

**CITY OF OAKLAND**  
**AGENDA REPORT**

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OFFICE OF THE CITY CLERK  
OAKLAND

2010 FEB 25 PM 8:01

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: March 2, 2010

RE: **A Supplemental Report Regarding The Contract Award To McGuire & Hester For The 12<sup>th</sup> Street Reconstruction Project (Project No. C241610)**

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**SUMMARY**

At the February 23, 2010 Public Works Committee meeting, the members of the Committee presented a proposed voluntary Local Hire Agreement and requested that staff confirm with Caltrans whether this agreement would compromise the federal funding for this project. This report is in response to that request and summarizes the following:

1. Verification with State and Federal agencies if implementing the proposed Local Hire Agreement is in compliance with federal regulations;
2. Voluntary commitment from Prime contractor to implement a local hire program; and
3. The City's commitment to implement and monitor a voluntary local hire program.

**BACKGROUND**

1. Review by the State/Federal Agencies

The federal funding programmed for this project is processed through the State Department of Transportation (District 4 - Office of Local Assistance). Staff has contacted the Office of Local Assistance and received the following information:

“Local Hiring Preferences” cannot be allowed in FHWA funded contracts. The State has no objection with a contractor volunteering to hire locally; however, a contractor's decision to hire locally cannot be enforced by the City or required in any way. Nothing in a contract's language should give preference to local hiring.

Based on the information received, the proposed Local Hire Agreement is not allowed in this contract. However, staff recommends accepting the contractor's voluntary local hire proposal.

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2. Proposal by the Prime Contractor

During the February 23, 2010 committee meeting, a representative from McGuire & Hester, the Prime Contractor, stated that it would voluntarily commit to a 30% local employment goal on this project. Staff will work with McGuire & Hester on a written description of the specifics of the voluntary local employment commitment, and the process through which it will be monitored by the City of Oakland.

3. Monitoring and Reporting

The City's Department of Contracting and Purchasing will implement its existing process for tracking and reporting actual hiring outcomes, and will use the data received to gauge McGuire & Hester's performance with regard to its voluntary local hiring commitment.

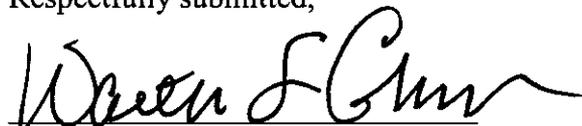
**RECOMMENDATION AND RATIONALE**

Based on the information received, staff recommends the Council authorize the contract award to McGuire & Hester and accept the contractor's voluntary local hire proposal.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council accepts this supplemental report and authorize the award of this contract to McGuire & Hester.

Respectfully submitted,



Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed by:  
Michael Neary, P.E., Deputy Director,  
CEDA, Department of Engineering and Construction

Prepared by:  
Jaime Heredia, P.E., Supervising Civil Engineer  
Engineering Design & R.O.W. Management Division

APPROVED AND FORWARDED TO  
THE CITY COUNCIL:

  
\_\_\_\_\_  
Office of the City Administrator

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