



NORTHWEST

LABOR
PRESS

Volume 113
Number 18
September 21, 2012
Portland

BREAKTHROUGH: City of Portland commits to build union, and use minority workers and contractors

New 'community benefits agreement' uses public construction spending as a public policy tool

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The City of Portland is about to try out a new kind of project labor agreement on public construction contracts. The 23-page "Model Community Benefits Agreement" approved Sept. 5 mandates that on future City construction projects, unions will represent workers, and women and minority

workers and contractors will have expanded opportunities. The community benefits agreement, approved in a 5-0 vote, was developed in nearly two years of meetings among unions, minority contractors, pre-apprenticeship training programs, and city officials, and will apply to projects of over \$15 million.

The agreement sets goals:

- At least 18 percent of the work will be performed by minorities, and 9 percent by women, and the targets apply both to journeymen and apprentices;
- At least 20 percent of the work on contracts of over \$200,000 (and sub-contracts of over \$100,000) will be performed by apprentices;
- At least 20 percent of the hard con-

struction costs will go to women-owned, minority-owned and "disadvantaged" businesses, and joint ventures with minority and women-owned businesses will get a preference of up to 5 percent in bidding on contracts; and

- At least 30 percent of the workforce will be hired from areas identified by the U.S. Small Business Administration as "historically underutilized business" zones, census tracts that include downtown Portland, inner Southeast and Northeast Portland, and the Lents, and Cully neighborhoods in outer Southeast and Northeast, as well as areas of Gresham, Hillsboro and western Clark County.

In the new community benefits agreement, contractors agree to abide by the terms of union contracts, and to use union hiring halls. Except in this case, nonunion contractors that are state-certified as "disadvantaged business enterprises" are allowed to use some of their existing "core employees" — those who've worked the equivalent of seven months full-time work in the previous 18 months — with no requirement that the workers become union members or that the employer provide union benefits. However, the contractors have to document that their health and fringe benefits are comparable to the union benefits. And new hires would have to come through union hiring halls.

Meanwhile, the community benefits agreement spells out that unions will represent all workers on the project — whether they're members or not. Accordingly, even nonunion contractors will deduct union dues — whether or not workers are union members — to cover union costs of collective bargaining, contract administration, and grievance processing.

The agreement also commits unions and contractors to use a veterans employment program known as Helmets to Hardhats. And it mandates that managers, supervisors, and owners be given "cultural competency" training.

Significantly, it dedicates 1.5 percent of City construction budgets to help women and minority workers and contractors get ready for the job:

- 0.25 percent will pay to monitor and enforce the agreement, overseen by



Portland City Council chambers were packed to the edge of the second-floor gallery with 175 people who turned out Sept 5 in support of a community benefits agreement that will utilize more union, minority, and women-owned contractors on City contracts.

3-year pact ratified at OHSU for 5,300 AFSCME members

Oregon Health and Science University (OHSU) support workers ratified a new contract by an 85 percent margin in votes counted Sept. 5. The three-year agreement runs through June 30, 2015, and covers 5,300 workers in about 350 classifications, from housekeepers to medical technologists to pharmacists. They are members of American Federation of State, County and Municipal Employees (AFSCME) Local 328, the largest local in Oregon AFSCME Council 75.

The new contract provides for four across-the-board pay raises that total 7.5 percent over the three years, plus a 1 percent one-time bonus in July 2014 for workers who remain at OHSU from the contract ratification until then.

But for workers who participate in Oregon's Public Employees Pension System (PERS), those increases will be partly erased: Starting January 2014, they'll pay 6 percent of their wages toward PERS. OHSU established a 401(k)-style defined contribution pension known as University Pension Program (UPP) in 1995, when it separated from the Oregon System of Higher Education and became an autonomous public corporation. Since then, OHSU employees choose between UPP and PERS, which is a tra-



AFSCME member Philip Curtis reads a flier posted on an AFSCME bulletin board that OHSU placed next to a toilet. (Photo courtesy of Jennifer Barker)

ditional defined benefit pension. Today, says staff representative Diane Lovell, about half of Local 328 members are in PERS and half in UPP.

The first six months of the 6 percent PERS contribution will be subsidized by what OHSU calls a "differential" —

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a committee composed of representatives from labor, management, and community groups;

- 0.75 percent will go to Worksystems Inc. to award grants to pre-apprenticeship training programs that focus on training women and minorities; and

- 0.50 percent will pay for "technical assistance and business support" for women- and minority-owned contractors, such as that provided by the Hispanic Chamber of Commerce and the Metropolitan Contractor Improvement Partnership. [A disparity study by the City showed that out of \$660 million in City contracts over the five-year period ending mid-2009, minority-owned businesses accounted for 0.6 percent, and women-owned businesses 1.9 percent. Women- and minority-owned businesses got 140 of the 547 contracts over that period, but most were relatively small. The technical assistance fund would help them scale up to be better positioned to handle bigger contracts.]

Calling the community benefits agreement "1.5 percent for equity," former Portland city commissioner Jim Francesconi likened it to Oregon's "1 percent for art" mandate, in which a

portion of public building costs is dedicated to public art.

Francesconi, now an attorney, was hired by Operating Engineers Local 701 and Pacific Northwest Regional Council of Carpenters to develop the community benefits agreement. Groups including the Columbia Pacific Building and Construction Trades Council, pre-apprenticeship training programs like Oregon Tradeswomen Inc., Constructing Hope, Portland Youthbuilders, and Construction Apprenticeship & Workforce Solutions (CAWS), also had a hand in crafting the agreement.

"I got the opportunity to get into the Operating Engineers through affirmative action," said Nelda Wilson, business manager of Operating Engineers Local 701 at the City Council hearing. "There was a mandate where they had to open up the ranks for women and minorities, and that was my shot. I was one of the 40 that got the opportunity to have a career."

The City Council resolution which enacted the model agreement declares that the City has "a compelling governmental interest in ensuring that it is not a participant, either passive or active, in perpetuating the effects of past or pres-

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