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**Effective date:**

**Title:** Ordinance amending the Pittsburgh Code, Title I--Administrative, Article VII, Chapter 161--Contracts, Section 161.33,-Required Provisions in Certain Construction Contracts; Title 2, Article I, Chapter 201, Section 201.11-Tax Increment Financing (TIF) Registration and Title I--Administrative, Article IX, Chapter 177A--Equal Opportunity Review Commission by making various changes.

**Sponsors:** R. Daniel Lavelle

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**Code sections:**

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Date	Ver.	Action By	Action	Result
12/2/2015	1	Standing Committee	TABLED	Pass
11/4/2015	1	Standing Committee	Held in Committee	Pass
10/21/2015	1	Standing Committee	Held in Committee	Pass
9/30/2015	1	Standing Committee	Held in Committee	Pass
9/2/2015	1	Standing Committee	Held in Committee	Pass
7/22/2015	1	Standing Committee	Held in Committee	Pass
5/27/2015	1	Standing Committee	Held in Committee	Pass
4/1/2015	1	Standing Committee	Held in Committee	Pass
1/28/2015	1	Standing Committee	Held in Committee	Pass
11/19/2014	1	Standing Committee	Held in Committee	Pass
10/15/2014	1	Standing Committee	Held in Committee	Pass
9/17/2014	1	Standing Committee	Held in Committee	Pass
9/9/2014	1	City Council	Read and referred	

Ordinance amending the Pittsburgh Code, Title I--Administrative, Article VII, Chapter 161--Contracts, Section 161.33,-Required Provisions in Certain Construction Contracts; Title 2, Article I, Chapter 201, Section 201.11-Tax Increment Financing (TIF) Registration and Title I--Administrative, Article IX, Chapter 177A--Equal Opportunity Review Commission by making various changes.

Whereas, the City of Pittsburgh (“the City”) currently requires all of its employees to live within the City; and

Whereas, the collapse of the manufacturing and steel industries combined with unintended consequences of the City's past housing, community development and urban renewal practices have led to pockets of high unemployment and high levels of poverty in many City neighborhoods; and

Whereas, according to census tract data compiled by the Economic and Social Research Institute, approximately twenty-seven City neighborhoods have an unemployment rate that is more than double the unemployment rate for the City as a whole; and

Whereas, according to PGHSNAP, fourteen City neighborhoods have a poverty rate that is more than double the poverty rate for the City as a whole; and

Whereas, many City residents have very low household incomes and experience obstacles that limit their ability to obtain employment and escape poverty, such as being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; or having a criminal record or other involvement with the criminal justice system; and

Whereas, the persistence of high levels of unemployment and poverty in many City neighborhoods is detrimental to the quality of life of all City residents and to the City's tax base and overall fiscal health; and

Whereas, the City expends a significant portion of its budget every year on public works and development projects, both as direct City expenditures and through the provision of public subsidies to help finance the development activities of private entities; and

Whereas, much of the funding that the City expends on public works and development projects, such as the Community Development Block Grant (“CDBG”) and the HOME Investment Partnerships Program (“HOME”) is granted to the City for the express purpose of benefitting low-income City residents; and

Whereas, in 1999 the voters of the City of Pittsburgh approved an amendment to the City Charter requiring that at least 35% of all employee work hours performed on City-funded construction contracts be performed by City residents; and

Whereas, requiring that City-funded public works projects and development projects provide economic opportunities for City residents, hard to employ City residents, and small local businesses, and providing a dedicated source of funding for neighborhood-based first source job referral centers, will increase the earning capacity of City residents, decrease levels of poverty, invigorate neighborhood businesses, increase the City's earned income tax revenue, and reduce the need for taxpayer-funded social programs.

**NOW, THEREFORE, BE IT RESOLVED, THAT THE COUNCIL OF THE CITY OF PITTSBURGH HEREBY ENACTS AS FOLLOWS:**

**SECTION 1.** The Pittsburgh Code, Title I, Article VII, Chapter 161, Section 161.33 is hereby repealed in its entirety.

**SECTION 2.** The Pittsburgh Code, Title I, Article VII, Chapter 161, is supplemented to add a new Section 161.33 as follows:

