



TO: Mayor and City Council
FROM: Council Member Olgy Diaz and Senior Council Policy Analyst Lynda Foster
COPY: Hyun Kim, City Manager; Allyson Griffith, Deputy City Manager; Chris Bacha, City Attorney
SUBJECT: **Policy Options for Improving Local Hire and Apprenticeship Outcomes – August 18, 2026**
DATE: August 13, 2026

EXECUTIVE SUMMARY

This memo reviews outcomes of the City of Tacoma’s Local Employment and Apprenticeship Training Program. While the City is meeting its local hire goals, apprenticeship goals remain unmet, with union contractors consistently outperforming non-union contractors in both categories. Council Member Diaz recommends adopting a Priority Hire Ordinance directing the negotiation of a citywide Community Workforce Agreement for public works projects over \$5 million to achieve better local hire and apprenticeship outcomes.

BACKGROUND

A Project Labor Agreement (PLA) means a pre-hire collective bargaining agreement that is executed by one or more contractors with one or more labor organizations that establishes the terms and conditions of employment for all contractors, subcontractors, and craft labor employees performing work on a specific construction project, including terms and conditions prioritizing access and opportunity on the project.

A Community Workforce Agreement (CWA) is like a PLA, however it is a collective bargaining agreement between the municipality and one or more labor organizations that establishes the terms and conditions of employment for all contractors, subcontractors, and craft labor employees performing work on any qualifying public works projects. A municipality can include provisions to diversify the workforce, prioritize local workers for inclusion on projects, and supports local hiring in Priority Hire Zip Code areas. Any contractor for a qualified project would need to follow the conditions of the pre-negotiated CWA.

In 2018, the City Council passed [Resolution 40124](#), directing the City Manager to prepare a draft Priority Hire Ordinance (PHO) and CWA in order to prioritize the hiring of residents who live in economically distressed areas for certain public works construction projects which exceed a substantive threshold cost; and to convene a CWA Task Force to be comprised of leaders from labor unions, private contractors, minority and women’s business enterprises, and economically distressed communities, to review, refine, and make recommendations on a final PHO and CWA for City Council consideration.



The Tacoma Community Workforce Advisory Committee met seven times between December 2018 and March 2019. The final committee recommendation was, rather than pursue a dual-purpose CWA, to recommend strengthening City policies on Women- and Minority-Owned Businesses (WMBE) and priority hire requirements by ordinance while continuing to explore ways to resolve identified challenges. The Community and Economic Development team [presented](#) on the outcomes of these 25 recommendations (found on pages 20 – 22 of the [report](#)) at the February 24, 2026, Economic Development Committee meeting. A minority report (found on page 75 of the [report](#)) was submitted along with the recommendation that shared the perspective that the committee was unbalanced and downplayed the need to help local residents into meaningful careers in the construction industry.

On February 11, 2025, the Economic Development Committee hosted a Labor Roundtable Discussion on Worker Safety and Wage Theft. Recommendations from that discussion included considering creation of a CWA in Tacoma.

With nearly 7 years passed, Council Member Olgy Diaz has reviewed how effective actions taken since the Committee's recommendations have been and what further policy action is needed.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP)

Many municipalities who utilize a CWA use that as their tool to advance priority hire goals. Comparable municipalities' community workforce agreements are limited to projects over \$5 million, such as in the City of Seattle and King County.

Tacoma pursues workforce goals through the Local Employment and Apprenticeship Training Program (LEAP). LEAP requires employment of residents and apprentices on various types of City-funded public work and improvement projects and related service contracts. Project Types with LEAP requirements by General Government Departments and TPU Divisions include:

