

RESOLUTION NO. 7-2011

Adopted February 1, 2011

**AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH L. LUSTER & ASSOCIATES, A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$78,131, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$203,131, FOR CONSULTANT SERVICES TO INFORM THE AGENCY'S EFFORTS TO ESTABLISH A CONSTRUCTION WORKFORCE POLICY AND AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH THE SAN FRANCISCO INTERNATIONAL AIRPORT TO PROVIDE PARTIAL FUNDING FOR THE CONTRACT;
ALL REDEVELOPMENT PROJECT AREAS**

BASIS FOR RESOLUTION

1. California Redevelopment Law states that "a fundamental purpose of redevelopment is to expand employment opportunities for jobless, underemployed, and low-income persons."¹ Historically, the Agency's employment programs have focused on connecting project area residents to employment opportunities in construction and permanent jobs created through redevelopment activity.
2. The Redevelopment Agency of the City and County of San Francisco ("Agency") currently has a goal of fifty percent (50%) local hire for all Agency Action projects in the Bayview Hunters Point Redevelopment Project Area, meaning that fifty percent (50%) of the construction hires on such projects should be qualified Redevelopment Project Area residents or San Francisco residents, with first consideration given to Project Area residents. These goals are expressed as a percentage of each contractor's total hours of employment and training by trade on the project and is based on the contractor's good faith effort to achieve the goal. The Agency Commission has demonstrated a strong commitment to local hiring policies throughout the years and many San Franciscans have benefited from these efforts.
3. Over the last two years, however, Redevelopment Project sites, particularly in the Southeast, have experienced a number of labor disputes resulting in picketing, work stoppages and near violence, largely as a result of community outrage in response to perceived and real unmet local hiring goals on several construction projects. This can be attributed to a variety of factors, including the "good faith" nature of the policies, an inadequate pool of people prepared for construction jobs, a failure to effectively address basic skills and educational achievement deficits for employment readiness, and poorly coordinated job training and placement infrastructure.

¹ California Redevelopment Law, Article 5, Section 33071

4. In an effort to improve its workforce development infrastructure, the Agency is working with the Office of Economic and Workforce Development (“OEWD”) in a comprehensive approach, which includes both programmatic and policy components. The Job Readiness Initiative is the Agency’s primary program, which will invest \$4 million over the next three (3) years to ensure that residents are prepared to enter the workforce. As part of its policy work, the Agency seeks to conduct an in-depth assessment of its workforce strategy, including the appropriateness of its local hiring goals and the match between construction employment patterns in San Francisco and local labor supply. To that end, staff sought a consultant to perform a labor market analysis (“Labor Market Analysis”) and has coordinated with other contracting City and County of San Francisco (“City”) departments on the scope of services and deliverables, which will provide useful information for assessing citywide local hiring policies.
5. The data collected in the Labor Market Analysis will be used for a variety of purposes, including, but not limited to, the development and strengthening of the Agency’s workforce development strategy and/or the negotiation of a Project Labor Agreement or other agreement that would govern certain development projects within Agency Project Areas.
6. Agency staff issued a Request for Proposals (“RFP”) on February 22, 2010 with a due date of March 22, 2010. Five proposals were submitted in response to the RFP. The review and selection panel is comprised of two Agency staff, two OEWD staff, and one community representative. The selection panel met on March 24, 2010 to discuss all the applicants and unanimously agreed to invite three applicants in for interviews on March 29, 2010. Following the interviews, the selection panel agreed with consensus to recommend L. Luster & Associates to be the lead consultant for the Labor Market Analysis.
7. On May 18, 2010, by Resolution No. 53-2010, the Agency Commission approved a personal services contract (“Contract”) with L. Luster & Associates in the amount of \$125,000 to perform a Labor Market Analysis.
8. On December 14, 2010, the City Board of Supervisors approved, by Ordinance No. 311-10, San Francisco Local Hiring Policy for Construction, creating a mandatory construction workforce policy that requires contractors on public works projects to achieve 20% San Francisco local hire by trade beginning in 2011 and increases the goal to 50% through annual 5% increases (“Local Hiring Policy”).
9. Agency staff will need to evaluate the Local Hiring Policy and examine the options for establishing a similar construction workforce policy for the Agency.
10. Agency staff proposes a First Amendment to the Contract with L. Luster & Associates to increase the Contract amount by \$78,131, for a total aggregate amount not to exceed \$203,131, to assist Agency staff in the analysis of the Local Hiring Policy and in the evaluation of its suitability for the Agency’s development pipeline and project area labor supply.

11. Approval of the First Amendment to the Contract with L. Luster & Associates would allow for the analysis of the Agency's ability to implement the Local Hiring Policy, which is a planning and feasibility study that would not have a significant effect on the environment. This type of activity is statutorily exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15262.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized 1) to execute a First Amendment to the Personal Services Contract with L. Luster & Associates, a California corporation, to increase the Contract amount by \$78,131, for a total aggregate amount not to exceed \$203,131, for consultant services to perform a Labor Market Analysis on the construction industry and inform the Agency's efforts to establish a construction workforce policy, substantially in the form lodged with the Agency General Counsel, and 2) to execute the Memorandum of Understanding with the San Francisco International Airport for the purpose of receiving funds for the First Amendment to the Contract.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel