



# HIGH ROAD AGREEMENTS

A BEST PRACTICE BRIEF BY GREEN FOR ALL



Created by Green for All  
[greenforall.org/HRABrief](https://greenforall.org/HRABrief)



# ACKNOWLEDGEMENTS:

Green For All would like to thank The Kresge Foundation for their generous support of this project.

Additional thanks to The Rockefeller Foundation and The William and Flora Hewlett Foundation for their support of Green For All's energy efficiency work and to the Roy A. Hunt Foundation for their support of the Toolkit for Residential Energy Efficiency Upgrade Programs referenced throughout this brief.

We would like to recognize Kat Daniel and Julie Roberts who co-authored this brief, and we would like to recognize the contributions of the following individuals and organizations: Ben Beach (Community Benefits Law Center), James Irwin (COWS), Sammy Chu (Suffolk County Department of Labor), Pam Fendt and Emmaia Gelman, (LiUNA), Jessica Goodheart (LAANE), Kelly Haines (Clean Energy Works Oregon), Anthony Ng (Center For Working Families), Andrea Petzel and Joshua Curtis (Community Power Works), Sue Andrews and Mark Wyman (NYSERDA), Will Schweiger (Long Island Green Homes), Julian Gross, Jeremy Hays, Kristina Johnson, Shamar Bibbins, Kaori Tsukada, Noé Noyola, Dan Sanchez, and Elaine Yu.

Copyright © 2012 by Green For All. Rights Reserved.

**Green For All** is a national organization working to build an inclusive green economy strong enough to lift people out of poverty. Green For All is dedicated to improving the lives of all Americans through a clean energy economy. We work in collaboration with the business, government, labor, and grassroots communities to create and implement programs that increase quality jobs and opportunities in green industry – all while holding the most vulnerable people at the center of our agenda.

# TABLE OF CONTENTS

I. INTRODUCTION	pg. 4
II. WHAT IS A HIGH ROAD AGREEMENT?	5
III. WHY USE HIGH ROAD AGREEMENTS?	7
IV. ESTABLISHING AND IMPLEMENTING HIGH ROAD AGREEMENTS	10
V. WRITING UP AND INSTITUTIONALIZING THE HIGH ROAD AGREEMENT	22
VI. ESSENTIAL STRATEGIES - PROVIDING BUSINESS SUPPORT	22
VII. CONCLUSION	26
VII. ADDITIONAL RESOURCES	27

# I. INTRODUCTION

This brief was created by the Community of Practice program “Retrofit America’s Cities” at Green For All. The goal of this brief is to provide basic tools to agencies and organizations interested in putting High Road Agreements (HRAs) into practice.

The “Retrofit America’s Cities” Community of Practice works to identify leading programs in energy efficiency that are creating economic opportunity in their communities. We share those models widely with other industry leaders so they can replicate the best practices.

High Road Agreements can offer enormous benefits to a broad range of stakeholders and local economies. They create high-quality jobs and career pipelines that can help stabilize communities hit hard by high unemployment. They allow governments and taxpayers to amplify the impact of their program dollars. They lead to the formation of new coalitions that help increase the size and strength of the green economy. Finally, HRAs can expand the capacity of contractors, especially Historically Underutilized Businesses (HUBs), and can help to professionalize the growing home performance industry and ensure its ongoing viability.

Though High Road strategies apply to a range of sectors, this brief focuses on the use of High Road Agreements in the home energy performance industry. Our goal is to provide basic information about implementing HRAs to a variety of stakeholders, including energy efficiency program staff, local policy makers, and the non-profit and workforce development community.

In addition to laying out the framework for setting up a High Road program, this brief includes case studies describing how High Road standards have been implemented and what results they achieved. It also identifies resources for those who want to start a High Road program.

Throughout this brief, we will refer to Green For All’s Toolkit for Residential Energy Efficiency Upgrades. This toolkit is designed to make it easier to create High Road Agreements. It offers a wealth of resources, templates, and other tools shared by leading programs and members of the Retrofit America’s Cities Working Group. The toolkit can be found online at <http://www.greenforall.org/Toolkit>.

## II. WHAT IS A HIGH ROAD AGREEMENT?

The term “High Road” refers to an economic development strategy for growing markets and industries that are characterized by high-quality work, high-quality jobs, and broad access to opportunity for a diversity of businesses and workers. High Road strategies result in substantial, measurable, and long-term environmental, economic and social benefits.

A **High Road Agreement (HRA)** is a multi-stakeholder agreement that lays out specific goals related to the quality and accessibility of economic opportunities associated with a particular project, investment, or initiative. The Agreement lays out strategies for advancing these goals (also known as High Road Standards), establishes a mechanism for implementing the agreement, and defines a process for evaluating progress towards goals. Agreements are often the products of a stakeholder process, commonly brokered by a local government. Key metrics typically include wages and benefits, workforce and business diversity, training and career development, and environmental benefits (such as energy saved and healthy homes).

HRAs can be applied to any project or program that aspires to create widespread economic opportunity for local businesses and workers and to ensure high-quality products and services to the public. HRAs are similar to Community Benefit Agreements, Project Labor Agreements, or Community Workforce Agreements in that stakeholders negotiate a formal agreement that adopts specific standards. High Road Agreements tend to be used—and are most appropriate—in situations where these other agreements (which are often more directly binding) are not technically or legally feasible. An example would be a project that has no single end-user, developer, or site. HRAs apply well to a decentralized residential energy efficiency program that results in thousands of contracts with thousands of homeowners. The process of developing a High Road Agreement with a wide range of stakeholders and endorsements builds a consensus that can lead to positive outcomes even if the agreement itself is more difficult to enforce legally.

