

LENNAR URBAN

Request for Proposal for Property Management Company For Phase I Hunters Point Shipyard

Issue Date: December 12th, 2011

This RFP is a San Francisco Redevelopment Agency SBE/MBE/WBE project.

Title: **HOA Property Management Contract**

Job Code: PROFESSIONAL SERVICES

Issuing Agency & Address: Lennar Urban
1 California Street, #2700
San Francisco, CA 94111

Location of Work: Bayview Hunters Point Shipyard
San Francisco CA 94124

Period of Contract: March 2012 for an approximate time period consistent
with build out of Hunters Point Shipyard Phase 1

All inquiries for information
should be directed via e-mail to: Lynn Bell
Director of Sales
E-mail: lynn.bell@lennar.com

**IF PROPOSALS ARE MAILED, SEND DIRECTLY TO LENNAR URBAN AT ADDRESS
SHOWN ABOVE. IF PROPOSALS ARE HAND DELIVERED, DELIVER TO:**

Lynn Bell
Director of Sales
Lennar Urban
1 California Street, Ste. #2700
San Francisco, CA 94111

Sealed proposals for furnishing the services described herein will be received until 4:00 p.m. PST on December 27, 2011. Proposals must reach the above address by the deadline stated. Lennar is not responsible for any expenses related to the preparation or presentation of the RFP.

In compliance with this Request For Proposal , which includes all provisions and appendices attached and referenced therein, and subject to all the terms and conditions set forth herein, the undersigned offers and agrees to furnish the services described in the RFP cited above and submit this completed and signed page, and other data as required by the RFP. It is understood that this proposal and the scope of services may be modified, by mutual agreement in subsequent negotiations.

CONSULTANT INFORMATION:

Business Name

Contact Person

Phone Number

Title

Date

(Signature in Ink)

Business Address

FEIN/SSN # _____

RFP SCHEDULE

RFP Released	December 12th, 2011
Bid Conference	January 11th, 2012 from 11am-1pm Lennar Urban 1 California Street, Ste: 2700 San Francisco, CA 94111
Last Day for Questions	January 20th, 2012 at 3:00 p.m.
Proposal Due date	January 30th, 2012
Interviews	Week of February 13th 2012
Selection Announced	Week of February 20th, 2012

I. PURPOSE

Lennar Urban (the “Owner”) is soliciting proposals from qualified property management companies to perform site and building property management. The site is located in Phase 1 of the redevelopment of Hunters Point Naval Shipyard in San Francisco. An important goal for the owner is to develop an environmentally responsible, residential mixed-use community. The development of this new neighborhood is projected to commence its first building construction in 2012. The owner’s objective is to create a partnership with a property management company who has experience in managing similar developments as proposed for this new community. We are seeking management companies with extensive experience in medium density (3-4 stories over podium) and townhome condominium management as well as low-rise multi-family apartment building management. The initial scope of work will include approximately 1,400 homes in the new hilltop and hillside neighborhoods.

II. BACKGROUND

Along with the Bayview residents, the Mayor’s Hunters Point Shipyard Citizens Advisory Committee, and San Francisco Redevelopment Agency Lennar is transforming the Shipyard into a new community. The initial phase of development includes up to 1,400 new homes, 40 acres of new parks, trails and open space featuring spectacular views of the bay. Lennar began implementing the infrastructure plan in summer 2005. As the Master Developer of the Hunter’s Point Shipyard Phase 1, Lennar’s role is to manage the day-to-day affairs of the development company.

Additional information on the Hunters Point Naval Shipyard redevelopment can be found at www.hunterspointcommunity.com.

