

Hitting Construction Hiring Goals

How do you ensure that the jobs a new development is supposed to bring to a community actually go to underrepresented populations? By [Travis Watson](#)

Shelterforce: The Voice of Community Development Fall/Winter 2013/2014

http://www.shelterforce.org/article/3882/hitting_construction_hiring_goals/

“Are you Travis (expletive) Watson? The guy who says they are hiring folks from the neighborhood to work on the project up the street?” A group of about nine fairly agitated ironworkers greeted me outside the Dudley Street Neighborhood Initiative offices early one morning.

I extended my hand. “Well, my name is Travis Paul Watson, but I’m probably the guy you are looking for,” I said with a bit of a head nod. “Anything I can help you with?”

“Look, every project says there are jobs for folks from the community. And you know what?! We NEVER get those jobs!”

“This isn’t every project and DSNI isn’t every organization. Come in, let’s chat and have some coffee.”

The ironworkers were referring to the Kroc Center, a massive community center being built by the Salvation Army in DSNI’s neighborhood, the Roxbury and North Dorchester area of Boston. DSNI was a community planning partner in the project, and it convened the Kroc Workforce Committee. That group of 20 or so residents, community advocacy groups, elected officials, the project owner, and the general contractor (Suffolk Construction) met weekly during the construction of the Kroc Center, to make sure the hiring goals the community had set for residents, people of color, women, and minority- and women-owned businesses became reality for once, rather than the empty promises the ironworkers were used to.

The Beginning

In 2005, The Salvation Army (TSA) and Dudley Street Neighborhood Initiative (DSNI) joined together in response to a competitive national process to have a Ray & Joan Kroc Community Center built in the Dudley neighborhood. At the end of 2006, the Dudley community was selected as a location for a world-class 90,000 square foot community center that opened its doors in March 2011.

TSA and DSNI agreed that the construction process would adopt the hiring standards set by the Roxbury Master Plan Oversight Committee, which are more rigorous than the city

of Boston standards: at least 51 percent of construction workers would be Boston residents, 51 percent would come from racial minority groups, and 15 percent would be women. DSNI and TSA also agreed that 85 percent of the full-time permanent staff would live within one mile of the center's doors. The Kroc Workforce Committee was tasked with ensuring that the construction workforce goals were met.

The Boston standards, referred to as the Boston Residence Jobs Policy, require that on private development projects over 100,000 square feet, 50 percent of workers are Boston residents, 25 percent are minorities, and 10 percent are women. This has been in place since the 1980s. But as recently as 2009, a *Boston Globe* story uncovered that, in 2008, Boston residents performed just 32 percent of construction work in the city of Boston; minorities performed 30 percent of the work; and women performed just 2 percent of the work.

The Kroc Workforce Committee was launched in January 2007. At first, the committee met irregularly, as construction was still far off. As construction became more of a reality in 2008, DSNI reconvened the group of about 20 to strategize more seriously around the workforce goals. While some members drifted away, the core group stayed intact and grew larger as more people became interested. Soon the committee was meeting monthly, then biweekly, and, then suddenly, the Kroc Workforce Committee, which was meeting weekly, emerged as one of DSNI's strongest and most active groups, setting new paths to capture economic power for residents, minorities, and women.

Taking Action

Seven action items got the Kroc Workforce Committee up and running.

1. We convened small sessions with Suffolk Construction (the general contractor), The Boston Redevelopment Authority (compliance monitors), and subcontractors. These sessions, which took place before subcontractors started work allowed us to go over the workforce requirements, ask about any difficulties subcontractors anticipated in reaching them, and offer the workforce committee as a resource to recommend workers if they anticipated being a few people short of the requirements. **The lesson:** Meeting with subcontractors before they start work gets all parties involved on the same page regarding workforce requirements.
2. We established contractor timelines. Once a contractor was hired, we went over a timeline with them, which determined their anticipated workforce needs from week to week. For example, during the first week contractor "A" was on site, it was possible that it might have horrible compliance numbers. Perhaps this was due to only having one person working. By the second week, however it might be in compliance due to an increase in crew size to six. **The lesson:** Understand individual plans for hitting numbers. This can help avoid arguments and misunderstandings with contractors.
3. We convened weekly workforce development meetings with the goal of being transparent. At its largest, the Kroc Workforce Committee included residents, DSNI board members, union and non-union workers, the Boston Redevelopment

