

## City Council Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

[www.cityofsacramento.org](http://www.cityofsacramento.org)

---

**File ID:** 2019-00113

February 12, 2019

**Consent Item 04**

---

**Title: Agreement with the Sacramento Employment and Training Agency for Local Hire and Community Workforce Training Program Implementation Services**

**Location:** Citywide

**Recommendation:** Adopt a Resolution authorizing the City Manager or City Manager's designee to: 1) establish a multi-year operating project (MYOP) for Local Hire and Community Workforce Training Program Implementation (I02002100) services; 2) establish expenditure budget with a transfer of \$100,000 in General Funds (Fund 1001) from the Convention Center Complex Renovation (M17100100) to the Local Hire and Community Workforce Training Program Implementation (I02002100); and 3) execute the agreement with the Sacramento Employment and Training Agency (SETA) for an amount up to \$100,000.

**Contact:** Fran Halbakken, Staff Aide, (916) 808-7194, Office of the City Manager

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-SETA-Local Hire Program Agreement
- 3-Resolution

## Description/Analysis

**Issue Detail:** On August 21, 2018, City Council approved the Local Hire and Community Workforce Training Program (CWTA) Program for citywide capital improvement projects. The purpose of the program is to facilitate employment of residents from the City of Sacramento, as well as the County of Sacramento and nine other nearby counties, on the City's capital improvement projects. The objective is to develop increased numbers of local skilled construction workers and provide employment opportunities for emancipated youth, women, former offenders, veterans, persons receiving public assistance, youth interns and residents of targeted zip code areas.

SETA will coordinate with the City, contractors and subcontractors, and union halls to determine which workers are residents of the local area and/or are priority apprentices under this program. They will also determine if the workers fall within the specified employment opportunity categories of workers listed above. The subject agreement covers these services and the related compensation.

**Policy Considerations:** CWTAs standardize the work rules applicable to a project and to labor relations between contractors and their workers and the trade unions. The CWTA is a means to achieving local hiring goals in provision of good jobs for Sacramento residents and other regional workers. In order to evaluate the program, information needs to be collected and tracked to determine progress in meeting the program goals. This agreement with SETA will support the implementation of this program.

**Economic Impacts:** No direct impact for this agreement with SETA.

**Environmental Considerations:** This agreement is for administrative services not deemed to be a "project" in accordance with Section 15378 of the California Environmental Quality Act guidelines.

**Sustainability:** Not applicable

**Commission/Committee Action:** None

**Rationale for Recommendation:** The Golden 1 Center was the first project to use a similar local hire program through a Project Labor Agreement executed by the contractor and the various construction trade unions. Since then, the State Department of General Services (DGS) has used CWTAs similar to the City's for large capital projects. SETA assisted with the Golden 1 Center and is working with DGS to provide similar services that the City is requesting.

**Financial Considerations:** SETA is requesting \$100,000 for services performed to support the program which is anticipated to cover the cost of one full-time equivalent position for approximately ten months. For this first year of the CWTA program, \$100,000 has been allocated from administrative contingency. For future years, staff of the various affected departments that deliver capital projects are determining the best way to provide funding for SETA's services.

**Local Business Enterprise (LBE):** Not Applicable

**MEMORANDUM OF UNDERSTANDING  
SACRAMENTO EMPLOYMENT AND TRAINING AGENCY  
LOCAL HIRE AND COMMUNITY WORKFORCE TRAINING PROGRAM**

This Memorandum of Understanding (MOU) is between the Sacramento Employment and Training Agency (SETA), a joint powers agency and the Local Grant Recipient under the federal Workforce Innovation and Opportunity Act (WIOA), and the City of Sacramento (CITY), a municipal corporation.

**RECITALS**

A. On August 21, 2018, CITY established a Local Hire and Community Workforce Training Program (Program), a summary of which is attached hereto, incorporated herein and made a part of this Agreement as Exhibit A. At the same time, the City also entered into a Community Workforce Training Agreement (CWTA) with the local trade unions to facilitate the employment of residents from the CITY, as well as the County of Sacramento and nine other nearby counties (collectively, the Local Area), on the CITY's capital improvement projects, and to develop increased numbers of local skilled construction workers to meet the requirements of the regional construction economy. A copy of the CWTA is attached hereto, incorporated herein and made a part of this Agreement as Exhibit B.

B. Under the Program and the CWTA, contractors and subcontractors on certain CITY capital improvement projects are required to utilize workers, including Priority Apprentices, who are residents of the Local Area. The Program includes goals for numbers of hours worked by residents of the Local Area.