---

## Clean Energy Works Oregon (CEWO) High Roads Agreement Case Study

In 2010, the City of Portland launched Clean Energy Works Portland, a pilot program that helps residential home owners save energy, lower utility bills, improve home comfort, and reduce carbon pollution through energy efficiency upgrade packages, convenient financing, and incentives. The successful pilot expanded to become Clean Energy Works Oregon (CEWO), a non-profit organization enabling energy efficiency improvements in seven Oregon counties. As of 2012, CEWO has upgraded over 1200 single-family homes.<sup>1</sup>

Green For All worked with the City of Portland to facilitate the process of convening stakeholders and creating a High Road Agreement that established guidelines for job training, sound labor practices, and local participation.

As a result, of the 1300 jobs CEWO aims to create, 80% will draw from local communities. The agreement requires that 30% of the contractor workforce is comprised of women, people of color, veterans, people with disabilities, low-income individuals, and/or formerly incarcerated individuals. It sets a goal to direct 20% of the contract dollars to minority and women-owned businesses (MWBES).<sup>2</sup> The HRA establishes a wage floor of 180% of the Oregon state minimum wage and requires healthcare benefits or their salary equivalents for all employees.

As of spring 2012, CEWO had worked with forty-seven local qualified contractors to produce the following outcomes: 140 direct new-hire construction jobs; over 700 workers receiving paychecks; average wages of \$21 per hour; over 87% of contractors offering employer-subsidized health insurance coverage; 57% of job hours going to women, people of color, or other historically disadvantaged workers; and 19% of contract dollars going to historically disadvantaged businesses.

In order to support contractors in meeting the High Road standards, CEWO also worked with a local job training program, Worksystems Inc., to align funding and create an incen-

---

<sup>1</sup> Haines, K. Clean Energy Works Oregon, Saving Energy and Creating Good Jobs, PowerPoint Presentation. In Good Jobs Green Jobs Conference 2012. Los Angeles.

<sup>2</sup> Clean Energy Works Oregon. High Road Standards and Benefits. 2012. Available from: <http://www.cleanenergyworksoregon.org/job-creation/>.

<sup>3</sup> Clean Energy Works Oregon. Clean Energy Works Oregon Job Training Incentive Program, Program Overview. Available from: <http://www.cleanenergyworksoregon.org/job-creation/>.

tive for contractors to train new workers.<sup>3</sup> Jobseekers register with Worksystems, and CEWO selects qualified training providers and contractors. CEWO and Worksystems then match entry-level graduates of training programs with contractors who agree to provide essential on-the-job experience and practical skills. As an incentive to provide training, contractors receive subsidies to supplement wages for these hires. Existing employees who want to advance their skills can also apply for continuing education scholarships through the program. Fundamental to the success of CEWO's program is a commitment to involving all stakeholders with a focus on problem-solving rather than punishment. For example, some contractors experiencing periods of low market demand found it difficult to meet the costs of providing health insurance for employees. As a result, CEWO extended compliance timelines for this High Road standard until the demand (and the contractors' capacity) grew. CEWO also worked with contractors to procure health care as a group, letting them negotiate a better price.

CEWO is one of the leading home performance programs in the country. While some other programs have struggled to get traction, CEWO's High Road model has delivered well over 1,000 home upgrades over the course of a year, has generated over \$390,000 in total energy savings, has spurred \$15 million in statewide economic development, and enjoys a 95% customer satisfaction rating.

---

### III. WHY USE HIGH ROAD AGREEMENTS?

High Road Agreements ensure a wide range of benefits, including the following:

**Economic Development:** High Road Agreements help ensure that public investments in home performance programs lead to growth in local economies. Hiring provisions mean that local communities have better access to jobs. Coupled with fair, family-supporting wages, these provisions lead to local workers and businesses spending more dollars in their own communities, which creates a strong multiplier effect and reduces the burden on public assistance. The investment in a qualified workforce increases the competitiveness of a community, and the collaborative structure necessary to design and implement a High Road Agreement helps create strong alliances that build the capacity of the current initiative to succeed, as well as creating social capital that can be built upon to grow other green sectors in the future.

**Equity and Opportunity:** The targeted hiring provisions of High Road Agreements improve economic opportunity for underserved communities and increase job access for underrepresented workers. For those with historically high unemployment—including people of color—HRAs create a practical path to family-supporting jobs and careers.

**Quality Work Product:** High Road Agreement training provisions ensure that new workers are adequately prepared for the job. Good training, paired with wage and benefit floors, reduces worker turnover. A stable, more experienced workforce ensures high quality energy efficiency upgrades that deliver anticipated savings to consumers. This is essential to customer satisfaction and the long-term viability of the developing industry.

**Broad Networks of Support:** High Road Agreements cultivate networks of support for home performance or other green initiatives by addressing the interests of constituencies who might not include energy or environment as one of their top concerns. Organizations concerned primarily with workforce development, poverty, civil rights, labor, youth, jobs, and economic development groups can become champions of green programs. This broad network of supporters increases the odds that a program will succeed, and it builds political and implementation support for this and future green or High Road endeavors.

High Road Agreements create an environment and build a market where companies that provide a better product and better opportunities for their workers can compete. This advances the whole market and brings lasting economic benefits to the whole community.

---

## Milwaukee Energy Efficiency (Me<sup>2</sup>) High Road Agreement Case Study

In 2010, the Milwaukee Office of Environmental Sustainability and Wisconsin Energy Conservation Corporation (WECC) partnered to launch Milwaukee Energy Efficiency (Me<sup>2</sup>) with funding from the U.S. Department of Energy (DOE)<sup>4</sup>. The program, co-administered by the City of Milwaukee and WECC, builds on the Focus on Energy model. Me<sup>2</sup> offers energy efficiency upgrades for homes and businesses through loans and rebate incentives, paired with Energy Advocates – staff who walk homeowners through the decision-making process

---

<sup>4</sup> Me<sup>2</sup>. Milwaukee Energy Efficiency (official website). Available from: <http://smartenergypays.com/>.



about home upgrades. To assist program implementation and create a skilled labor force, the Center on Wisconsin Strategy (COWS) assisted Milwaukee in designing a Community Workforce Agreement (CWA)<sup>5</sup>. The Agreement's provisions are designed to tackle unemployment, set standards for quality service, and establish customer confidence.

