

Attachment A

Apprentice Program Recommendations

Pursuant to Snohomish County Code (SCC) 3.05.060(2), the County Executive shall report to the use and issuance of exceptions and waivers for apprentice goals for a prior 12-month period. The report shall also include recommendations for maintaining or amending the existing exceptions and waivers provided in SCC Chapter 3.05 Construction Projects-Apprentice Requirements.

2021 and 2022 Use and Issuance of Exceptions and Waivers

Since the implementation of the updated code in late 2020, there have been no reductions or waivers submitted nor approved in 2021 or 2022.

Recommendations for Maintaining or Amending existing Exceptions and Waivers

Input was requested from departments that handle public work projects. The following departments provided input: Airport, Conservation & Natural Resources, Facilities, Finance, and Public Works.

1. Existing Exceptions and Waivers:

Maintain existing exceptions and waivers was the unanimous recommendation in both 2021 and 2022.

2. Track and report again in 12-months

Participants felt that the first year period provided limited information with the small number of projects in 2021. It was recommended to track, gather input and report again for 2022.

Questions and responses from 2022:

a) *What effect has the increase in dollar threshold had on your projects? (Threshold was raised from \$250,000 to \$1,000,000 per project)*

Significant effect. We have a lot of contracts below \$1M and now these small contractors don't have to struggle with trying to complete the Apprentice requirements. Most of them were requesting waivers and now we don't have any of those.

We really like it. Savings in staff time, which is used up with the increase of workloads.

I don't believe we have had a project under \$1M yet but I believe this was a much-needed increase. Projects under \$1M may have a significant challenge in allocating 15% of labor hours to apprentices because the contractor's crew would be small.

The increase had a positive effect on the apprentice program. It removed the projects that were most challenging in meeting the apprenticeship goal

b) *What effect has the increase in conditions required for a waiver had on your projects? (Condition requirements were increased from one to three)*

The increased waiver conditions have made it clear to contractors that a waiver process is reserved for the most extreme of circumstances.

I have not had any requests for waivers since this change was implemented.

Equal and fair bidding now. It means that all bidders are including apprentice costs in their bids consistently. Before it was unfair as some bidders would and some would not and then the bidders that didn't include apprentice in their bids would be lower and get a waiver.

c) *Have you received any input from your Contractors or potential Contractors on the changes?*

Some of them said they couldn't do it but now it is a requirement and not a suggestion, they are all doing it.

Apprentices still remain difficult to find and they often do not work out in performance and reliability.

They say they can't do it, but they are doing it. Was afraid that it might scare some contractors away but response continues to be strong to public works bids

Some contractors won't bid on County projects due to strict guidelines

d) *Please provide input on your experience with the program changes.*

Small contractors like the higher limit

I believe the requirement to submit an apprentice utilization plan to meet or exceed 15% apprenticeship is the most impactful of all the changes to the apprentice code. It sets the tone and expectation from the start, and lets contractors know that we are committed to this program. It also leveled the playing field for all contractors bidding. A contractor no longer has to worry that their bid will be higher because they intend to meet the 15% goal, while another contractor's bid will be lower because they intend to request a waiver right from the start.

We have had one Contractor that routinely bid our small project tell us they will no longer be bidding due to the challenges associated with meeting apprenticeship goals. They have not bid on our projects since the changes in 2021. They were a quality contractor but so far the only one we have heard from on this directly.

I think that the changes made in 2021 have placed a renewed emphasis on apprenticeship but I think there is still some inconsistency from bidders in how these costs are included in bids. A low bidder may not understand the true costs and this sets up a tough situation to manage through the life of contract. If the County wishes to encourage apprenticeship, I think we should equitably pay for it. We may want to look at including a bid item to pay for those costs directly - similar to Training Hours on fed-aid projects. *(This suggestion has been shared for future discussion)*

Comments from 2021:

a) *The changes seemed impossible at first, however we all found out that they can do it.*

b) *The County has set a high bar. It is challenging, but it seems to be working well.*

c) *One contractor came in the door and said they couldn't do it and requested a waiver before the contract was even signed. They found out that they had to do it and did it.*

d) *Non-union contractors struggled a bit.*

e) *Hearing that more contractors are setting up their own training programs.*

f) *It will be interesting to observe how labor shortages may impact our projects.*

g) *Had a lot of trepidation at first. We are communicating a firm goal, it is working.*