Now, therefore, the parties agree as follows:

**AGREEMENT**

1. **Recitals.** The recitals set forth above are hereby incorporated and made a part of this Agreement.
2. **Party Roles and Responsibilities.** The parties shall serve in the following roles and perform the following functions:

**A. SETA Roles and Responsibilities.**

- (i) Make Program Eligibility Determinations regarding whether workers are residents of the Local Area and/or qualify as Priority Apprentices in a manner consistent with SETA’s historic eligibility determination policies and practices, the City’s Program and the CWTA;
- (ii) Provide ongoing outreach, recruitment, and referral of potential local laborers and apprentices (Program Participants) to qualified union training programs.
- (iii) Provide monthly or quarterly reports (as requested by the City) on progress toward the Program goals outlined in Exhibit A, including the total workforce goal, priority apprentice goal, and student internship goals (Program Goals) for each City project covered by the CWTA (Covered Project).
- (iv) Provide a final report for each Covered Project. The final report shall reflect the level of compliance achieved for each Program Goal. Final reports shall be provided within thirty days of City’s final acceptance of each Covered Project.

**B. CITY Roles and Responsibilities.**

- (i) Overall Coordination of the Program;
- (ii) Provide SETA access to information needed to verify program eligibility through the City’s LCP Tracker software program.
- (iii) Resolution of Program partner issues under the CWTA;
- (iv) Program Evaluation.

**3. Payment.** CITY shall compensate SETA \$10,000 per month for services performed under the Program, not to exceed a total of \$100,000. SETA will submit lump sum invoices no later than ten (10) calendar days after the end of each quarter. SETA will submit a final invoice no later than thirty (30) calendar days following the termination of this Agreement.

**4. Binding Effect.** This Agreement binds and inures to the benefit of the parties’ successors and assigns.

**5. Severability.** If a court of competent jurisdiction rules that any nonmaterial part of this Agreement is invalid, unenforceable or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.

**6. Effective Date; Term.** This Agreement is effective on March 1, 2019. The parties shall sign any additional documents that are reasonable necessary to carry out the intent and purposes of this Agreement. This Agreement will terminate on December 31, 2019, unless sooner terminated pursuant to section 11, below.

**7. Extension of Term.** Upon mutual written agreement, the parties may extend this Agreement at any time prior to the termination of this Agreement.

**8. Counterparts, Facsimile and Electronic Signatures.** This Agreement may be signed in counterparts, such that signatures appear on separate signature pages. A copy or original of the Agreement with all signatures and Exhibits appended together shall be deemed a fully executed Agreement. Faxed signatures or signatures provided in electronic, portable document format (pdf) are binding and may be treated as original signatures for all purposes. All executed counterparts together shall constitute one and the same document, and any signature pages, including facsimile or electronic copies thereof, may be assembled to form a single original document.

**9. Waiver.** A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon breach of this Agreement will not constitute a waiver of the performance, right or remedy. No waiver is binding unless set forth in a writing signed by the waiving party.

**10. Integration and Modification.** This Agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations and negotiations – written, oral, express or implied – and may be modified only by another written agreement signed by both parties.

**11. Termination.** City shall have the right to terminate this MOU at any time by giving 60 days written notice of termination to SETA. If City gives such notice of termination, SETA shall immediately cease performance on the date specified in the notice. City shall pay SETA the reasonable value of the services provided by SETA prior to termination. City shall not in any

manner be liable for lost profits that might have been made by SETA had this MOU not been terminated.

**12. Non-Discrimination.** SETA shall comply with all state, local, and federal anti-discrimination laws and regulations, including the Executive Order 11246 entitled “Equal Opportunity in Federal Employment,” as amended by Executive Order 11375, 12086, and 13672, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), hereinafter collectively referred to as the “Regulations.” SETA shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of employees or subcontractors.

**13. Assignment Prohibited.** The expertise and experience of SETA are material considerations for this MOU. City has a strong interest in the qualifications and capability of the persons and entities who will fulfill the obligations imposed on SETA under this MOU. In recognition of this interest, SETA shall not assign any right or obligation pursuant to this MOU without the written consent of the City. Any attempted or purported assignment without City’s written consent shall be void and of no effect.

**15. Records.** During performance of this MOU and for a period of 36 months after completion of performance, SETA shall maintain all Program, accounting, and financial records related to this MOU, including, but not limited to, records documenting Program Participant eligibility, and shall keep and make records available for inspection and audit by representatives of the City upon reasonable written notice. This provision shall survive the termination of this MOU.