Milwaukee is one of America's poorest cities. An estimated 27.4% of Milwaukee's population is below the poverty level, compared to 12.1% and 14.4% in Wisconsin and the United States, respectively.<sup>6</sup> The Agreement requires that 40% of Me<sup>2</sup>'s work hours be performed by Milwaukee's unemployed or underemployed population. A wage floor of \$17 per hour was established for residential projects, while federal Davis-Bacon Act standards apply for commercial projects. Contractors are required to hire only safety-trained workers with a certified or accredited status. The certifications currently recognized by the City are from the Building Performance Institute (BPI) and LiUNA (Laborers' Union). Contractors signatory to the Laborers' Union can get their workers trained and certified for free. LiUNA also partnered with the City of Milwaukee to train fourteen central city residents in their 80-hour curriculum and provided technical assistance to small contractors.

Me<sup>2</sup> was able to build on the city administration's strong policy commitments to supporting job creation and retention. For example, the workforce agreement incorporates the Residents Preference Program of Milwaukee's Department of Public Works, building on the idea that publicly supported construction should create job opportunities for local residents<sup>7</sup>. Me<sup>2</sup> currently has thirteen contractors who are pre-qualified to perform home energy upgrades. Since the program started, Me<sup>2</sup> has performed 710 home energy assessments and 262 home upgrades, with 106 more homes in bid or contract stages. In 2012, Me<sup>2</sup> is expanding efforts to generate leads and engage customers, which will increase participation in the program.

---

<sup>5</sup> Me<sup>2</sup> Community Workforce Agreement Between the City of Milwaukee and the Wisconsin Energy Conservation Corporation. Available in the "High Road Strategies" section of the Toolkit <http://www.greenforall.com/Toolkit>.

<sup>6</sup> U.S. Census Bureau. American Fact Finder, 2010 American Community Survey 1-Year Estimates. Available from: <http://factfinder2.census.gov/>.

<sup>7</sup> City of Milwaukee Department of Public Works. Administrative Services Division. Available from: <http://city.milwaukee.gov/mpw/divisions/administrative/ContractAdministration.htm>.

## IV. ESTABLISHING AND IMPLEMENTING HIGH ROAD AGREEMENTS

The general process for establishing and implementing High Road Agreements is remarkably straightforward, as long as you focus on a specific program or investment. Here is an overview of the major steps:

1. Assemble a diverse group of stakeholders.
2. Agree on High Road outcomes (i.e., goals). Ask and answer, “What will we have achieved when the program or investment is successfully implemented?”
3. Agree on strategies that will help achieve the goals. Strategies usually include a combination of requirements, incentives, and supporters.
4. Agree on metrics and a process to collect and report data regularly.
5. Agree on a process to improve progress toward goals by reviewing data, evaluating strategies, and implementing changes. Ongoing stakeholder involvement is essential to problem solving, innovation, and ensuring mutual accountability.

When items one through five above are written up and signed or endorsed by stakeholders, you have your High Road Agreement and can then move on to implementation and evaluation.

Below is a more detailed description of each step.

### Step 1 - Assemble a diverse group of stakeholders

Choosing stakeholders and establishing an ongoing committee is key to developing the High Road Agreement. These stakeholders commit to work together throughout the implementation of a successful program. A stakeholder committee usually includes community-based organizations (such as CBO’s from areas with high unemployment and organizations who canvas on environmental issues), workforce development and training entities, organized labor, contractors, and government program staff. Figure 1 shows a chart of typical stakeholders in a High Road Agreement.

Many of the stakeholder groups may have never worked together before. Some of them may even have had adversarial relationships. This can be both a challenging and rewarding process. It is impor-

tant to establish a common, upfront understanding of each stakeholder’s self-interest, the value they bring to the project, what they need from other stakeholders, and the common values of the program. This will be a touchstone that stakeholders can come back to when tensions or conflicts arise and need to be negotiated.

Choose the stakeholder advisory committee carefully, as your stakeholders will design and define the High Road program. They should possess a clear commitment to the goals of the program, hands-on expertise, and relationships with a base of constituents who will be key to success. If the advisory committee is to lead a successful program, all perspectives should be represented. Community-based organizations (CBOs) that represent disenfranchised communities are just as essential as entities that administer the program for which a High Road agreement is being created. High Road contractors are essential to ensure that the program is feasible from a business perspective while still holding High Road goals at its center. Likewise, representatives from workforce development and labor ensure that worker training, skill development, and labor standards are tied into the High Road Agreement from the beginning.

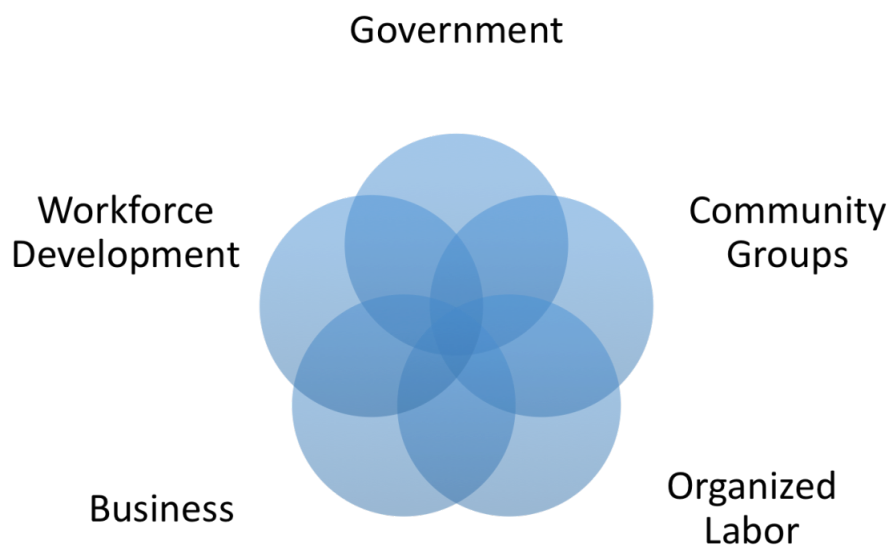


Figure 1: Key stakeholder categories for creating a High Road Agreement.

