County of Los Angeles
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April 17, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:**
**HALL OF JUSTICE REPAIR AND REUSE PROJECT**
**CITY OF LOS ANGELES**
**APPROVE LOCAL WORKER HIRING PROGRAM**
**APPROVE SUPPLEMENTAL AGREEMENT**
**CAPITAL PROJECT NO. 86630; SPECS. 6649**
**(FIRST DISTRICT) (3 VOTES)**

## SUBJECT

Approval of the recommended action will approve a voluntary Local Worker Hiring Program for implementation on the Hall of Justice Repair and Reuse Project, through a supplemental agreement to the existing design-build agreement with Clark Construction Group - California, LP.

## IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the implementation of a Local Worker Hiring Program for the Hall of Justice Repair and Reuse Project, and find that the program furthers a legitimate governmental interest for the reason stated in this letter and in the Project files.

2. Approve and authorize the Director of Public Works, or her designee, to execute a supplemental agreement with Clark Construction Group - California, LP, to implement a Local Worker Hiring Program for the Hall of Justice Repair and Reuse Project at no cost and to establish the effective date following your Board approval.

## PURPOSE / JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will approve a Local Worker Hiring Program (LWHP) for the Hall of Justice Repair and Reuse Project (Project).

On July 12, 2011, your Board awarded a design-build agreement to Clark Construction Group - California, LP (Clark Construction), to provide design and construction services for the Hall of Justice Repair and Reuse Project.

Upon completion, the facility will re-open as a certified Leadership in Energy and Environmental Design (LEED) building and house members of the Sheriff's Department and the District Attorney, providing approximately 308,000 square feet of useable office space, a new 1,000-space on-site parking structure, and site improvements.

Design-build activities commenced in August 2011 and will conclude in November 2014.

### Local Worker Hiring Program

On October 19, 2010, your Board approved the LWHP for the Martin Luther King, Jr. (MLK) Medical Center Inpatient Tower Renovation and Multi-Service Ambulatory Care Center (MACC) Projects. That program included a mandatory requirement that a minimum of 30 percent of the California construction labor hours be performed by qualified "Local Residents." Further, one-third of the local worker hours or 10 percent of the total California construction work hours are required to be performed by "Disadvantaged Local Workers," individuals who possess specific documentable social/economic barriers.

"Local Residency" was defined with a two-tier system: first preference was to be given to qualified workers residing within the County in zip codes within a 5-mile radius of the MLK Medical Center; and second preference was to be given to qualified workers residing within the County in any zip code having an unemployment rate in excess of 150 percent of the average unemployment rate for the County as a whole or a Bank Enterprise Awards Distressed Community.

As a basis for implementing the LWHP with a mandatory minimum threshold, a Factual Predicate Study (Study) was prepared. The Study reviewed an extensive amount of data and determined that there are areas of the County with high concentrations of disparity, such as excessive rates of unemployment, poverty, home foreclosures, etc. These findings are consistent with your Board's action in December 2009, in which the entire County was designated an economic recovery zone.

On February 8, 2011 and September 6, 2011, LWHPs were respectively authorized for the East Rancho Dominguez Library Project and the High Desert Multi-Service Ambulatory Care Center Project by your Board using the same two-tier definition of a Local Worker - a County resident living within a 5-mile radius of the Project site, or living in a zip code with an unemployment rate in excess of 150 percent of the County average rate.

Recommended LWHP for the Hall of Justice Repair and Reuse Project

The Study documented that this Project's location in the City of Los Angeles is surrounded by zip codes with unemployment rates in excess of 150 percent of the national unemployment rate of 9.7 percent. Within a 5-mile radius of the Project, there are 46 total zip codes. Of those, 41 have an unemployment rate in excess of 150 percent of the unemployment rate for the County as a whole. Beyond that, there are an additional 109 zip codes that have an unemployment rate in excess of 150 percent of the unemployment rate for the County as a whole. Therefore, it is recommended that a LWHP be implemented for the Project with the following key elements:

- The design-builder is required to make a good-faith effort to employ qualified Local Workers to perform at least 30 percent of the total California craft worker hours.

- "Local Residency" and "Local Workers" are defined with a two-tier system: First preference will be given to qualified workers residing within the County in zip codes within a 5-mile radius of the project; and second preference will be given to qualified workers residing within the County in any zip code having an unemployment rate in excess of 150 percent of unemployment rate for the County as a whole or a Bank Enterprise Awards Distressed Community.

On September 6, 2011, 11 additional zip codes (that met the definition of a Bank Enterprise Awards Distressed Community) were approved by your Board for inclusion in any future projects utilizing a LWHP and they will be included in the LWHP for the Project.

## ENVIRONMENTAL DOCUMENTATION

On June 13, 2006, your Board certified an Environmental Assessment/Environmental Impact Report (EA/EIR) for the Project. The recommended actions are within the scope of the previously certified EA/EIR.

## FISCAL IMPACT/FINANCING

Approval of the recommended actions will have no impact to the approved Project budget, as Clark Construction has agreed to implement the program at no additional cost.

## IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have no impact on current services or projects.

## CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Projects Division; and the Department of Public Works, Project Management Division II.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR
DJT:MV:zu

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Public Works