**16. Insurance.** SETA shall, at its sole cost and expense, maintain the insurance coverage described in the Insurance Exhibit attached hereto as Exhibit C.

**17. Indemnity.**

A. CITY shall defend, indemnify, and hold harmless SETA, its officers and employees, from and against all demands, claims, actions, liabilities, losses, damages and costs, including payment of reasonable attorneys’ fees (whether incurred by staff attorneys or outside attorneys), arising out of or resulting from the performance of this MOU, caused in whole or in part by the

negligent or intentional acts or omissions of the CITY, its officers, directors, agents, employees, volunteers, invitees, subconsultants or subcontractors.

B. SETA shall defend, indemnify, and hold harmless the CITY, its officers and employees, from and against all demands, claims, actions, liabilities, losses, damages and costs, including payment of reasonable attorneys' fees (whether incurred by staff attorneys or outside attorneys), arising out of or resulting from the performance of this MOU, caused in whole or in part by the negligent or intentional acts or omissions of SETA, its officers, directors, agents, employees, volunteers, invitees, subconsultants or subcontractors.

C. It is the intention of the CITY and SETA that the provisions of this section be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective officers, directors, agents, employees, volunteers, invitees, subconsultants or subcontractors. It is also the intention of the CITY and SETA that, where both parties have contributed to the damages, principles of comparative fault will be followed, and each party shall bear the proportionate cost of any damage attributable to its officers, directors, agents, employees, volunteers, invitees, subconsultants, or subcontractors.

D. This section shall survive the termination or expiration of this MOU.

**18. Conflicts of Interest.** SETA covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the City's interests or that would in any way hinder SETA's performance under this MOU. SETA further covenants that in the performance of this MOU, no person having any such interest will be employed by it as an officer, employee, agent or subcontractor, without the City's written consent. SETA agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this MOU. If SETA is or employs a former officer or employee of the City, SETA and any former City employee or officer shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any City department, board, commission, or committee.

**19. Confidentiality of Information.** During the performance of this MOU, SETA may gain access to and use City information regarding costs, future plans, business affairs, governmental

affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, and other vital information, as well as employment information for laborers and apprentices (City Information). SETA agrees to protect all City Information and treat it as strictly confidential, and further agrees that SETA will not at any time, either directly, indirectly, or inadvertently divulge, disclose, or communicate in any manner any City Information to any third party without the City's prior written consent. In addition, SETA shall comply with all City policies governing the use of the City network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. Any violation by SETA of this section is a material violation of this MOU justifying relief.

**20. Notices.** Any notice, request, or demand under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 20 to the persons identified below or their successors. A mailed notice, request, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, request, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

*If to the City:*

City of Sacramento  
915 I St., Third Floor  
Sacramento, CA 95814

Attention: Francesca Halbakken

*If to SETA:*

Sacramento Employment and  
Training Agency  
925 Del Paso Boulevard  
Sacramento, CA 95815

Attention: Kathy Kossick, Executive  
Director

[Signatures on Following Page]

**City of Sacramento**

**Sacramento Employment and Training Agency**

By: \_\_\_\_\_

By: \_\_\_\_\_  
Kathy Kossick, Executive Director

Date: \_\_\_\_\_, 2019

Date: \_\_\_\_\_, 2019

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

By: \_\_\_\_\_  
Sacramento City Attorney

By: \_\_\_\_\_  
SETA Legal Counsel

ATTEST:

\_\_\_\_\_  
City Clerk

DRAFT

**EXHIBIT C**  
**INSURANCE**

**1. INSURANCE REQUIREMENTS**

During the entire term of this MOU, SETA shall maintain the insurance coverage described in this Exhibit C.

Full compensation for all premiums that SETA is required to pay for the insurance coverage described herein shall be included in the compensation specified under this MOU. No additional compensation will be provided for SETA's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

It is understood and agreed by the SETA that its liability to the City shall not in any way be limited to or affected by the amount of insurance coverage required or carried by the SETA in connection with this MOU.

**2. GENERAL LIABILITY MINIMUM SCOPE AND LIMITS OF INSURANCE COVERAGE**

Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the SETA or its subcontractors, products and completed operations of SETA or its subcontractors, and premises owned, leased, or used by SETA or its subcontractors, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide Contractual liability and products and completed operations coverage for the term of the policy.

The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of SETA or its subcontractors; products and completed operations of SETA or its subcontractors; and premises owned, leased, or used by SETA or its subcontractors.

