

**CITY COUNCIL STUDY SESSION**

Proposed ordinance to create apprenticeship utilization requirements for certain public works projects.

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**DIRECTION NEEDED FROM COUNCIL****DIRECTION**

Following discussion, staff is seeking Council direction to prepare an ordinance amending Bellevue City Code Chapter 4.28 to establish apprenticeship utilization requirements for certain public works projects.

**RECOMMENDATION**

Direct staff to prepare an ordinance amending Bellevue City Code Chapter 4.28 to establish apprenticeship utilization requirements for certain public works projects, for Council action at a future meeting.

**BACKGROUND & ANALYSIS**Background

During the February 14, 2022 meeting, Council discussed a proposal from Councilmember Barksdale to create an apprenticeship utilization program. During that meeting, Council authorized staff to spend additional time beyond the eight-hour rule to further investigate the fiscal, legal, and economic implications of the utilization program proposal, in preparation for continued discussion during the Council retreat which followed in June 2022. In advance of the retreat, staff provided information based on Council's request and indicated that if Council wished to move forward with including an apprenticeship program in the 2023-2024 budget, staff would return to Council for refinement at a future meeting.

During the 2023-2024 budget process, Council allocated funding to implement and manage an apprenticeship utilization program as well as authority to hire a full-time employee to administer the program. Staff has prepared a draft ordinance for new Public Works Apprentice Requirements that would provide the specific policy guidance necessary to create and guide the program.

The proposed Public Works Apprentice Requirements are intended to create more opportunities in Bellevue for individuals to learn a skilled trade, which benefits those individuals directly as well as increases the pool of skilled labor available in the future.

## Program Elements

As proposed, the Public Works Apprentice Requirements would apply to all public works contracts executed by the City where the estimated cost of the project is \$1,000,000 or more. The program would require that at least 15 percent of the labor hours under the contract be performed by apprentices enrolled in a state-approved apprenticeship training program.

The City would have the ability to reduce or waive the required hours based on the following factors:

1. The requirement conflicts with state or federal funding conditions, or the conditions of any other grant or funding program;
2. An insufficient number of apprentices are available to meet the requirement;
3. There exists a disproportionately high ratio of equipment and material costs to anticipated labor hours, which does not make feasible the required level of apprenticeship utilization;
4. The contractor has demonstrated that it has used its best efforts to comply with the requirement, but remains unable to fulfill it;
5. In order to meet the requirement, the Contractor will be forced to displace members of its workforce;
6. An emergency or threatened emergency exists, as determined pursuant to BCC 4.28.130.A.7; and/or
7. Other reasons deemed appropriate by the Director of Finance & Asset Management and not inconsistent with the purpose and goals of this section.

If a contractor failed to comply with applicable apprenticeship requirements, the contractor would become ineligible to be considered a responsible bidder on future public works projects for a two-year period.

Specific administrative rules and regulations would be adopted by the Director of Finance & Asset Management to implement, enforce, and monitor the program. The Director of Finance & Asset Management would also require the production of an annual report to Council that would include specific information about the program's performance.

## Next Steps

With Council direction, staff will return with an ordinance amending Bellevue City Code Chapter 4.28 to establish apprenticeship utilization requirements for Council action at a future meeting. If adopted, the program would become effective for projects that are advertised for bid after September 1, 2023. Staff would use the time between adoption and September 1 to develop administrative policies, update and generate program documentation, prepare and execute a program communication plan, obtain WSDOT approval of the program and set up systems to ensure a successful roll-out.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

State law, City Code, and City policies relating to procurement: The City's procurement practices are intended to ensure the City's contracting processes are open, fair, transparent, competitive and provide the best value for citizens. This combination of law and policy is intended to support the City in the

execution of its mission through continued adherence to best practices in procurement to ensure appropriate oversight and competitive pricing.

RCW 39.04.320 implements apprenticeship utilization requirements for public works projects awarded by the state, school districts, and state four-year institutions of higher education. This statute does not presently apply to contracts awarded by local municipalities.

**Fiscal Impact**

The City Manager’s Adopted 2023-2024 budget includes funding to implement and manage an apprenticeship program as well as authority to hire a full-time employee to administer the program.

Though there is no direct fiscal impact related with the adoption of the proposed ordinance, the approval of the apprenticeship utilization requirement will not be cost neutral to the City. Contractors will pass the costs of hiring apprentices onto the City. These costs are likely to vary from project to project based on the specific circumstances, however for most projects this additional cost is not anticipated to be significant.

**OPTIONS**

1. Direct staff to prepare an ordinance amending Bellevue City Code Chapter 4.28 to establish apprenticeship utilization requirements for certain public works projects for final action at a future meeting.
2. Provide alternative direction to staff.

**ATTACHMENTS**

- A. Draft Ordinance

**AVAILABLE IN COUNCIL LIBRARY**

N/A