III. SCOPE of WORK

The property management company will be responsible for the following:

- Community governance
- Long-term association financial modeling
- Amenity planning – review and probable use
- Pre-management and community readiness planning
- Social program planning and evaluation
- Community operations planning and evaluation

IV. SUBMITTAL REQUIREMENTS

- A. Proposals shall be signed by an authorized representative of the principal owner, or Executive Director of Respondent. By submitting a proposal, the Respondent certifies that all information provided in response to this RFP is true and accurate. Failure to provide information required by this RFP will ultimately result in rejection of the proposal.
- B. Proposals should be prepared simply and economically, providing a straightforward, concise description of the business's capabilities for satisfying the requirements of the RFP. Emphasis should be on completeness and clarity of content.
- C. Firm Information
 - Name of company and number of years in business as a whole and in San Francisco
 - Legal status and company ID number
 - Contact name, including email address
 - Company address
 - Full names of company officers and/or principals
 - Biographical summaries of principals
 - Names and resumes of key staff and brief description of their roles/responsibilities in the project
 - Number of employees in the company and provide the breakdown by functional area or group
 - Provide the company policy regarding employee on-going training and education requirements
 - List of Principals and employee's professional licenses, accreditation, and memberships
 - Certificate of Insurance for the firm and a statement from applicant verifying that coverage exists for for-sale projects
 - Describe any special training and experience members of your staff possess that may assist in providing administration services
 - Provide detailed information regarding any lawsuits which the company may have been directly or indirectly involved in during the past 3 years
 - Describe the company's major goals and objective

D. Prior Experience and References

- Minimum four (4) years of professional experience in multi-family attached housing projects of 50 units or more in size.
- Experience in urban infill, high-density housing projects. Provide examples of projects that contain high-density multi-family housing. Information presented about the projects must include the following:
 - Name and location of project
 - Name, address, phone number and email address of a reference that can be contacted for each project
 - Number and type of units included in project
 - New construction or renovation
 - Green Building experience
 - Provide a brief example of a problem that arose during development in which your firm played a meaningful role in finding a successful solution to the problem
 - Certifications and Professional Licenses
 - ◇ Company requirements for Property Managers
 - ◇ Company membership in industry associations or organizations

E. Services: Describe the how the following services are provided for both developer and/or homeowner:

- System of transition from planning to full service delivery
- Vendor availability and eligibility
- Training and support for board member education and understanding of fiduciary duties
- Emergency, on-call service and process

F. Technology and Software:

- Type of operating system used in the company
- Customer Record Management system
- Services provided for Homeowners via your technology/software systems

G. Detailed Fee Structure:

- Please provide a detailed fee structure for Blocks 50, 51 and the Master HOA

H. Evidence of satisfactory insurance (see attachment A)

I. Please provide one (1) manually signed original and three (3) copies of the proposal, which shall be submitted to Lennar. Each copy of the proposal shall be bound in a single volume where practical.

J. Provide One CD containing one file with a clear and legible copy of the entire submittal. The digital file must be provided in Adobe PDF file format.

K. 3-5 examples of collateral material used in current/previous projects.

L. Three references

All documentation submitted with the proposal shall be included in that single bound volume. Elaborate brochures and other representations beyond those sufficient for presenting a complete and effective proposal are neither required nor desired.

Any information thought to be relevant, but not specifically applicable to the enumerated scope of Work, may be provided as an appendix to the proposal.

Please provide no more than 35 pages in your response to this RFP (excluding any appendices).

V. POLICY ON SMALL BUSINESSES AND BUSINESSES OWNED BY WOMEN AND MINORITIES

Lennar intends to contribute to the preservation and strengthening of small businesses and businesses owned by women and minorities. To that end, SBE/MBE/WBE firms are encouraged to apply. Non-SBE/MBE/WBE respondents to this RFP are encouraged to form joint ventures or such other business relationships with SBE/MBE/WBE firms as part of this proposal.

Contract amounts that exceed \$100,000 must include information on its past utilization of businesses based in Bayview Hunter's Point (94124), Visitation Valley (94134) and/or Potrero Hill (94107), Women, and Minority Owned disadvantaged businesses, and must also state any plans to utilize such businesses and the manner in which they may be utilized under this Contract.

Contact Roel Villacarlos, Contract Compliance Specialist regarding San Francisco Redevelopment Agency SBE/MBE/WBE certification and Equal Opportunity Programs at (415) 749-2409.

