

SEP-14 Local Hire Pilot Program – Interim Report

Colorado Department of Transportation (CDOT) – Central 70 Project

Commercial Close: Nov. 21, 2017

Notice to Proceed 1: Feb. 9, 2018

Notice to Proceed 2: June 1, 2018

Introduction

Since commercial close in November 2017, the Colorado Department of Transportation (CDOT) and the Project's selected Developer, Kiewit Meridiam Partners (KMP), have dedicated their efforts toward developing processes and implementing the Local Hire Pilot Program. In January 2018, KMP hired a Civil Rights Program Manager. In June 2018, a Workforce Coordinator was hired in accordance with the Central 70 Project Agreement and KMP's Workforce Development Plan. Improved outcomes in the workforce program correlate closely to the Workforce Coordinator's hire date and subsequently the implementation of agreed-upon processes and heightened coordination with community partners.

Due to Denver's low unemployment rates and high demand for workers, both signatory unions and non-union subcontractors have been eager to learn about and utilize the Project's workforce program for hiring local individuals in its first year.

This report evaluates progress toward the local hiring goal, highlights success stories, and identifies lessons learned in the early stages of the Construction Period for the Central 70 Project.

Progress Toward Achieving the Local Hiring Goal:

Partnership with WORKNOW

The Central 70 Project's local hire goal served as the catalyst for bringing industry and community stakeholders together to discuss solutions for local construction workforce needs. Roundtables hosted by CDOT from 2016 to 2018 helped establish the framework for a new supportive services platform, [WORKNOW](#). The WORKNOW platform officially launched in February 2018 and continues supporting local individuals interested in working on the Central 70 Project and creating a pipeline of trained workforce for the construction industry.

WORKNOW connects interested job seekers to open Central 70 positions and provides supportive services to individuals already on the Central 70 Project. The partnership with WORKNOW is intended to connect local individuals to open positions and retain the current workforce.

Process for Local Hire Enrollment and Collection of Data

In early 2018, CDOT and KMP created a Local Hire Enrollment Form that allows local individuals working on the Project to self-certify their residency status. KMP's Workforce Coordinator explains both WORKNOW and the Local Hire Program at the mandatory New

Employee Safety Indoctrination each week. During this presentation, Enrollment Forms are distributed and Central 70 employees living in one of the local hire zip codes can self-certify residency status and hire date (the hire date is used to determine if an individual is a new hire per the Project Agreement).

CDOT then approves or rejects the Enrollment Form depending on whether the address is a valid residence and whether the years of residency are compliant with the Project Agreement. Once approved, CDOT “tags” a local hire enrollee in LCPtracker, the Project’s certified payroll system. These tags allow CDOT to track the total hours worked by local hire workers each month. A separate non-Davis Bacon project in LCPtracker was created so the Project’s design and professional services subcontractors can track hours for individuals who do not have certified payrolls.

Overview of Local Hire Goals

The Local Hire Goal is 760,000 hours, approximately 20 percent of the original RFP estimates. Each month, CDOT tracks total craft and professional service hours completed by local workers. Due to the nature of certified payrolls, it is easy to track the percentage of craft workforce as well, so CDOT uses craft percentages in addition to total numbers to communicate the Project’s progress to interested stakeholders.

As noted in the Project’s initial report, KMP submitted a white paper to CDOT prior to selection that explained KMP’s work-hour estimates fell short of the estimates included in the RFP making the Local Hire Goal unattainable. However, in a revised baseline schedule submitted in late 2018, the man-hour estimates are closer to the procurement estimate used to establish the Local Hire Goal. Based on current trends, the local hire goal is still attainable with targeted outreach and hiring efforts.

Local Hire Trends to Date: Craft Hours

The data shows an overall increase in percentages of hours worked by local employees. Trends dipped in April and May 2019, but with an influx of enrollment forms in June 2019, percentages are expected to continue rising.

The Project’s Prime Contractor, Kiewit, has driven most of these positive trends. Kiewit’s percentage of local hours started very low because employees were brought over from other projects, and the construction ramp up was delayed. However, as construction has ramped up in 2019, the local hire hours are increasing towards the target. Kiewit continues to be an active participant with WORKNOW, helping to develop additional training courses and diligently attending community events to attract local individuals to the construction industry.