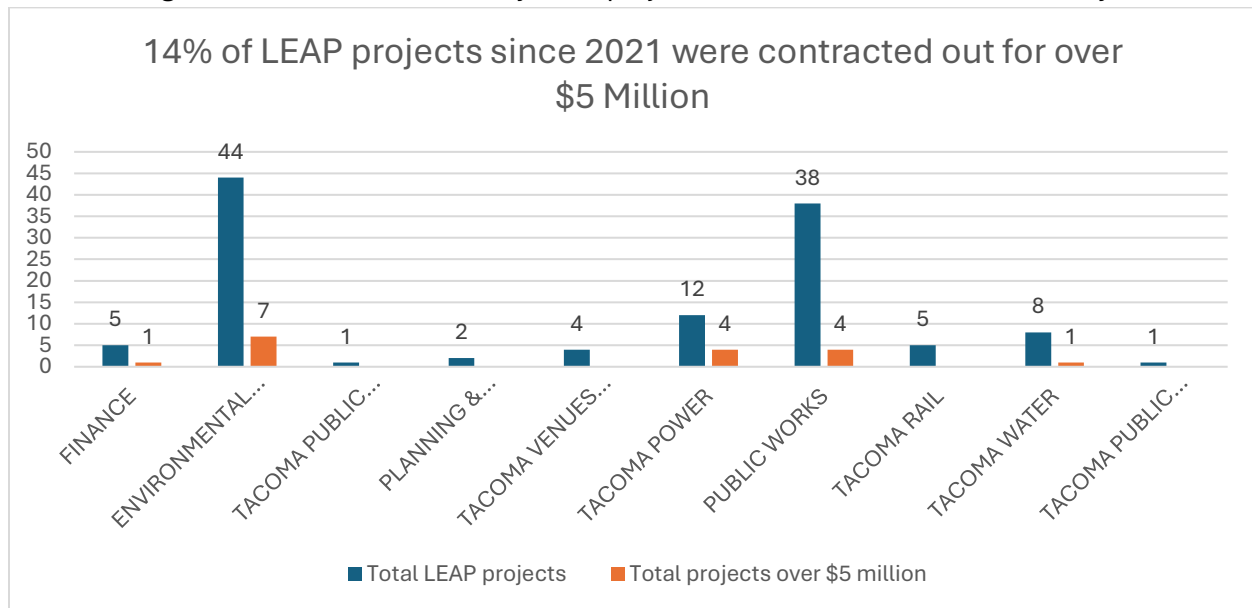
- Citywide Contracts – Available to all General Government and Utilities: Fencing, Roofing, Asphalt & paving services, encampment mitigation, and asbestos abatement
- Environmental Services: Facilities Improvements and Utilities
- Planning and Development Services: Nuisance Abatement
- Public Works: Streets Projects and Facilities Improvements
- Tacoma Power (Transmission & Distribution, Generation, Management): Work on dams across TPU infrastructure & service area, Facilities Improvements
- Tacoma Public Library System: Improvements to existing facilities
- Tacoma Rail: Locomotive Servicing Facilities Improvements, Track and Switch Upgrades
- Tacoma Venues and Events: Tacoma Dome Lighting, Refrigeration, Fencing, and Power Installation projects
- Tacoma Water: Pump stations, Zone tanks, Water Main Replacements, Facilities Improvements



LEAP requirements can be assigned to:

- Civil projects (PWI that don't require a building permit) estimated to cost above \$250k.
- Building Projects (PWI that require a building permit) with an estimated cost above \$750k.
- PWI estimated to cost above \$1million that are outside the Water and Power service areas, but being carried out for the benefit of TPU.

The following chart showcases how many LEAP projects there have been across the City.



The City's existing Local Employee utilization requirement is that 15% of the total labor hours must be performed by journey-or apprentice-level workers who are residents of Tacoma or of the local Economically Distressed Areas (EDAs).

How is the City currently hitting our Local Employment and Apprenticeship Program Requirements? LEAP Data compared to actual requirements of program						
	Required Utilization	2021% met	2022% met	2023% met	2024% met	2025% met
Local Employees	15%	27%	25%	31%	32%	33%
Apprentices: registered apprentices from the Tacoma Public Utilities Service Area (TPUSA)	15%	7%	8%	6%	11%	12%
WA State Apprentices: registered apprentices from Washington State	15%	14%	12%	7%	14%	16%



Municipalities with Community Workforce Agreements require both union and non-union firms' workers be dispatched through union halls, with the union hall prioritizing dispatch based on identified hiring goals. Our LEAP data shows union firms are far more likely to achieve LEAP requirements than other firms, suggesting this approach might improve LEAP outcomes in Tacoma.