VI. EVALUATION

Evaluation Criteria: Proposals shall be evaluated by Lennar using the following criteria:

1. Expertise, experience, and qualifications of the business/organization based on evidence of past experience; 20 points
2. Proposed effort and commitment to use small community based businesses and businesses owned by women and minorities as part of workforce; 10points
3. Evidence of Consultant's capacity to commence work as demonstrated by its current and projected workload; 20 points
4. MBE/WBE qualifications 10 points

Generally, the Owner will consider the business/organization overall suitability to provide the required services within the project's time, budget and operational constraints, and it will consider

the comments and/or recommendations of the business/organization previous clients, as well as other references.

VII. AWARD OF CONTRACT

After evaluation of the Proposals received in response to the RFP, the Owner shall engage in individual discussions and interviews with one or more respondent deemed fully qualified, responsible and suitable on the basis of initial responses, and with professional competence to provide the required services. Proprietary information from competing responders (including any data on estimated hours or rates and the plan for accomplishing the scope of work) will not be disclosed to the public or to competitors.

The Owner will interview the top three ranking firms whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted with the Respondent ranked first. If a contract satisfactory and advantageous to Lennar can be negotiated at a fee considered fair and reasonable, the award shall be made to that Respondent. Otherwise, negotiations with the Respondent ranked first shall be formally terminated and negotiations conducted with the Respondent ranked second, and so on, until such a contract can be negotiated at a fair and reasonable fee. .

VIII. ATTACHMENTS

Attachment A: Insurance Requirements

Attachment B: Site Plan for Hunters Point Phase 1

Attachment C: Equal Opportunity Program

Attachment D: BVHP ECP

Attachment E: Master HOA and Sub HOA designations on Site Plan

Attachment F: Block 50 Site Plan

Attachment G: Block 51 Site Plan

EXHIBIT A

INSURANCE REQUIREMENTS

1. **Workers' Compensation:**

Coverage A. Statutory Benefits

Coverage B. Employers' Liability limits of not less than:

Bodily Injury by accident	\$1,000,000 each accident
Bodily Injury by disease	\$1,000,000 policy limit
Bodily Injury by disease	\$1,000,000 each employee

Coverage must include a waiver of subrogation endorsement in favor of, and naming, "HPS Development Co., LP, CP Development Co., LP, CP/HPS Development Co. GP, LLC, and Lennar Corporation, including their respective subsidiaries, partners, partnerships, affiliated companies, successors and assigns; and the City and County of San Francisco and the Redevelopment Agency of the City and County of San Francisco and their respective direct commissioners, members, supervisors, officers and employees".

2. **Commercial Auto Coverage:**

Automobile Liability coverage (equivalent in coverage to ISO form CA 00 01) of not less than \$1,000,000 combined single limit, each accident, covering all owned, hired and non-owned autos. If Consultant does not have any Consultant-owned vehicles, a copy of the declaration page from the personal auto liability policy of the principal(s) of Consultant will be accepted. Hired and non-owned auto coverage for Consultant must be evidenced through a general liability policy or auto policy.

3. **Commercial General Liability:**

Commercial General Liability coverage (equivalent in coverage to ISO form CG 00 01) of not less than:

Each Occurrence Limit	\$1,000,000
Personal Advertising Injury Limit	\$1,000,000
Products/Completed Operations	\$2,000,000
Aggregate Limit	
General Aggregate Limit	\$2,000,000
(other than Products/Completed Operations)	

The policy must include:

(a) Standard ISO CG0001 0196 Contractual Liability coverage, or its equivalent, and a Separation of Insureds clause.

(b) Broad Form Property Damage coverage, including completed operations, or its equivalent.

(c) An Additional Insured Endorsement (equivalent to ISO form CG 20 10 11 85 or ISO form CG 20 10 10 02 (or earlier edition form), plus ISO form CG 2037 10 01) naming as additional insured: “HPS Development Co., LP, CP Development Co., LP, CP/HPS Development Co. GP, LLC, and Lennar Corporation, including their respective subsidiaries, partners, partnerships, affiliated companies, successors and assigns, and the Redevelopment Agency of the City and County of San Francisco and the City and County of San Francisco, and their respective direct commissioners, members, supervisors, officers and employees.”

