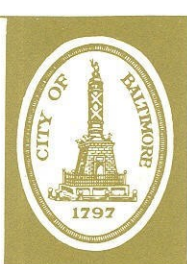


FROM	NAME & TITLE	Karen Sitnick, Director <i>KS</i>
	AGENCY NAME & ADDRESS	Mayor's Office of Employment Development 417 E. Fayette Street, Suite 468
	SUBJECT	City Council Bill 11-0287R – Informational Hearing Local Hiring Preference Programs

CITY of
BALTIMORE
MEMO



TO The Honorable President and Members Of The City Council
Room 400, City Hall

DATE: June 09, 2011

Bill 11-0287R requests an investigation of local hiring programs, in order to define the parameters of and efficacy for adopting a policy that would require resident preference hiring for contractors with the Baltimore City government who meet specific criteria. The City Council has requested that the Director of the Mayor's Office of Employment Development (MOED) provide information on the practices currently implemented by the agency to support local hiring. As Baltimore City's workforce development agency and one-stop career center operator, MOED is committed to unlocking Baltimore's full employment potential by developing and sustaining a strong local workforce with the skills needed by local businesses. MOED facilitates and/or delivers several programs to promote the connection of Baltimore City residents to employment opportunities in and around the Baltimore region.

Mayoral Executive Order: *Employ Baltimore*

MOED worked with the Deputy Mayor for Economic Development and Neighborhoods, the City's Purchasing Department, multiple City agencies (including the Department of Public Works, Department of Transportation, the Department of Housing and Community Development, the Baltimore Development Corporation) and the City's Law Department to create a strategically effective, legally viable program to promote local hiring. The resulting ***Employ Baltimore*** executive order, signed by Mayor Stephanie Rawlings-Blake on June 9, 2011, applies to all contracts awarded by the City, except professional service contracts, emergency contracts and contracts less than \$49,999. The design of ***Employ Baltimore*** integrates a range of resources, incentives, tracking and reporting mechanisms.

Bidders for all City contracts (except those stipulated as exempt) must complete the ***Employ Baltimore*** Certification Statement and submit it as part of their bid/proposal. The Certification Statement, incorporated into all City contracts, serves to confirm that the bidding contractor agrees to abide by the policies set forth in ***Employ Baltimore***, should their bid be selected. These conditions include:

- Employers who receive City contracts (Contractors) must schedule a meeting with MOED within two weeks of receiving their award. During this meeting, MOED's Business Services staff works with the contractor to assess their employment needs, educates them on all workforce services MOED offers, and, where applicable, tailors hiring and/or training programs to support the contractor's needs. MOED uses these meetings as an opportunity to initiate and build strong customer service relationships with local businesses.

Comments



Contractors will not receive their first progress payment until MOED confirms with the contracting city agency that this meeting has been scheduled.

- Contractors must agree to post any new jobs that will be created as a result of the awarded contract through MOED and its One-Stop Career Center Network for a period of seven (7) days prior to publicly advertising openings. This gives MOED a window of time to identify and refer qualified City residents as candidates for job opportunities.
- Contractors must submit an *Employ Baltimore* Employment Report to MOED on June 30th and December 31st during each year of the contract period, and at the completion of the project, identifying the number of City residents on the contractor's payroll. Performance will be tracked through CitiStat. The City will not release a final payment or any retainage held by the City until MOED verifies that the Employment Reports have been submitted.

A number of incentives are included in the *Employ Baltimore* executive order including the potential for an early release or reduction in the percentage of the retainage fee for construction contracts of \$300,000 or more for compliance with the executive order. Additionally, an annual "Mayor's Workforce Awards" program will be launched to publicly recognize *Employ Baltimore* employers that demonstrate significant numbers of city residents on their payrolls.

Connecting Community Hiring with Revitalization Investment

On a regular basis, MOED's Business Services Division works closely with developers and businesses to leverage resources and tools that support local hiring and community preference hiring. MOED regularly acts as liaison between developers/businesses and community associations to prepare residents for and create access to jobs generated by development projects. In many cases MOED is brought into early business discussions by the Baltimore Development Corporation in order to present its menu of workforce resources to potential and or expanding businesses.

MOED's extensive work with the Hilton Baltimore Hotel provides an excellent example. Even before ground was broken on the Hilton project, MOED was collaborating with the design-build firm, Hensel Phelps, along with 80+ subcontractors, to connect Baltimore City residents with related construction employment opportunities. MOED monitored and tracked the number of City residents who secured employment. During the staffing phase of Hilton's development, MOED worked with Hilton management to identify and prescreen 500 new workers. MOED's sustained presence and workforce support were critical in maintaining a rate of City resident worker participation at or above 80%.

MOED's efforts to expand opportunities for residents by linking workforce development with community revitalization efforts have similarly served or are now serving a number of other important Baltimore City developers and employers, including the Target and the Shoppers Food Warehouse at Mondawmin Mall, Price Rite that hired over 100 people,

many referred by MOED's Re-entry Center and the brand new Lenny's Deli that just opened today at Harborplace.

MOED is currently in the workforce pipeline planning stages with the developer of the 25th Street Station for both the construction of the retail stores and the subsequent staffing of these businesses. We have already held several meetings with Ekistics, the Suffolk Construction and Community Churches for Community Development group to develop a plan to ensure community residents will be prepared for and have access to the jobs generated by the State Center Project. And, we have begun similar discussions with the Dawson Company to cement a community outreach and employment referral connection for city residents to the several hundred jobs associated with the projected Lexington Square.

Economic Inclusion

MOED prioritizes cultivating formal partnerships with community organizations, community development corporations and other non-governmental entities, to help them achieve the economic inclusion and community preference goals set for their contracts. MOED has worked closely with the East Baltimore Development Inc (EBDI) for several years, utilizing the resources of our Eastside One Stop Career Center, to identify and prepare East Baltimore residents for employment opportunities to meet the EBDI's contracts that include local hiring goals. Similarly, MOED is a primary partner in the new *Baltimore Integration Partnership (BIP)* which received a \$ 17 million grant from the Living Cities foundation (\$2.75 million in workforce training grants, \$4 million in Program-Related Investments, and \$12 million in commercial debt). BIP is working to stimulate revitalization projects and workforce development opportunities in targeted Baltimore communities including areas represented by EBDI, the Central Baltimore Partnership and the communities adjacent to the proposed Red Line. BIP will offer capital for project development and small business lending. All of these financial projects will include local hiring agreements to ensure area residents have priority in filling jobs created as a result of these projects.

MOED's principal goal is to build and maintain a strong and skilled workforce for the city of Baltimore. Promoting and expanding employment opportunities for our residents will always be a priority for our agency.

Thank you for the opportunity to comment on this important public policy issue.

cc: Kalliope Parthemos, Deputy Mayor Economic Development & Neighborhood
Kumasi Vines, Special Assistant to Deputy Mayor
Andrew Smullian, Legislative Director
LiLi Taylor, Executive Liaison for Workforce Policy, MOED