LEAP requirement hours met by types of firms: union, non-union, or mixed (union and non-union) between 2021 - 2025			
	Union firms (127 firms involved.)	Non-union Firms (18 firms involved.)	Mixed Union/Non-Union firms (3 firms involved)
Local Employee Requirement	57%	42%	1%
TPU Area Apprentice Requirement	85%	13%	2%
WA State Apprentice Requirement	87%	11%	2%

After reviewing data on the City's LEAP program, Council Member Diaz identified potential improvements that would support meeting our stated requirements. While the City has, overall, achieved local hire requirements, union firms utilize local hires 15% more often than non-union firms. While the City has, overall, fallen below our apprenticeship requirements, union firms consistently achieve apprentice hour requirements while non-union firms have a far worse track record.

OUTREACH

Council Member Olgy Diaz and Mayor Anders Ibsen held three outreach roundtables with key stakeholders to discuss Community Workforce Agreements (CWAs) and Project Labor Agreements (PLAs). The first meeting was with prime contractors, the second was with subcontractors with a focus on Women- and Minority-Owned Businesses (WMBEs), and the third was with union labor partners. Questions focused on identifying best practices in other public agencies and understanding what tradeoffs should be considered. The notes below summarize the key themes heard in each conversation.

Prime contractor roundtable May 29, 2026

Apprenticeship pipeline:

- The state requires 15% apprenticeship use and contractors are working to hit that – descriptions of apprentices not being available when they seek them and lack of support for building the apprenticeship pipeline.
- A contractor shared experiences in King County of being in a CWA and having apprenticeship requirements. The existing system did not have a strong apprenticeship



pipeline and was not able to supply the necessary apprentices, the greatest success was finding their own people and bringing them into the system.

- Seattle Public Schools (SPS) has a great apprenticeship program which bundles into their apprenticeship requirements to hire former SPS students on projects.
- Unions send out apprentices when they have them and help with recruitment. However, there aren't always apprentices available.
- Requests for more conversations on strengthening the apprenticeship pipeline.

CWA/PLA impacts:

- Increased admin cost for the contractor. "You expect to have a lot of administrative time involved. You need more staff when doing any public job – [a CWA] takes that to a new level." The contractor shared that the end of the day they bill the public entity for that extra admin work – so they're willing to do it but it's an increased cost on the public agency.
- A pain point is projects need to be bargained each time. As a union contractor there's a two-year contract, but a PLA can reopen wage negotiations for each project. Contractors bid based on expectations, and it's hard to predict costs accurately when you bid a job if the wages can be reopened after a contract has been executed. The way the Washington State Department of Transportation is doing it now, if you don't enter an agreement with a union within 45 days the contractor is considered nonresponsive.

Subcontractor:

- A CWA can limit the pool of viable subcontractors, especially on the non-union side. Past experience included a really hard time recruiting subcontractors and limited competitiveness with subcontractors.
- Discussion on what types of projects use subcontractors. Vertical construction doesn't have the same opportunity as civil. Story: "on a typical day, 90% of field staff is subcontractors - we manage our own crew doing site services, typically we do our own concrete work (form and pour concrete), everything else is subcontracted out. We typically subcontract out if we are on a project with hiring and subcontractor goals"
- Comments about the City of Tacoma's Equity in Contracting Program goals being different from everywhere else in the state and more burdensome. Also concerns that there are "no teeth" in the City's program if someone bids saying they'll use a certain number of subcontractors and then don't follow through with that. It creates an unequal playing field.

Comments on specific components of CWA:

- Parking is a Seattle thing / crane operator thing.
- Discussing mentorship opportunities for small contractors, possible incentives.



Subcontractor roundtable June 10, 2026

A CWA costs more than expected:

- Anticipated costs were paying for union fees and benefits on top of the standard pay provided to workers and having to pay wages outside of the subcontractor's standard timeline and cashflow. There were extreme concerns that a subcontractor was paying this money, and their employees never saw it. There was extreme frustration that the extra money did not go to the workers doing the work.
- Unanticipated costs include:
 - Administrative time to manage audits. The participant shared that it's not just that job they're looking at all of your records even if it's not a CWA project. Another participant shared concerns about how long after the project an audit can occur, saying, "It's the gift that keeps giving."
 - 2/4/6/8/10 rule adding on extra hours and overtime.
 - Legal fees to respond to notices from union attorneys.
 - Having to send good employees home to hire apprentices, but still needing to pay those employees so they don't go elsewhere for work.