(d) Products and Completed Operations coverage. Consultant agrees to maintain this coverage for a minimum of ten (10) years after substantial completion of the specific project for which it contracted to perform services and agrees to continue to name Owner and all of the parties in clause (c) above as additional insured(s) for the entire ten (10) year period.

(e) Coverage must be on an “occurrence” form. “Claims Made” and “Modified Occurrence” forms are not acceptable.

(f) Such coverage as is afforded by this policy for the benefit of the additional insured(s) is primary and any other coverage maintained by such additional insured(s) shall be non-contributing with the coverage provided under this policy.

(g) Premises and Operations coverage with no explosions, collapse, or underground damage exclusion (XCU).

(h) There shall be no exclusion for attached or condominium projects.

(i) The CGL policy may not be subject to a self-insured retention (“SIR”) or deductible that exceeds \$10,000. Any and all SIRs must be susceptible of being satisfied under the CGL policy through payments made by additional insureds, co-insurers, and/or insureds other than the First Named Insured.

(j) A Waiver of Subrogation, to apply in favor of all those parties set forth as additional insured(s) in clause (c) above.

4. **Professional Liability or Errors and Omissions Insurance:**

(a) Consultant shall carry Professional Liability or Errors and Omissions coverage, including prior acts coverage sufficient to cover the Services, the limits of which shall not be less than \$2,000,000, or its standard limit carried, whichever is higher, with a deductible or self-insured retention amount not greater than \$50,000. Such insurance shall include prior acts coverage sufficient to cover the Services and Contractual Liability to cover liability assumed under this Agreement, to the extent insurable under such Professional Liability Insurance. Such insurance is to be maintained during the term of this Agreement and for a period of ten years after substantial completion of the specific project for which it contracted to provide services. There shall be no exclusion for attached or condominium projects.

(b) Consultant is required to provide evidence to Owner that the Professional Liability policy has no impairment on the aggregate limits before any services are performed. If, during the period Professional Liability Insurance is required to be carried, the Professional Liability Insurance policy’s aggregate limit is eroded for any reason, other than as a result of claims for the

design work for any of the Lot(s) being developed under that contract, Consultant will notify Owner and Consultant will be required to obtain additional Professional Liability insurance such that the required level of Professional Liability Insurance in this Exhibit C per claim and in the aggregate is maintained.

5. **Other Requirements:**

(a) All policies must afford an unqualified thirty (30) days notice of cancellation to the additional insured(s) in the event of cancellation or non-renewal, and ten (10) days notice of cancellation for non-payment of premium.

(b) All policies must be written by insurance companies whose rating in the most recent Best's Rating Guide, is not less than A (-):VII. All coverage forms must be acceptable to Owner. Consultant agrees to provide a full certified copy of any policy maintained by Consultant to Owner upon Owner's request therefor.

(c) Certificates of Insurance shall state "All Operations" of Consultant performed on behalf of Owner shall be covered by such insurance. The wording "Endeavor" and ... "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" must be deleted from the certificate. If the carrier or broker will not remove such language from the certificate, a separate endorsement requiring 30-day notice of cancellation will be required.

(d) If Consultant fails to secure and maintain the required insurance, Owner shall have the right (without any obligation to do so, however) to secure same in the name and for the account of Consultant in which event Consultant shall pay the costs thereof and furnish upon demand all information that may be required in connection therewith. Owner shall notify Consultant if Owner exercises its right, whereupon Consultant's responsibility to carry such insurance shall cease and all the premiums and other charges associated with such insurance shall be refunded to Owner. Owner further reserves the right at any time, with thirty (30) days written notice to Consultant, to require that Consultant resume the procurement and maintenance of any insurance for which Owner has elected to procure pursuant to this subsection; in such event, the sums paid to Consultant by Owner shall increase to the extent of any previously agreed and implemented reduction (as noted above) attributable to Owner's prior assumption of the particular insurance coverages. Such refund shall be equitably prorated based upon Consultant's completed work at the time of such adjustment.