Tables with project data are included below. Table 1 shows each month’s percentage of local workforce. Table 2 shows a cumulative project percentage for all months to date.

Table 1: Monthly Local Hire Percentages

Local Hours by Month

Month	Non-Local Craft	Total Craft	Local Craft	% Local(month)	% Change (month)	
Jan-18	0.00	38.00	38.00	100.00%		
Feb-18	1039.75	1157.25	117.50	10.15%		
Mar-18	3273.75	3715.50	441.75	11.89%	↑	1.74%
Apr-18	2314.25	2812.25	498.00	17.71%	↑	5.82%
May-18	5168.00	6213.75	1045.75	16.83%	↓	-0.88%
Jun-18	6584.50	7587.00	1002.50	13.21%	↓	-3.62%
Jul-18	5782.62	7100.12	1317.50	18.56%	↑	5.34%
Aug-18	10774.72	12849.64	2074.92	16.15%	↓	-2.41%
Sep-18	18832.16	22308.91	3476.75	15.58%	↓	-0.56%
Oct-18	32817.33	39134.41	6317.08	16.14%	↑	0.56%
Nov-18	33332.51	40143.64	6811.13	16.97%	↑	0.82%
Dec-18	44442.09	55178.57	10736.48	19.46%	↑	2.49%
Jan-19	35279.10	43355.11	8076.01	18.63%	↓	0.83%
Feb-19	41947.19	51833.53	9886.34	19.07%	↑	0.45%
Mar-19	69354.49	85388.14	16033.65	18.78%	↓	-0.30%
Apr-19	65866.96	79242.60	13375.64	16.88%	↓	-1.90%
May-19	69968.66	82837.21	12868.55	15.53%	↓	-1.34%

Table 2: Cumulative Local Hire Percentage

Overall Local Hours Average

Month	Total Craft	Local Craft	% Local (Overall)	% Change (month)	
Jan-18	38.00	38.00	100.00%		
Feb-18	1195.25	155.50	13.01%		
Mar-18	4910.75	597.25	12.16%	↓	-0.85%
Apr-18	7723.00	1095.25	14.18%	↑	2.02%
May-18	13936.75	2141.00	15.36%	↑	1.18%
Jun-18	21523.75	3143.50	14.60%	↓	-0.76%
Jul-18	28623.87	4461.00	15.58%	↑	0.98%
Aug-18	41473.51	6535.92	15.76%	↑	0.17%
Sep-18	63782.42	10012.67	15.70%	↓	-0.06%
Oct-18	102916.83	16329.75	15.87%	↑	0.17%
Nov-18	143060.47	23140.88	16.18%	↑	0.31%
Dec-18	198239.04	33877.36	17.09%	↑	0.91%
Jan-19	241594.15	41953.37	17.37%	↑	0.28%
Feb-19	293427.68	51839.71	17.67%	↑	0.30%
Mar-19	378815.82	67873.36	17.92%	↑	0.25%
Apr-19	458058.42	81249.00	17.74%	↓	-0.18%
May-19	540895.63	94117.55	17.40%	↓	-0.34%

Local Hire Trends to Date: Design/Professional Services Hours

To date, there have been 69,558 hours completed by local design/professional services employees, averaging approximately 4,700 hours/month in 2019. Based on estimates, this is likely about 17 percent of the design/professional services work to date. Due to additional processes required for tracking design/professional services hours in LCPtracker, about one-fifth of the total approved design/professional services individuals are not being captured in LCPtracker. This is further explained in the Lessons Learned Section of this report.

Success Stories:

First Project Hiring Fair

On November 3, 2018, the Project and its WORKNOW partners hosted the first Central 70 Hiring Fair. There were over 145 job seekers and 25 family members and children in attendance. The Central 70 Project arranged transit connections to the 40th and Colorado transit station, free food vouchers for each attendee, and activities for children so job seekers would have fewer barriers to attend. Ten subcontractors attended, as well as four unions. Nine job seekers reported back to WORKNOW that they received a job immediately following the Hiring Fair, in addition, several individuals enrolled with one of Kiewit's signatory unions.

News Stories and Anecdotal Successes

Several media stories have highlighted WORKNOW and the Central 70 Project. Links are included below.