**“SECTION 161.33. REQUIRED PROVISIONS IN CERTAIN PUBLIC WORKS AND DEVELOPMENT CONTRACTS.**

(a) *Title and Purpose*

- (1) This Section shall be known as the Pittsburgh Works! Revised Local Jobs Ordinance.
- (2) The purpose of this Ordinance is to ensure that City-funded public works projects and development projects maximize economic opportunities for City Residents and Disadvantaged City Residents.
- (b) **Definitions.** Unless the context otherwise requires, the following terms shall have these meanings:
  - (1) Apprentice- Any worker who is indentured in a construction apprenticeship program that maintains current registration with the Commonwealth Workforce Development System.
  - (2) Area Median Income or AMI- The median income levels published annually by the U.S. Department of Housing and Urban Development for the Pittsburgh metropolitan area.
  - (3) Awarding Agency- Any City Department or Related Authority that awards or administers a Construction Contract or an agreement to provide City Funds for a Development Project. Awarding Agency shall include the Office of the City Controller.
  - (4) Business Tenant- Any for-profit business or a nonprofit entity that will conduct any portion of its operations within a Covered Development Project. "Business Tenant" does not include a "Contractor" as defined herein, nor does it include any business performing work pursuant to a one-time, nonrenewable contract to be completed in less than six months time.
  - (5) CETD- The City Employment and Training Division (Pittsburgh Partnership).
  - (6) City Funds- Anything of value provided by the City, either directly or through a Related Authority or other intermediary, including, but not limited to, grants or loans of City revenues; grants or loans of state, federal or other funds administered by the City; tax abatements or deferrals; infrastructure improvements made for the purpose of facilitating or supporting a Development Project; and any below-market sale of, lease of, or license to use real property.
  - (7) City Resident- Any person whose Domicile, as of seven (7) days prior to the date of hire to perform work on a Covered Construction Project, lies within the City of Pittsburgh.
  - (8) Construction Contract- Any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway or other improvement to real property which is funded, in whole or in part, by City Funds.
  - (9) Construction Site- The geographical location where the erection, repair, alteration or demolition described in the construction contract is performed.
  - (10) Contractor- Any person or legal entity that contracts directly with the City or with a Developer to perform a Construction Contract, and any person or entity that submits a bid to the City or to a Developer to perform a Construction Contract. A Contractor may also be referred to as a "Prime Contractor" or "General Contractor."
  - (11) Covered Construction Contract- Any Construction Contract(s) with a value of at least \$200,000 over any one-year period and which is funded in whole or in part by City Funds.
  - (12) Covered Construction Project- The work performed pursuant to a Covered Construction Contract.

- (13) Covered Development Project- Any Development Project receiving \$200,000 or more in City Funds.
- (14) Covered Employer- Any person or legal entity that employs, directly or indirectly, any person to perform work on a Covered Construction Project or within a Covered Development Project. Covered Employer shall include, but not be limited to, Contractor, Subcontractor, Developer and Business Tenant.
- (15) DEOR- The City Department of Equal Opportunity Review.
- (16) Developer- Any person or legal entity that is awarded City Funds for a purpose which includes any activity related to the acquisition, construction, rehabilitation, or otherwise making of improvements to real property. For the purposes of this definition, all affiliates, controlled organizations, controlling organizations, organizations having an identity of interest, and all successors and assigns shall be treated as a single entity.
- (17) Development Project- The real property that is acquired, constructed, rehabilitated, or otherwise improved by a Developer, including all activities which take place on such real property while such improvements are being undertaken or after such improvements have been completed.
- (18) Disadvantaged Worker- A person who, as of the date of hire to perform work on a Covered Construction Project, (i) has a household income at or below fifty-percent (50%) of AMI, or (ii) faces at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; or having a criminal record or other involvement with the criminal justice system.
- (19) Domicile- The legal residence of an individual or place of that individual's fixed and permanent home. For purposes of this Ordinance, Domicile does not include any temporary living quarters to which business or other reasons have called the individual.
- (20) First Source Center- One or more non-profit organizations responsible for providing recruitment, evaluation and referral services to Covered Employers, in partnership with the City Employment and Training Division, to facilitate compliance with the Local Hiring requirements of this Ordinance.
- (21) First Source Hiring Agreement- A contract between a Covered Employer and the City Employment and Training Division, containing the provisions specified in Subsection 161.33(f)(3) of this Ordinance.
- (22) Pittsburgh Disadvantaged Worker- A Disadvantaged Worker whose Domicile, as of seven (7) days prior to the date of hire to perform work on a Covered Construction Project, lies within the City of Pittsburgh.
- (23) Project Labor Agreement- A pre-hire collective bargaining agreement with one or more building trade unions that establishes the terms of hiring and employment on a Construction Project.
- (24) Project Work Hours- The total hours worked on a Covered Construction Contract. For Construction Projects subject to Davis-Bacon reporting requirements, Project Work Hours shall be the cumulative of all hours reported on all U.S. Department of Labor forms WH-347 submitted to the Awarding Agency with respect to that Project.
- (25) Related Authority- Any public Authority that awards or administers City Funds.
- (26) Subcontractor- Any person or legal entity that contracts with a Prime Contractor or another

Subcontractor to provide services in fulfillment of the Prime Contractor's or other Subcontractor's obligations arising from a Covered Construction Contract. Subcontractor shall not include any person or entity whose sole function is to supply materials.

(27) Very-Low-Income Planning Sector- A Planning Sector, as used by the Department of City Planning and published in Pittsburgh Sector/Neighborhood Asset Profiles (PGHSNAP), that contains significant numbers of non-student households with incomes at or below 50% of Area Median Income. As of the effective date of this Ordinance, the Very-Low-Income Planning Sectors are:

- (i) Sector 3, Lower Northside
- (ii) Sector 4, West Pittsburgh
- (iii) Sector 7, South Side/Hilltop East
- (iv) Sector 9, Monongahela River Valley
- (v) Sector 11, Northeast Pittsburgh
- (vi) Sector 12, Upper East End
- (vii) Sector 15, Hill District and Uptown

Council may review and modify this list from time to time in light of changed neighborhood conditions.