(e) Owner reserves the right, in its sole discretion, to require higher limits of liability coverage if, in Owner's opinion, operations by or on behalf of Consultant create higher than normal hazards, and, to require Consultant to name additional parties in interest to be Additional Insureds, and included in any required Waiver of Subrogation, Notice of Cancellation, or other endorsement.

(f) In the event that rental of equipment is undertaken to complete and/or perform the work, Consultant agrees that it shall be solely responsible for such rental equipment. Such responsibility shall include, but not be limited to, theft, fire, vandalism and use, including use by unauthorized persons.

(g) Nothing in this Exhibit C shall reduce Consultant's obligations under this Agreement. Consultant's procurement and/or maintenance of insurance shall not be construed as

a limitation of liability or as full performance of the indemnification and hold harmless provisions of this Agreement.

(h) In the event that materials or any other type of personal property of Consultant is acquired for the Project or delivered to the Project site, Consultant agrees that it shall be solely responsible for such property until it becomes a fixture on the Project, or otherwise is installed and incorporated as a final part of the Project. Such responsibility shall include, but not be limited to, theft, fire, vandalism, and use, including use by unauthorized persons.

(i) Property Waiver of Subrogation. Consultant hereby waives all rights of recovery against HPS Development Co., LP, CP Development Co., LP, CP/HPS Development Co. GP, LLC, and Lennar Corporation, including their respective subsidiaries, partners, partnerships, affiliated companies, successors and assigns and the City and County of San Francisco, the Redevelopment Agency of the City and County of San Francisco, and their, respective direct commissioners, members, supervisors, officers and employees with respect to any loss or damage, including consequential loss or damage, to Consultant's personal property caused or occasioned by any peril or perils covered under any policy or policies of property insurance carried by Consultant. Consultant shall cause its insurance carriers to consent to such waiver of subrogation.

6. **Changes and Modifications:**

Any modification or waiver of the insurance requirements to this Agreement, or in any addendum hereto, may only be made with the prior written consent of Owner.

7. **Notices:**

All Certificates of Insurance and required endorsements must be addressed and forwarded to:

Lennar Corporation
Insurance Compliance
P.O. Box 12010-LC
Hemet, CA 92546-8010
Phone: 951.766.2274

RIDER 1

CONSTRUCTION WORK FORCE

Section 1. Purpose. The purpose of the Agency and Developer entering into this Rider 1 is to ensure equal employment opportunities for Minority Group Persons and women in the construction work force involved in building the Horizontal Improvements upon the Project Site and Agency Parcels covered by the Agreement. To achieve this purpose, the Agency and Developer adopt the standards and requirements set forth below, which are modeled on the standards and requirements of Executive Order 11246 and its implementing regulations including those contained in 41 Code of Federal Regulations ("CFR") 60-1.4, 60-4.2 and 60-4.3.

Section 2. Work Force Goals.

2.1 The goals set forth below are expressed as a percentage of each Contractor's total hours of employment and training by trade on the Project Site and Agency Parcels. The goals represent the level of Minority and female utilization each Contractor should reasonably be able to achieve in each construction trade in which it has employees on the Project Site and Agency Parcels. Developer agrees, and will require each Contractor (regardless of tier), to use its Good Faith Efforts to employ Minority Group Persons and women to perform construction work upon the Horizontal Improvements at the Project Site and Agency Parcels at a level at least consistent with said goals.

2.2 Goals.

(a) Goal for Minority group participation in each trade: *twenty-five and six tenths percent (25.6%)* (current Office of Federal Contract Compliance Programs, hereinafter "OFCCP," goal) of the total hours worked in the trade.

(b) Goal for female participation in each trade: *six and nine tenths percent (6.9%)* (current OFCCP goal) of the total hours worked in the trade.

(c) Goal for participation of San Francisco residents in each trade: *fifty percent (50%)* of the total hours worked in the trade. Residents of the BVHP Area shall be given First Consideration for Employment followed by other San Francisco residents.