- **NY Times:** ["Some Workers Need Jobs as Much as Builders Need Workers. Cities Connect Them."](#)
- **China Global Television Network (CGTN) America:** ["Retraining US workers to ease labor crunch."](#)
- **Denverite:** ["A work development program is surpassing its goal of getting locals construction jobs around Denver."](#)
- **The Denver Channel:** ["Program to connect workers with construction jobs exceeds expectations."](#)

Lessons Learned:

Establishing a Local Hiring Goal

The Central 70 team considered two options for establishing a local utilization goal: using a set number of hours or requiring a percentage of total hours. A set number of hours is easier to administer, especially when counting professional services hours, so this is how CDOT established Central 70's 760,000-hour goal. However, initial project estimates during the proposal phase are often underestimated, so establishing a set number goal at the beginning of the project offers a benchmark for proposers, but doesn't allow the goal to adjust depending on the actual hours worked. A percentage goal holds the developer accountable, despite how much the overall number of man-hours fluctuates from the original estimate.

To account for these two approaches, CDOT is tracking the total number of local hours and the percentages of craft work to determine how the total hours align to the original intent of utilizing local workers for approximately twenty percent of the overall hours.

Timeline to Implement Pilot Activities on a Construction Project

Typical of any Pilot, it takes time to establish clear and actionable processes. The RFP process on Central 70 required all of the short-listed Developers to present a general plan for how they would achieve the Local Hire Goal. However, turning the workforce plans into actionable processes that integrated well with other project work areas took nearly a year from Commercial Close. CDOT anticipated a slow start due to the nature of conducting pilot programs. However, despite this anticipation, the time required to create forms and establish processes made it more difficult to incorporate the Local Hire Program into other work areas early on. This has affected the way the Local Hire Program has been adopted Project-wide, especially hindering the way the Program was communicated during subcontractor on-boarding in early 2018.

Developing Buy-in Takes Time

As part of their Workforce Development Plan, the Central 70 Developer showed multiple approaches for meeting the Local Hire Goal, committed to hiring a Workforce Coordinator, and committed to collaborating closely with Department-approved workforce organizations (this refers to the collective impact platform, WORKNOW). However, the Developer team was still uncertain whether the benefits of the Local Hire Program would outweigh the added contractual responsibilities.

In the past year, the Developer team has started seeing the benefits associated with the Local Hire Program, including monthly hiring events held specifically to support Project workforce needs, supportive resources available to any Project employee, and general recognition of being a good partner in the community.

Part of this buy-in has grown due to close partnerships between CDOT, the Developer's Workforce Coordinator, and the Central 70 WORKNOW reps. This partnership has led to processes that are reasonable for Project contractors, help connect Project employees to helpful resources and ultimately fulfill contractual expectations.

Increased buy-in is evident by KMP going beyond contractual requirements:

- KMP's request for WORKNOW to host weekly Office Hours at the Project Office at a time when both day-shift and night-shift employees could access support,
- Two separate Kiewit (Prime Contractor) work areas have requested specialized training courses from WORKNOW partners to assist with current recruitment, placement, and retention difficulties,
- KMP has launched an English-to-Spanish workshop hosted monthly, open to all Central 70 employees,
- Kiewit has sent multiple flyers with Central 70 pay stubs to help employees learn about retention services that are available, and
- Kiewit participated in Project Pathway Road Shows to educate local career navigators about ways to connect with different Central 70 job and OJT opportunities.

Subcontractor Outreach

On a project the size of Central 70, subcontractor outreach and engagement is an on-going struggle for the Local Hire Program. KMP has sent all-project blasts, but these tend to have a low response rate. Kiewit has done the most outreach, but the workforce team has experienced difficulty contacting lower-tier subcontractors without overstepping subcontracting relationships.

Subcontractors will say that they desperately need employees, but there is very limited response to the formal requests for planning hiring fairs. This has made it difficult for KMP and WORKNOW to follow-through with providing hiring support and hosting additional events.

To remedy this difficulty, KMP hosted a mandatory Central 70 Contractor Civil Rights meeting in May 2019 to introduce subcontractors to WORKNOW reps and reinforce other civil rights contractual requirements. It is still too early to determine the impact of this event on local hire enrollment numbers. Kiewit's data are trending to meet their portion of the local hire target (20 percent of craft workforce), but the overall Local Hire Goal will not be achieved without all Central 70 subcontractors accurately submitting local hire enrollment forms and hiring more local individuals.