This process builds stronger, more collaborative initiatives that produce better results over time. There is a learning curve as groups shift away from working in isolation and focusing only on their own outcomes to working together with a multi-faceted stakeholder group that will ultimately produce

better outcomes with fewer resources. Each partner may need to find common ground and ensure that they have the flexibility to adjust their established systems and protocols in order to meet the broader goals of the program. Flexibility and patience are key. For the facilitator, anticipating potential conflicts beforehand and addressing them directly can result in closer communication and partnership among all interested parties.

## Steps 2 and 3: Agree on High Road Outcomes (Goals) and Strategies

The program's goals are interdependent with, yet distinct from, the strategies used to achieve those goals. Creating a clear consensus on goals is important because it allows stakeholders flexibility in developing their own creative strategies to meet the goals.

The stakeholder committee should agree on goals to meet local needs. They can start by pulling from existing agreements from other communities and adapting them as needed.

Establishing formal goals and objectives is important, but if stakeholders don't agree on strategies to meet these targets, they may have less success producing High Road outcomes.

Strategies tend to employ a combination of incentives, requirements, and supports:

- **Incentives** reward actors for High Road behavior.
- **Requirements** create a level playing field by establishing minimum standards that all actors must meet, usually by establishing a contractor pool. This allows contractors to compete and grow without being undercut by low-road contractors. The RFP for the contractor pool specifies minimum requirements, and in a "best value contracting" process, it awards more points to contractors who go further.
- **Supports** allow those who would like to be High Road actors, but who need help to do it, to achieve their goals. Contractor supports are key to helping a diverse group of contractors compete and are important in developing a High Road market.

Programs do not need to start from scratch. It can be helpful to use existing High Road Agreements as a starting point and then adapt them to local circumstances. A sample HRA from Community Power Works can be found at [www.greenforall.org/HRABrief](http://www.greenforall.org/HRABrief). More examples are in the "High Road Strategies" section of the **Toolkit**.

Following are some examples of typical goals:

### **Goal 1: Good Jobs**

High Road Agreements seek to create high-quality jobs with good wages and benefits. Family-supporting wages are key to stabilizing individuals and families. High-quality jobs help professionalize an emerging industry and create a level playing field in which High Road contractors are competitive and can grow. The stakeholder advisory committee is key to defining a wage requirement that will offer decent wages without burdening contractors. Labor unions have decades of experience understanding prevailing wages in industries and are important partners in this decision.

Benefits, including health insurance, sick days, vacation, workers' compensation, pension or retirement plans, a voice on the job, and other non monetary benefits, are also elemental to attracting and retaining employees and to the success and viability of families. Stakeholder Advisory Committees work together to determine which benefits should be prioritized as requirements and which might be incentivized through additional work or better scoring on applications.

*Strategies:*

**Wage Floors:** HRA programs usually establish a wage floor to ensure this goal is met. The wage floor will vary based on the local market. It can be set by using prevailing wages as a benchmark, by determining a living wage for the area, by using a percentage (180-400%) of the minimum wage or of the federal poverty line, or by considering housing prices in the area. This is an area where there may be legal issues you will want to review, depending on the nature of the program and the state's prevailing wage law.

**Contractor Pools:** Creating a contractor pool with base wages and other minimum requirements for those who want to be awarded work is an important strategy. Requests For Proposals should include the High Road requirements, and contractors must agree to them in writing when they apply to be a part of the pool. In addition, the standard program contract that is signed by each homeowner and each contractor for every project should include an agreement to meet the High Road targets.

It is best to start with a small, limited contractor pool at the beginning. This pool can expand as demand for the program grows. An open pool, though it seems more inclusive, may mean that instead of five contractors happy with the 20 homes they are working on, there will be 20 contractors frustrated that they have to compete for only five jobs.

**Best Value Contracting:** High Road Agreements often use a strategy called "best value contracting" to

incentivize contractors to provide better pay and benefits. Under this strategy, the contractor pool still has required minimums; however, rather than awarding work to the lowest bidder who meets minimum requirements, best value contracting awards points for experience, qualifications, and evidence of High Road policies (that achieve economic development goals). In this system, the best-ranked contractors are awarded contracts, even if their price is somewhat higher than that of minimum bidders.

## **Goal 2: Trained Workforce**

HRAs usually require a minimum amount of training for the workers of participating contractors. This meets two goals: having a highly qualified workforce and creating opportunity for targeted communities.

The U.S. has long held an economic advantage by investing in maintaining a highly qualified workforce. As our economy becomes increasingly specialized and we develop new economic sectors, there is a risk of training people for jobs that don't exist if we do not specifically link training programs to actual employers. A High Road Agreement makes a direct connection to employers by requiring them to hire from training programs and by creating systems for training programs and employers to work closely together in order to meet employers' needs.

The specific workforce goals and hiring strategies will vary depending on the local community and negotiations between stakeholders. Some key strategies are listed below.

*Strategies:*

**Designated Qualified Training Programs:** Programs identify workforce development agencies who can not only prepare a skilled workforce but also provide a key link between contractors and targeted workers. The definition of a qualified training program and subsequent Requests for Qualifications (RFQs) should include demonstrated relationships with organizations that serve targeted communities, evidence of wraparound supports to ensure these workers will have an opportunity to succeed, availability of practical on-the-job and desktop training, and demonstrated relationships with employers and/or union apprenticeship programs to ensure career pathways<sup>8</sup>. One or more programs are selected as a designated training program and contractors are required to make all (or some per-

---

<sup>8</sup> See the "Workforce Development and Education" section of the Toolkit (<http://www.greenforall.org/Toolkit>).

centage) of new hires directly from these programs.