(28) Work Force Table- A Contractor's or Subcontractor's estimate of workforce needs for a Construction Project, which shall include the information required under Subsection 161.33(g)(3).

(c) ***Workforce Development and Job Referral Trust Fund***

(1) There is established a nonlapsing Workforce Development and Job Referral Trust Fund ("Fund"), which shall be administered by the Director of the Department of Equal Opportunity Review. The Fund shall be used solely for the Implementation, Monitoring and Enforcement activities set forth in Subsection 161.33(d) of this Chapter. The following revenues shall be deposited into the Fund:

- (i) 1% of all proceeds generated by Tax Increment Financing (TIF) projects approved by the City after the effective date of this Ordinance;
- (ii) All liquidated damages collected by an Awarding Agency for breach of this Ordinance;
- (iii) All liquidated damages collected by CETD for breach of any First Source Hiring Agreement required under this Ordinance; and
- (iv) All voluntary and negotiated contributions, donations and grants received by the City for workforce development and job referral services.

(2) All funds deposited into the Fund, and all interest earned on such funds, shall be continually available for the uses and purposes set forth in this Subsection, and shall not revert to the City of Pittsburgh General Fund at the end of the City's fiscal year or at any other time, nor shall such funds be reobligated for any other purpose.

(3) DEOR shall make funds available to CETD to fulfill CETD's implementation and monitoring activities under this Ordinance.

(d) ***Implementation, Monitoring and Enforcement***

(1) By December 31, 2015, the Director of the Department of Personnel and Civil Service Commission shall expand the workforce development and job referral services provided by CETD so as to provide Covered Employers with qualified City Residents and Disadvantaged Workers.

(2) To achieve the purpose of this Ordinance, CETD shall:

(i) Establish or contract with at least one neighborhood-based First Source Center located in, or within ½ mile of, each Very-Low-Income Planning Sector, to provide recruitment, evaluation and referral services to Covered Employers in partnership with CETD;

(ii) Enter into and enforce First Source Hiring Agreements with Covered Employers;

(iii) Establish a system for documenting the eligibility of City Residents and Disadvantaged Workers for a hiring preference;

(iv) Provide comprehensive workforce development services to support the efforts of Disadvantaged Workers to obtain and retain employment; and

(v) Contract with and evaluate the effectiveness of training providers to provide pre-apprenticeship training for Disadvantaged Workers.

(3) By December 31, 2015, the Director of DEOR shall establish documentation and tracking systems so as to effectively monitor compliance with the requirements of this Ordinance.

(4) To achieve the purpose of this Ordinance, DEOR shall:

(i) Obtain and evaluate compliance documentation as necessary to ensure that each Covered Employer is in compliance with the Local Hiring requirements of this Ordinance; and

(ii) Monitor compliance, conduct investigations, make enforcement recommendations, and publish findings with respect to noncompliance with the Local Hiring requirements of this Ordinance.

(5) The Director of DEOR shall report annually to Council on:

(i) A listing of all Covered Development Projects and Covered Construction Projects for which First Source Hiring Agreements were executed;

(ii) The number of jobs created by each Covered Development Project and Covered Construction Project for which First Source Hiring Agreements were executed;

(iii) The number of City Residents actually employed on each Covered Development Project and Covered Construction Project for which First Source Hiring Agreements were executed;

(iv) The number of Disadvantaged Workers actually employed on each Covered Development Project and Covered Construction Project for which First Source Hiring Agreements were executed;

(v) All findings of non-compliance, if any, and all recommended and imposed sanctions, if any; and

(vi) Recommendations, if any, for improving the effectiveness of this Ordinance.

(6) The Director of DEOR shall post the information required under Subsection 161.33(d)(3)(i) through (v) on the City of Pittsburgh website and update the posted information at least monthly.

(e) ***Local Hiring Requirements.***

(1) For each Covered Construction Project:

(i) All Covered Employers must enter into a First Source Hiring Agreement with CETD as a precondition to Contract award.

(ii) All Covered Employers must meet the following Safe Harbor Thresholds for City Residents and Disadvantaged Workers:

(A) In calendar year 2016, at least 25% of all Project Work Hours within each trade must be worked by City Residents, with no less than 5% of all Project Work Hours within each trade performed by Disadvantaged Workers.

(B) In calendar year 2017, at least 30% of all Project Work Hours within each trade must be worked by City Residents, with no less than 10% of all Project Work Hours within each trade performed by Disadvantaged Workers.

(C) In calendar year 2018 and thereafter, at least 35% of all Project Work Hours within each trade must be performed by City Residents, with no less than 15% of all Project Work Hours within each trade performed by Disadvantaged Workers.

