

WORKFORCE ADVISORS MEETING SUMMARY REPORT



Introduction

Thank you to everyone who participated in the Spring, 2014 Accelerated Energy Program (AEP) Workforce Advisors meeting in April. We were pleased to have an opportunity at the meeting to provide an update on the progress of the Commonwealth's Accelerated Energy Program, and we especially appreciated the energy and creativity of those who shared ideas in the small group sessions.

At the meeting we sought advice and insights about three specific workforce areas of particular importance to the AEP, DCAMM, and the Commonwealth at large. These were:

- Increasing the participation of Minority and Woman-Owned Business Enterprises;
- Increasing employment of women and minorities on the staffs of our contractors;
- Improving state government systems to serve clients better.

It took a wall full of flip chart paper and several note pads to record participants' thoughts, questions and recommendations, all of which have been summarized in the following report. The AEP's workforce team is applying the input from the meeting to improve our performance in meeting M/WBE and diversity employment goals and serving our stakeholders more effectively.

Although many of the suggestions were specific and detailed, we noticed a few recurring themes that seemed particularly important, including:

- Keep leadership attention focused on diversity and M/WBE outcomes;
- Encourage coordination among state government agencies - and with stakeholders;
- Balance incentives and penalties in the effort to meet and exceed goals;
- Share information about existing programs, projects and best practices;
- Use information technology, outreach, and social media more creatively.

We look forward to working with the AEP Labor and Workforce Advisors – and other interested stakeholders - over the coming months to address the themes noted above and other related issues detailed in the report.

Table of Contents

I. Background	3-4
II. Increasing the participation of M/WBE firms	4-6
A. Some people were not familiar with M/WBE requirement	
B. Participant suggestions fell under a few common categories	
1. Challenges	
2. Solutions	
a. Improving quality of, and access to, needed information	
b. Raising the number of M/WBEs in certain categories	
c. Improving enforcement and incentives to drive compliance	
d. Addressing possible structural concerns about M/WBE	
III. Increasing employment of women and minorities at contractors	6-9
A. Some people were not familiar with diversity employment requirement	
B. Participant suggestions fell under a few common categories	
1. Challenges	
a. Outreach and marketing	
b. Education, preparation and experience	
c. Lack of effort	
d. Funding	
e. New hiring is limited overall	
2. Solutions	
a. Adapt outreach campaigns to targeted communities	
b. Use existing internship, apprenticeship and training programs	
c. Don't forget about adult learners and "re-trainers"	
d. Connect with existing policy initiatives and create new ones	
e. Rigorously enforce diversity goals with penalties and incentives	
III. Improving existing systems to serve clients better	9-10
A. Comments in this category were often repetitive of other categories	
B. Participants led with solutions, stressed simplification and coordination	
1. Solutions	
a. Information technology should be used more efficiently	
b. Speed up payment to contractors and subcontractors	
c. Improve coordination among agencies in related systems	
IV. Next Steps	10

I. Background

As part of the AEP Workforce Advisors' Meeting on April 10, 2014, participants were divided into three teams for small-group workforce sessions. The teams rotated from one "issue station" to the next, so that all teams had an opportunity to discuss all three issues.

Advisors participating in the small group discussions included:

Mukiya Baker-Gomez, DCAMM
Kevin Bernier, Penley Systems
David Cedrone, DHE
Hope Davis, DCAMM
Marianne Dill, HRD
Joe Dorant, MOSES
Kevin Doyle, NECEC Institute
John Fitzpatrick, SDO
Jeanette Gerald, Boston MBDA
Andrea Laing, DCAMM
Paula Lyons, EOLWD
Greg Mumford, Youth Build
Jacqueline Johnson, EED
Susan Quinones, MWPA
Tony Ransom, DCAMM
Raymond Soohoo, DCAMM
Judith Underwood, Cape Cod Community College
Vesela Veleva, UMass Boston
David Wallace, EOLWD (DAT)
David Ward, EED
Les Warren, Bunker Hill Community College
Stephen White, DCAMM

The issues selected for discussion were:

- (1) Increasing participation of Minority and Woman-Owned Business Enterprises (M/WBE)
- (2) Increasing employment of women and minorities
- (3) Improving existing government and business systems to serve people better

To get the conversations going, it was suggested that the participants consider each issue with the following framing words in mind:

- Challenges (difficulties and problems that we need to overcome)
- Opportunities (resources and assets that are already in place)
- Solutions (ideas for successfully addressing the issues and achieving results)

Use of these framing words was not meant to provide a rigid structure to the conversations, but to offer a common vocabulary to stimulate discussion among people from many different backgrounds. In some cases, groups placed their ideas under these headers in a formal way. In other cases, the use of the framing words just helped launch the conversation.