**Wage Subsidies and Training Wages:** Some programs provide subsidies to employers who offer on-the-job training or who hire workers transitioning from the welfare or criminal justice systems, workers with disabilities, returning veterans, and others. Workforce representatives on the stakeholder advisory committee can help identify and leverage such programs. This kind of incentive helps offset contractor concerns that they will not get the value they need from new workers, and it compensates them for the skill training they are providing. Trainee wage rates can also be established, though this can be a complicated point in negotiations as there is a history of established practice related to apprenticeship rates, and there is a risk that new employees will be exploited at lower wage rates. These barriers can be worked through by local stakeholders who best understand the local labor market.

---

## Long Island Green Homes Case Study

In the Long Island Green Homes (LIGH) program, the Town of Babylon, NY saw the potential to extend good green jobs to targeted workers. Supervisor Steve Bellone had long been working to prepare residents in Wyandanch, which is Long Island's most economically distressed community, for jobs with career pathways. He developed a resource center in the neighborhood that offered pre-apprenticeship training, soft skills development, and wraparound services for neighborhood residents interested in exploring careers in the green economy. These opportunities were paired with survival employment within the maintenance and operations division of the Town of Babylon.

Simultaneously, Long Island Green Homes worked to connect the resource center to jobs resulting from its program in order to create a career pipeline. LIGH partnered with LiUNA (Laborers' International Union of North America) Local 10 to include signatory contractors in home performance work. LiUNA, in turn, worked with the Wyandanch Resource Center and the Long Island Progressive Coalition (LIPC), a community-based organization, to recruit residents from disadvantaged communities for apprenticeships and job placement with their home performance contractors.

Each partner played a critical role in creating a strong career pipeline for community members. The Wyandanch Resource Center prepared and supported workers with the greatest barriers to employment to achieve the stability needed to keep their jobs. LiUNA continued

the training of these and other local workers in order to place skilled workers with contractors. They also supported small and emerging contractors to increase their capacity to perform the quality work required in the home performance field.

In addition to recruiting workers for LiUNA, LIPC quickly added a demand generation component to their community outreach work. As a trusted messenger, LIPC is able to educate homeowners about energy efficiency and the LIGH program, increasing homeowner participation and leading to more work for contractors. This in turn creates a greater need for workers, which is a win for their constituents. LIGH provided training and marketing materials to organizers doing outreach, allowing them to communicate effectively without wasting limited resources. This created a win for everyone involved: more homes participated in the Long Island Green Home program (800 to date), LiUNA's Opti-Home program resulted in stronger contractors with more work, more jobs were provided for Babylon's most vulnerable residents, and all the benefits of energy efficiency appeared in Babylon's homes.

---

### **Goal 3: Access to Career Opportunities**

In U.S. communities, the lowest unemployment rates for African Americans and Latinos are about equal to the highest unemployment rates for whites.<sup>9</sup> In order to meet goals to create opportunity for communities of color and communities with high unemployment, High Road Agreements identify targeted communities and ensure that they have access to the hiring pool.

*Strategies:*

**Local hire:** Hiring requirements are one strategy to ensure that investments generate economic opportunity for local workers. However, explicitly requiring local hire can be open to legal challenges, as can hiring requirements based on race or gender. Strict local hire provisions don't necessarily ensure that jobs go to targeted workers, and they can actually limit opportunity for workers who are hired. If every city only offers opportunity for their own residents, it limits the opportunity for new workers in the industry.

High Road Agreements often require that a percentage of the work (generally measured in dollars or person-hours) be performed by targeted workers. These workers tend to be from the local community, and agreements designed around targeted worker provisions tend to have stronger legal standing.

---

<sup>9</sup> Economic Policy Institute, Issue Brief #322, February 16, 2012. Available from: <http://www.epi.org/publication/ib322-african-american-latino-unemployment/>.



**Targeted hiring:** Targeted hiring provisions require that disadvantaged or underrepresented workers perform a certain percentage of project hours. Targeted communities are defined by the stakeholder committee and can include women, veterans, the homeless, the formerly incarcerated, low income workers, people with disabilities, or any other group where unemployment is high and access to opportunity is needed, particularly communities of color. Targeted hiring can require that contractors hire workers from specific zip codes with defining criteria such as income level or percentage of unemployment. They may follow a “first source” hiring agreement with qualified training programs that work with underserved populations.

To define targeted communities, programs can create definitions such as a “historically disadvantaged individual,” which one program defines as “a city resident who comes from a group underrepresented within the sector, has a household income less than a certain percentage of area median income, or faces barriers to employment.”

Depending on how they are defined, local and targeted hire provisions can be open to legal challenges. The Community Benefits Law Center (<http://www.communitybenefits.org/legal>) has good resources that can help stakeholders understand potential legal issues as they develop a High Road Agreement. It is important to have a local lawyer who understands High Road strategies review the language in an agreement. This ensures that the agreement will meet the stakeholder committee’s equity goals while also standing up to potential legal challenges.

**Qualified Training Programs:** Designating qualified training programs is a key link in ensuring access to opportunity for targeted workers. Examples of RFPs for qualified training programs can be found in the “Workforce Development and Education” section of the **Toolkit**. In addition to specifying certifications, on-the-job training, wraparound support services, and relationships with employers, the RFP language should ensure that “qualified training programs” demonstrate that they effectively reach and serve targeted communities.

#### **Goal 4: Creating Career Pathways for Workers**

High Road Agreements can create incentives for contractors to support employees in developing their skills and advancing their careers. Workers who become equipped with a broad range of technical expertise are better able to market themselves and advance within their career, and they serve to further professionalize the market. The development of a strong skill set ensures more efficient work and a better-quality work product.

*Strategies:*

Strategies to develop career pathways include the following: requiring contractors to invest in certifications and credentials for employees; offering a broad range of on-the-job training and opportunities to gain practical experience; and promoting employees from within. It is important to establish mechanisms such as employee scholarship programs and targeted training programs to support and encourage contractors who help advance the skills and position of entry-level employees. Connections to community colleges and building trade unions can be important in helping workers understand what advanced career pathways look like. Figure 2 maps out many of the elements that need to be present and coordinated in order to create pathways into middle class careers.