- Authority, the general contractor, the owner of the project, and local nonprofits. We welcomed anyone who wanted to attend but also reached out to other community groups, nonprofits, and organizations inviting people to join. During our weekly meetings we reviewed what contracts would be awarded coming up, weekly compliance reports (if a contractor was out of compliance, we used our collective lists of workers to decide on recommendations for Suffolk and the contractor), and other construction related issues. As a result of the Kroc Workforce Committee's work, eight corrective action meetings were executed to address when contractors did not meet our workforce goals. **The lesson:** Being as transparent as possible helps create buy-in and ownership of the project in the community.
4. We created a walk-on application system: We used a highly visible trailer on the construction site for walk-on applicants. Photocopies of the applications were made and shared with DSNI and the larger community. Applicants were divided by "union" and "non-union" affiliations to make it easier for the contractor to find an appropriate worker for their scope. **The lesson:** Walk-on applications are not always a great tool for putting people to work immediately. Many times, subcontractors use workers that they have a previous relationship with. This is OK as long as workforce goals are being met. However, walk-on applicants can be useful if workforce goals aren't being met and/or the contractor "can't find anyone." They can also be useful to general contractors and the community on future projects.
 5. We reached out to as many organizations and workers as we could to get them involved in the project. We urged folks to fill out the walk-on application and to join the Kroc Workforce Committee. Outreach strategies took place on the street, at the neighborhood sub shop, at church, in community meetings, and via social media. **The lesson:** You can never do enough outreach.
 6. We hosted community meetings every six weeks or so. They were used to both update the community and to get feedback on the project. We chose central locations, easily recognizable by the community and accessible by public transportation. **The lesson:** Community meetings that cover all aspects of the project, including construction, are critical to keep the community up-to-date on its progress.
 7. We convened small sessions with the general contractor, neighborhood resources, and the walk-on applicants. The Kroc Center was an all-union project. However, many of our walk-on applicants were non-union. These sessions were used to explain resources for small business development (Roxbury Builders Guild), pre-apprenticeship opportunities/GED (YouthBuild Boston), and the union membership process (Suffolk). **The lesson:** Not all walk-on applicants will be ready to work immediately; however, there are many community groups/organizations willing and able to help them become job ready.

Contractor Commitment

Suffolk Construction and its project manager, Jim Grossman, got very creative when it came to creating opportunities for minority- and women-owned enterprises (M/WBEs) to

work on the Kroc Center. They committed to help companies that did not have a large administrative staff work through their reporting and documentation standards. They made themselves available to help with requisitions and monthly reporting and understanding the terms of the contract. And they developed working sessions with potential companies to determine the right size scope of work to fit the company's present capabilities.

Suffolk Construction staff's commitment to the Dudley Street Community went well beyond just minority- or women-owned business enterprises opportunities. They also attended the weekly Kroc Workforce Committee meetings; made themselves available via email, phone, and in person to anyone in the community with construction-related questions; and were open to building relationships and partnerships within the community. In fact, a representative ended up being elected to the DSNI board because they earned enough respect from their commitment to these goals.

Lessons Learned

Community residents have traditionally been overlooked or barred from decision-making tables when it comes to managing plans for meeting workforce diversity goals on construction projects. As a community planning partner on Boston's Kroc Center, DSNI ensured that residents' voices were heard directly; we brought residents to those decision-making tables with our staff.

In the case of the Kroc, the Dudley Workforce Committee met weekly and started each meeting by going over two workforce compliance reports: one from the general contractor and one from the City of Boston. This checks-and-balances system ensured the team that what we were talking about was real, that the individuals the report represented were in fact working on the project.

Many times, subcontractors were not meeting the agreed upon hiring goals. These goals were a condition of their contract, and tensions ran high as we struggled to come to a shared understanding of what was going wrong, and how to address it.

Two things saved our group from fraying and losing the ability to work together: First, respect. Each member of the team maintained respect for the others, even when we disagreed. Second, that we shared higher goals, which was the foundation of our respect. Our ability to work together was preserved by our common agreements that the hiring goals mattered a lot.

In the end, most cases of non-compliance were rectified at the meeting using the walk-on applications, referrals from the committee, or the general contractor/subs "finding" the right workers. In the very few instances that these tools failed, we held corrective action meetings and got things squared away.

A local leader in construction compliance often reminds me that it comes down to this: At the end of the day, each sub had a signed contract and had written the workforce goals

into the contract themselves. *It was a business decision* for him or her to take on that contract knowing what the goals were. Because of this, there should be no excuses for not meeting the goals.

What We'd Change

Though we got a lot right, looking back there are also things we would do differently.

The total workforce goals for the Kroc Center were contractually binding for the project as a whole, once it was complete.

Best practice suggestions for another project: Have workforce percentages binding per trade, and per contractor written into the contract. This helps to ensure that every contractor in every trade is doing its part in complying with the goals. Get these agreements in writing well before construction starts!

While we worked to employ as many residents living close to the site as possible, we did not require hiring from specific neighborhoods, just from within the city.

Best practice suggestion for another project: Set specific hiring goals for a given neighborhood/neighborhoods. This would help increase economic opportunities in the community where the construction is taking place.

Our project contract read that the total value of subcontract awards for the center would include 35 percent M/WBEs with a preferred (but not required) breakdown of 25 percent minority-owned and 10 percent women-owned. These percentages were for the complete value of subcontract awards and not by trade, and the 35 percent was contractually binding only for the project as a whole once it was complete.

Best practice suggestion for another project: Increase the total value of subcontract awards to 50 percent for M/WBE and make it a requirement. This would help increase economic opportunities for M/WBEs in the community where the construction is taking place.

Due to cost, we did not have an independent community-based compliance monitor on the project. The general contractor and the City of Boston did the monitoring.