II. Increasing participation of M/WBE firms

A. Some people were not familiar with the M/WBE contracting requirement

In some of the groups, there was at least one person who was unfamiliar with the fact that AEP contractors are required to subcontract a certain percentage of the dollar value of their contract to firms that are certified as “minority-owned”, or “woman-owned”. In these groups, a participant with knowledge of the Commonwealth’s M/WBE system quickly described the social and economic goals behind the program, the process of becoming certified, the types and numbers of certified M/WBE companies, and one or two of the difficulties that can emerge as contractors identify and partner with M/WBE firms to comply the requirements and diversify their community of subcontractors.

B. Participant suggestions fell under a few common categories

The Workforce Advisors identified 26 different opportunities, challenges and solutions. As expected, many of these ideas were variations on the same themes and concerns.

1. Challenges

The challenges that Advisors identified can be grouped under the following headers:

- a. Lack of easily accessible information about appropriate M/WBEs (for contractors);
- b. Lack of easily accessible information about contractors seeking M/WBEs (for M/WBEs);
- c. Lack of active “matchmaking” by acceptable third parties;
- d. Insufficient number of M/WBEs in specific categories;
- e. Insufficient enforcement of M/WBE contracting percentage requirements;
- f. Insufficient incentives to drive the process towards greater success;
- g. Factors negatively affecting minority and female entrepreneurship and certification;
- h. Concerns about fraud and abuse
- i. General contractors use only one M/WBE firm to secure their required percentage.
- j. Contractors reluctant to use firms they don’t know – creates chicken and egg situation.

2. Solutions

As expected, the solutions suggested by the Advisors were directly related to the challenges, and were often expressed in language that was simply the opposite of the challenge.

a. Improving quality of, and access to, needed information

As seen from the list of challenges above, some of the Advisors framed the issue of “increasing M/WBE participation” as essentially an information problem. These Advisors suggested that contractors were aware of their M/WBE requirements, and were actively seeking a straight-forward way to meet or exceed it. Likewise, it was assumed that appropriate M/WBEs were available in the system, and that these firms were eager to land new contracts.

With these assumptions in mind, Advisors suggested several ways that DCAMM could help both sides of the M/WBE equation to get the information they needed to make matches. These ideas included:

- i. Create a central repository for “winning proposals” and promote it actively.
- ii. Offer more “meet and greet” events for prime contractors to meet subcontractors.
- iii. Place links to pre-sorted M/WBE firms directly within RFPs posted by DCAMM.
- iv. Create and widely distribute an easy to read “how-to” guide to M/WBE process.
- v. Provide active matching service for M/WBEs to meet Primes, and vice versa.
- vi. “Mine data” from the whole www.mass.gov online resource and use the data creatively.
- vii. Knit together all resources in one place and make this central place visible to everyone.
- viii. Provide training – both in person and online – to participants on how to make matches.

b. Raising the number of M/WBEs in certain categories

While acknowledging that some issues of M/WBE participation could be addressed through better information flow among and between contractors and M/WBEs, several of the Advisors suggested that there was also a simple need for more M/WBEs – especially in some specific trade, occupation and professional categories.

To address this concern, Advisors had several ideas for solutions, including:

- i. Create more firms with direct support from public/private partnerships – not just information that there might be a business opportunity, but also financial help.
- ii. Offer coaching and matching of aspiring entrepreneurs with experts to increase the readiness of firms and individuals to take the next step in the development of their business.
- iii. Survey firms and individuals to ask: “Is SDO or DCAMM certification an unduly difficult challenge for minority and woman-owned businesses?”
- v. “Expand requirements for contractors to use M/WBE firms to include a wider band of equivalent skills (for example, pile drivers could be included).” (Editor’s Note: Our review indicates that there is nothing that limits contractor ability to use such M/WBEs.)

Improving enforcement and incentive to drive compliance

Some Advisors suggested that participation of M/WBEs could be improved significantly if those who failed to meet goals were assured that a significant penalty was sure to follow. One noted that some firms are currently “willing to pay a (small) fine rather than comply”.