(iii) All Covered Employers must meet the following Safe Harbor Thresholds for Apprentices:

(A) In calendar year 2016, at least 30% of all Project Work Hours performed by Apprentices within each trade must be worked by City Residents, with no less than 15% of all Project Work Hours performed by Apprentices within each trade performed by Disadvantaged Workers.

(B) In calendar year 2017, at least 40% of all Project Work Hours performed by Apprentices within each trade must be worked by City Residents, with no less than 20% of all Project Work Hours performed by Apprentices within each trade performed by Disadvantaged Workers..

(C) In calendar year 2018 and thereafter, at least 50% of all Project Work Hours performed by Apprentices within each trade must be performed by City Residents, with no less than 25% of all Project Work Hours performed by Apprentices within each trade performed by Disadvantaged Workers.

(iv) The work hours of non-Pennsylvania residents shall be excluded from the determination of Project Work Hours and Project Work Hours performed by Apprentices.

(v) Covered Employers that fail to meet the Safe Harbor Thresholds set forth above must demonstrate, to the satisfaction of DEOR, that the Contractor and all Subcontractors used All Feasible Efforts to hire City Residents and Disadvantaged Workers on the Project. With respect to Covered Construction Projects, "All Feasible Efforts" shall include, but shall not be limited to, all of the following:

(A) Complying fully with the terms of the First Source Hiring Agreement;

(B) Holding one or more job informational meetings in the neighborhood where the First Source Center is located;

- (C) Conducting job interviews in the neighborhood where the First Source Center is located;
- (D) Making an offer of employment to all qualified individuals referred by the First Source Center for which a position is available;
- (E) Incorporating into each Subcontract a negotiated provision for a specific number of City Residents and Disadvantaged Workers to be employed performing the Subcontract;
- (F) Providing CETD with an accurate Work Force Table well in advance of the start of construction and promptly revising the Work Force Table as necessary to reflect changed circumstances during implementation of the Construction Project;
- (G) Promptly notifying the First Source Center if an employee quits, is terminated or walks off the job;
- (H) If feasible, providing on-the-job training for Disadvantaged Workers;
- (I) For any position that is subject to a collective bargaining agreement, requesting the applicable union hiring hall to refer City Residents; and
- (J) For any position that is subject to a collective bargaining agreement, maximizing the number of Apprentices working on the Project, and working with applicable apprenticeship training programs to enroll Disadvantaged Workers referred by the First Source Center.

(vi) Covered Employers may receive credit for employing Pittsburgh Disadvantaged Workers on non-Covered Construction Projects, and may count fifty percent (50%) of such credit hours toward meeting the Disadvantaged Worker Safe Harbor Thresholds set forth herein. DEOR shall establish criteria for documenting and applying Pittsburgh Disadvantaged Worker credit hours.

(2) For Each Covered Development Project

(i) All Covered Developers must enter into, and must ensure that their Business Tenants enter into, a First Source Hiring Agreement with CETD as a precondition to the award of City Funds. Covered Developers must also ensure that their Covered Contractors comply with the requirements of Subsection 161.33 (e)(1) of this Ordinance.

(ii) During the term of the First Source Hiring Agreement, Covered Employers must meet the following Safe Harbor Thresholds:

(A) For First Source Hiring Agreements entered into in calendar year 2016, at least 30% of all new hires must be City Residents, and no less than 15% of all new hires must be Disadvantaged Workers.

(B) For First Source Hiring Agreements entered into in calendar year 2017, at least 40% of all new hires must be City Residents, and no less than 20% of all new hires must be Disadvantaged Workers.

(C) For First Source Hiring Agreements entered into in calendar year 2018 and thereafter, at least 50% of all new hires must be City residents, and at least 25% of all new hires must be Disadvantaged Workers.

(iii) Covered Employers that fail to meet the Safe Harbor Thresholds set forth above must demonstrate, to the satisfaction of DEOR, that the Contractor and all Subcontractors used All Feasible Efforts to hire City Residents and Disadvantaged Workers on the Project. With respect to Covered Development Projects, "All Feasible Efforts" shall include, but shall not be limited to, all of the following:

- (A) Complying fully with the terms of the First Source Hiring Agreement
- (B) Holding one or more job informational meetings in the neighborhood where the First Source Center is located;
- (C) Conducting job interviews in the neighborhood where the First Source Center is located;



- (D) Making an offer of employment to all qualified individuals referred by the First Source Center for which a position is available;
- (E) Promptly notifying the First Source Center if an employee quits, is terminated or walks off the job; and
- (F) If feasible, providing on-the-job training for Disadvantaged Workers.

(3) Jobs requiring a professional degree shall not be counted for the purpose of determining the Safe Harbor Thresholds above.

(f) ***First Source Hiring Agreements***

(1) No Covered Construction Contract may be executed unless the General Contractor has signed a First Source Hiring Agreement with CETD. The Awarding Agency shall transmit such signed First Source Hiring Agreement to CETD no less than 7 calendar days in advance of the Contract start date, and no work shall begin on the Contract until the First Source Hiring Agreement has been executed by CETD.

