

Countywide Local and Targeted Worker Hiring Policy

A. Purpose

Establishes the Countywide Local and Targeted Worker Hiring Policy for all County-sponsored construction and development projects, including local hiring for Targeted Workers, Veterans, Job Order Contracts, and Affordable Housing and Mixed-Use Affordable Housing projects. See attachment 8.

B. Reference

- i. October 27, 2015 Board Order 21
- ii. February 9, 2016 Board Order 47-A
- iii. August 1, 2016 Chief Executive Office memo to the County Board of Supervisors, "Development of a Countywide Local Worker Hire Policy Board Motion of October 27, 2015, Agenda Item No. 21 and Board Motion of February 9, 2016, Agenda item No. 47-A"
- iv. September 6, 2016 Board Order 14

C. Policy

- i. On September 6, 2016, the Board of Supervisors approved the Countywide Local and Targeted Worker Hiring Policy [LTWHP or Policy]. This Policy was approved to provide Los Angeles County's investment in public works, County-financed affordable housing projects and developer-financed economic development projects on County property as a catalyst for local job creation, construction careers training, and revenue generation for the County. Additionally, the Policy establishes a pathway for the County to enhance employment opportunities particularly for qualified Local and Targeted Workers who face multiple barriers to employment, such as homelessness, former foster youth, and formerly incarcerated individuals.
- ii. The Policy requires that all County departments, commissions and agencies administering project development agreements, including but not limited to; ground leases, loan agreements, grant agreements, design-build contracts, and contracts for County capital and construction projects that require Board approval to comply with the Policy as set by the County Board of Supervisors. All prime Contractors providing services under the above-mentioned project agreements and/or contracts must comply with the LTWHP requirements and hiring goals established by the County, as outlined below. Additionally, depending on the total Project Budget as determined by the County, one of the following Hiring Goals of the LTWHP requirements shall apply:
 1. Mandatory Hiring Goals
 2. Best Efforts Hiring Goals
 3. No LTWHP Hiring Goals

D. Policy Requirements for Local Residency Preference Area For Tier 1 and 2

- i. A Tier 1 Qualified Local Resident is defined as a County resident whose primary residency is: (1) within five (5) miles of the proposed project site; and (2) is within a Qualifying Zip Code. If a qualifying Zip Code is partially located within the 5-mile

radius, then the entire Zip Code is considered as a Tier I Zip Code, and workers living in that entire Zip Code area may qualify as Tier I hiring.

- ii. A Tier 2 Qualified Local Resident is defined as a County resident whose primary residency is: (1) within a Qualifying Zip Code; and (2) that Qualifying Zip Code is beyond five (5) miles of the proposed project site.
- iii. A Qualifying Zip Code is defined as a Zip Code within the County of Los Angeles, where either: (1) the average percentage of households living below 200 percent of the Federal Poverty Level (FPL) for that individual's primary residency's Zip Code is greater than the County average for such households; or (2) the Zip Code is one of 11 additional Zip Code determined by the Board on September 6, 2011 to be a Zip Code where at least 30 percent of the population is living in poverty, and with an unemployment rate of at least 150 percent of the national average.

E. Policy Requirement for Targeted Workers Eligibility

A Targeted Worker is an individual who is both a County resident and who faces one or more of the following barriers to employment:

- i. Has a documented annual income at or below 100 percent of the Federal Poverty Level;
- ii. Has no high school diploma or GED;
- iii. Has a history of involvement with the criminal justice system;
- iv. Is experiencing protracted unemployment (receiving unemployment benefits for at least 6 months);
- v. Is a current recipient of government cash or food assistance benefits;
- vi. Is homeless or has been homeless within the last year;
- vii. Is a custodial single parent;
- viii. Is a former foster youth;
- ix. Is a veteran, or is the eligible spouse of a veteran of the United States armed forces, under Section 2(a) of the Jobs for Veterans Act (38 U.S.C.4215[a]).
- x. Is an eligible migrant and seasonal farmworkers;
- xi. Is currently an English Language Learners;
- xii. Is an older Individuals (55+);
- xiii. Is disabled; or
- xiv. Is an individual with a low level of literacy.