To address this concern, Advisors suggested that:

- i. “We need to have rigorous standards and significant penalties that are enforced with strict accountability; not just good faith effort”.
- ii. A law could be passed that would require “awarding authorities to publicize if the accepted low bidder doesn’t meet compliance standards”.

As something of a flip side to the push for strict enforcement with meaningful penalties, some Advisors proposed a concurrent positive approach, including:

- iii. “Celebrate the successes of partnerships between contractors and M/WBE firms – especially focusing on the high quality of the work and the flow of capital into targeted communities.”
- iv. “Offer incentives along with the mandate.”

c. Addressing possible structural concerns about M/WBE

At least one Advisor suggested that M/WBEs themselves be required to meet new or additional standards on state contracts, including:

- “Change the law so that M/WBEs are required to themselves employ a certain number or percentage of female and minority employees”, and;
- “Change the criteria for SDO certification so that the entire workforce plus the leadership team must meet criteria, not just the leadership team”, and;
- “Be more aggressive in identifying and removing firms that are M/WBEs in name only.”

III. Increasing Employment of Women and Minorities at Contractors

A. Some people were not familiar with the diversity employment requirement

In some of the groups, there was at least one person who was unfamiliar with the fact that AEP contractors and subcontractors are required to employ certain percentages of women and minorities on contracted projects, and that this requirement was *in addition to* the M/WBE requirement. In these groups, a participant with knowledge of the requirement quickly described the social and economic goals behind the program, how compliance was measured, and some of the difficulties that arose in meeting and exceeding diversity employment goals.

B. Common Themes from Participant Comments

1. Challenges

The conversations about increasing employment of women and minorities in the fields and professions related to DCAMM contracts generally, and AEP energy/energy efficiency work specifically, identified a short list of themes that served as challenges, including:

- a. Employers not connecting with job-seekers and trainees: outreach and marketing issues.
- b. Candidates not competitive to hire: training, education, experience, preparation issues.
- c. Employers not doing all they could: compliance, enforcement, lack of effort issues.
- d. Few programs specifically for women and minorities: funding and (possibly) legal issues.
- e. Long-standing barriers hard to overcome: racial, ethnic, gender, income, culture issues.
- f. AEP/DCAMM contractors mainly use existing workers. Diversity has to already be there.

2. Solutions and Opportunities

- a. **Adapt outreach campaigns about job/career opportunities to targeted communities.**

Although nearly all Advisors agreed that training, recruiting, hiring and retaining more women and minorities for the contractor workforce required more outreach and marketing of job and career opportunities, several pointed out that successful communication would require adapting both the messages, and the messengers, to the target audiences.

Some of the specific comments included:

- Improve and expand outreach/education/awareness within communities of color.
- Outreach to young people using the mediums they are most comfortable with.
- Put a “gender lens” on all outreach materials and methods expected to attract women.
- Identify and partner deeply with organizations whose missions target the audience.
- Don’t expect generic outreach about available jobs/careers to reach target audience.
- Make it clear that increasing diversity is a goal and a priority.
- Ask people from the targeted audience if the messages/messengers are welcoming.
- Get them young! Expose young people to areas of future jobs at an early age.
- Provide free training to AEP contractor base on how to deal all of these things.
- Use women and people of color in the right trades/professions as mentors. Important!

- b. **Use existing internship, pre-apprenticeship, apprenticeship and training programs.**

There were a large number of comments made that encouraged DCAMM, AEP and its contractors to engage with, and actively use, existing pre-apprenticeship, apprenticeship and internships programs. These comments included:

“Get people to understand the basic requirements to get into the trades. Pre-apprenticeship programs can do this.”

“Apprenticeship programs for construction projects, and internship programs for design and engineering work are the way to go.”

“You should require all contractors to use paid interns on their jobs for you.”

“Youth Build can be used as another pre-apprenticeship program.”

“The Commonwealth should mirror the federal government’s mentorship program.”

“Identify and disseminate information about all fellowship/internship programs for minorities.”

“Partner with community colleges – especially those with high minority populations.”

“Connect with vocational/technical schools. Some are perfect for these employers.”

c. Don’t forget about adult learners and “re-trainers”.

Although many Advisors focused on attracting and training young people for careers of the kind needed by AEP and DCAMM related contractors, some spoke strongly about the need to focus targeted attention on assuring that adult learners and people re-training from previous careers have opportunities to be hired. “Adult learners are viable employees!”, one Advisor posted.

d. Connect with existing policy initiatives and create new ones.