(2) No City Funds may be awarded to a Covered Development Project unless the Developer has signed a First Source Hiring Agreement with CETD. The Awarding Agency shall transmit such signed First Source Hiring Agreement to CETD no less than 7 calendar days in advance of the Project start date, and no work shall begin on the Development Project until the First Source Hiring Agreement has been executed by CETD.

(3) Each First Source Hiring Agreement shall designate the First Source Center which shall be responsible for providing recruitment, evaluation and referral services to the Covered Employer, and shall require that:

(i) For every job opening, the Covered Employer shall notify the First Source Center of the availability of the position, including a job description, wages, benefits, period of employment, minimum qualifications, and anticipated start date;

(ii) For every job opening, the Covered Employer shall not advertise, announce, or recruit for the position until at least 7 days after notifying the First Source Center;

(iii) The First Source Center shall endeavor to refer qualified City Residents and Disadvantaged Workers to the Covered Employer within 3 business days of receiving notification as provided herein; and

(iv) For every job opening, the Covered Employer shall first interview and consider qualified City Residents and Disadvantaged Workers referred by the First Source Center before considering any other applicants.

(4) Jobs requiring a professional degree shall be exempt from the preceding requirements.

(5) For Covered Construction Projects, each First Source Hiring Agreement shall continue in full force and effect until all work on the Construction Contract has been completed and final payment has been made. For Covered Development Projects, each First Source Hiring Agreement shall continue in full force and effect for as long as the loan or financing agreement to provide City Funds for the Development Project remains in effect. With respect to grants of City Funds, the First Source Hiring Agreement shall continue in full force and effect for a period equal to 1 year for every \$50,000 of City Funds.

(6) Nothing in this Ordinance shall be construed as limiting a Covered Employer's ability to assess qualifications of prospective workers and make final hiring and retention decisions, or as requiring a Covered Employer to employ an individual who is not qualified for the position in question; provided, however, that the

qualifications for every job opening shall be limited to skills that are directly related to the performance of job duties.

(g) ***Covered Construction Projects***

(1) Each Awarding Agency and each Covered Developer shall include a copy of this Ordinance in all Invitations to Bid and shall make compliance with this Ordinance a specification of all bids.

(2) As soon as practical, but in any case prior to the award of a Covered Construction Contract, the Awarding Agency or Covered Developer shall require the apparent lowest responsible bidder and the known principal Subcontractors to attend a pre-award conference with CETD and DEOR for the purpose of evaluating the proposed Contractor's plan to comply with the requirements of this Ordinance.

(3) At the pre-award conference, the Contractor and each Subcontractor whose contract exceeds \$25,000 shall provide CETD and DEOR with a Work Force Table, which shall include (i) a projection of the total number of journey-level hours, by trade, to be worked on the Project, and the total number of journey-level hours, by trade, to be worked by City Residents, (ii) a projection of the total number of apprentice hours, by trade, to be worked on the Project, and the total number of apprentice hours, by trade, to be worked by City Residents, and (iii) a timetable outlining the total hours worked by trade over the life of the Project and an associated hiring schedule. The Contractor shall provide CETD and DEOR with revisions to the Work Force Table as necessary to reflect changed circumstances during implementation of the Construction Project.

(4) No Covered Construction Contract may be executed unless it contains the following requirements:

(i) The Contractor and each of its Subcontractors shall comply with all applicable requirements of this Ordinance, and failure to do so is a material breach of the Contract which will subject the Contractor to sanctions as provided herein.

(ii) The Contractor may not award any Subcontract unless the Subcontractor agrees to comply with all applicable requirements of this Ordinance and first signs a First Source Hiring Agreement with CETD.

(iii) The Contractor shall be responsible for the performance of its Subcontractors in the implementation of the requirements of this Ordinance.

(iv) Every request for payment must include a complete Payroll Report as required herein. No payment may be made unless a complete Payroll Report has been provided to and accepted by DEOR.

(v) Any retainage reserved under the Contract shall not be reduced, nor shall the Contractor be entitled to final payment, unless DEOR certifies to the Awarding Agency that the Contractor is in substantial compliance with the requirements of this Ordinance. For the purposes of this Subsection, "substantial compliance" shall mean:

(A) The Contractor and all Subcontractors have fully complied with all reporting and compliance documentation requirements of this Ordinance;

(B) Neither the Contractor nor any Subcontractors have submitted false or misleading information to CETD or DEOR; and

(C) Either the Safe Harbor Thresholds set forth in Subsection 166.33(e) have been satisfied or the Contractor has provided DEOR with satisfactory evidence that the Contractor and all Subcontractors used all feasible efforts to hire City Residents and Disadvantaged Workers on the Project.

