



San Francisco
Human Rights Commission

SFMTA



City & County of San Francisco
Labor Standards Enforcement



San Francisco Local Hiring Policy for Construction

Implementation Presentation





SAN FRANCISCO

Office of Economic and Workforce Development

PANEL SPEAKERS

1. Naomi Kelly - Deputy City Administrator
2. Guillermo Rodriguez - Director of CityBuild, OEWD
3. Ken Nim – Workforce Compliance Officer, OEWD
4. John White – Deputy City Attorney
5. Ivy Fine – Manager of Contracts Administration Bureau, PUC
6. Shahnaz Farhangi – Deputy of Contract Administration and Quality Management, MTA
7. Julia Dawson – Budget Manager, SFO
8. Alaric Degrafinried – Manager of LBE Division, HRC
9. Timothy Ulen – Contract Administration, DPW



MEETING AGENDA

1. Summary of New Local Hiring Policy
2. The Goals for Implementation
3. Key Additions to New Policy
4. OEWD/CityBuild
5. Comparison of Workforce Policies
6. Conditional Waivers to Meeting Compliance
7. Monitoring and Assistance
8. Incentives and Penalties
9. Project Overview by Department



The Goals for Implementation

- **Utilize Existing Resources**
 - Collaboration of City Departments for Implementation
 - Utilizing Familiar Forms and Documents and Merging Multiple Requirements for Single Bid Document
 - Improvements to existing Project Reporting System to allow online submissions of workforce documents.
 - Clarity on Roles and Responsibilities for Departments
- **Reduce Administrative Burden on Contracting Community**
 - Elimination in Submittal of Workforce Documents During Bid
 - Automated Online System for Contractors to Submit Forms Post Award
- **Increase Employment Opportunities for SF Residents**
 - Work with Contractors to Increase Labor Pool through Apprenticeship Sponsorships



Summary of Local Hiring Policy

- **Covering All Construction Public Works or Improvement Projects with Engineer Estimate in excess of \$400k**
- **Effective for Construction Bids First Advertised on or after March 25, 2011**
- **The mandatory requirement in the First Year is a Minimum of 20% Work Hours by Trade Performed by San Francisco residents with 10% from Disadvantaged Workers**



Summary of Local Hiring Policy *continued*

- **There is also a mandatory requirement that San Francisco residents perform at least 50% of the apprentice work hours by trade, and at least 25% from Disadvantaged Workers.**
- **Not Applicable to existing Project Labor Agreements or Projects already Awarded (e.g. PUC Water System Improvement Program projects, SF General Hospital, SFO Project Stabilization Agreement)**
- **For Federal and State Funded Projects, the rules of the funding source will determine whether a project will include a local hiring component**

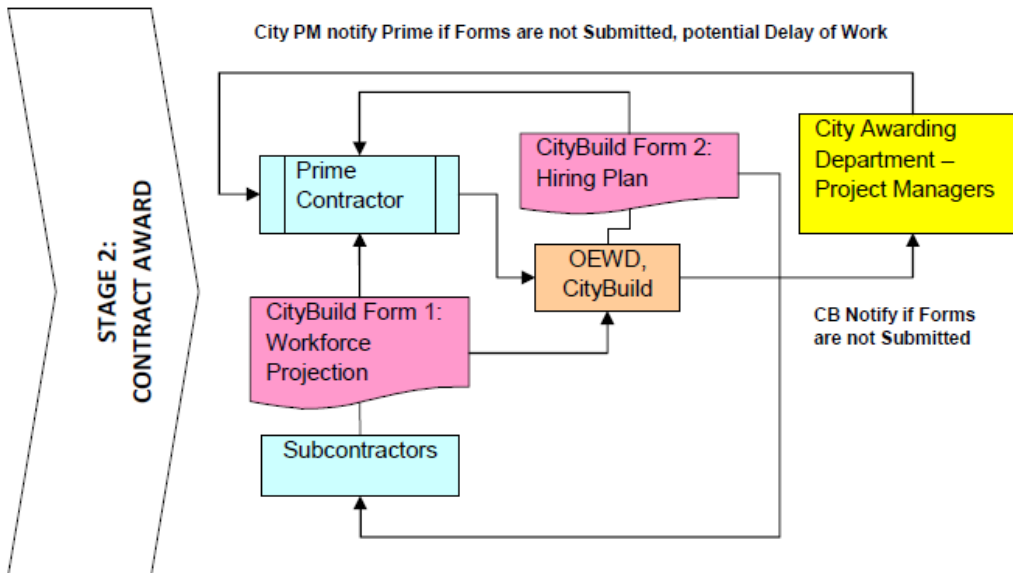
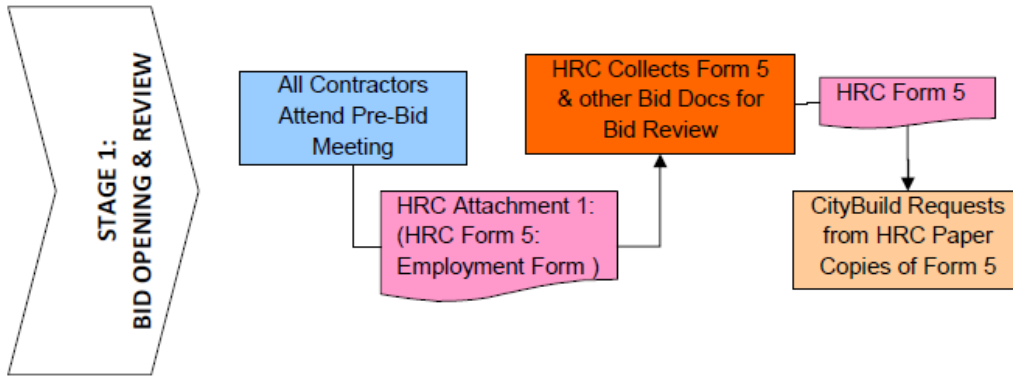


