



May 16, 2019

Dear Vendors,

The City of Duluth is excited to launch our Community Benefits Program this summer. Passed by City Council in July of last year, our community benefits policy ensures that public investments support the economic health and vitality of our whole community. This effort reflects our ongoing commitment to integrating workforce development and career pathways into everything we do.

The City's community benefits policy and business subsidy criteria link public investment in economic development with a commitment to provide women and socially disadvantaged individuals access to high-quality jobs leading to life-long careers in the construction industry. Combined, these policies help address immediate worker shortages, break down persistent barriers to employment, and diversify our workforce. These policies also increase our community's capacity to provide an appropriate workforce for future projects.

Details about the Community Benefits Program are available on the City of Duluth website (<http://www.duluthmn.gov/purchasing/forms/>). Please review and direct any questions to:

Elena Foshay, Director of Workforce Development

218-730-5241

CommunityBenefits@duluthmn.gov

We look forward to working together to achieve our goals.

Thank you!

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Ashbach".

Amanda Ashbach
City Purchasing Agent



Connecting Work to Workers: Duluth's Community Benefit Policy

Duluth is riding a renewed surge of economic investment, diversification and growth. Yet despite this new energy Duluth faces two barriers to realizing its full economic potential and promise of economic opportunity for all Duluthians: (1) unsustainable worker shortages in key sectors, and (2) persistent barriers to employment along racial and gender lines. Securing the economic health and vitality of our whole community requires us to address these challenges, and toward that end the City of Duluth has committed to integrating workforce development and career pathways into everything it does.

What's the policy?

The City's community benefits policy and business subsidy criteria link public investment in economic development with a commitment to provide women and socially disadvantaged individuals access to high-quality jobs leading to life-long careers in the construction industry. Combined, these policies help address immediate worker shortages, break down persistent barriers to employment, and diversify our workforce. These policies also increase our community's capacity to provide an appropriate workforce for future projects.

Covered projects are most construction projects that receive a substantial City investment of \$150,000 or more. The policy applies to developers, contractors, subcontractors, and others under the contract or development agreement for covered projects.

Eligible workers are women and individuals who are considered socially disadvantaged, including people of color, low income workers, individuals who are homeless, at risk youth, disabled veterans, public benefits recipients, and individuals with a criminal background.

Community benefits goals will be phased in over three years. The policy requires a plan and good faith effort to recruit/hire/employ eligible workers to perform:

- 10% of total construction work hours beginning in 2019;
- 12% of total construction work hours beginning in 2020;
- 15% of total construction work hours beginning in 2021 and subsequent years.

How do we meet the policy's goals?

The City's approach will be collaborative and inclusive. Immediately after being selected to work on a covered project, contractors will begin working with the City of Duluth's Workforce

Development Department and the unions to which they are signatory to develop a plan for meeting their workforce needs and achieving the Community Benefits Goal. We will encourage contractors to continue proactively working with Workforce Development throughout the covered project to fulfill their hiring needs.

Strategies outlined in the workforce plan may include:

- Collaborating with education institutions, community partners, and apprenticeship programs to build accessible pathways into the building and construction trades;
- Helping to identify qualified individuals, connect them to job and apprenticeship opportunities, and supporting them once they are working;
- Actively engaging in development and implementation of construction trades training programs, Career Technical Education classes, and other opportunities to expose youth and adults to construction careers;
- Other actions identified in collaboration with Duluth Workforce Development, contractors and subcontractors, and building trades unions.

How do we know we're meeting the policy's goals?

As part of demonstrating a good faith effort we will be asking contractors to:

- Identify and map out projected workforce needs before the project starts;
- Develop a best efforts plan for achieving the community benefits goal;
- Certify individuals on a construction project as eligible workers;
- Submit a monthly report documenting work hours performed by eligible workers, and overall progress toward meeting the community benefits goal;
- Submit a letter after project completion outlining actions that demonstrate good faith effort.

Periodically throughout the project, Workforce Development and managers of covered projects will review progress toward the community benefits goal and any good faith efforts.

Recommendations will be offered, and contractors will have the opportunity to take corrective action as needed. A final determination of good faith effort will be made by the City of Duluth at project close.

Questions?

Contact Elena Foshay, Director of Workforce Development at 218-730-5241 or CommunityBenefits@duluthmn.gov