(5) All Covered Contractors and all Subcontractors, as applicable, shall comply with the following reporting and compliance documentation requirements:

(i) Submit a complete Payroll Report to DEOR, no less frequently than once every month. The Payroll Report shall be submitted electronically in excel format or other electronic spreadsheet, in a form that is acceptable to DEOR. The Payroll Report shall include, at a minimum, the following information for each person who performed work on the Construction Project: the worker's name; identifying number; trade; hours worked; rate of pay; journey-level/apprentice status; self-identified race; self-identified gender; residence; category of Disadvantaged Worker status, if applicable; date of hire; and the referral source or method through which the worker was hired or retained (e.g., existing or previous employee, union hiring hall, First Source Center referral, or other hiring method). The Payroll Report shall be accompanied by a statement of compliance signed by an authorized representative of the Contractor or Subcontractor indicating that the records are correct and complete.

(ii) Permit DEOR to inspect payroll records for all employees performing work on the Construction Project and such additional records that DEOR may require to be kept in order to ascertain compliance with this Ordinance.

(iii) Permit DEOR to engage in random inspections of job sites, subject to construction schedule and safety concerns, and to have access to any and all employees and Subcontractors upon request.

(iv) With the request for a certificate of substantial completion and with the final request for payment, provide documentation that the Safe Harbor Thresholds set forth in Subsection 166.33(e) have been satisfied or that the Contractor and all Subcontractors used all feasible efforts to hire City Residents and Disadvantaged Workers on the Project.

(h) ***Covered Construction Projects Subject to Project Labor Agreements***

(1) Covered Construction Projects subject to a Project Labor Agreement shall be exempt from the requirements of this Ordinance, provided that:

(i) The Project Labor Agreement includes a Local Hiring Strategy acceptable to DEOR, designed to achieve the purpose of this Ordinance, with special emphasis on strategies to maximize the number of Apprentices on the Project and to employ Disadvantaged Workers as Apprentices;

(ii) Prior to adoption of the Local Hiring Strategy required herein, the Developer, each Prime Contractor, and each Subcontractor whose contract exceeds \$25,000 provide DEOR with a Work Force Table, which shall identify the estimated work force requirements for each week of the Construction Project, broken down by trade, and which shall be revised as necessary during implementation of the Construction Project; and

(iv) The Project Labor Agreement provides for enforcement of the Local Hiring Strategy by DEOR in a manner that is acceptable to DEOR.

(i) ***Covered Development Projects***

(1) Every Awarding Agency shall make compliance with this Ordinance a requirement under all agreements to provide City Funds to a Covered Development Project.

(2) No City Funds may be awarded for a Covered Development Project unless the Developer has executed

a Restrictive Covenant in favor of the Awarding Agency, to be recorded against all real property upon which the Covered Development Project is to be situated, and containing the following requirements:

(i) The Developer and each of its Contractors and Business Tenants shall comply with all applicable requirements of this Ordinance, and failure to do so is a material breach of the Restrictive Covenant which will subject the Developer to sanctions as provided herein.

(ii) The Developer shall include a copy of this Ordinance in all Invitations to Bid and shall make compliance with this Ordinance a specification of all bids. The Developer may not award any Contract unless the Contract contains the provisions required by Subsection 166.33(g)(4) and the Contractor first signs a First Source Hiring Agreement with CETD.

(iii) The Developer shall provide a copy of this Ordinance to all prospective Business Tenants and shall make compliance with this Ordinance a condition of all leases, licenses, deeds and any other agreement to allow a Business Tenant to operate on any portion of the Development Project. The Developer may not enter into any lease, license, deed or any other agreement to allow a Business Tenant to operate on any portion of the Development Project unless the Business Tenant first signs a First Source Hiring Agreement with CETD.

(iv) The Developer shall be responsible for the performance of its Contractors and Business Tenants in the implementation of the requirements of this Ordinance.

(v) The Developer and each of its Business Tenants shall comply with DEOR's requests for reports and compliance documentation and shall permit DEOR to inspect payroll records for all employees performing work on the Development Project and such additional records that DEOR may require to be kept in order to ascertain compliance with this Ordinance.

(vi) In the event of non-compliance with the requirements of this Ordinance, the Awarding Agency may impose any or all of the sanctions provided in this Ordinance. In the event of non-compliance with the requirements of any First Source Hiring Agreement, CETD may exercise any and all remedies as may be provided therein.

(vii) The Restrictive Covenant shall continue in full force and effect for as long as the loan, financing, or other agreement to provide City Funds for the Development Project remains in effect. With respect to one-time grants of City Funds, the Restrictive Covenant shall continue in full force and effect for a period equal to 1 year for every \$50,000 of City Funds.

