



# Memorandum

**TO:** COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

**FROM:** Barry Ng

**SUBJECT:** SEE BELOW

**DATE:** November 14, 2017

Approved

Date

11/16/17

**SUBJECT: COUNCIL PRIORITY #2 LOCAL HIRE UPDATE- FOLLOW UP FROM SEPTEMBER 25, 2017 MEETING**

## INFORMATION

The purpose of this memo is to provide an update on the Local Hire Labor Market Study work scope.

At the September 25, 2017 Community and Economic Development (CED) Committee, pursuant to Item (d)2 (Local Hire Update), staff was asked to clarify the Labor Market Study scope of work, specifically on workforce demographic and public/private sector data collection.

The Public Works Department released a Request for Information (RFI) on January 20, 2017, to the work2future Board's pre-qualified labor market and planning consultant pool regarding key facets of performing a labor market analysis on the construction industry and related occupations in San Jose and Santa Clara County to support exploring the creation of a "Local Hire Policy" for public and private development and informing workforce development strategy. The RFI incorporated various comments and request from stakeholders, including but not limited to the Silicon Valley Organization, Associated General Contractors, and Working Partnerships USA. Craft Consulting Group (CCG) responded to the RFI. A Request for Proposals (RFP) was released on July 10, 2017 to seek qualified firms to provide the Labor Market Analysis. Craft Consulting Group was the sole proposer and submitted a proposal totaling \$97,630.00.

CCG originally proposed collection of labor market data from several sources including the Census Bureau, California Employment Development Department, California Department of Industrial Relations, Bureau of Labor Statistics, and EMSI (a company providing labor market and economic data) to be used to analyze the size, composition, and characteristics of the construction workforce in San Jose and Santa Clara County. The data analysis will examine the supply of construction workers in San Jose including the demographic make-up by gender, race/ethnicity, and age; occupational make-up by construction trade; wage and salary levels by building trade; and place of work and residency.

In addition, CCG will examine a full range of local hire policy options implemented by other communities throughout the United States and compile best practices that cities have used to improve chances of success of their respective local hiring programs. CCG will develop and present recommendations and policy options based on the research findings, including preliminary assessments of appropriate and feasible local hiring targets.

At the September 25 meeting, some speakers suggested specific data that should be collected. The original CCG proposal included private construction project data collection to the extent available. Private contractors and developers are not obligated to provide personal and identifying information on their workforce. However, staff are in contact with multiple developers and private contractors requesting cooperation with the Labor Market Analysis to allow CCG access to personnel and business data.

In addition, CCG was requested by staff to submit a supplemental proposal for a private sector survey to further enhance the details of the study, and respond to stakeholder concerns, to collect the following workforce data:

1. Demographic data regarding workers on public and select private construction projects, including a representative range of project types, and representing projects at different stages in the construction process (beginning, middle and end), including:
  - a. Location of home residence (by city and/or county)
  - b. Hourly wage paid for work on the project (straight time)
  - c. Benefits provided for work on the project (Health care and retirement)
  - d. Annual earnings
  - e. Trade classification
  - f. Years of experience in that trade
  - g. Current enrollment as a State-registered apprentice
  - h. Graduate of a State-registered apprenticeship
  - i. Union affiliation
  - j. Gender
  - k. Race / Ethnicity (including detailed ethnicities)
  - l. Commute data
2. For each selected project: basic data on the employers (developer, prime contractor, and subcontractors at all tiers) on the selected projects, including:
  - a. Primary place of business (by city)
  - b. Size of business (annual revenue)
  - c. Participation in State-registered apprenticeship
  - d. Union affiliation
3. For each selected project: Project name, description, stage of the project during which data was collected, and location.

The total for the original proposal and supplemental proposal will not exceed \$120,000.

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Both staff and stakeholders have reviewed this more detailed data scope and find it to be sufficient. The contract is currently being finalized. Updates and recommendations are scheduled to be presented to the Community and Economic Development Committee in June 2018.

/s/

BARRY NG

Director of Public Works

For questions, please contact Christopher Hickey, Division Manager, Public Works Department at (408) 535-8481.