KEY DEFINITIONS

- **Question: What is the definition of a San Francisco resident?**
- **Answer: A Resident is Defined as someone who is “Domiciled” at least 7 days prior to commence of work as defined by the State Election Code.**

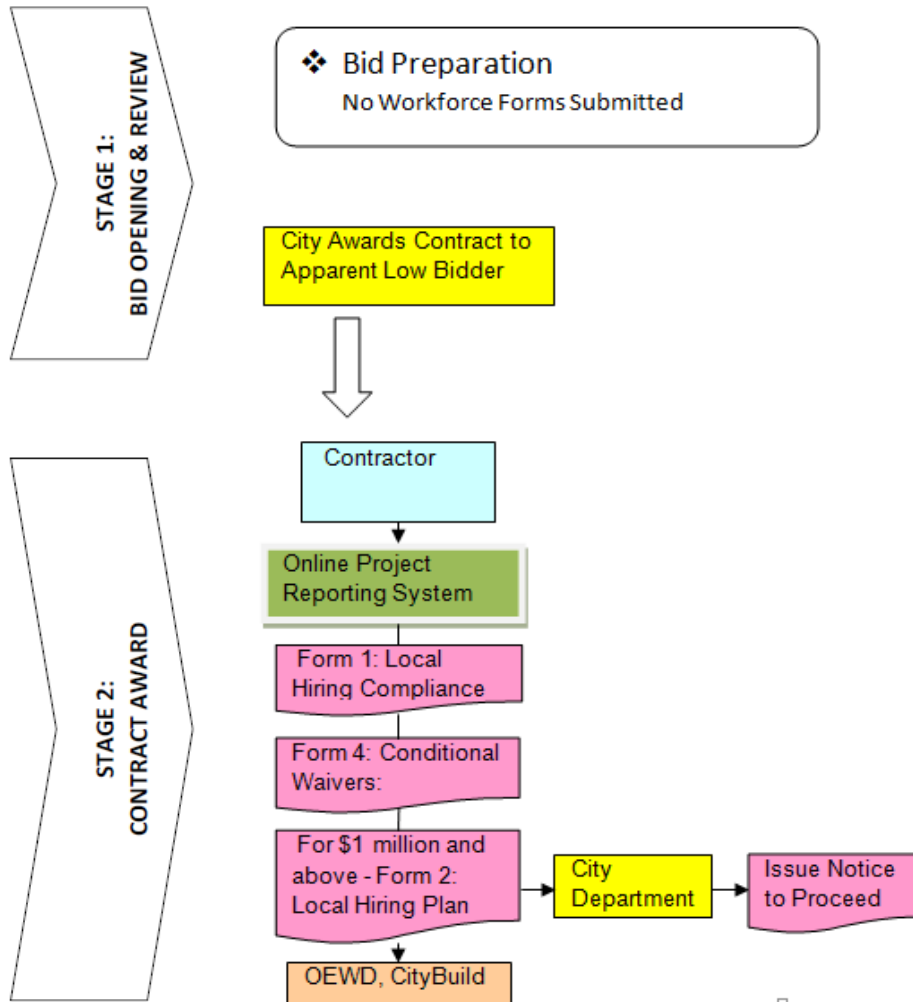
- **Question: What is the definition of a Disadvantaged Worker?**
- **Answer:**
 - a. A local resident who resides in the census tract in the City with a rate of unemployment in excess of 150% of City Unemployment according to the State’s Employment Department**
 - b. At commencement of work, the local resident’s household income is less than 80% of Area Median Income derived from the Department of Housing and Urban Development (ie: A Family of 4 making below \$90,500 a year)**
 - c. Barriers to Employment: Homeless, a custodial single parent, receiving public assistance, lacking GED/HS diploma, participating in a Vocational English as second language program, or having a criminal background or involved in a criminal justice system.**