Strategic Hiring Events and Processes

Meet and Greet: KMP hosts informal monthly hiring events called Meet and Greets each month in partnership with WORKNOW. WORKNOW uses their grassroots recruitment networks to refer qualified candidates to open positions with Central 70 subcontractors and signatory unions. These events are free of charge for both job seekers and employers. Meet and Greets began as weekly events, but feedback suggested that monthly would be better for both subcontractors, unions, and job seekers. As noted above in Subcontractor Outreach, the biggest difficulty with Meet and Greets is recruiting contractors to participate; some will express their need for employees but then will not attend the Meet and Greet.

Position Information Notice Forms: These were developed and implemented in mid-2018. Notice Forms provide a tool for Central 70 contractors to inform WORKNOW about open positions. These have been helpful to WORKNOW navigators, providing job descriptions and requirements. Having a detailed description of a position makes it much easier to recruit qualified candidates. Kiewit and the most engaged subcontractors have been submitting these forms. However, difficulties with subcontractor outreach also directly influence the effectiveness of this process. If subcontractors do not know about Notice Forms or do not understand how they work, they will not submit them.

Large Project-wide Hiring Fair: The Central 70 Project has only hosted one large Hiring Fair, but it was a success (noted in the Success Stories section above). The success was primarily due to extensive grassroots outreach, coupled with good media coverage. Kiewit invested extensively in the event, encouraging their unions and subcontractors to participate in hands-on displays and providing food to all attendees in order to alleviate barriers to attendance.

In general, collecting follow-up information from subcontractors after hiring events has been difficult. This makes it difficult to know the effectiveness of specific hiring events. WORKNOW has adjusted some of their Meet and Greet processes to close this communication loop.

Increased Education about Retention Services for Central 70 Employees

In addition to hiring local workers, the intent of this Program is also to retain and eventually promote local workers. This has taken a lot of additional communication with the construction management team. Ultimately, if someone is working on the project and needs support to stay in his or her position, a manager should provide information for assistance, but the management team has not become that invested in the Workforce Program.

To increase access to retention services and emergency support, Kiewit has allowed WORKNOW to share information in multiple places, safety indoctrination meetings and at meetings with superintendents, foremen, and subcontractor crew leads. However, since the Local Hire Program and partnership with WORKNOW are new, it will take multiple touch-points for all Kiewit crew leads and subcontractors to fully understand the value of WORKNOW services and how to support their crews. The workforce coordinator is trying to establish a consistent schedule for communicating workforce-related services to superintendents, foremen, and subcontractor crew leads, as well as conduct regular field visits during the start of a shift. This has proven logistically challenging.

Tracking Professional Service Local Hours

CDOT is able to track craft workers through our certified payrolls system, LCPtracker. However, tracking professional service referrals, placement, and advancement has proven very challenging. This also goes back to lower-tier subcontractors not fully understanding the Local Hire Program. In order for non-craft work hours to be tracked, subcontractors have to input hours into a separate project in LCPtracker. The added step has not been completed by most design and professional services firms working on Central 70, resulting in significantly lower number of local hours than have been approved. As noted above, twenty-one percent of the approved local professional service employees have not been uploaded into LCPtracker, and about half of the individuals who have been uploaded have not had hours submitted. CDOT has worked with KMP to get this resolved, but it will likely need additional training, which KMP currently does not see as a necessity.

Conclusion:

The progression of the Local Hire Program has been slow, but this was somewhat expected due to the nature of launching a pilot program. Unfortunately, due to the intensity and size of the Central 70 Project, the time it took for KMP to hire a Workforce Coordinator and launch the Local Hire Program processes decreased the overall integration of the Program with other work areas. This resulted in the need for more back-end communications and outreach work, increasing work for the workforce team and hindering initial project-wide engagement.

Despite the difficulties associated with a pilot program, KMP has slowly become more invested in the Local Hire Program. A close partnership has developed between KMP and WORKNOW, increasing the number of local hiring opportunities and increasing the availability of retention services to Central 70 employees. While it is still uncertain whether KMP will reach their incentivized hourly goal, the feedback from stakeholders is positive. The Local Hire Program - and its subsequent community partnerships - is helping Central 70 contractors connect to eager, qualified local job seekers and helping new employees continue working on the Project and in the construction industry.