(j) ***Monitoring and Enforcement***

(1) DEOR may investigate compliance with the requirements of this Ordinance either on its own initiative or after receiving a complaint or inquiry from a member of the general public, the City or an Awarding Agency. DEOR shall investigate all complaints, and shall post the findings of all investigations, along with its recommended sanctions, if any, on the City website within 30 days after completing each investigation

(3) In the event that DEOR determines that a Developer, Contractor or Subcontractor has failed to comply with the requirements of this Chapter, DEOR shall take the following steps:

(i) Issue a written Notice of Violation to the Covered Developer and/or Covered Contractor. The Notice of Violation shall describe the violation(s) with particularity, state the precise measures necessary to correct the violation(s), and provide the Covered Developer or Covered Contractor with an opportunity to correct the violation(s) within an appropriate time (not less than 3 working days nor more than 10 working days) to avoid

the imposition of sanctions. DEOR may extend this time period, in DEOR's discretion, if DEOR determines that the Covered Developer and/or Covered Contractor are making good faith efforts to correct the violation(s). DEOR shall provide a copy of the Notice of Violation to the Awarding Agency.

(ii) If the Covered Developer and/or Covered Contractor submit satisfactory evidence to DEOR within the time period stated in the Notice of Violation that the violation(s) have been corrected, rescind the Notice of Violation and deliver a copy of the rescission to the Awarding Agency.

(iii) If the Covered Developer and/or Covered Contractor do not submit satisfactory evidence to DEOR within the time period stated in the Notice of Violation that the violation(s) have been corrected, refer the matter to the Awarding Agency for enforcement, along with a recommendation of appropriate sanctions.

(4) If an enforcement matter has been referred to an Awarding Agency, or if the Awarding Agency independently determines that possible violation(s) of this Ordinance may have occurred, the Awarding Agency shall promptly investigate and shall post the findings of its investigation, along with the sanctions imposed, if any, on the City website or Awarding Agency website, as applicable, within 30 days after completing the investigation.

(5) No payments may be made to a Covered Developer or Covered Contractor to whom a Notice of Violation has been issued, and no building permit, occupancy permit, development plan approval, or other City approval may be granted with respect to a Covered Development Project or Covered Contract concerning which a Notice of Violation has been issued, unless:

(i) DEOR notifies the Awarding Agency in writing that all violations have been corrected;

(ii) The Awarding Agency, after investigation, determines either that no violation occurred or that all violations have been corrected; or

(iii) The Notice of Violation does not allege a violation of the reporting and compliance documentation requirements of this Ordinance or the submission of false or misleading information, and the Awarding Agency determines that making payments to the Covered Developer or Covered Contractor and granting City approvals with respect to the Covered Development Project or Covered Contract are in the best interest of the City.

(k) ***Sanctions***

(1) In the event of failure to provide required reports or other required compliance documentation, which failure has not been cured within 12 months of the original due date, the Awarding Agency shall terminate any Contract, Development Agreement or other agreement and shall collect all funds remaining unpaid under such contract or agreement as liquidated damages.

(2) In the event the Awarding Agency, after investigation and an opportunity to be heard, finds that a Covered Contractor failed to either meet the Safe Harbor Employment Thresholds or demonstrate that the Contractor and all Subcontractors used all feasible efforts to hire City Residents and Disadvantaged Workers on the Project, the Awarding Agency may:

(i) Terminate any Contract, Development Agreement or other agreement that remains in effect, and withhold any and all retainage, progress payments, or other unpaid funds; and

(ii) Assess liquidated damages, as specified in Subsection 161.33(k)(5), below.

(3) In the event the Awarding Agency, after investigation and an opportunity to be heard, finds that a Covered Developer or Covered Contractor has (A) willfully violated any requirement of this Ordinance, or (B) provided false or misleading information to DEOR, the Awarding Agency shall:

(i) Terminate any Contract, Development Agreement or other agreement that remains in effect, and withhold any and all retainage, progress payments, or other unpaid funds;

(ii) Assess liquidated damages, as specified in Subsection 161.33(k)(5), below;

(iii) Revoke or suspend any building permit or occupancy permit with respect to the Covered Project until all liquidated damages have been paid; and

(iv) Determine that the Covered Developer and/or Covered Contractor is “irresponsible”, in which case the Covered Developer and/or Covered Contractor shall be barred from being awarded any Contract or City Funds for a period of three (3) years, or until all liquidated damages have been paid in full, whichever is longer.

(4) (i) A Covered Developer shall be presumed to have willfully violated the requirements of this Ordinance if the Developer (A) has been found to be in violation of this Ordinance two (2) or more times within any ten (10) year period; (B) awards a Covered Contract that does not contain the provisions required by Subsection 166.33(g)(4); (C) awards a Covered Contract without first obtaining from the Contractor a signed First Source Hiring Agreement with CETD; (D) if applicable, fails to make compliance with this Ordinance a condition of any lease, license, deed or any other agreement to allow a Business Tenant to operate on any portion of the Development Project; or (E) if applicable, enters into any lease, license, deed or other agreement to allow a Business Tenant to operate on any portion of the Development Project without first obtaining from the Business Tenant a signed First Source Hiring Agreement with CETD.

(ii) A Covered Contractor shall be presumed to have willfully violated the requirements of this Ordinance if the Contractor (A) has been found to be in violation of this Ordinance two (2) or more times within any ten (10) year period; (B) falls short of any applicable Safe Harbor Threshold by 25% or more in the aggregate; (C) awards a Subcontract without requiring the Subcontractor to comply with all applicable requirements of this Ordinance; or (D) awards a Subcontract without first obtaining from the Subcontractor a signed First Source Hiring Agreement with CETD.

