the company does, when they can but there are problems with small crews that have little turnover.
- Linea said that right now there is not a no turnover exemption from this requirement.
- Valerie mentioned that is a departure from the federal requirement. With the federal requirement, turnover plays into good faith. Especially for smaller subcontractors.
- Craig said that we are pretty successful in putting people to work. With the smaller subcontractors, there are some issues. He asked what an appropriate application is and what to do.
- Scarsella's Contract Administrators pointed out that the requirement has caused a lot of extra work. They have hired a new employee for administration of the program.

- Dave Johnson asked why it is time consuming.
- Scarsella replied that unlike the King County program, where each firm submits their reports, WSDOT requires the prime contractor to submit all subcontractor hours. The apprenticeship documentation is not completed by subcontractors, so the prime often doesn't have the data.
- Valerie said that there is a perception that subcontractors do not have to do the work. She said the specification makes it sound like it is the prime's responsibility.
- Scarsella said that the subcontractors do not want to supply the estimated hours either. They do not complete the apprenticeship utilization plan. The documentation is tied into payment, but they do not complete the plan.
- Dave Johnson asked if the apprenticeship hours come up on the certified payrolls and if apprentices can be tracked from the certified payrolls.
- Scarsella mentioned that this misses the plan for how to meet the requirement. This information is needed right away to submit the plan within thirty days.
- Valerie also mentioned that from the certified payrolls, you can't tell who is a foreman or exempt, so while you can see apprentice hours, you cannot see journeyman hours. Additionally, it is a labor intensive process and is the subcontractor's responsibility. Both Kuney and Scarsella are looking for a faster way to get the data.
- Linea said she isn't hearing about anything different that WSDOT can do to make this easier.
- Valerie said it is in the spec that subcontractor hours are included, but it isn't coming across.
- Dave Johnson asked if it is a contract requirement with the subcontractors.
- Valerie said it is a separate addendum, but there needs to be outreach. The biggest pushback is from non-union subs.
- Dave Johnson asked if they do not submit the plan, in the contract language if they can be deemed not responsive.
- Bob Adams said the issue is the early start up of the plan when they may not have all the subs in line and suggested an early plan followed by a formal plan.
- Dave Jones said he has been getting revised plans and the first is usually more a draft plan. They have already evolved that way. Dave has encouraged offices to accept the draft plans.
- Bob said that Atkinson's system shows the information needed for the report.
- Valerie said the problem is excluding the foreman and others. The problem is getting the correct journeyman hours.
- Tom said that the issue is the prime contractor receiving verbal bids and the prime is not going to sign a contract because of a verbal disagreement about apprenticeship requirements. It falls on the back of the prime contractor to backfill these issues. Economics plays a significant role in the process as the prime makes agreements with subcontractors.

- Linea said it is important to note that the spec does not address a preliminary plan. These issues are not significant changes, but small adjustments. There will continue to be startup issues. We are trying to look at good faith documentation as the program is implemented. Linea suggested a workshop with the contractors.
- Dave Jones mentioned the one scheduled for December.
- Bob Adams asked Scarsella if their King County projects are working better.
- Scarsella said that it does on their side, because they do not request the information from the subcontractors. They submit their payroll sheet to King County on an online reporting system that the subs report directly to. They don't know if King County is successful getting the documentation from the subs.
- Dave Johnson asked if we can adopt anything GA is doing to make it easier. His understanding is there is supposed to be communication between the agencies and a model to follow.
- Dave Jones mentioned that WSDOT initially consulted with GA, but we need new contacts, as all the initial contacts left the agency.
- Linea will check with GA to see what system they are using.
- Craig mentioned that WSDOT reports to GA manually.
- Dave Jones said that we haven't started reporting to GA yet, but he is expecting contact in the future.
- Linea summarized by saying that **WSDOT should work on the contractor workshop at AGC in December, think about what is needed to get to the draft and finalized plan and take a look at what GA and King County are doing differently.**
- Valerie asked if the good faith documentation from subcontractors should be submitted at the end of the project, or throughout the project.
- Dave Jones said that the information should be submitted as it comes in.
- Jody said that as a result of this effort, he is seeing a landscape technician program come through.
- Scarsella said that the biggest complaint from the subcontractors is that they cannot get a program approved.
- Dave said that they can enroll in the existing programs. He has heard this is an issue, but there aren't a lot of contractors trying to get their own programs approved. Dave also said there is a fear element of getting close to an established program. Any program in the state has the obligation to take an apprentice in as long as they pay the training costs. The average training cost is \$2,200 per year. Some training is more or less. That can be prorated by hours, or for short jobs. That short-circuits the issue of starting your own program.
- Linea asked the group to look at the Q&A from L&I and get back to Jody if their questions are not answered. Linea is seeing a training opportunity for outreach and an opportunity to make the specs easier to use.
- There was a question about why small non-union programs are having difficulty using existing programs.