CURRENT WORKFORCE BID SYSTEM



- All Bidders must submit Workforce Forms to HRC
- Workforce Forms must be Completed again by Awarded Contractors to CityBuild
- Prime Contractor responsible of collecting Documents from Subcontractors
- Manual submissions may be not be received on time causing delays
- Multiple contractors must submit Forms if their contract value is over \$100k

PROPOSED LOCAL HIRING IMPLEMENTATION



- **No Workforce Forms Submitted During the Bidding Stage of Work**
- **After Contract Award, Contractors submit required Forms and Waiver request via Electronic System**
- **Documents are Automated to Reduce Administrative Task**
- **Only contractors with excess of \$400k value must submit forms**

COVERED PROJECT EXAMPLE 1 - \$410K

\$210K+\$100K+100K = \$410K
Total Construction Value

PRIME CONTRACTOR
\$210k - Laborer Craft

Responsible for Subcontractor to meet Local Hiring Requirements by Trade Package
Total 20 Local Laborer Hours Performed

LABORER SUBCONTRACTOR 1
\$100k - Laborer Craft
Total 0 Local Laborer Hours

20% of 100 Laborer Craft Hours
20 hrs SF Resident

OPERATING ENGINEER SUBCONTRACTOR 2
\$100k - Operating Engineer Craft

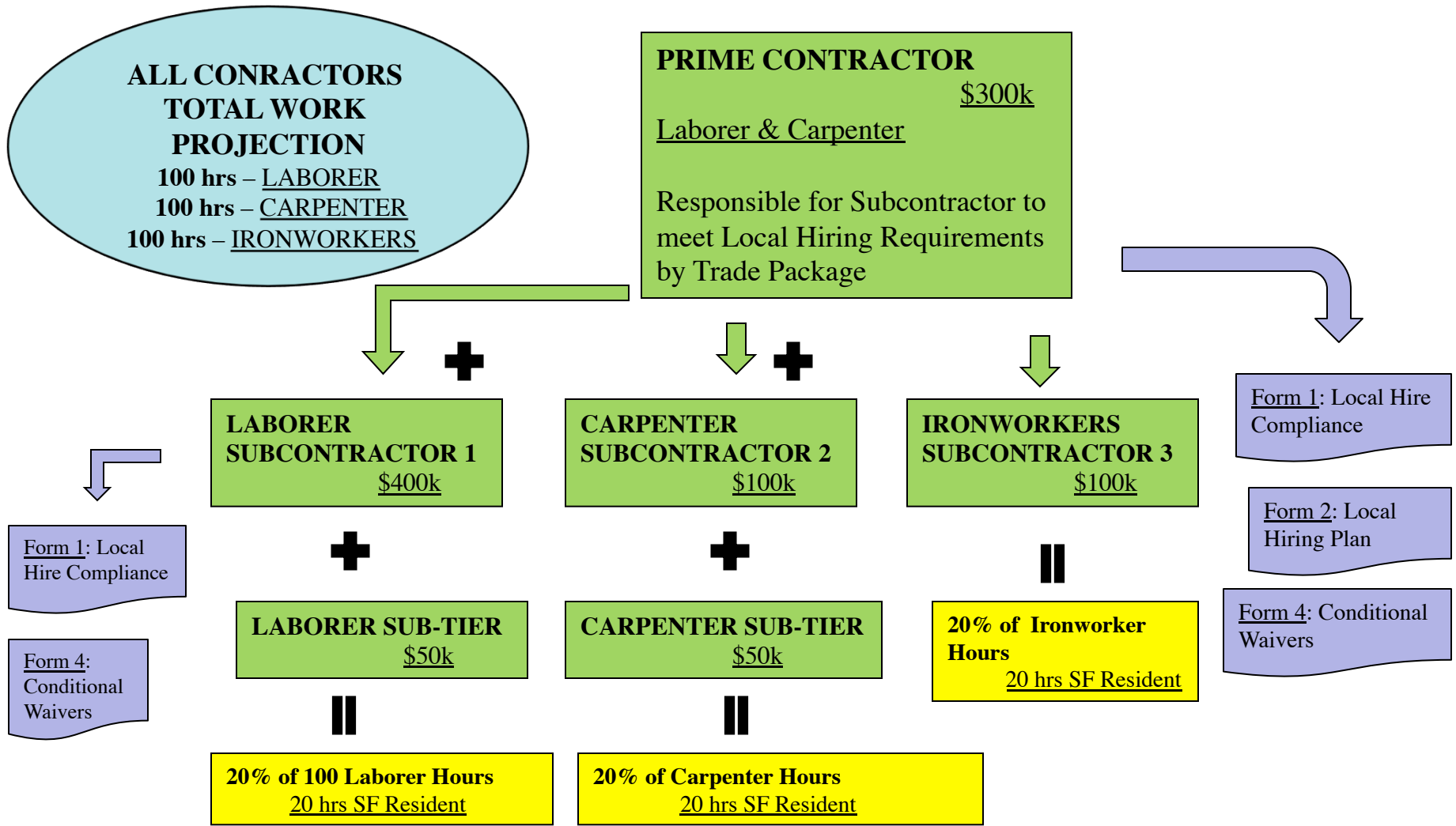
20% of 50 Operating Engineer Craft Hours
10 hrs SF Resident