(5) Liquidated damages shall be determined as follows:

(i) Providing false or misleading information: 10% of the value of the Contract or City Funds, as applicable.

(ii) Entering into any Contract, Subcontract, lease, license, deed or other agreement without having followed the procedures required by this Ordinance: 10% of the value of the Contract or City Funds, as applicable.

(iii) Failure to meet Safe Harbor Employment Thresholds or demonstrate that All Feasible Efforts were used to hire City Residents and Disadvantaged Workers: \$500 per day of non-compliance, not to exceed 5% of the value of the Contract or City Funds, as applicable.

(iv) Hiring an employee without having followed the procedures required by the First Source Hiring Agreement: \$1,000 per violation.

(6) The Awarding Agency may retain up to 20% of any liquidated damages collected under this Ordinance to offset its administrative costs. The remainder shall be deposited into the Workforce Development and Job Referral Trust Fund.

(7) CETD may provide for damages in its First Source Hiring Agreements, including liquidated damages and injunctive relief, and may enforce such First Source Hiring Agreements in any court of law or by using the enforcement procedures outlined herein.

(l) ***State and Federal Requirements***

(1) Where any provision of this Ordinance would conflict with any state or federal law, the Awarding Agency and CETD shall implement this Ordinance so as to comply with such state or federal law, but shall continue to implement all remaining, non-conflicting provisions of this Ordinance to the greatest extent possible so as to achieve the purpose of this Ordinance. Specifically, in the event that application of the Safe Harbor Thresholds for City Residents contained in Subsection 166.33 (e)(1)(ii), 166.33 (e)(1)(iii) or 166.33 (e)(2)(ii) of this Ordinance would conflict with Section 2003 of the Act of October 30, 2000 (P.L. 616, No. 85), all non-conflicting provisions of this Ordinance, including but not limited to the First Source Hiring requirements contained in Subsections 166.33 (e)(1)(i) and 166.33 (e)(2)(i) and the Safe Harbor Thresholds for Disadvantaged Workers contained in Subsections 166.33 (e)(1)(ii), 166.33 (e)(1)(iii) and 166.33 (e)(2)(ii), will remain in full force and effect.

(m) ***Covered Authorities***

(1) No City funds may be transferred to or administered by any public Authority after the effective date of this Ordinance unless the Authority agrees to implement the provisions of this Ordinance.

**SECTION 3.** The Pittsburgh Code, Title 2, Article I, Chapter 201, Section 201.11 is hereby amended by adding new language and amending current language in Subsections 201.11(c)(8) and 201.11(e) as follows:

“(c)(8) The developer must ~~make an effort to~~, to the greatest extent feasible, utilize City residents to fill at least fifty (50) percent of the new jobs created and utilize Disadvantaged Workers (as that term is defined in Section 161.33(b) of the Pittsburgh Code) to fill at least twenty five (25) percent of the new jobs created, subject to the phase-in schedule set forth in Section 161.33(e)(2) of the Pittsburgh City Code. The plan ~~should~~ shall include, but not be limited to the following information:

- a. The specific number of new jobs created or number of jobs retained as a result of the implementation of the TIF project.
- b. The specific job titles and/or classifications with pay scales, if available, for jobs to be created or retained, whether the jobs are permanent or temporary and the estimated duration of any temporary jobs.
- c. Whether the new jobs being created result directly from employment by the developer or indirectly through lessees.
- d. An affirmative plan by the employer, the City and the URA for informing and training City residents for potential employment resulting from the implementation of the project.
- e. An agreement by the developer and/or the any lessees that for a period of five (5) years ~~from the date of substantial completion of the project as determined by the URA~~ the term of incremental tax forgiveness or the term of the TIF-financed loan, whichever is longer, it will consider for employment and interview candidates referred by the City's Employment and Training Division for all new permanent non-

supervisory positions.

- f. Certification that the developer will abide by the City's Minority Business Enterprise/ Women's Business Enterprise Executive Order.
- g. A statement describing the company's past record of hiring City residents and minorities/women.”

“(e) As the projects get financial support, the City should continue to make a commitment to the revitalization of the neighborhoods and employment of City residents. To this effect, the URA will be required to:

(1) Charge a fee of ~~two (2)~~ three (3) percent of the proceeds, with one (1) percent to be used for neighborhood development and one (1) percent to be deposited into the Workforce Development and Job Referral Trust Fund established pursuant to Section 161.33(c) of the Pittsburgh Code.

(2) If the TIF is placed as a loan, all loan repayments will be used on full for neighborhood development. Special efforts will be made to include non-CDBG neighborhoods.”

**SECTION 4.** The Pittsburgh Code, Title I, Article IX, Chapter 177A, is hereby amended by deleting Section 177A.09 (Determination of Good Faith Efforts) and Section 177A.10 (Sanctions) in their entirety.