Worries about quality of dispatched workers:

- Multiple people shared individuals dispatched from union do not know the subcontractor's equipment or safety standards and are unable to do the job.
- Multiple stories of investing in large trucks that cost over \$400,000 and working a PLA/CWA project where a dispatched worker operated the truck and did damage to it.
- Examples of doing a PLA/CWA project and workers being dispatched to do traffic control on highways and then quitting after one night because they were uncomfortable with the work.
- Multiple people shared that to resolve this they had their core workers join the union for the project, but that meant the sub-contractor had to pay more money than anticipated to get the work done.

Apprenticeship requirements hit subcontractors harder:

- Examples shared of how subcontractors aren't well positioned to use apprentices:
 - "I can't put an apprentice in a tree. I can't even put him on the ground to run ropes. Then the guy in the tree can't trust a person on the ground to run ropes."
 - For subcontractors that use trucks and heavy machinery, insurance would skyrocket when using untrained people. Damage to the machines would have an outsized effect. Replacing equipment is expensive and not having the equipment to do jobs would prevent the business from fulfilling contracts.
- There were examples of subcontractors making apprenticeships work:
 - A union subcontractor emphasized they work with apprentices because they want to teach them, however the apprentice can only be in an area for a set period of time.



So, they might be there for 6 months, and we have to put all the effort into the apprentice and then their apprentice coordinator moves them along and they lose out on the immediate benefit of that newly trained person.

Needing to maintain core employees:

- These businesses cannot survive only on government contracts; they take private contracts as well. Several people said they aren't able to be competitive on non-government projects if they use prevailing wage or union-negotiated wages, so they can't be fully union staffed all the time. They need core workers who can rely on having enough hours outside of government contracts to work full time.

Unequal power dynamics and decision making for subcontractors:

- Subcontractors aren't at the table when PLA negotiations are happening. The Prime comes to subcontractors afterwards and has them affirm they'll follow rules for everything they didn't have a hand in negotiating.
- Many stories about how prime contractors abuse the system that requires them to use subcontractors or hit Equity in Contracting (EIC) goals. Stories included:
 - Prime contractors offering below market rates to do work, and then listing a subcontractor as refusing to do the job as a reason they didn't meet EIC goals.
 - Prime contractors only hiring subcontractors for brief periods of time to hit EIC goals, then never calling the sub again, in order to appear like multiple WMBEs or SBEs were hired.
 - Contractors would hire subcontractors to do "extras" on a project that haven't been approved by the public agency paying. After the work is complete, the prime contractor will refuse to pay the subcontractor for the work. "Too bad, sue me," was the response in one story.

Feeling of redundancy:

- Reports that the City of Tacoma is very good at checking that contractors and subcontractors are complying with prevailing wage. Subcontractors complimented City staff for their customer service while they enforced regulations.
- Contractors reported to providing quality healthcare, vision, dental, retirement, and then having to pay into union benefits on top of that even though their workers never receive those benefits.

An overall increase in project cost:

- All of the costs outlined above would be passed on to the municipality, increasing project costs.
- Many subcontractors refuse to bid in municipalities with a CWA/PLA, so there would be less competition for projects which would further drive-up costs.



- Many people were concerned they'd be "run out of business," and then they wouldn't be supporting the local economy and that would further reduce revenue even as projects got more expensive.

Subcontractors want you to hear their anger and their emotion.

- Subcontractors want the chance to talk to Council and be heard. They requested their names, businesses, and contact information be shared with the Council so that Council can reach out and hear from them.
- There were repeated statements like, "This is emotional, words cannot capture the emotion."
- Much of the above information was provided with emotional phrasing, such as:
 - "We're preyed upon to go out of business"
 - "A betrayal of Equity in Contracting"
- 98% of certified firms are non-union. "If you sign this, you're basically going to negate any positive movement you've had" on EIC goals.

Labor roundtable June 17, 2026

Public benefit for public money:

- The entire conversation was anchored with the shared purpose of not only how Tacoma can build projects we need, but also how Tacoma can lift up the community and provide opportunities for Tacoma residents to share in prosperity and break the cycle of poverty.
- CWAs and PLAs provide mechanisms to ensure true community benefits, including apprentice utilization, local hire, and teaching critical skills.
- Throughout the conversation the focus was on building strong career pathways in the trades, which the unions described as requiring employment opportunities for apprentices and work opportunities close to home.
- CWAs, compared to PLAs, were described as having more direct hire and local hire leverage. A CWA is negotiated with the City instead of individual contractors and lets the City set parameters. A PLA is negotiated for every project between labor and the contractors.