**3. AUTOMOBILE LIABILITY MINIMUM SCOPE AND LIMITS OF INSURANCE COVERAGE**

Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the SETA.

The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

**4. EXCESS INSURANCE**

The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance shall contain, or be endorsed to contain, a provision that it shall apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers shall be in excess of such umbrella or excess coverage and shall not contribute to it.

**5. WORKER’S COMPENSATION MINIMUM SCOPE AND LIMITS OF INSURANCE COVERAGE**

Workers’ Compensation Insurance with statutory limits, and Employers’ Liability Insurance with limits of not less than one million dollars (\$1,000,000). The Workers’ Compensation policy shall include a waiver of subrogation in favor of the City.

**6. OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain, the following provisions:

- (1) SETA’s insurance coverage, including excess insurance, shall be primary insurance as respects City, its officials, employees and volunteers. Any insurance or self-insurance maintained by City, its officials, employees or volunteers shall be in excess of SETA’s insurance and shall not contribute with it.
- (2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officials, employees or volunteers.
- (3) Coverage shall state that SETA’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.
- (4) City will be provided with 30 days written notice of cancellation or material change in the policy language or terms.

**7. ACCEPTABILITY OF INSURANCE**

Insurance shall be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Insurance Exhibit must be declared to and approved by the City in writing prior to execution of this Contract.

**8. VERIFICATION OF COVERAGE**

A. SETA shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance shall be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. SETA shall send all insurance certificates and endorsements, including policy renewals, during the term of this MOU directly to:

City of Sacramento  
c/o Exigis LLC  
PO Box 4668 ECM- #35050  
New York, NY 10168-4668

C. Certificate Holder shall be listed as:

City of Sacramento  
c/o Exigis LLC  
PO Box 4668 ECM- #35050  
New York, NY 10168-4668

D. The City may cancel this MOU if the certificates of insurance and endorsements required have not been provided prior to execution of this MOU. The City may withhold payments to SETA and/or cancel the MOU if the insurance is canceled or SETA otherwise ceases to be insured as required herein.

**9. SUBCONTRACTOR INSURANCE COVERAGE**

SETA shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

DRAFT

## **RESOLUTION NO. 2018-**

Adopted by the Sacramento City Council

### **APPROVING AGREEMENT WITH THE SACRAMENTO EMPLOYMENT AND TRAINING AGENCY FOR LOCAL HIRE AND COMMUNITY WORKFORCE TRAINING PROGRAM SERVICES**

#### **BACKGROUND**

The Sacramento City Council hereby finds and declares as follows:

- A. On August 21, 2018, the City Council adopted Ordinance No. 2018-0042, which amended Article VIII of Chapter 3.60 of the Sacramento City Code to authorize City Council to adopt, by resolution, a Local Hire and Community Workforce Training Program to promote and provide incentives for the hiring of local residents to perform work on City projects.
- B. On the same date, the City Council also approved a Community Workforce Training Agreement (CWTA) between the City and the Sacramento Building and Construction Trades Council.
- C. The Local Hire and Community Workforce Training Program and CWTA encourages contractors to hire local residents as employees. Promoting the hiring of residents of the seven-county region, with a priority provided to City of Sacramento residents, is expected to have direct economic benefits to the city, including employment and indirect sales taxes, and to develop increased numbers of local skilled construction workers and provide employment opportunities for emancipated youth, women, former offenders, veterans, persons receiving public assistance, youth interns and residents of targeted zip code areas.
- D. The Local Hire and Community Workforce Training Program applies to the City's public projects with construction budgets of \$1,000,000 or more.
- E. To implement the Local Hire and Community Workforce Training Program and CWTA, the City is seeking the assistance of the Sacramento Employment and Training Agency to coordinate with the City, its contractors and subcontractors, and union halls to determine which workers are residents of the local area and/or are priority apprentices under this program.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1: The City Manager or designee is authorized to establish a multi-year operating project for the Local Hire and Community Workforce Training

Program implementation (I02002100) for local hire and community workforce training.

Section 2. The City Manager or designee is authorized to establish an expenditure budget with a transfer of \$100,000 in General Funds (Fund 1001) from the Convention Center Complex Renovation (M17100100) to the Local Hire and Community Workforce Training Program (I02002100).

Section 3. The City Manager or his designee is authorized to execute a memorandum of understanding with the Sacramento Employment and Training Agency in an amount not to exceed \$100,000 for administrative services related to the implementation of the Local Hire and Community Workforce Training Program.