ALL CONTRACTOR S TOTAL WORK PROJECTION
100 hrs - LABORER
50 hrs - OPERATING ENGINEER

Form 1: Local Hire Compliance

Form 4: Conditional Waivers

COVERED PROJECT EXAMPLE 2 - \$1 million



TOTAL PROJECT TRADE PACKAGE EXAMPLE

PROJECT VALUE EXCEEDS \$400K

CARPENTRY TRADE

(Total Work Hours: 1000)

- **Prime contractor + 2 Subs**
 - Rough Carpentry (600 hours)
 - Wood Framer (200 hours)
 - Interior Finish (200 hours)

TOTAL WORK HOURS REQUIRED TO MEET 20% IS 200.

How the prime and their subs by craft meet the requirement is at their discretion.



TOTAL SUB TRADE PACKAGE EXAMPLE

SUBCONTRACT PACKAGE EXCEEDS \$400K LABORER TRADE (Total Work Hours: 1000)

- **Subcontractor + 2 Sub-tiers**
 - General Laborer (600 hours)
 - Traffic Control (200 hours)
 - Shotcrete (200 hours)

TOTAL WORK HOURS REQUIRED TO MEET 20% IS 200.

- How the subcontractor and their sub-tiers by craft meet the requirement is at their discretion.



Conditional Waivers from Local Hiring Requirements

1. **Conditional Waivers must be approved by OEWD**
2. **Specialized Trades – OEWD will publish list of exempted sub-crafts of the trades for exemption. Hours will be exempted from the requirements**
3. **Sponsoring Apprentices – Working with OEWD, sponsor a negotiated number of new apprentices based on scope of work (e.g. if a contractor anticipates achieving 15%, OEWD may request sponsorship of 1 apprentice and waive the remaining 5%. That apprentice would need to work the entire duration of contractor's work on project)**

Conditional Waivers from Local Hiring Requirements

4. **Credit for Hiring on Non-Covered Projects** – Contractors can accumulate credit hours for hiring Disadvantaged Workers not covered by the legislation to count for work on covered projects. The Disadvantaged Worker must be paid the prevailing wage.
5. **Direct Entry Agreements** – OEWD can negotiate and enter into agreement with State Approved Apprenticeship programs for direct entry. Contractors may avoid assessments and penalties by hiring and retaining apprentices enrolled through such direct entry agreements. OEWD will post any Direct Entry Agreements on the Website
6. **Reciprocity** - An awarding department or OEWD may negotiate reciprocity agreements with other local jurisdictions that maintain local hiring programs that allows targeted workers in each jurisdiction to utilize and benefit from local hiring.