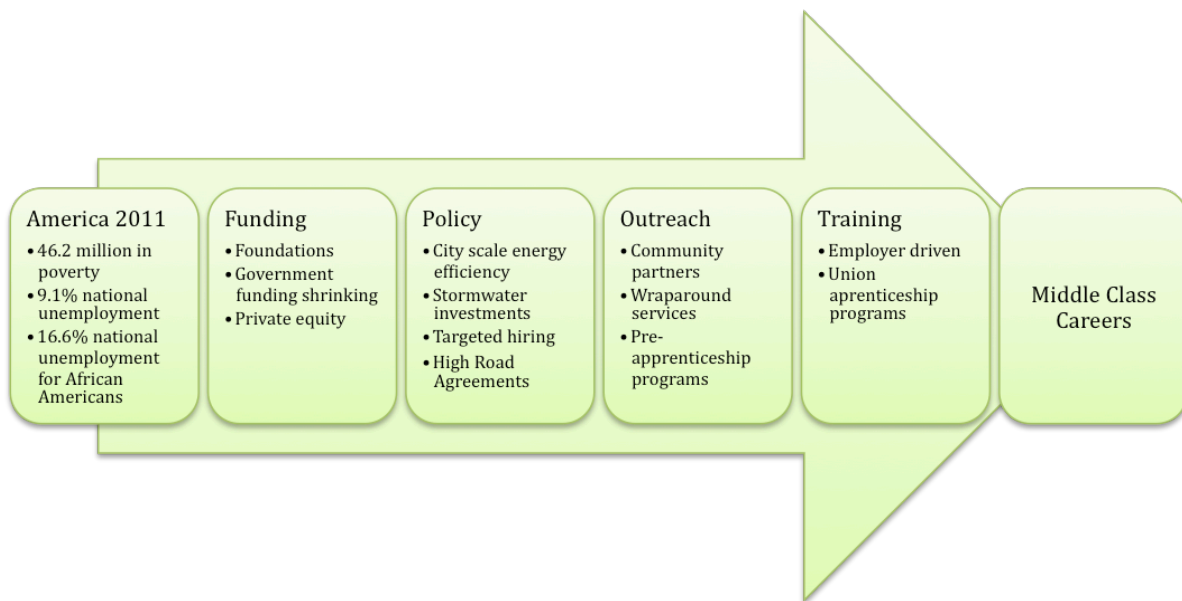


Figure 2: Creating successful career ladders.<sup>10 11</sup>

---

<sup>10</sup> Unemployment numbers from Economic Policy Institute, Issue Brief #322, February 16, 2012. Available from: <http://www.epi.org/publication/ib322-african-american-latino-unemployment/>.

<sup>11</sup> Poverty numbers from 2010 census data cited by Poverty in the United States, Urban Institute, Austin Nichols, September 13, 2011 Available from: <http://www.urban.org/publications/412399.html>.

## Goal 5: Contractor Diversity

In parallel with their goals to increase the participation of underrepresented workers, High Road Agreements often prioritize the participation of diverse businesses.

*Strategies:*

**Targets for Historically Underrepresented Businesses:** Standards to achieve this goal may require that a certain percentage of project dollars be awarded to local businesses or to businesses owned by historically disadvantaged or underrepresented groups, such as women, minorities, or veterans. Ensuring that the stakeholder advisory committee includes partners with deep connections to historically underutilized businesses are key to ensuring that these businesses are brought to the table in a meaningful way. As with race, gender, or geographic preferences in hiring, this is an area that raises potential legal issues, and a lawyer's review will be helpful.

**Business Supports:** Providing supports to all contractors, but particularly historically underutilized businesses, is key to the success of High Road city scale energy efficiency programs. This is essentially a strategy to grow the private sector by leveraging public programs and resources to spark the emergence and professionalization of a new market. Due to the importance of business supports as a strategy, we devote a separate section to the topic below.

## **Step 4: Agree on metrics and processes to collect and report data regularly**

The objectives and requirements set forth in a High Road Agreement should produce specific and measureable outcomes that program administrators can evaluate objectively (like hours worked by targeted workers, wages earned, or dollars contracted to historically underutilized businesses). As a part of developing the Agreement, the stakeholder committee and the administering entity must identify realistic and effective data collection processes from the beginning.<sup>12</sup> They should identify what data the program will collect and report, and they should focus on a system that is streamlined and easy for businesses to use. Where possible, data requirements should match data that businesses already track. For example, existing systems that businesses use to make payroll can also be used to

---

<sup>12</sup> See Toolkit (<http://www.greenforall.org/Toolkit>) "High Road Strategies" section for examples.

track wages. Technical assistance for contractors can supplement the work required to set up appropriate tracking systems.

Evaluations should measure indicators that directly pertain to HRA goals. In energy efficiency and home performance programs, common categories include the number of homes upgraded, the amount of energy saved, the percentage of local and targeted hires (number employed, hours worked, etc.), the number of workers trained, the wages paid (for different types of workers), the types of benefits offered, the availability of promotions and career development, and the number of local and diverse businesses receiving work (either as the number of HUBs with contracts or the total amount of funds paid to HUBs). In addition, evaluations should attempt to assess the improvements brought about by the HRA, such as an increase in local wages, formation of new relationships, and strengthening of infrastructure to support businesses and help community-based organizations serve their constituents.

## **Step 5: Agree on a process to review data, evaluate strategies and adapt program as necessary**

Before the agreement is signed, stakeholders should establish a process to continue meeting and working together to implement and adjust the program. Many programs create smaller committees that focus on particular goals and work through challenges as they arise. Successful initiatives set up regular monthly or quarterly meetings to review data and make adjustments to the program. This is one of the factors that helps to make High Road energy efficiency programs more successful than their counterparts. As obstacles or opportunities come up, the program can rely on the relationships it has created in order to ensure its success.