A few advisors had very specific suggestions under this theme, including:

“Leverage the leadership in the new Executive Order on Women in the Workplace. Offer fellowships (policy?) on this topic through the AEP initiative. Join with other programs, fellowships and university initiatives. Research work from Rappaport Public Policy Institute. Google the topic! Consider Wellesley, Smith, etc.”

In the category of policy ideas to consider, one wrote:

“Promote legislation to require apprentice utilization on all public projects. Consider example of Oregon, Washington and California. 15-20% apprentices?”

e. Rigorously enforce employment diversity goals with penalties and incentives.

Some Advisors offered reminders that success on AEP diversity employment was measured largely by whether or not contractors met goals for employment of women and minorities on

their own project workforce. While acknowledging the long-term importance of outreach efforts and apprenticeships, Advisors pointed out that contractors must meet goals **now**.

With this in mind, the suggestion was made that contractors would be more likely to identify, recruit, hire and deploy currently available women and minorities if they expected that enforcement of diversity goals was rigorous, and that penalties for non-compliance were significant. As one put it: “Enforce contractor responsibility for diversity employment goals.”

As in the case of M/WBE goals, some Advisors suggested that incentives for exceeding goals could be used to encourage more diversity employment on projects. Comments included:

- “Use financial incentives to reward firms that exceed goals.”
- “Give awards and recognitions to high diversity employers.”
- “Use stories and case studies for recognition and helping others.”

III. Improving Existing Systems to Serve Clients Better

A. Comments in this category were often repetitive of the other categories

Many Advisors used this session to repeat or deepen their comments about the existing systems for M/WBE contracting, or for training and recruiting women and minorities. Others used the discussion to make more universal points about making systems more effective.

B. Participants led with solutions, and stressed simplification and coordination

When at this issue station, Advisors came primed to offer creative suggestions first, followed by a definition of the problems the suggestions were designed to address – instead of the other way around. In keeping with this reality, solutions are noted first here, as well.

1. Solutions

a. Information technology should be used more effectively

Several Advisors made suggestions about how databases, websites, social media and other forms of information and communication technology could be used to improve systems and serve stakeholders better. Comments along these lines included:

“Use technology better to streamline how information is requested, taken in, processed, stored and sent out.”

“All information should readily available to everyone who needs it. No delays.”

“Gather information about potential employers and share it openly with job seekers.”

(Similar) “Develop and maintain a database of prospective employers for use by interested subcontractors and/or jobseekers.”

“Use email blasts to SDO-approved firms about each AEP opportunity in a timely way.”
“Take advantage of public access channels to deliver free infomercials for target audiences.”
“Simplify the Office of Supplier Diversity (OSD) online gateway”
“Design systems so that data can be quickly shared across agencies.”
“Provide training to keep people up-to-date. Not everyone is up on new technology.”
“M/WBEs: Sort databases to find GCs/major subs in your subject matter area, but outside of your usual geographic area. Use for target marketing to customers who need you.”

b. Speed up payment to contractors and subcontractors

In the process of suggesting creative ideas, Advisors defined the nature of this problem with comments like those below:

“Payment system is too complicated and slow. Ensure prompt payment for subcontractors.”
“Slow payment keeps small firms from involvement. Could some help be offered to finance payrolls and buffer firms against payment delays?”

c. Improve coordination among agencies in related systems

A few examples were given about possibilities for coordination, including:

- i. AEP projects and Department of Apprenticeship Training (DAT): Requiring involvement of apprentices on projects increases utilization of apprentices seeking work experience.
- ii. Professional and trade licensing boards and DAT: Improved coordination would increase the likelihood of clearer training/education pathways for students and job seekers.
- iii. Community colleges and DAT: Giving community college credit for apprenticeships would build more coordinated pathways between the two systems. Consider the example of Wentworth Institute of Technology. Consider also that there is a new national push in this direction from the Obama Administration.
- iv. Community colleges and universities: Developing better articulation agreements among 2-year and 4-year institutions would create coordinated training pathways, improve outcomes, reduce costs, and speed time to graduation and employment.

IV. Next Steps

The Workforce Advisors meeting generated many excellent ideas for both short-term and long-term action to meet the AEP’s workforce related objectives. The AEP workforce team will meet to review the suggestions and make recommendations for next steps. We will report back to the Workforce Advisors and also schedule a follow-up meeting.