



REPORT
FROM

THE PERSONNEL
DEPARTMENT

TO: The Honorable Mayor Eric Garcetti The Honorable Members of the City Council	DATE July 31, 2018
REFERENCE: Targeted Local Hire Program / Participation by City Contractors	COUNCIL FILE 18-0600-S53
SUBJECT: TARGETED LOCAL HIRE (TLH) PROGRAM – POTENTIAL REFERRALS TO SUCCESSOR CONTRACTORS	

RECOMMENDATION

That the Personnel and Animal Welfare Committee receive and file this report related to City contractors' participation in the Targeted Local Hire Program.

BACKGROUND

On May 14, 2018, the Budget and Finance Committee instructed the Personnel Department, with assistance from the City Attorney, to report to the Personnel and Animal Welfare Committee on the feasibility of an Ordinance requiring successor contractors and their subcontractors to hire candidates from the Targeted Local Hire Program ("TLH Program") when and if a contract is terminated (e.g., if a contractor walks off the job without completing the work) and the City still wants to contract for the same job.

DISCUSSION

The Budget and Finance Committee's instruction seeks the possible expansion of job opportunities available to the TLH candidate pool in the context of successor contractors. Consideration should be given to the following factors in determining the most appropriate steps:

- A. Successor contractors are currently required to initially comply with the Worker Retention Ordinance ("WRO") and then the First Source Hiring Ordinance ("FHSO").
- B. The TLH Program does not require individuals in the TLH candidate pool to have specialized skills or training as this has been identified as an employment barrier for the underserved communities who are the focus of the TLH Program. Therefore, the TLH Program may not be able to directly refer individuals to successor contractors with the necessary experience or certifications required to complete the work required by the City contract.

A. EXISTING ORDINANCES IMPOSING EMPLOYMENT RELATED OBLIGATIONS ON CONTRACTORS

Successor contractors and their subcontractors are currently required under WRO to retain the employees of a terminated contractor while the FHSO requires employment consideration of individuals referred by Economic and Workforce Development Department (EWDD). These ordinances require the following:

Worker Retention Ordinance (WRO) – LAAC § 10.36

The WRO applies to successor service contracts (over \$25,000 and for a term of at least three months) and public leases, awarded by the City or City Financial Assistance Recipient, where the services to be performed under the contract or on the leased premises are similar to the recently terminated contract or lease. The WRO requires a successor contractor and its subcontractors to retain employees who worked for the terminated contractor or its subcontractors for a 90-day period. At the end of the 90-day transition

employment period, the successor contractor must perform a written performance evaluation of each transitional employee. If the employee's performance during the 90-day period is satisfactory, the successor contractor shall offer the employee continued employment. The WRO does not apply to managerial, supervisory or confidential employees. In short, this ordinance protects the jobs of employees of a terminated contractor by requiring the new contractor to temporarily hire the employees and possibly hire them on a permanent basis after the 90-day transition period.

It should be noted that the successor contractor must first comply with WRO before complying with FSHO.

First Source Hiring Ordinance (FSHO) – Los Angeles Administrative Code (LAAC) § 10.44

The FSHO applies to all service contracts in excess of \$25,000 with a term greater than three months awarded by the City or by a loan or grant recipient. Contractors and subcontractors subject to the ordinance are required to notify the EWDD's Workforce Development System of specific employment opportunities available under the contract. The EWDD will refer individuals for job interviews with the contractor or subcontractor. The EWDD refers individuals from a number of referral resources including trade unions, community based organizations, City Work Source Centers and other resources approved by the EWDD. If the contractor or subcontractor does not hire any of the referred individuals, it must explain why the individuals were not hired to EWDD.

It should be noted that individuals in the TLH candidate pool go through a job readiness assessment conducted by the City WorkSource Centers and other community based organizations that are managed by EWDD; therefore, it is possible that a number of the individuals in the TLH candidate pool are already being referred by EWDD's approved organizations to contractors or subcontractors for employment opportunities available under City contracts.

B. CURRENT TLH PROGRAM REFERRAL PROCESS

The TLH Program creates alternative job pathways into permanent, full-time civil service careers for underserved communities that have traditionally faced employment barriers. One barrier to civil service careers that has been removed by the TLH Program includes educational, training, and work experience requirements. The TLH Program only requires: (1) that candidates have the permanent legal right to work in the United States; and (2) that candidates successfully clear the background and medical requirements for the specific City position for which they are being considered. Therefore, the TLH Program does not consider any information related to work experience or certifications at the time that candidates are referred to City departments for hiring consideration.

The TLH Program collects basic job preferences through its Program application, such as: preferred geographic work location; work environment (i.e., indoors, outdoors, physical labor, operation of a vehicle); employment areas (i.e., clerical/customer service, gardening and landscaping, custodial services, mechanical work, and maintenance and construction work); and work shifts. Candidates have the voluntary option to provide a brief description of previous work experience; however, many do not provide such information.

At the time that a City department has a vacancy for a permanent, full-time position to fill through the TLH Program, the City department submits a request to the Personnel Department where it specifies the location, shift, and classification that it wishes to fill. The TLH candidate pool is then filtered to identify all candidates who have indicated a desire to be considered for such positions. Individuals are then randomly selected from the identified TLH candidates and referred to the City Department for hiring consideration. The random selection of candidates ensures that all candidates in the pool have an equal and fair opportunity to be referred to a City department for hiring consideration without regard to their previous training and experience. Therefore, it may not be feasible to directly refer individuals from the TLH Program to City Contractors for hiring consideration as City Contractors' positions may require specialized experience or certifications.

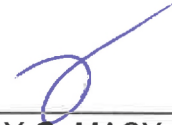
C. ALTERNATIVE TO DIRECT TLH PROGRAM REFERRALS TO CITY CONTRACTORS

The goal of the TLH Program is to connect individuals from underserved communities to full-time, civil service jobs with the City of Los Angeles. However, job announcements and information about job fairs are occasionally e-mailed to the TLH candidate pool when it is requested by community partners. Individuals in the TLH candidate pool have the option to respond directly to the non-City employer or community partner hosting the employment event if they are interested. These employment opportunities do not remove or limit a candidate's participation in the TLH Program.

In compliance with FSHO, the TLH Program staff forwards job opportunity announcements available under City contracts to the TLH candidate pool when requested by EWDD. Information approved by EWDD would be communicated to the individuals in the TLH Program candidate pool, who would then respond to the job opportunity with successor contractors if interested.

CONCLUSION

The TLH Program is committed to providing underserved communities with permanent full-time civil service employment opportunities in the City of Los Angeles by eliminating any potential barrier to employment. Although the TLH Program may not be able to directly refer candidates to City Contractors for hiring consideration, it should be noted that individuals participating in the TLH Program may already be referred to City Contractors through WorkSource Centers and community based organizations in compliance with FSHO. Additionally, successor contractors are currently required to comply with existing employment related ordinances such as WRO and FSHO before considering other individuals for job opportunities under City contracts.



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