Contractors receiving work from a High Road program need to be held accountable for achieving the goals set forth in the High Road Agreement. Enforcement should focus primarily on working with stakeholders to meet program goals by evaluating progress towards goals, identifying problems and potential barriers to the program, and adapting the program as needed to help meet goals. After a challenge is identified, it is important to understand the source of the problem and attempt to resolve it cooperatively with the input of the stakeholder advisory committee before considering punitive action.

Programs should also identify opportunities to publically celebrate milestones and publicize success

using both data and the stories of workers, homeowners, and families who have benefited. These celebrations build momentum, good will, publicity and political capital—all of which help an initiative meet its goals.

---

## Community Power Works (CPW) Seattle Case Study

Leveraging a \$20 million federal investment that will yield more than \$100 million worth of energy upgrades across six building sectors, Community Power Works (CPW) provides homeowners and local businesses access to affordable green audits, financing options, and incentives to make their homes and buildings more energy efficient. The program has a goal of upgrading 2,000 homes, and in spring of 2012 had 1,500 homes in the program queue, with 135 homes upgraded and 65 more in process.

Like many initiatives, Community Power Works created a Stakeholder Evaluation and Implementation Committee (SEIC) to help design their High Road Agreement and program. While this took time and was hard work, the High Road Agreement that was developed is one of the strongest in the country. It is available at [www.greenforall.org/HRABrief](http://www.greenforall.org/HRABrief) for your reference. Almost half (47%) of the hours of work on the project have gone to targeted workers (low-income individuals, veterans, and individuals with other barriers to employment). Additionally, almost 25% of CPW incentive dollars have gone to minority-owned, women-owned, veteran-owned, or non-profit businesses.

The SEIC learned that the most difficult issues were not always the most obvious. For example, while many of the early conversations were about wage rates, it soon became clear that a bigger issue was creating enough demand for the program and thus allowing for new hires. The program started by trying to meet many ambitious High Road goals at once, including focusing outreach solely on lower-income communities, where it was more difficult to generate demand from homeowners. This meant less work and fewer hires. A programmatic decision was made to expand services to the whole city, generating more demand and more hires, while continuing to include the targeted community. This increased the program's conversion rate and resulted in more hiring.

To work through these issues, CPW learned the importance of constantly building relationships among stakeholders. For negotiating tricky issues, small groups were best, whereas

large groups were best when the goal was to share information. The political capital built by the stakeholder process that developed the High Road Agreement helped create the relationships and accountability that made it possible to work through these issues and create a successful program. While the High Road Agreement took time to develop, CPW now has a more successful program than many others who did not create such broad community buy-in at the beginning of the process.

<http://www.communitypowerworks.org/>

---

## V. WRITING AND INSTITUTIONALIZING THE HIGH ROAD AGREEMENT

Once the stakeholder committee has agreed on goals, strategies, metrics, and a process for ongoing implementation, the agreement should be institutionalized by having everyone contribute their signatures to the final document. Signing the High Road Agreement helps to create ongoing mutual accountability.

Where possible, High Road Agreements should also be endorsed by the City Council or other government body. This gives other leaders a chance to stand with the group of stakeholders and can pave the way for smooth implementation with public agencies and staff. Finalizing the agreement with signatures and getting it endorsed by elected officials can also be a milestone worthy of celebrating with the wider public. Promoting the agreement and the diverse interests that support it can help increase public awareness and market adoption of the energy efficiency program.

## VI. ESSENTIAL STRATEGIES – PROVIDING BUSINESS SUPPORT

As mentioned above, High Road Agreements for energy efficiency initiatives are a way of leveraging public dollars to spark a private-sector market and can help to support businesses in a growing new sector. For that reason, we discuss business support strategies in detail in this section. More information and program documents are available in the **Toolkit** under the “Increasing Contractor Capacity” section.

Providing support to participating businesses can make it easier to implement HRA requirements. It can also increase access to new streams of work for small or underrepresented businesses that High Road programs prioritize. Existing High Road programs have identified a need among new and emerging contractors for support in the following areas: outreach and information, access to bonding and insurance, workforce development, business capacity building and mentorship, marketing tools, and easing access to capital. Local small business resources may already exist to support capacity development among contractors, or it may be necessary to create new resources.

**Outreach and Information:** Outreach to historically underutilized businesses (HUBs) is especially critical, not only to facilitate communication with HUBs but also to accurately assess their needs while implementing High Road Practices. HUBs include contractors and subcontractors, and outreach is best done through trusted networks to inform them about business opportunities in the initiative.

**Workforce Development:** Since workforce requirements are stringent, measures should be put in place to facilitate easy access to training, certifications (such as the Building Performance Institute or BPI certifications), and a pool of skilled workers. Information should be provided about necessary or desirable certifications, group procurement of benefits and materials, and creating a qualified contractor pool. Programs should also facilitate communication, such as informing training organizations of contractor needs, assisting in the creation of formal relationships with training and apprenticeship programs, and developing outreach programs to establish a pipeline of workers and contractors. They should also provide indirect support, such as scheduling certification classes at convenient times and locations. Finally, they need to provide direct support in the following forms: high-quality business training programs, technical assistance for contractors, providing and helping to secure access to scholarships to HUBs for BPI training and certification, providing options for meeting training requirements for new entry-level hires, and technical assistance. The latter might include assistance on how to provide benefits to employees or organizing participating employers into benefit procurement pools to reduce costs.

**Capacity Building and Mentorship:** Support can also take the form of networking events to make direct connections between contractors and subcontractors and other supportive entities or business partners. Including subcontractors facilitates the development of “mentor-sub” relationships in an effort to promote diverse business participation, suppliers who can best support contractors, and workforce intermediaries who can facilitate smooth interactions with training programs and new hires.

