INFORMATIONAL MEMORANDUM

TO:     Agency Commissioners

FROM:   Fred Blackwell, Executive Director

SUBJECT: Request for Proposals for a Consultant to perform a Labor Market Analysis, in partnership with the Mayor’s Office of Economic and Workforce Development, Public Utilities Commission, and the Controller’s Office of Economic Analysis; All Redevelopment Project Areas

EXECUTIVE SUMMARY

The purpose of this Informational Memorandum is to inform the Commission of Agency staff’s intention to solicit qualified consultants to perform a Labor Market Analysis on the construction industry and related professions in San Francisco for the purpose of determining the efficacy of local hiring policies and informing workforce development strategies. Staff will partner with the Office of Economic and Workforce Development (OEWD), the Public Utilities Commission (PUC), the Controller’s Office of Economic Analysis and other contracting departments on the deliverables of the study.

DISCUSSION

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.

The Agency currently has a goal of fifty percent (50%) local hire for all Agency Action projects, meaning that fifty percent 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. Additionally, in compliance with HUD Section 3, the Agency has a 25.6% minority and 6.9% women hiring goal to ensure equal opportunity for minority and women persons in construction workforce. 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

¹ California Redevelopment Law, Article 5, Section 33071
strong commitment to local hiring policies throughout the years and many San Franciscans have benefited from these efforts.

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.

In an effort to improve its workforce development infrastructure, the Agency is working with OEWD in a comprehensive approach which includes both programmatic and policy components. The Job Readiness Initiative (JRI) is the Agency’s primary program, which will invest $4 million over the next 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 is seeking a consultant to perform a Labor Market Analysis and has coordinated with other contracting city departments on the scope of services and deliverables, which will provide useful information for assessing city-wide local hiring policies.

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.

**REQUEST FOR PROPOSALS (RFP) RELEASE**

The Agency, in partnership with OEWD, PUC, and the Controller’s Office will issue a Request for Proposals (RFP) for a qualified consultant to perform a Labor Market Analysis on the construction industry and related professions in San Francisco for the purpose of determining the efficacy of local hiring policies. The consultant team will be required to coordinate efforts with community stakeholders and other interested parties. Consultants will be required to analyze existing local Census data as it relates to workforce data in the construction industry, existing City data, including review and analysis of weekly certified payroll reports and data provided from the building trades and their affiliated unions.

Firms will be expected to provide an assessment of the match between construction employment patterns in San Francisco (and possibly the nine Bay Area Counties), and local labor supply. This assessment will be used to influence local workforce hiring policy on San Francisco construction projects. Specifically, consultants will be required to:
• Review and refine existing City analysis of relevant census data.
• Review and analyze existing City policy regarding local hiring including Agency policies and current contracting obligations in Chapter 6 (Public Works Contracting Policies and Procedures), Chapter 83 (First Source Hiring Program) of the Administrative Code to determine its effectiveness.
• Attend weekly meeting with City staff regarding Labor Market Study
• Develop realistic workforce projections from the Agency’s 10-year Capital plan and the City’s 10-year Capital plan for both construction and related professional opportunities.
• Make a preliminary assessment of appropriate and feasible local hiring targets, including a realistic absorption of local residents into the trades on an annual basis.
• Identify opportunities for further data collection and refinement of the analysis.
• Provide an analysis of the impact a Project Labor Agreement (PLA) focused on a local construction workforce hiring program might have on enhancing or weakening a potential local hiring program.
• Review and analyze best practices for local hiring on a regional, state and national level.
• Review and analyze incentive based contracting programs and their applicability to San Francisco contacts.
• Develop and recommend ideas that the City can best partner with the San Francisco Unified School District (SFUSD) to encourage graduating students to consider the building trades as an option to further their education.
• Incorporate existing data requests made to the building trades, including the study by Chinese for Affirmative Action and the San Francisco Redevelopment Agency.
• Review data for the Department of Industrial Relations – Division of Apprenticeship Standards on current number of apprentices in local market area.

Specific Deliverables include:

1. Report of all findings including an Executive Summary on best approach for employing historically underutilized San Francisco residents on City-funded construction projects (and some private development covered by land disposition or lease agreements).
2. Description of best practices and their applicability to San Francisco.
3. Report findings and recommendations to Agency Commission (and potentially other City Commissions), participating departments and community stakeholders.
The proposed contract for services shall have an original term of one (1) year. In addition, the Agency shall have two (2) options to extend the term for a period of one (1) year each, which the Agency may exercise in its sole, absolute discretion. All Agency standard policies will apply.

The Agency plans to issue the RFP on February 17, 2010, with a submittal deadline of March 12, 2010. A pre-submittal conference will be held on March 1, 2010.

**BUDGET**

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<tr>
<th>Sources</th>
<th>Amount</th>
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<tr>
<td>Redevelopment Agency</td>
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<td>Public Utilities Commission (PUC)</td>
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<tr>
<td>Controller’s Office</td>
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<td>San Francisco Airport (SFO)</td>
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<td>Municipal Transportation Agency (MTA)</td>
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<td>Department of Public Works (DPW)</td>
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<td>Housing Authority</td>
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**Total Contract** $125,000

**FUTURE UPDATES**

Agency staff will keep the Agency Commission informed about the progress of the study and will schedule a Workshop at a Commission meeting once the analysis and report have been completed.

*(Originated by Claudine Del Rosario, SOMA Fund Director/Special Projects)*

Fred Blackwell  
Executive Director