



Legislation Text

File #: 15-0927, **Version:** 1

Recommendation to authorize City Manager to execute all documents and take all actions necessary to implement a First Source Hiring Pilot Program (Long Beach First), to apply to awards for non-professional services above \$100,000, and construction projects between \$100,000 and \$500,000 for a period of two years. (Citywide)

At the April 7, 2015 City Council meeting, Agenda Item NB-28 (Attachment A) requested the City Manager and Pacific Gateway to complete a comprehensive study of what a First Source Hiring program would entail. This agenda item recommended that City projects for construction and contracts for service, other than those covered under the recently executed PLA, have a comprehensive mechanism to qualify local residents for employment opportunities, in an attempt to promote a pipeline of skilled and well-paid local workforce while uplifting the economic outlook for the city.

To help inform the development of a local hiring policy, the City sought community feedback from the Ministerial Alliance on April 30, 2015, and, subsequently, through a series of community feedback sessions. These sessions were broadly communicated through an English, Spanish, Tagalog and Khmer-language flyer, and shared with community-based organizations. Information was also posted on the Pacific Gateway website.

Three events were held at the following locations on July 27, 28, 29, 2015: The Guidance Center (central Long Beach); District 9 Field Office (North Long Beach); and Silverado Park (West Long Beach), respectively. Each event included a brief overview of a First Source Hiring framework, and information about best practices utilized in six other cities in the US. Attendees were also engaged in a facilitated discussion around the six key areas of the policy, ranging from compliance to outreach, and provided the opportunity to offer specific feedback in each area. The events ended with a group discussion to ensure all feedback was captured, understood, and organized under each relevant topic. Attendees at those meetings are included with this report (Attachment B).

The fundamental provisions of Long Beach First include the following:

§ Long Beach First will apply to all contracts for non-professional services above \$100,000, and City construction projects, including right of way work, between the threshold amount of \$100,000 and \$500,000, subject to funding restrictions.

§ Long Beach First will only apply to contracts entered into by the City, excluding Charter-Commissioned departments, separate legal entities from the City, and affordable housing projects.

§ The City will develop supporting documentation and incorporate Long Beach First

requirements into appropriate bid and proposals for future contracts.

§ Long Beach First will require qualified City residents be given first consideration for hire through a referral system administered by Pacific Gateway.

§ Long Beach First will cover all “net new jobs” created through the award of a City contract as of the effective date of the contract.

§ At least 10 calendar days prior to making such net new job hire, the contractor shall notify Pacific Gateway of the job opening and provide a job description. This 10-day window is Long Beach First’s local reservation period for the contractor to use the referral system and make good faith efforts to fill net new job positions with qualified City residents.

§ For a union contractor, Long Beach First will require the contractor to work with their local unions and Pacific Gateway to make good faith efforts to fill net new job positions with qualified residents during the 10-day local reservation period. The contractor will be required to forward Pacific Gateway a copy of all personnel requests made to the trades unions for such positions, specifying the residency of personnel requested.

§ The 10-day local reservation period is intended to run concurrent with other processes in order not to delay work or contractor preparation.

§ All methods of outreach (canvassing, traditional & social media, activation of networks, email, mailings, etc.) will be utilized to ensure candidates can be sourced from the local community at large.

§ The Pacific Gateway Workforce Investment Network will act as the essential intermediary between City departments, employers, local community & faith-based workforce programs, apprenticeship, pre-apprenticeship and other training institutions to run and monitor the program, ensuring employers are connected to qualified residents. Pacific Gateway will serve as the jobs coordinator during the first two-year pilot program period.

§ Noncompliance with the Long Beach First process may result in liquidated damages assessed per day/per occurrence to be determined at the sole discretion of the City Manager.

§ Minimal administrative costs are expected in the Purchasing Bureau and the operating departments because staff anticipate minimal ongoing enforcement or management activities will be needed.

§ The pilot will initially be for two years. City staff will provide a report to the City Council at the conclusion of the two-year pilot period detailing progress in meeting stated goals. This report will include administrative and overhead costs as tracked by Pacific Gateway.

This matter was reviewed by Deputy City Attorney Linda Vu on August 25, 2015 and by Budget Manager Lea Eriksen on August 21, 2015.

City Council Action is requested on September 15, 2015 to provide for timely execution and initiation of Long Beach First.

Staff was unable to find a consistent result from secondary research or consultation with experts that definitively indicated that bid costs or the number of bids received for non-professional services and public works/construction projects were higher or lower in First Source cities.

While there is no definitive evidence at this time as to how First Source Agreements will impact bid costs, there will be staff time required in both Purchasing and Pacific Gateway related to administration and compliance. Those costs will be tracked and reported at the conclusion of the two-year pilot program period. No significant administrative or compliance costs for purchasing or operating departments are expected based on the criteria described above.

Approve recommendation.

DEBORAH R. MILLS
DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST
CITY MANAGER