

LEGISLATIVE DIGEST

[Administrative Code - Local Hiring Policy - Jurisdictional Boundary for Mandatory Participation]

Ordinance amending the Administrative Code, to provide that the residents of the Public Utilities Commission service area are considered “local” for purposes of mandatory participation for the City’s Local Hiring Policy, on certain projects located within 70 miles of the jurisdictional boundary of the City and County of San Francisco.

Existing Law

The San Francisco Local Hire Policy for Construction (“Policy”) was approved on December 23, 2010. The Policy requires that each City public works contract in excess of the Threshold Amount (currently \$400,000) issued by the City includes the requirement that the contractor hire local residents at a specific percentage of each trade (currently 30%) to the exclusion of other California residents. The Policy allows the City to negotiate reciprocity agreements with other local entities provided that the agreements advance the Policy goals. The Policy currently provides that for projects constructed outside of the jurisdictional boundary of the City but within 70 miles from that boundary, the local hire percentage requirements apply in proportion to the City's actual cost after reimbursement from non-City sources compared to the total cost of the project.

Amendments to Current Law

The amendment would provide for those projects for projects constructed outside of the jurisdictional boundary of the City but within 70 miles from that boundary, unless a reciprocity agreement exists, the “local” requirement shall include San Francisco residents, workers local to the area where the work is located, and workers residing within the San Francisco Public Utilities Commission service area. If a reciprocity agreement with another local agency exists, the terms of that reciprocity agreement shall govern.

Background Information

The Policy requires that Office of Economic and Workforce Development (OEWD) in coordination with the Controller's Office, evaluate the impact of existing mandatory participation levels and to and make relevant findings, and, if necessary, propose amendments to the mandatory participation level.

To facilitate that review the Mayor conveyed the Mayor's Construction Workforce Advisory Committee consisting of the City Administrator, Department Heads, representatives of the construction industry, representative of the trades, and representatives of community organizations. The Advisory Committee met on seven occasions, including two subcommittee meetings. The Committee reviewed and considered information and presentations of data, including the Labor Market Analysis of San Francisco Construction Industry Final Report, dated October 15, 2013, and the San Francisco Local Hiring Policy for Construction Annual Reports, issued by OEWD, for the years 2011-2012 and 2012-2013.

The Advisory Committee issued recommendations for City construction policies. One of the recommendations that the Advisory Committee issued was that for projects outside the City but within 70 miles of the jurisdictional boundary, and wherein no reciprocity agreement is in effect, residents of the San Francisco Public Utilities Commission service territory may be included in the local percentage requirements.

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