

ODOT plan for apprentices raises concern

Frustrated by low apprenticeship numbers the Oregon Department of Transportation starts an incentive program that unions call a waste

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Bridge and highway contractors are failing to meet workforce training goals set by the Oregon Department of Transportation. So the agency will begin paying contractors \$20 an hour for each apprentice on a job and charging the same amount if those companies don't meet the goals.

But construction trade union representatives say the plan amounts to ODOT wasting money by paying contractors for training that they should already be providing

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Dan Carter/DJC

The Oregon Department of Transportation this week will institute a new plan for boosting apprenticeship numbers on bridge and highway projects. ODOT will pay contractors \$20 per hour for each apprentice on a job and charge contractors the same amount if they don't meet the agency's 10 percent hiring goal.

Apprentice: The city of Vancouver has a similar program

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on their own.

ODOT since 2005 has required contractors to meet 10 percent of their total labor with workers enrolled in a state-approved apprenticeship program. The agency faced increased pressure from the Oregon Legislature under the Oregon Transportation Investment Act III to boost workforce training or suffer reduced funding for highway projects, according to the transportation department

After evaluating the progress of its apprenticeship program, ODOT last year found it had "spotty compliance" among its contractors in meeting the goal, said Tom Lauer, an ODOT manager on OTIA projects. Some contractors easily met the agency's

goals, but many struggled and fell short, he said.

"Some contractors would get 70 percent into a project and realize they couldn't make it, and there was no clear remedy if you didn't comply," Lauer said.

Union contractors, which already pay for apprenticeship training out of their union dues, attribute ODOT's shortfall to open shop contractors that don't have the same requirements. ODOT doesn't track whether the companies it hires are union or nonunion contractors.

"We were absolutely stunned that ODOT will pay contractors to hire apprentices. We don't expect to get paid for that," Bob Shiprack, executive secretary of the Oregon State Building and Construction Trades Council, said. "It's total

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Nonunion contractors have a harder time finding apprentices to meet the 10 percent requirement, said Steve Ambuehl, a project manager with Thompson Bros., an open-shop excavation company based in Vancouver, Wash., that works on ODOT projects. But he said, "once it's up and running, it's not really a headache."

The city of Vancouver has a similar program in which contractors choose the amount they're paid for their apprentices. If contractors fail to meet the 15 percent goal, they aren't paid the apprenticeship rate.

"I think these training programs are a waste of tax dollars," Ambuehl said. "When we hire an employee we train them just as well as you can with apprenticeship. It's learn as you go."

ODOT expects the incentives to temporarily increase the cost of its projects. But once contractors

learn to incorporate the increased risk of not meeting the goals into their project estimates, the prices will come down again, Lauer said. The incentives will also create a new market for subcontractors that consistently hire apprentices, he said.

"Contractors can lean on subs (to meet the goals). That becomes a selling point for a sub to reliably provide the numbers," Lauer said.

In developing the new incentive plan, ODOT worked with the Oregon-Columbia Chapter of the Associated General Contractors to craft a manageable policy, according to Lauer.

"I can't think of an open-shop contractor that does highway work that's not involved in an apprenticeship program," Jessica Adamson, public affairs director for the AGC, said. "This isn't about that. We need to get to a place where we're hitting that standard, and (this is about) how do we do that?"

ODOT considered more closely

monitoring a contractor's compliance with the 10 percent mandate throughout the course of a project. Such a remedy would have required contractors to file apprenticeship reports every few weeks and actively work with the agency to bring more apprentices on board. But increased oversight would just mean more paperwork for contractors and the agency, Lauer said.

Rather than cracking down on contractors and forcing compliance, ODOT decided to offer an incentive. Because some construction trades pay more than others depending on an apprentice's experience level and craft, ODOT fixed the rate at an average across all trades and experience levels.

Contractors that don't meet the 10 percent goal must pay ODOT back for the entire amount, regardless of how close they came to meeting the goal.

The next OTIA project bundle, which goes out for bid on March 13, will be the first ODOT contract to include the new incentives. Afterward, ODOT will include the new rate in OTIA projects throughout the state as well as all ODOT projects in the Portland metro area.