**Provide Technical Assistance and Business Development:** Local businesses have fewer resources

available to them than larger conglomerates, and they benefit from direct coaching and support. This coaching is especially helpful in accessing insurance and marketing, developing cooperative marketing materials, training in sales and soft skills, establishing infrastructure for job estimating, costing, and accounting, and determining capital requirements for expansion in the program as well as other home performance sector opportunities. Of course, it is also very important to provide support that allows local businesses to take part in the HRP, such as complying with program reporting requirements, reducing job costs, and increasing margins while continuing to be a High Road employer. Technical assistance can also include identifying opportunities for participating contractors to work together, such as using bulk purchasing agreements to share the costs of additional training, benefits, marketing, and supplies.

**Marketing:** Government agencies can use their influence to increase local business competitiveness by giving them attention, certifying them as condoned contractors, and sponsoring them to get additional certifications like those offered by BPI. When partners see that High Road contractors are helping their community (mostly through hiring), they can be valuable assets in creating business (or demand) for these contractors for a reasonable fee per upgrade completed.<sup>13</sup>

---

## NYSERDA's Green Jobs-Green New York (GJGNY) Aggregation Case Study

Creating community-based demand is a strategy to achieve High Road outcomes when there is not a full High Road Agreement for an initiative. Community-based organizations have long honed their ability to connect with hard-to-reach communities by becoming trusted messengers and developing compelling messages. The D.C. Project pioneered the strategy of leveraging these relationships to create demand for energy efficiency upgrades. LiUNA has played a leadership role in communities like Long Island, Portland, and Seattle, where it has helped organizations deliver customers to contractors in exchange for High Road provisions. In return for marketing the program and providing leads to High Road contractors, community-based organizations can get contractors to agree to High Road outcomes such as wage and benefits standards and targeted hiring requirements. Resources from these programs are

---

<sup>13</sup> See the "Marketing and Demand Creation" section of the Toolkit: (<http://www.greenforall.org/Toolkit>)



available in the **Toolkit** under the “Marketing and Demand Generation” section.

The Center for Working Families (CWF) worked closely with NYSERDA to initiate a community-based aggregation pilot program. Through this pilot, NYSERDA is leveraging the power of community organizations to increase demand for energy efficiency improvements among homeowners. Since community organizations have their fingers on the pulse of neighborhood politics, social networks, and trends, they know how to get low- and moderate-income homeowners excited about energy efficiency. They expand the market by targeting homeowners who have been left out of other energy efficiency programs – those who are too low-income to put up cash for energy efficiency work or take out an affordable loan but are too high-income to qualify for federally subsidized programs. The Center for Working Families is preparing community organizations with messages and materials that help them communicate about the program. They have also worked extensively with contractors to build trust with community groups.

The pilot project allows community organizations to sign up groups of homeowners in targeted areas to receive energy efficiency upgrades through NYSERDA’s Home Performance with ENERGY STAR program. By aggregating customers, contractors can deliver energy efficiency services faster and for a lower cost, and demand for energy efficiency gains momentum within the neighborhood.

Eligible Home Performance contractors must sign an agreement with NYSERDA. These agreements, developed collaboratively between NYSERDA and the locally-administrating community organization, include High Road provisions that result in better wages, local hiring, training and subcontracting to small local contractors (who are often minority-owned businesses). This is a good example of an interim policy that creates better jobs, even when it’s not politically feasible to win statewide standards for home energy upgrade workers.

For more information, contact Anthony Ng at the Center for Working Families.

---

**Access to Capital:** Another necessary support is to help the program’s High Road contractors to connect with capital providers that can meet their particular needs. For example, a line of credit product that is designed to address working capital shortfalls can also address the issue that many small businesses face: full payment comes only upon completion of all work. In addition, working capital products can be designed to tackle other shortfalls that might occur in the program, such as marketing and

outreach expenses (usually for a full service model), bundling multiple projects, and processing utility incentives. The continued health of these local businesses and their ability to expand relies on access to capital for acquiring equipment and scaling up.

## VII. CONCLUSION: HOW DO HIGH ROAD AGREEMENTS FIT IN TO LARGER POLICY DISCUSSIONS?

High Road Agreements are an evolution of a strategy with a long history. Procurement guidelines and best-value contracting are common practices for governments and private companies at local, state, and federal levels. More and more municipalities are using Community Benefits Agreements or other High Road strategies as a part of the negotiation around development projects. Organizations like The Partnership For Working Families, the Community Benefits Law Center, and the Center on Wisconsin Strategy, as well as Green For All, have supported communities in leveraging their buying power and their public projects. As our economy continues to struggle on the one hand but on the other hand sees the emerging growth of green industries, many communities have learned the hard way that without actual policies in place, they will not maximize the benefits of public dollars and projects. High Road Agreements offer one strategy on a larger menu for communities looking to build High Road industries and spark the growth of an emerging green private sector.

The success of these strategies has not gone unnoticed, and in a political climate where there are polarized discussions about the role of government, it will be important for the broad range of industries, communities and stakeholders who see the clear benefit of High Road strategies to use data and stories to draw attention to the way HRAs kick-start economic development. As we see more data emerging, and as the economic and human benefits High Road strategies bring to our communities become clearer, we can answer questions about the role of government or the reasons for negotiating High Road Agreements with a question of our own: “Why forgo a High Road Agreement and leave these dollars and opportunities on the table?” We would expect any private sector actor to negotiate the maximum value on their project, and we should expect no less from our government when they use taxpayer dollars to support an industry.

## VIII. ADDITIONAL RESOURCES

- The Community Benefit Law Center  
<http://www.communitybenefits.org/legal/>
- Efficiency Cities Network, COWS  
<http://www efficiencycities.org/>
- The Partnership for Working Families  
<http://www.communitybenefits.org/>
- Toolkit for Residential Energy Efficiency Upgrade Programs, Green For All, 2011  
<http://www.greenforall.org/Toolkit>

Green For All is available on a limited basis to consult on high road projects.

Contact [consult@greenforall.org](mailto:consult@greenforall.org) for more information.



Green for All State and Local Initiatives  
[greenforall.org/HRABrief](https://greenforall.org/HRABrief)