- Scarsella said there is fear of getting too close to union programs, or the burden of paperwork. Some of the subcontractors don't have an office staff.
- Bob Abbott said that there is an opportunity for more education and outreach. In his program, a coordinator turns in the documentation and paperwork, not the contractor.
- Dave Johnson said that the built in advantage for the smaller contractors is that on a prevailing wage project the cost offset that you get actually helps or helps them get onto projects based on their bid numbers. Since you can pay less than journeyman wages it is an incentive to use apprentices. Not many non-union firms sign up for the programs. They get some, they graduate them out.
- John Littel said that the carpenters probably have 3 or 4 apprentices that work for non-union contractors out of 150.
- Dave Johnson said it isn't common, but it does occur.
- Tom mentioned that right now WSDOT is only looking at compliance, non-compliance and good faith. He asked what happened to the ratio of materials to labor exemption.
- Linea answered that nobody has been able to define it.
- Tom said that when the bill came into play, the idea was to expand the economy and incorporate apprenticeship into the growing economic. Now that the economy is declining, he wonders how the apprenticeship program will respond.
- Bob Adams said that hasn't happened in WSDOT yet. There are declines in commercial, residential, and real-estate, but not WSDOT.
- Tom said that in the follow up and 15% year, one may have to be sensitive to where the slowing economy and the new hire issue could be challenged.
- Bob said that this is a reason to get the apprentices in while there is an opportunity.
- Dave Johnson said that the language for the ratio of materials to labor wasn't so much for paving, but the example thought of was something like an expensive piece of art that takes 4 people to install. He discussed the new hire situation, but hasn't seen this occurring yet.
- Tom said that the numbers show success, but one needs to be sensitive to dynamics in the market place.
- Dave Johnson asked if the primes require all subs to fill out the same documentation.
- Valerie responded affirmatively. There are no exceptions.
- Dave asked if in the end, it is the percentage that counts, rather than the individual hours for subcontractors.
- Scarsella responded that if the subcontractors do not complete their hours, the prime has to make it up. They asked for how the good faith effort will be evaluated.
- Dave Jones responded that in the end, they will look at what was achieved and what the good faith documentation effort is.

- Bob said one problem in particular is landscaping and the wages. The workshops coming up should have a big impact on the subcontractors. Bob asked about the NCR seal. It has 2% utilization and is almost done; he wonders what the crew size is and how many subcontractors there are.
- Tom said they are a fixed group that is traveling and it is very specialized. There are probably no subcontractors except a striper, unless the region is completing the striping.
- Dave Jones said that since they are near the end of the contract, WSDOT will be asking for documentation from them.
- Valerie asked what WSDOT wants to see for good faith efforts.
- Dave responded that WSDOT tracks what trades and crafts are utilized. There are many that aren't utilized heavily. He said that Teamsters, Laborers and Equipment Operators are the biggest now. There are some ironworkers, carpenters and painters.
- Bob Abbott asked about the subs that are not participating and if WSDOT is keeping track of subcontractors that are not complying.
- Valerie said that her firm is keeping track.
- Scarsella said that they are performing a disproportionate number of apprenticeship hours as the prime.
- Linea summarized by saying they are hearing about startup issues, outreach, reporting, specs, and where is the good faith documentation for smaller types of work.

Establish next topics

- John Littel suggested **inviting representatives from the Teamsters** to talk about their challenges since there are issues with enrollment in the program and issues with insurance.
- Bob mentioned there are programs on both the East and West side.
- Jody said that Rick Imes is the program coordinator.
- John also suggested **inviting an employer representative to speak to the Teamster problem.**
- Linea said that **feedback from the contractor workshop** should be used.
- Dave Johnson asked if between now and the next meeting if there will be an opportunity to **talk to GA.**
- Linea responded that Craig will take that on.
- Dean said that as far as a **material to labor ratio issue**, they will keep working on it and see what happens.
- Linea thanked the group for their feedback and asked them to keep it coming.

Date Setting

The next meeting will take place from 1:30 – 4:00 p.m. on Wednesday, January 7, 2009.

Meeting Adjourned