F. Policy Requirement Hiring Goals

i. Mandatory Hiring Goals

- 1. For projects with a total project budget greater than \$2.5 million, with the exception of affordable housing projects, there shall be a **mandatory** hiring goal of at least 30 percent California Construction Labor Hours performed by either Tier 1 or Tier 2 Qualified Local Residents on each project;

2. For projects with a total project budget greater than \$2.5 million, with the exception of affordable housing projects, there shall be a **mandatory** hiring goal of at least 10 percent of California Construction Labor Hours on the project performed by those classified as a Targeted Worker;
3. California Construction Labor Hours is defined as all craft worker hours performed on the project by California residents, excluding the hours performed by off-site material fabricators, designers, project office staff, or vendors.
4. Hours worked by a Targeted Worker who is also a Tier 1 or Tier 2 Qualified Local Resident may be applied towards the 30 percent goal; and
5. The Contractor shall ensure the **mandatory** hiring requirements provided for Local and Targeted Workers are met in accordance with this Policy.

ii. Best Efforts Hiring Goals

1. For projects with a total project budget of \$500,000 to \$2.5 million, with the exception of affordable housing projects, there shall be a **best effort** hiring goal of 30 percent of total California Construction Labor Hours worked on each project performed by either Tier 1 or Tier 2 Qualified Local Residents. There is no Targeted Worker hiring requirement;
2. For affordable housing projects and mixed-use affordable housing projects that include County-funded facilities receiving funds administered by Community Development Commission (CDC), and Housing Authority of County of Los Angeles (HACOLA) projects with a project budget greater than \$2.5 million, there shall be a **best effort** hiring goal of 30 percent Qualified Local Residents and 10 percent Targeted Workers of total California Construction Labor Hours performed.
3. The Contractor shall ensure posting a wide array of its construction job advertisements and/or seeking the assistance of a community service provider organization is necessary to ensure the **best efforts** hiring requirement provided for Local Workers are met in accordance with this Policy.

iii. Policy Exemptions

Exceptions for projects in jurisdictions enforcing their own local hiring policy, and for projects with Federal or State funding prohibitions on geographic preferences will be determined on a case-by-case basis by Chief Executive Office (CEO), in consultation with the County Board of Supervisors Offices and County Counsel, and the exemption shall be stated in the corresponding Board Letter.

G. Policy Implementation

The Implementation Guidelines issued under this Policy shall provide standard language and definitions as a guide to notify proposers of the County's Policy for compliance of hiring Local and Targeted Workers. Additionally, the guidelines are meant to facilitate the hiring of Local and Targeted Workers and should be used by all County departments, commissions, and agencies administering related construction projects. Applicable referenced Policy language shall be included in all Board-awarded County construction and development project documents. In addition:

- i. All requests for Solicitation/Proposal/Invitations for Bid (RFP/IFB), specifications must require all contractors submitting bids or proposals to agree to the terms of the County of Los Angeles (County) LTWHP.
- ii. All construction project general contracts must include a provision obligating the Contractor and its Contractors/Subcontractors to comply with the terms of the County's LTWHP through execution of the agreement.
- iii. The construction contract must include provisions establishing enforcement and compliance of the LTWHP.

H. Reporting Requirements

- i. All participating County departments, commissions, and agencies shall submit a Quarterly Summary Report of its contractors data measures and compliance of the Local and Targeted Worker Hire Policy for the preceding three months, as directed by the CEO.
- ii. Contractors shall submit Local and Targeted Hire Status Reports as directed by the County to the Project Manager or designated County representative no later than fifteenth calendar day of each month for the preceding month. If the fifteenth day falls on a weekend or holiday, the Status Report shall be due the following business day (Form D). The report shall contain, at a minimum, the information specified below to track the Local and Targeted Worker data for Contractor and each subcontractor:
 1. The total California Construction Labor Hours worked on the project for the reporting period, including the total number of workers (apprentices, journeymen, and foremen);
 2. For each worker on the project (apprentices, journeymen, and foremen), the number of California Construction Labor Hours worked for the reporting period;
 3. Total number of California Construction Labor Hours of Local Residents (apprentices, journeymen, and foremen), segregated by Tier 1 and Tier 2 Residency during the reporting period.
 4. Total number of California Construction Labor Hours of Targeted Workers (apprentices, journeymen, and foremen) during the reporting period.
- iii. Prior to commencing work, the Contractor, on behalf of itself and its Subcontractors, shall submit a Workforce Utilization Plan (Form B) to the County Project manager or designated County representative that contains the workforce plan and schedule for the hiring of qualified Local and Targeted Workers and the assignment and use of the subcontractors' workforce to meet the Local Worker Hiring requirement. The Contractor, thereafter, shall submit Workforce Utilization Plan monthly updates to reflect changes in project conditions, schedule, or subcontractors.
- iv. The Contractor and its Subcontractors shall use the Craft Employee Request Form (Form A) for all requests for dispatch of qualified Local Residents and Targeted Workers (including apprentices and journeymen) in the event that assistance in obtaining such workers is needed from; The County's Department of Workforce Development, Aging and Community Services – America's Job Centers, a community service provider, a union hiring hall, or another source.

