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Los Angeles Charter and Administrative Code

**ARTICLE 18
FIRST SOURCE HIRING**

Section

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Sec. 10.44. Purpose.

The City awards many contracts to private firms to provide services to the public and to City government. The City also provides grant and loan funding to others for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments, which promote the goals established for those programs and similar goals of the City. The City intends that the policies underlying this article serve to guide all of these expenditures to the extent allowed by the law.

City service contracts are subject to the City's Living Wage ordinance and provide covered workers with substantially greater wages and benefits than otherwise required by law. In addition, having the opportunity to work on a City contract affords workers valuable experience that can be used to garner future employment. The City has an interest in expanding the field of competent service workers to address the problems associated with a significant local unemployed, under-employed and unskilled workforce. The City serves this interest by expanding the opportunities that workers have to be referred for employment by City contractors.

The inadequate compensation often paid to service workers who are not subject to the City's living wage requirements fails to provide those workers with resources sufficient to afford life in Los Angeles. Further, there are many unemployed and under-employed service workers who are interested in performing work on City contracts. Young people constitute a significant portion of

the unemployed and under-employed. Experience indicates that unemployment and under-employment contribute to devastating social burdens including a sustained, large population of unskilled workers, increased crime and increased need for costly social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In creating a program that helps link Contractors with potential service workers, the City serves this interest and provides greater opportunities for employment on service contracts. To further serve this interest, the Library Department and the Department of Recreation and Parks are encouraged to adopt policies consistent with this article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.1. Definitions.

The following definitions shall apply throughout this article:

"Awarding Authority" means any subordinate or component entity or person of the City, such as a department or Board of Commissioners, that has the authority to award or enter into any a Contract (as defined below). This shall not include any department that has control of its own funds.

"City" means the City of Los Angeles, a municipal corporation, and all City Awarding Authorities.

"Contract" means a contract, which is in excess of \$25,000 with a term greater than three months, awarded to a Contractor by the City or by a Loan or Grant Recipient primarily to furnish services to or for the City or the Loan or Grant Recipient. This shall not include contracts for a public work subject to the requirements of Division 2, Part 7, of the California Labor Code.

"Contractor" means any Person that enters into a Contract with the City or a Loan or Grant Recipient.

"Designated Administrative Agency" or **"DAA"** means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.

"EWDD" means the Economic and Workforce Development Department's Workforce Development System.

"Loan or Grant Recipient" means any person who receives from the City a qualifying grant or loan for economic development or job growth expressly articulated and identified by the City.

"Person" means any individual, proprietorship, partnership, joint venture, corporation, Limited Liability Company, trust, association, or other entity that may employ individuals or enter into contracts.

"Referral Resources" means any resource used to locate new employees considered for employment under this Article. Referral Resources shall include Trade Unions, Community Based Organizations, City Work Source Centers and any other resources approved by EWDD.

"Subcontractor" means any person that enters into a contract with a Contractor or Subcontractor to assist in performing the services to the City or the Loan or Grant Recipient.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Amended by: Ord. No. 184,291, Eff. 6-27-16.

Sec. 10.44.2. First Source Hiring Procedure.

(a) A Contractor or Subcontractor shall notify EWDD of a specific employment opportunity at least seven days before releasing the employment opportunity announcement to the public, which will refer individuals for interview. The notice to the EWDD shall include:

- (1) The number of employment opportunities;
- (2) The job title and description of each employment opportunity; and
- (3) The basic qualifications necessary for each employment opportunity.

(b) The Contractor and Subcontractors shall interview qualified individuals referred by Referral Resources.

(c) Prior to filling any employment opportunity, the Contractor and Subcontractors shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the Contractor or Subcontractor interviewed, and the reasons why referred individuals were not hired.

(d) Managerial, supervisory or confidential positions shall not be subject to this Article.

(e) Positions requiring professional licenses to perform the Contract shall not be subject to this Article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Amended by: Ord. No. 184,291, Eff. 6-27-16.

Sec. 10.44.3. City Loan or Grant Recipients.

(a) A City Loan or Grant Recipient is subject to this article if the loan or grant is for economic development or job growth, is in an aggregate amount that exceeds \$25,000 and either:

(1) The loan is provided at an interest rate below the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f) at the time the Contract is executed; or

(2) The loan is at or above the applicable federal rate but the loan provides a mechanism for forgiving the interest.