INCENTIVES AND PENALTIES

1. **Financial Penalties:** The total local hiring hours not met set forth in the requirement multiply by the Prevailing Wage of Journeyman or Apprentice of the Trade or Craft set forth by the California Department of Industrial Relations

(Example: 20 hours short of meeting 20% of total work hours by Journeyman Carpenter x \$39.55 Journeyman Rate = \$791 penalty OR

10 hours short of meeting 50% of total apprentice work hours to be performed by SF resident x \$32.69 (average apprentice wage of 8 periods of carpenter apprenticeship) = \$327)

- a. Contractor and its subcontractors jointly liable for not meeting requirements
- b. OEWD will work with Contractor on Corrective Action Plan to Avoid Financial Penalty

2. **Incentives:** Sole Discretion of Awarding Department

1. For exceeding Requirements by a pre-determined %, contract's may get up to 1% of the City's Engineer estimate of the Construction Cost
2. Policy will be posted on OEWD Website and included in Bid Specs if Awarding Department chooses to include incentives.



CONTRACTOR RESPONSIBILITIES

- 1. All contractors on covered projects submit required Forms in order for Awarding Departments to issue Notice to Proceed**
- 2. Attend Preconstruction Meeting with CityBuild.**
- 3. When collecting employment forms and documents, be mindful of the threshold to demonstrate domicile in San Francisco**
- 4. Utilizing CityBuild as Referral Source**
- 5. Record Keeping: All contractors on covered project keep records for 4 years from date of substantial completion. Records include: CPR, daily logs, completed forms. These records are subject to audits by OEWD**



OEWD – CITYBUILD PROGRAM

- **OEWD coordinates workforce services for job seekers and employers throughout the City of San Francisco in collaboration with our community-based partners**
- **Our Mission is to Build Public-Private partnerships that create and guide a continuum of workforce services in that improves the economic vitality for people and business.**
- **CityBuild is a Program of OEWD with 2 main objectives**
 - 1. Assist contractors in meeting their Local Hiring Program Requirements.**
 - All CityBuild referrals are San Francisco residents qualified as Disadvantaged Worker
 - Using Electronic System, assist contractors to identify San Francisco Core Employees to qualify as Disadvantaged Workers
 - 2. Promotes employment opportunities for disadvantaged workers through Employment Referrals and Pre-apprentice Training**



MONITORING AND ASSISTANCE

- 1. Consistent Website Updates for Questions, Answers, Presentation, and Suggestions**
- 2. Training of New System for Contractors**
- 3. CityBuild Attending Pre-bids and Preconstruction Meetings**
- 4. Timely Automated Reports to Monitor Performance**
- 5. Jobsite Visits**
- 6. Progress Reports listed by Contractor Will be Posted on OEWD Website**



PROJECT SUMMARY BY DEPARTMENT

Estimated Number of Projects Advertised in Year 1 with New Local Hiring Requirement:

DPW: 25	Estimated Value:	\$ 124.63 million
PORT: 8	Estimated Value:	\$ 30 million
PUC: 48	Estimated Value:	\$ 237 million
RPD: 19	Estimated Value:	\$ 64.4 million
SFO: 22	Estimated Value:	\$ 77.5 million
MTA: 6	Estimated Value:	\$ 8.7 million

TOTAL ESTIMATED PROJECTS: 128

TOTAL ESTIMATED VALUE: \$542.23 million

Please visit Office of Contracts Administration for Detail and Updates

<http://mission.sfgov.org/OCABidPublication/ReviewBids.aspx>

http://sfwater.org/custom/bid/planlist.cfm/bidtype/1/MC_ID/15/MSC_ID/149



JOBSEEKER RESOURCES

- **Information Sessions for Current Tradesworkers to Register for CityBuild Referral Services (2nd Thursday of the month from 10-11am, 4th Thursday of the month from 6-7pm, 3120 Mission ONESTOP).**
 - **DROP-IN HOURS EVERY MONDAY 11AM-3PM, 3120 MISSION ST.**
- **Ongoing orientation sessions for CityBuild Academy held throughout San Francisco, please visit OEWD website and your local ONESTOPS for schedule.**
- **CityBuild CBO partners include Mission Hiring Hall/ SOMEK, Charity Cultural Services Center, Young Community Developers, and Anders & Anders Foundation**
- **For more information, please visit:**
<http://oewd.org/Job-Seekers-and-Employers.aspx>



QUESTIONS AND ANSWER SESSION

INFORMATION RESOURCE

OEWD LOCAL HIRE WEBSITE:

http://www.oewd.org/Workforce_Development-SF_Mandatory_Local_Hire.aspx

LOCAL HIRE HOTLINE: 415-581-2363

EMAIL: Local.Hire.Ordinance@sfgov.org

