First Source

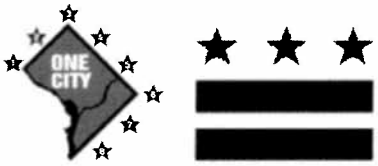
Department of Employment Services
Lisa María Mallory, Director

The District of Columbia
Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011

Effective February 24, 2012, the District of Columbia Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011 significantly changes the District's First Source law. Crafted to increase the number of D.C. residents hired on projects funded by D.C. taxpayer dollars, it implements more aggressive requirements for hiring, monitoring, and compliance. These changes ensure that District residents are given priority for new jobs created by municipal financing and development programs. A workforce intermediary pilot program will be created by the Workforce Investment Council (WIC) and shall act as an intermediary between employers and training providers to provide employers with qualified residents. The intermediary will focus on the construction and hospitality industries.

Other major changes to the new law include:

- The initial Employment Plan from bidders or offerors must outline a strategy to meet local hiring requirements as part of its response to the bid solicitation. An evaluation will be made and shall be worth 10% of the overall score of the bid or proposal.
- The new law requires bidders and offerors of government contracts valued at five million dollars ($5M) or more to submit initial Employment Plans that reveal past compliance and employment practices of D.C. residents as part of their bid packages. The past compliance also includes disclosure of apprenticeship and Davis-Bacon Act compliance.
- The winning bidder or offeror must submit a revised Employment Plan to the using agency for approval prior to beginning work associated with the relevant government project or contract. The new law outlines the requirements for Employments Plans.
- The new law requires the primary beneficiary of the First Source Employment Agreement to choose whether the hiring requirements of District residents will be cumulative on a project or contract or will be met by each individual beneficiary covered by the project or contract.
- The Department of Employment Services (DOES) must receive the First Source Employment Agreement no less than seven (7) calendar days in advance of the project or contract start date, whichever is later. No work associated with the relevant government assistance can begin on a project or contract until the First Source Employment Agreement has been accepted by DOES.
- The new law eliminates contracts under $300,000 from the First Source obligations, but continues to require 51% of all new hires on government contracts be District residents.



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- Government-assisted construction projects receiving government assistance totaling five million dollars ($5M) or more must have the following percentage of D.C. residents on those projects:
    - 20% of journey-worker hours
    - 60% of apprentice hours
    - 51% of skilled laborer hours
    - 70% of common laborer hours
- The new law allows contractors to double-count hours worked by "hard to employ" District residents up to 15% of total hours worked by District residents.
- The new law allows DOES to consider altering the ratio of apprentices to journey-workers employed, based on a compelling District resident hiring rationale.
- The new law allows "roll over" hours for beneficiaries to count hours that exceed previous requirements toward their current requirements if hours are in excess.
- The new law maintains the 5% direct and indirect labor costs (monetary fine) level. The new law also includes debarment for those found in violation two (2) times over a ten-year period for a period of five (5) years.
- Appeals are heard at the Contract Appeals Board.

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