- v. The Contractor and its subcontractors shall first meet the Local Worker Hire participation requirement by employing Qualified Local Residents from Tier 1. If the Contractor is unable to meet their entire Local Worker Hire need from this area, it must submit to the Project Manager or designated County representative a statement on company letterhead certifying that it has exhausted all available qualified Local Workers from this area during a 48-hour period before pursuing Qualified Local Residents from Tier 2.
- vi. Data for each project Monthly Status Report under the LTWHP will be accessible online at a designated County site location.
- vii. The County may, in its sole discretion, elect to provide an online system for the Contractor and its subcontractors to input the data required in the Local and Targeted Worker Hire Status Report. If the County so elects, the Contractor and Subcontractors shall utilize that online system in lieu of completing and submitting the Local and Targeted Worker Hire Status Report.

I. Monthly Mandatory Compliance Withholding

- i. The Contractor's compliance with the approved Workforce Utilization Plan will be evaluated monthly using the Local and Targeted Hire Status Report.
- ii. To enforce compliance on contracts containing **mandatory** hiring goals, an amount will be withheld from the monthly progress payment to the Contractor in proportion to any deficit to the Local and Targeted total California Construction Labor Hours from those forecasted for that month. The maximum that may be withheld during the duration of the project is one percent (1%) of the total construction contract amount, comprised of 0.75% for Local Worker goal compliance, and 0.25% for Targeted Worker goal compliance. This total amount is called the Mandatory Compliance Withholding (MCW) amount. The MCW will be divided by the number of construction months in the baseline construction schedule to determine the Monthly Mandatory Compliance Withholding (MMCW) amount. The actual amount, if any, withheld each month will be determined in the following manner:
 - 1. The MMCW will be multiplied by the number of months since the issuance of the Notice to Proceed.
 - 2. This product will then be multiplied by the quotient of the cumulative total Local Worker Hire Hours incurred to date on the project divided by the total cumulative total Local Worker Hours forecast by the Workforce Utilization Plan to be incurred to date.
 - 3. The product from this calculation represents the total dollars from the MCW which could be released to date. From this figure will be subtracted the cumulative value of all previous monthly releases. The difference is the amount to be released in the current month. However, the maximum amount that may be released in a given month is the MMCW amount.
 - 4. The mathematic formula for the above process is as follows:

MMCW x Number of Months Since Notice to Proceed x (Cumulative Actual Local Hire Participation + Cumulative Forecast Local Hire Participation) – Cumulative Value of Previous Monthly Releases = Current Month's Release

all monthly information required to be collected in accordance with the LTWHP.

J. County Monitoring efforts shall include:

1. Conduct a regular review of **mandatory** and **best efforts** undertaken under the Policy to: (a) assess the effectiveness of the **best efforts** standard as compared to the **mandatory** requirement; (b) determine if the goal requirement percentages can be feasibly increased based on this documented performance;
2. Conduct quarterly meetings with participating County Departments, commissions, and agencies to develop a forum for program marketing, best-practices and lessons-learned of the LTWHP; and
3. Provide quarterly reports to the Board and the Economic Development Policy Committee on the data measures and compliance of the Local and Targeted Worker Hire Policy.

County departments, commissions, and agencies administering construction projects under this Policy will be required to monitor and provide enforcement of the Policy. It should be noted the Contractor is ultimately responsible for their and their Subcontractors compliance with the County's LTWHP requirements.

K. County Referral process for LTWHP

The Workforce Development Aging & Community Services (WDACS) (formerly known as Community and Senior Services) will assist as the County's resource to connect contractors to workers meeting the definition of a Local Worker or a Target Worker, should the contractor require assistance. Additional Community Service Providers may be used by Contractors and Subcontractors to identify Local Residents and Targeted Workers. These include:

- Los Angeles County Community and Senior Services: <http://css.lacounty.gov/>
- LA Jobs: <https://www.jobsla.org/vosnet/Default.aspx>
- Cal Jobs: <http://www.caljobs.ca.gov/vosnet/Default.aspx>
- Helmets to Hardhats: <https://www.helmetstohardhats.org>
- America's Job Center of California: <http://www.americasjobcenter.ca.gov/>

L. Forms:

Form A – LTWHP Craft Employee Request Form

Form B – LTWHP Workforce Utilization Plan

Form C – Local and Targeted Worker Hiring Qualifying Zip Codes

Form D – Local and Targeted Worker Hiring Status Report

Sample – LTWHP Participation Compliance – Local Worker Summary-Mandatory