(b) In the event that the applicable federal rate falls below the rate at which a City Loan is provided during the term of the Contract, the Awarding Authority may request the DAA to waive the requirements of this article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.4. Compliance with the Service Contractor Worker Retention Ordinance.

Where applicable, Contractor shall first comply with the Service Contractor Worker Retention Ordinance, Administrative Code Section 10.36 et seq., as amended from time to time.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.5. Designation of a Liaison.

Prior to execution of the Contract, Contractor shall provide the City with the name and contact information of the liaison designated to work with the DAA to implement this article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.6. Transfer and Promotion.

This article does not prevent a Contractor from filling job vacancies or newly created positions by transfer or promotion of its existing staff.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.7. Administration.

- (a) The DAA shall promulgate rules and regulations to assure efficient implementation and enforcement of this article.
- (b) The DAA may delegate duties to other City departments and provide for the manner in which exemptions from this article are approved and documented.
- (c) The DAA shall develop the forms to be used by the Awarding Authorities toward implementing this article.
- (d) The DAA may establish rules and guidelines governing pre-interview screening of individuals referred under this article.
- (e) The DAA shall investigate alleged violations of this article and monitor compliance with this article.
- (f) The DAA may establish by regulation provisions under which the DAA may exempt a Contractor from the requirements of this article for specific employment opportunities.
- (g) The DAA shall report to the Ad Hoc Committee on Gang Violence and Youth Development quarterly for one year after the ordinance is adopted. After the first year, the frequency of reporting requirements shall be determined by the DAA, or as otherwise instructed by City Council.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.8. Enforcement.

If the DAA determines that a Contractor has violated this Article, the DAA may recommend that the Awarding Authority take any or all of the following actions:

- (a) Document the determination in the Awarding Authority's Contractor Evaluation required under Los Angeles Administrative Code Section 10.39*et seq.*;
- (b) Require that the Contractor document the determination in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40*et seq.*;
- (c) Terminate the Contract;
- (d) Recommend to the Awarding Authority to withhold payments due to the Contractor.

The Awarding Authority may pursue any rights and remedies available at law or in equity.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Amended by: Ord. No. 184,291, Eff. 6-27-16.

Sec. 10.44.9. Exemptions.

Upon request of the Awarding Authority, the DAA shall determine whether a Contract is exempt from this article because any of the following is applicable:

- (a) Contracts where the provisions of this article conflict with federal or state law.
- (b) Contracts with another governmental entity.
- (c) Contracts where the provisions of this article would conflict with federal or state grant funded contracts, or conflict with the terms of the grant or subvention.
- (d) Contracts awarded under urgent or emergency circumstances.
- (e) Contracts entered into pursuant to Charter Section 371(e)(7).
- (f) Contracts where the services are available only from a single source.
- (g) Contracts that involve the investment of trust monies, bond proceeds or agreements relating to the management of these funds, indentures, security enhancement agreements (including, but not limited to, liquidity agreements, letters of credit and bond insurance) for City tax-exempt and taxable financings, deposits of City's surplus funds in financial institutions, the investment of City monies in competitively bid investment agreements, the investment of City monies in securities permitted under the California State Government Code or the City's investment policy, investment agreements, repurchase agreements, City monies invested in U.S. government securities or pre-existing investment agreements.
- (h) Contracts involving City monies if the Treasurer or the City Administrative Officer finds that failure to enter into the Contract will violate his or her fiduciary duties and cause the City to incur a financial loss or forego a financial benefit.
- (i) City Loans or Grants funded from the proceeds of a bond issuance, tax credits or tax increment financing.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.10. Application of this Article.

This article is applicable to Contracts and amendments to Contracts entered into after the rules and regulations have been promulgated by the DAA.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.11. No Third Party Beneficiary.

This article does not create beneficial interests in any person who is not a party to the Contract.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.12. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit a person's right to bring legal action for violation of other laws.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.13. Intentional Violation.

If the DAA determines that a Contractor intentionally violated the ordinance or used hiring practices for the purpose of avoiding this article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39*et seq.*, and must be documented in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40*et seq.* This measure does not limit the City's authority to act under this article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

Sec. 10.44.14. Severability.

If a court of competent jurisdiction finds any provision of this article invalid, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.