Best practice suggestion for another project: Have an independent compliance monitor to verify workforce numbers of the general contractor and the city. A city can only monitor a specific project for so many hours a week. The general contractor has a vested interest in meeting all workforce goals. An independent monitor who is on site full-time is in the best position to give the most accurate compliance reports. Of course the downside is cost and this is typically not factored into a construction budget.

The general contractor provided their internal tracking sheets and other materials as needed for our meetings. We did not ask them to do extensive research outside the scope

of their usual responsibility and commitment to the owner and community, but we did ask them to create their own compliance matrix. Some committee members found this easier to read than the City of Boston reports. At our workforce meetings, we compared the two reports and looked for discrepancies.

Best practice for another project: Before the project starts, go over what materials you would like with general contractor.

We counted apprentices in accordance with individual union regulations.

Best practice suggestion for another project: Have specific goals relating to apprentice hiring. Giving an apprentice a chance to work could help springboard them on the road to a new career.

Penalties for not being in compliance with our workforce goals were not part of the strategy or contract on this project. This is still a point of contention, even among Dudley Workforce Committee members! Some feel that there should be penalties for not meeting workforce goals. Others go so far as to say that consistent non-compliance should result in removal from the project. However, others feel that monetary penalties don't work.

Possible best practice for another project: Use incentives to encourage general contractors and subcontractors to hit hiring goals. For example, each 5 to 10 percent increase in use of M/WBE as subcontractors results in an increase in payment to the general contractor of a certain percentage. The same strategy could be used with subcontractors too, in relation to hiring residents, minorities, and women.

We were unable to obtain union membership demographics prior to construction and paid the price when it came to masonry work. As the masonry work started, we soon realized that our local union did not have enough women to meet our goals, driving down the female numbers for the entire project.

Best practice for another project: Obtain union membership demographics upfront. This will allow you to accurately evaluate by project whether each trade will be able to meet your workforce goals.

Best Practice for another project: Add veterans to your workforce goals! Creating job opportunities is one way we can honor their service and ease their transition to civilian life.

Final Thoughts

Construction of The Salvation Army Ray and Joan Kroc Corps Community Center was a mutually beneficial process for all parties involved that yielded truly amazing results. Our final workforce numbers were 45 percent Boston residents, 44 percent minorities, and 8 percent women. (The figures for women are due to the extremely low number of women working in some of the trades. This made it extremely challenging to satisfy our goals in

that category because we counted on each trade/contractor to meet our goals). Although we fell a bit short of our workforce goals, we exceeded the averages in Boston significantly, and our efforts helped set the bar for future construction within the City of Boston. Suffolk Construction has also taken the lessons it learned on workforce diversity into its future projects.

One of the biggest lessons from this process is take time to listen to one another. Don't just hear people; truly listen to them. Often the answers to some of our most complex challenges are right in our own communities. In this case, part of the solution to more inclusiveness in one of Boston's largest economic generators was created together, for free, by people of all backgrounds. The Kroc Workforce Committee and residents of the Dudley Street neighborhood helped set Boston's union industry standards for construction workforce compliance. You can too.

Currently, the best practices and lessons learned from the Kroc Center's construction are being implemented on three U.S. Department of Housing and Urban Development Choice Neighborhoods construction projects. All three projects have hiring requirements of 51 percent residents, 51 percent minorities, and 15 percent female, and contracting requirements of 30 percent MBE and 10 percent WBE.

Today is a new day. Never again should communities be satisfied with high levels of unemployment for residents, minorities, women, and M/WBEs on union construction projects. The construction of the Kroc Center and the work of the Kroc Workforce Committee demonstrate that these very groups, typically extremely underused during construction, can and should be given their fair share of the work.

This article was adapted from a longer report, [For the People, By the People](#).

More Tips

RATE YOUR CONTRACTORS

Consider creating "contractor report cards." Chances are contractors bidding on a project have worked in your city before. Check to see how well they have done hiring residents, minorities, and women in the past and use this as a measure to project how well they will meet your goals/requirements. This strategy has been instrumental to the three Choice Neighborhoods projects' diversity plans.

STEWARDS ARE YOUR FRIENDS

Build relationships with the union stewards. They are your eyes and ears on the project from the perspective of the workers.

DON'T BE LATE TO THE GAME!

Meet with unions and contractors well ahead of time to discuss hiring goals and opportunities to maximize community participation. DSNI hosted a building trades career fair well ahead of construction to allow prospective candidates the time needed to get into an apprenticeship.

USE THE BIDDING PROCESS

Typically workforce requirements are written on pre-bid papers. A bidder simply signs the last page and initials each page. Some cross out workforce numbers and add their own, for better or worse. Our workforce requirements were written in pre-bid papers, but farther down the page there were three blank lines where the bidder could write in their expected workforce. Our general contractor found this to be more effective in weeding contractors out who were “not real” about meeting the workforce requirements.

MEET FREQUENTLY

Choose a time and date that works for people. We met twice monthly during the beginning and end of the project and weekly during peak construction. Even during weeks you aren't meeting, disseminate compliance reports, meeting notes, and other related articles.