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**Title:** Resolution directing the Department of Permits, Licenses, and Inspections and the Department of Finance to establish guidelines to ensure that all contractors on publicly-owned projects are properly licensed.

**Sponsors:** Corey O'Connor, Theresa Kail-Smith, Darlene M. Harris

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**Attachments:** 1. Summary 2019-1865

Date	Ver.	Action By	Action	Result
8/1/2019	1	Mayor	Signed by the Mayor	
7/30/2019	1	City Council	Passed Finally	Pass
7/24/2019	1	Standing Committees	Affirmatively Recommended	Pass
7/16/2019	1	City Council	Read and referred	

Resolution directing the Department of Permits, Licenses, and Inspections and the Department of Finance to establish guidelines to ensure that all contractors on publicly-owned projects are properly licensed.

**WHEREAS**, the City of Pittsburgh recognizes the importance of collecting appropriate fees from contractors that perform construction and associated activities to generate sufficient revenue to offset compliance and enforcement activities; and

**WHEREAS**, the City has the authority to take the necessary steps to preserve its vested interest in the securing are public safety, health, and welfare through a rigorous and systematic regulatory program dedicated to the oversight of the structural strength and stability, means of egress, adequate light and ventilation and safety to life, limb and property from fire and other hazards, incident to the design, construction, alteration, repair, removal, demolition, use or occupancy of buildings or structures and their appurtenant equipment; and

**WHEREAS**, prioritizing such efforts, the Department of Permits, Licenses, and Inspections has been endowed and entrusted with the power to direct, supervise and control the erection, construction, enlargement, alteration, repair, equipment arrangement, maintenance, inspection, lighting, heating, ventilation, use, occupancy, removal and demolition of buildings, parts of buildings, structures, premises and appurtenances thereto and appliances, apparatus, facilities, systems, and conditions in, or about them; and

**WHEREAS**, the City Treasurer, working in conjunction with the Department of Finance and acting as its head and Director, is charged with the administration and enforcement of the provisions of Municipal Code of

Ordinance's Fiscal Title, and is thereby empowered to prescribe, adopt, promulgate and enforce rules and regulations relating to any matter pertaining to the administration and enforcement thereof; and

**WHEREAS**, it's of material benefit to the welfare of its citizenry that the City works to track, regulate, and approve of construction-related activities performed by contractors such that all such work should be performed by those who are appropriately licensed and monitored, and whose conduct is standardized so as to be in line with industry norms and the utmost safety practices; and

**WHEREAS**, the City intends to minimize the safety threads imposed by unlicensed and / or unauthorized contractors by reevaluating and improving upon its existing licensing and oversight mechanisms as they relate to contracts awarded for work on City of Pittsburgh and / or Urban Redevelopment Authority of Pittsburgh construction projects.

**The Council of the City of Pittsburgh hereby resolves:**

**Section 1. PURPOSE**

- A. The purpose of this Resolution is to provide standards for construction contracting that protect public health and safety and ensure compliance with applicable industry codes and standards by establishing appropriate licensing requirements and enforcement procedures for contractors performing construction work, as defined herein, on public projects within the jurisdictional boundaries of the City of Pittsburgh.
- B. This Resolution promotes the health and safety of the public and protects revenue owed from licensing fees, permit fees, and applicable tax requirements by requiring firms operating in the construction industry to obtain licenses before performing construction work as defined by this Resolution.
- C. The policy shall only pertain to public projects undertaken by contractors as part of a contract to which the City of Pittsburgh and / or the Urban Redevelopment Authority of Pittsburgh are party.
- D. No person or business entity of any type shall act as a contractor unless the person or entity possesses a current and valid license issued by the Department of Permits, Licenses, and Inspections.

**Section 2. DEFINITIONS**

- A. **Contractor.** Any person, business, corporation, partnership, sole proprietorship, or other entity that does not perform work exclusively for one entity and agrees to conduct work for the City of Pittsburgh and / or the Urban Redevelopment Authority of Pittsburgh as specified under the terms of a contract.
  - 1. For the purposes of this Resolution, the term contractor shall also include any tier of subcontractors of any tier such that a person, business, or entity which has a contract with a contractor to provide some portion of the work or services on a project which the contractor has agreed to perform shall be classified as such.
- B. **Construction.** The demolition, erection, improvement, rehabilitation, remodeling, renovation, repair, or

other alteration of any building, structure, real property, or appurtenance thereto, including, but not limited to, the following specifications:

1. **Demolition.** Labor activities including, but not limited to, structural dismantlement, site clearance, environmental remediation, salvage, recycling, deconstruction, and industrial recovery.
  - i. The following activities shall be considered acts of demolition for the purposes of this Resolution:
    1. The disassembly demolishing of spaces within a structure;
    2. The breaking-down of structures or facilities used in the production of goods;
    3. The partial or complete dismantlement of commercial properties; and
    4. The razing of a structure in order to maximize the amount of potentially recyclable materials from the building; and
2. **Erection.** The building up of anything constructed or raised with a fixed location on the ground, not including repairs, alterations, enlargement, or removal; and
3. **Improvement.** Any permanent structure or work on real property, which increases its value or extends its useful life beyond standard acts of replacing, repairing, or restoring aspects of the real property, including an addition to or alteration of a capital asset, which either increases its value or extends its useful life; and
4. **Rehabilitation.** The process of returning real property to a state of utility, through repair or alteration, which, when completed, makes standard operation possible and limits the need for additional work or major expense over and above normal maintenance necessary for efficient and contemporary use while preserving historic, architectural and cultural values of the property where appropriate; and
5. **Remodeling.** The changing of the appearance, function, or form of an aspect of built environment, including, but not limited, those activities associated with addition, conversion, or modernization of property; and
6. **Renovation.** The process by which a major component or substantial structural part of real property is altered and improved to such an extent that it:
  - i. Materially increases the value of the property;
  - ii. Substantially prolongs the useful life of the property; or
  - iii. Adapts the property to a new or better use; and
7. **Repair.** The restoration to former condition or appropriate operating order.

**8. Other Alteration.** The performance of any building, excavation, or mining operation, the making of any substantial change in the use or appearance of any structures or land, or the creation or termination of rights of access or riparian rights not otherwise described herein.

**C. Departments.** The Department of Permits, License, and Inspections and the Department of Finance.

### **Section 3. POLICY**

A. The Departments shall produce a policy that requires all contractors on a project to have the appropriate licenses to work in the City of Pittsburgh and allows for a robust verification and / or monitoring system thereof as appropriate and necessary to the successful completion of such activities.

1. The Departments shall reevaluate and improve upon its existing licensing processes if such modifications are required for the accomplishment of the directives enumerated in this Resolution.

B. The Departments shall have thirty (30) days to develop the policy.

C. The City of Pittsburgh's Construction Industry Tax Fraud Task Force shall be consulted after the development of this policy.

1. The Departments shall solicit and incorporate input from the Task Force as the Departments' Directors see fit.

### **Section 4. EFFECTIVE DATE**

This Resolution shall become effectively immediately after being finally passed by City Council and signed by the Mayor.