Implementing a Community Hiring Pilot in County Procurement

The County of Los Angeles (County) has an opportunity to leverage its multi-billion-dollar procurement power to promote workforce equity and foster inclusive economic growth. In January 2024, the Board of Supervisors adopted the motion titled, *Advancing High Road Jobs by Harnessing the County's Procurement Power as a Market Participant*, which directed the Internal Services Department (ISD) to evaluate strategies to link County contracting to equitable employment opportunities.

ISD delivered its 90-day report on April 8, 2024, ² and its 180-day report on July 3, 2024, ³ identifying feasible pathways to embed hiring goals into County solicitations, define referral networks, and monitor outcomes. Both reports concluded that a time-limited pilot program focused on selected high-value solicitations represents the most appropriate next step to assess administrative feasibility, vendor performance, and equity impact.

The need for action is urgent and measurable. The County continues to face

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SOLIS	
MITCHELL	
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¹ https://file.lacounty.gov/SDSInter/bos/supdocs/187755.pdf

² https://file.lacounty.gov/SDSInter/bos/bc/1158578_ISD-

 $^{{\}tt 90DayReportBackonAdvancingHighRoadJobs_April2024_.pdf}$

³ https://file.lacounty.gov/SDSInter/bos/supdocs/187732.pdf

concentrated poverty within specific ZIP codes and neighborhoods, marked by stark geographic disparities. Recent analyses indicate that the County ranks among the highest in California under the Supplemental Poverty Measure. Leveraging procurement to target hiring in high-poverty ZIP codes and among income-eligible residents presents a practical and immediate strategy the County can activate.

Peer jurisdictions have demonstrated a workable model. Effective January 23, 2025, New York City adopted binding Community Hiring rules, which (1) apply hiring goals to specific contract types/values, (2) require vendors to engage approved referral sources, and (3) track outcomes with clear accountability. New York City's thresholds and goal formulas—such as residence-based labor-hour targets for construction and "one hire per \$500,000" for service contracts —are readily adaptable to the County's contracting environment, as identified in ISD's analyses.⁴

In its report back, ISD identified 528 contracts in 17 County departments, each valued at over \$5 million and competitively solicited, as potential candidates for a County solicitation pilot program. ISD analyzed the top 10% of the largest contracts and recommends piloting a Community Hiring program on the Department of Public Social Services (DPSS) Security Services Contract. However, to yield statistically significant outcomes, the pilot must be implemented across more than one contract.

ISD currently provides centralized purchasing and contract support. The County's newly launched e-procurement transformation can be leveraged to collect vendor data on hires, labor hours, and retention. The pilot would also formalize coordination with the Department of Economic Opportunity and the America's Job Centers of California network to serve as approved referral sources, as anticipated in ISD's report-backs.

To build on ISD's findings and evaluate this approach within the County's existing contracting framework, ISD's recommended pilot should now proceed to implementation.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Director of the Internal Services Department (ISD), in coordination with the Director of the Department of Economic Opportunity (DEO) and the Chief Executive Officer, to design and implement a 36-month Community Hiring

⁴ https://www.nyc.gov/assets/communityhiring/downloads/pdf/2025 05 05 VendorFAQ.pdf

Pilot Program, as recommended in ISD's July 3, 2024, report back within 120 days. The pilot shall embed Community Hiring goals into at least five eligible solicitations, as identified in ISD's April 8, 2024, report back, across three departments, including the Department of Public Social Services Security Services Contract. The five eligible solicitations should reflect a diverse range of industries. ISD shall report back to the Board in writing in 90 days with the proposed solicitation list, draft contract language, and an implementation timeline.

- 2. Direct the Director of ISD, in coordination with County Counsel and the Director of DEO, to develop standard solicitation and contract language establishing hiring goals for qualifying contracts. These may include requirements such as: (a) 30% of labor hours performed by residents in Tier 1 zip codes as defined by the County's Local and Targeted Worker Hire Policy; or (b) one hire from the local community for every \$500,000 in contract value. The language shall also include best-effort requirements for vendors, and targeted subcontractor utilization goals. ISD shall report back in 60 days following the launch of the last (fifth) pilot procurement with finalized template language for County departments to use.
- 3. Direct the Director of DEO, in coordination with the Director of ISD, to compile and maintain a list of Approved Referral Sources—including America's Job Centers of California, High Road Training Partnerships, and other relevant referral partners and programs—and create a vendor referral process for the pilot. The Director of DEO shall report back in writing in 120 days with the completed referral network, MOUs with partners, and an outreach plan.
- 4. Direct the Director of ISD, in coordination with the Director of the Department of Public Works, to develop procedures for departments to report vendor community hire metrics to ISD and DEO. These metrics shall include hires, labor hours, retention, demographics, and geographic data. The Director of ISD shall report back in writing in 120 days on report and procedure readiness. The Director of ISD shall report back in 60 days following the execution of the first pilot solicitation contract with baseline pilot data.

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> 5. Direct the Director of ISD, in coordination with the Director of DEO, to provide annual written updates to the Board on pilot solicitations, vendor participation, hires and outcomes for those hires, and challenges encountered during implementation. Impact metrics or key performance indicators should be included in these reports.

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