Public value of dispatching through union halls:

- Workers on public projects are required to be paid prevailing wage. When a worker is dispatched from a union hall the union hall verifies what work will be done and the wages paid. It adds checks and balances that monitors for wage theft. Both core employees and union employees are dispatched from the union hall to verify skills and work.
- Participants referenced multiple studies that show wage theft throughout Washington State and restated many of the themes heard in the 2025 EDC round table discussion on wage theft and worker safety.



- Any worker dispatched through a union hall earns money towards the union medical plan and pension. While not everyone will meet the threshold, there were stories of some CWA projects being large enough that open shop workers were able to draw health care benefits.
- Union halls provide trained staff as needed, which provides an opportunity for smaller businesses with only a few employees to scale up temporarily for larger projects.

Suggestions for how the City could structure a CWA to address core concerns from contractor community:

- Put WMBE utilization goals into the CWA contract so it's a requirement, like local hiring and apprenticeship utilization.
- Put prompt pay policies into the CWA agreement.
- Negotiate WMBEs' right to keep core employees on the job.

POLICY OPTIONS

Option 1: Adopt Priority Hire Ordinance and Establish City Wide Community Workforce Agreement

1A: Community Workforce Agreement	1B: Project Labor Agreements
Proposed CWA scope: • The City council adopts a Priority Hire Ordinance (PHO - Seattle Example) that directs the negotiation of a Community Workforce Agreement • The CWA would apply to all public works projects over \$5 million • The PHO local hire and apprenticeship goals will match LEAP requirements • Transparent public reporting throughout a project • Utilization of graduates of Washington State Apprenticeship and Training Council-approved pre-apprenticeship programs (Palmer Scholars, ANEW) • Additional requirements would support subcontractors: ○ Core employee utilization ○ The Prime Contractor, City and the Unions commit to provide outreach, and train, mentor and support woman and minority contractors on any Covered Project ○ Prompt payment requirements in alignment with RCW 39.04.250	Proposed PLA scope: • The City Council adopts Priority Hire legislation (Examples: Port of Seattle, Washington State) • Prior to issuing a request for proposals or bids in connection with a public work project in which the estimated construction costs exceed \$5 million, the City would conduct a review of the project to determine whether any circumstances exist that would overcome the presumption that a PLA is in the best interests of City of Tacoma. (See examples of considerations in EXECUTIVE ORDER 25-07) • Should a project require a PLA, the selected prime contractor would negotiate directly with unions and the PLA would apply to all contractors who work on the project • LEAP requirements and EIC requirements would still apply to the project.



Estimated fiscal impact:

- Year one City administration: \$150,000
 - 1 FTE to establish program
- Year two and beyond City Administration – total annual estimated cost: \$302,312.50
 - 1 FTE for CWA/PLA administration – Program Supervisor
 - .5 FTE CWA/PLA compliance staff
 - .5 FTE Support staff/ Field Compliance Specialist
- Project cost – estimated increase per project of 15 – 20%
- Dual benefits reimbursement ([Seattle example](#)) – Seattle cost was .04% of project cost

Option 2: Fund a Project Labor Agreement (PLA) Pilot

Proposed scope:

- Through resolution or through the biennium budget process, the City Council directs the City Manager to engage in a PLA Pilot over the 2027 – 2028 biennium.
- Could apply to one or more project over \$5 million
- Intent is to use the pilot to collect information to inform a potential permanent Priority Hire Ordinance and CWA/PLA program, including:
 - Determine total administrative cost for a CWA/PLA program
 - Analyze changes in applications for City projects, including overall project cost
 - Learn experiences of WMBEs and areas the City’s EIC can support WMBEs
 - Gather data on the community benefits of a CWA/PLA project

Fiscal impact:

- 2027 – 2028 Biennium budget City Administration - \$125,087.50
 - .25 FTE CWA (Compliance) Administrator –Program Supervisor
 - .15 FTE Support Staff/Field Compliance Specialist
- Project cost – estimated increase per project of 15 – 20%

RECOMMENDATION

Council Member Olgy Diaz recommends the City of Tacoma establish and adopt a Priority Hire Ordinance that directs the negotiation of a Community Workforce Agreement. This tool would be in addition to, not a replacement for, similar existing City programs. The chart below outlines how this proposal would expand upon existing City of Tacoma workforce programs for public work and improvements and practices.

