



TO: Elizabeth Pauli, Interim City Manager
FROM: Ricardo Noguera, Director, Community and Economic Development Department
COPY: Economic Development Committee
SUBJECT: Small Business Enterprise (SBE) & Local Employment & Apprenticeship Training Program (LEAP) Update
DATE: April 11, 2017

SUMMARY:

This report summarizes activities undertaken for 2016 by the City’s Small Business Enterprise (SBE) and Local Employment & Apprenticeship Training (LEAP) programs.

STRATEGIC POLICY PRIORITIES:

- ❖ Economic Vibrancy and Employment
- ❖ Government Performance
- ❖ Education and Learning

BACKGROUND:

With the departure of program leads in June and July 2016 from SBE and LEAP, the Department added a supervisor, a new administrative assistant and replaced the SBE lead and LEAP lead staff.

While the LEAP program has met its goals historically of 15% total hours of a project, the impact of the program can be considered minimal in its impact on the workforce. For example, a typical LEAP goal of 950 hours for a public works project merely equals to approximately ½ of one full time equivalent (FTE) job (2080 hours/year) – which is minimal impact for workforce development. Some LEAP goals exceed a FTE, but most of the goals set are less than one FTE. While the pre-apprenticeship programs have been hugely successful, leading to apprenticeship or gainful employment by a majority of participants, the total impact of LEAP could be greater with a few adjustments to the city code.

SBE has underperformed recently and requires an emphasis on tracking and increasing the participation of SBE companies on city projects. Analysis of the market indicates that a gap exists between awareness of opportunities and available contractors willing to pursue those opportunities. SBE intends to address that gap with business classes and seminars to connect the prime contractors, subcontractors and labor to the available projects. The current update for City projects in 2016 is presented in the attached PowerPoint.

Community Workforce Agreement: Labor Unions/Community Groups

Community leaders and the Unions have approached the City of Tacoma with a Community Workforce Agreement (CWA). The CWA essentially is a project labor agreement with a community component included to promote local employment. The Union’s proposal advocates an increase in workforce participation for city residents in public works sponsored by the City of Tacoma. The City of Seattle CWA plan was used as a template to review and configure for possible adoption by the City of Tacoma. City staff is reviewing the Seattle CWA and feedback by other organizations that accepted or rejected the same proposal in their local area. The Tacoma School Board spent 2 years reviewing a CWA, then



rejected it as not feasible. City staff is not only reviewing the City of Seattle CWA but also a CWA with the Seattle Housing Authority (4 projects). Reports have been mixed on the two Seattle CWAs, resulting in one CWA performing poorly while the other appears to meet its goals for workforce development. City staff is reviewing the basis of the mixed reports for CWAs around the area and will present a white paper with our analysis and applicability to the City of Tacoma. City staff has also met with stakeholders to determine the applicability of CWA in the City of Tacoma. The interview results and white paper with our analysis is pending.

Improvements to the SBE and LEAP programs:

SBE

1. Propose expansion of SBE/LEAP goals to public projects as well as private developments throughout the county*
2. Issue RFP for Disparity Study on public works in city area (\$350k)*
3. Increase number of SBE firms on roster by 15% in 2017
4. Expand number SBE categories to include goods & services*
5. Propose a 20% goal for SBEs on Small Works Roster*
6. Provide technical training for SBE firms (classes, seminars)*
7. Produce and track SBE ethnic and capability data*
8. Revise webpages for more user friendly attributes
9. Propose bonding education program for subcontractors

LEAP

1. Increase number of city projects with LEAP goals to 25% of total hours worked
2. Lower the threshold for applying LEAP goals to city projects, currently \$750k
3. Eliminate adjustments from the code
4. Apply an apprenticeship sub-goal to achieve increased apprenticeship numbers*
5. Produce LEAP participant list with ethnic and demographic data*
6. Increase the minimum number of hours each LEAP apprentice works on projects
7. Expand LEAP impact in the community
8. Expand number of Section 3 workers to 30% on federal and city projects
9. Seek additional grant to support pre-apprenticeship programs
10. Propose additional cohort for EPA Grant Training program

**New initiatives, never been done before*

ISSUE: This is an information briefing only.

ALTERNATIVES: This is an information briefing only. There are no alternatives presented at this time.

FISCAL IMPACT: This is an information briefing only.