



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

RESOLUTION NO. 161076

Introduced December 1, 2016

**Councilmember Parker, Council President Clarke, Councilmembers
Blackwell, Gym, Green, Quiñones Sánchez and Squilla**

RESOLUTION

Acknowledging the administration for publicly declaring their commitment to prioritizing diversity and inclusion for the upcoming Rebuild initiative by setting attainable participation goals for the project, and further recommending organizational strategies and various policy proposals that must be employed in partnership with the building trades unions and City Council that will bolster efforts to attract and retain local, Philadelphia-based union workers, as well as increase the number of Minority-, Women-, and Disabled-owned business enterprises, with the long-term goal of sustainably increasing diversity in the building trades.

WHEREAS, For many, getting a “good union job” with one of the building trades has historically been a path to achieving working and middle class attainment. But unfortunately, a common reality for many Philadelphians of color and women is that when they see development projects and construction happening in their neighborhood, they don’t see many people who look like them working on the construction sites, and equally frustrating is the fact that not enough Philadelphia residents are getting these jobs; and

WHEREAS, The soon-to-be-launched Rebuild initiative, which will provide approximately \$600 million of investments in the City’s parks, recreation centers, and libraries, provides an historic opportunity to address the long-standing problem of under-representation of people of color and women on construction sites. The administration and building trades unions are formalizing their agreement relative to diversity and inclusion for Rebuild by negotiating a Memorandum of Understanding, and the administration has committed to a goal of 40% minority and female participation in Rebuild; and

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WHEREAS, While the 40% minority and women participation goal for Rebuild is a start, the overall goal should be to grow the “economic pie” and provide work to groups of people who have not traditionally benefited from the City’s construction and development offerings, while not taking away work from existing union members. The administration and building trades unions should work in partnership with City Council to develop new and innovative programs and interventions to increase overall diversity and inclusion, not only for Rebuild, but for all public works contracts and ideally private contracts, both at the worker-level and at the firm-level. Below are several suggestions for steps that could be taken immediately; and

WHEREAS, In addition to continuing to support Career and Technical Education (CTE) training in the City’s high schools, there should be a strong investment in proven neighborhood-based pre-apprenticeship programs to create a pipeline of apprentices for the building trades. This can be done by developing recruitment partnerships with anchor institutions like places of worship, community-based organizations, community development corporations, workforce preparedness programs, and the School District of Philadelphia; and

WHEREAS, While the building trades unions already have a “challenge test” to employ individuals who have been working in their craft for years but in a non-union capacity, they should go even further and develop an “Executive Apprenticeship Program.” Similar to the concept of an “Executive MBA,” the program should be designed so that experienced/skilled trades people can attend classes outside of work hours with a “fast-tracked” curriculum design; and

WHEREAS, A performance management system should be developed to track how many individuals are recruited into each neighborhood-based pre-apprenticeship program, how many pass the test, and how many actually become apprentices. The system should also track the number of individuals who become union members via the challenge test and Executive Apprenticeship Program; and

WHEREAS, The building trades should be prepared to come together to state the number of new people of color and women they will need as members in order to meet the 40% minority and women participation goal for Rebuild. The administration can assist the building trades unions by having project designers and engineers provide estimates of how many people in total they will need on each project covered by Rebuild; and

WHEREAS, The building trades unions, operating with an expanded and diverse membership, could help solve long-term issues that the City is facing. For example, Philadelphia, like other old cities in our nation, has an ever-growing issue with aging infrastructure and housing stock. The administration should develop a program to use

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apprentices, supervised by journeymen, to work on housing preservation needs in the neighborhoods across the City; and

WHEREAS, The administration should have a goal of training and using local, Philadelphia-based contractors and trades people. It could do this by providing graduates of the pre-apprenticeship program, as well as those who become union members via the challenge test and Executive Apprenticeship Program, with a “one-stop shop information directory” of all existing programs that incentivize Philadelphia residency and home ownership via vehicles such as the 10-year tax abatement for new construction or improvements, housing counseling and assistance for first-time homebuyers that offer support with down payments and/or closing costs, and workforce housing; and

WHEREAS, Philadelphians often cite access to transportation needed to get to construction sites as a barrier to employment. This problem provides the administration with the unique opportunity to develop an intergovernmental taskforce comprised of representatives from SEPTA, PennDOT, PATCO, and any other necessary governmental entity to develop transportation solutions for workers to get to jobs across the City and region; and

WHEREAS, The administration should take the lead on addressing the misclassification of employees as independent contractors. According to the Department of Labor, misclassified employees often are denied access to critical benefits and protections to which they are entitled, such as the minimum and/or prevailing wage, overtime compensation, family and medical leave, unemployment insurance, and safe workplaces. Additionally, this problem robs the City of revenues from wage and business taxes. On August 14, 2016, the Department of Labor entered into a Memorandum of Understanding with the Commonwealth of Pennsylvania, Department of Labor and Industry, Bureau of Labor Law Compliance, with the specific and mutual goals of providing clear, accurate, and easy-to-access compliance information to employers, employees, and other stakeholders, and of sharing resources and enhancing enforcement by conducting joint investigations and sharing information; and

WHEREAS, The administration should partner with the State’s Attorney General and City’s District Attorney to initiate an investigation whenever it appears that employees are being misclassified as independent contractors. If the Department of Labor allows it, the results of all investigations should be made available publicly. Additionally, the administration should enforce existing legislation regarding worker compliance and misclassification; and

WHEREAS, It is well known that the building trades unions do a lot of good work in the community, and while they report some of these efforts to the Department of Labor via an LM-2, they could provide this information in a more user-friendly manner to the

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general public. The administration should request that the building trades unions develop an annual report that lists all of their community-based investments, including financial contributions and volunteerism. This is similar to the annual reports that large business corporations develop every year to highlight their corporate social responsibility efforts; and

WHEREAS, The most recent report from Philadelphia Office of Economic Opportunity – the Draft Executive Summary for Fiscal Year 2016 that was released on November 14, 2016 – found that the participation rate for Minority-, Women-, and Disabled-owned business enterprises (M/W/DSBE) for public works contracts such as construction work, hauling, landscaping, and supply of building materials and equipment was 25%. Furthermore, according to the Annual Disparity Study for Fiscal Year 2015 for the City of Philadelphia, the combined participation rate for all City contracts and quasi-public contracts was 30.6%. While this makes the 40% M/W/DSBE participation goal for Rebuild all the more noteworthy, the aim should be to increase the overall minority and women participation rate on a City-wide scale and for all City contracts. The administration should view Rebuild as a pilot that can be used to shape future PLAs and contracts with the aim of permanently diversifying the building trades and increasing the number of M/W/DSBEs; and

WHEREAS, If the administration adopts the above recommendations and a firm fails to comply, then the administration should determine whether or not the use of PLAs should be continued. Furthermore, the administration should employ an enforcement mechanism such as the debarment of non-compliant firms and individuals; now therefore be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, acknowledges the administration for publicly declaring their commitment to prioritizing diversity and inclusion for the upcoming Rebuild initiative by setting attainable participation goals for the project, and further recommends organizational strategies and various policy proposals that must be employed in partnership with the building trades unions and City Council that will bolster efforts to attract and retain local, Philadelphia-based union workers, as well as increase the number of Minority-, Women-, and Disabled-owned business enterprises, with the long-term goal of sustainably increasing diversity in the building trades.