Program	Retained Programmatic Benefits	CWA enhancement
LEAP (overall)	Although LEAP requirements have historically been referred to as “goals” rather than “requirements,” there have been penalties outlined in code and penalties have been assessed. In 2024, the City	A CWA takes a proactive instead of a penalizing approach. The CWA would require workers on public projects to be dispatched from union halls that have historically



	Council changed code to make LEAP ‘goals’ into ‘requirements’ with the passage of Ord. 28970. Failing to meet LEAP utilization requirements create fines assessed an amount for each hour of local employee and/or apprentice utilization that is not achieved, based on the overall percentage that requirements aren’t met. Assessments in effect until June 2024 <table><tr><th>Percent of goal met</th><th>Assessment per unmet hour</th></tr><tr><td>100%</td><td>\$0.00</td></tr><tr><td>90 – 99%</td><td>\$2.00</td></tr><tr><td>75 to 89%</td><td>\$3.50</td></tr><tr><td>50 to 74%</td><td>\$5.00</td></tr><tr><td>1 to 49%</td><td>\$7.50</td></tr><tr><td>0%</td><td>\$10.00</td></tr></table> Assessment after June 2024 <table><tr><th>Percent of goal met</th><th>Assessment per unmet hour</th></tr><tr><td>100%</td><td>\$0.00</td></tr><tr><td>90 – 99%</td><td>\$12.00</td></tr><tr><td>75 to 89%</td><td>\$20.00</td></tr><tr><td>50 to 74%</td><td>\$30.00</td></tr><tr><td>1 to 49%</td><td>\$45.00</td></tr><tr><td>0%</td><td>\$60.00</td></tr></table>	Percent of goal met	Assessment per unmet hour	100%	\$0.00	90 – 99%	\$2.00	75 to 89%	\$3.50	50 to 74%	\$5.00	1 to 49%	\$7.50	0%	\$10.00	Percent of goal met	Assessment per unmet hour	100%	\$0.00	90 – 99%	\$12.00	75 to 89%	\$20.00	50 to 74%	\$30.00	1 to 49%	\$45.00	0%	\$60.00	demonstrated their ability to dispatch local hire workers and apprentices.
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Equity in Contracting	The EIC Program establishes a 20% annual participation goal for certified firms. This goal reflects the portion of total City public work and improvement contract dollars expected to be earned by OMWBE-certified businesses over the course of the year. If a contractor fails to meet EIC requirements or violates substitution/termination rules, the City may: • Publish notice of noncompliance on the EIC webpage • Cancel, terminate, or suspend the contract (or any portion)	While a CWA is an agreement between the municipality and labor partners, it can also include requirements for how the prime contractor and unions work with subcontractors, including: • A commitment to provide outreach, and train, mentor and support woman and minority contractors on any Covered Project. • This directive would include reviewing options to require prompt payment from the prime contractor to the subcontractor, as outlined in the 2019 Tacoma Community Workforce Advisory Committee final report.																												



City of Tacoma

Memorandum

	• Withhold payment until compliance is achieved • Forfeit bid/performance bond • Disqualify the contractor from future City awards (debarment) • Impose monetary penalties, where applicable in program regulations • Require corrective action plans to continue contract performance	
Wage compliance	Contractors must file required prevailing wage payment documentation with the Department of Labor & Industries and certify the validity of each submission (Intents to Pay Prevailing Wages, Certified Payrolls, and Affidavits of Wages Paid). If wage complaints are submitted to City staff (LEAP or other), the project owner department is notified to investigate for validity and resolution. If no resolution is available, refer to L&I for investigation.	In a CWA, all workers are dispatched through union halls. Dispatchers will verify each worker has been trained to work in the position they're being dispatched to. Labor representatives can also monitor work sites to ensure labor performed is in alignment with the job classification that was dispatched so the worker is being paid the appropriate wage for the work they perform.