2.3 If a conflict arises, achieving the ethnic and gender goals shall take precedence over achieving the residency goal set forth in Section 2.2(c).

2.4 The goals set forth in Section 2.2 shall be amended to reflect either:

(a) **New goals issued by the Director of OFCCP.** The Director of OFCCP shall issue new goals pursuant to 41 C.F.R. 60-4.6 as published periodically in the Federal Register in notice form; or

(b) **New goals issued by the Agency.** Goals issued by the Agency shall either reflect the availability of Minority Group Persons and/or women in the relevant labor

area to perform construction work generally or by trade, or be designed to correct the effects of past discrimination in situations where the Agency concludes that the facts establish a prima facie case of discrimination against a Minority group or women, or otherwise meet the current judicial standards for setting employment goals. A judicial finding of discrimination shall not be a prerequisite to the establishment of new goals by the Agency. If Developer believes that the new goals violate applicable legal standards, Developer may challenge the goals either through arbitration under Exhibit A to Attachment 24 or in a de novo court action. If Developer does mount such a challenge, the Agency, among its other legal and equitable remedies, may require that work be suspended until the challenge is resolved.

2.5 Amendments to the goals shall be prospective and go into effect twenty (20) days after the Agency mails written notice of the amendments to Developer. New goals shall not be applied retroactively.

2.6 Although Section 2.2 establishes a single goal for Minority Group Persons and a separate, single goal for women, each Contractor is required to provide equal employment opportunity and to take equal opportunity for all ethnic groups, both male and female, and all women, both Minority and non-Minority. Consequently, a Contractor may be in violation of this Rider if a particular ethnic group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goal for women generally, the Contractor may be in violation if a specific ethnic group of women is underutilized.) If the Agency determines, after affording a Contractor notice and an opportunity to be heard, that the Contractor has violated its obligations under this paragraph, the Agency may set, for that Contractor, work force participation goals by a particular ethnic group, *e.g.*, Blacks, Latinos, etc.

2.7 Each Contractor is individually required to comply with its obligations under this Rider 1, and to make a Good Faith Effort to achieve each goal in each trade in which it has employees employed at the Project Site and Agency Parcels. (See Section 4 below.) The overall good faith performance by other Contractors or Subcontractors toward a goal does not excuse any covered Contractor's failure to make Good Faith Efforts to achieve the goals.

2.8 The Contractor shall not use the goals or equal opportunity standards to discriminate against any person because of age, ancestry, color, creed, disability, gender, national origin, race, religion or sexual orientation.

2.9 In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Unless otherwise permitted by law, trainees must be trained pursuant to training programs approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training ("BAT") or the California Department of Industrial Relations, Division of Apprenticeship Standards ("DAS").

Section 3. Incorporation. Whenever Developer, the general contractor, any prime contractor, or any Subcontractor (regardless of tier) subcontracts a portion of the work on the

Project Site and Agency Parcels involving any construction trade, it shall set forth verbatim and make binding on each Subcontractor which has a contract in excess of ten thousand dollars (\$10,000.00) the provisions of Exhibit A to Attachment 24 of the Agreement and this Rider 1, including the applicable goals for Minority group and female participation in each trade. Developer, the general contractor, any prime contractor, or any Subcontractor subject to this provision will submit to the Agency a specific workforce inclusion plan showing a confirmed partnering relationship with a local CBO training provider.

Section 4. Equal Opportunity Requirements.

4.1 Each Contractor shall take specific steps to ensure equal employment opportunity ("EEO"). The evaluation of the Contractor's compliance with this Rider 1 shall be based upon its Good Faith Efforts to achieve maximum results from its actions. Each Contractor shall document these efforts fully, and shall implement equal opportunity steps at least as extensive as the following:

(a) Ensure and maintain a working environment free of harassment, intimidation, and coercion at the Project Site and Agency Parcels. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment with specific attention given to Minority Group Persons or women working at the Project Site and Agency Parcels.

(b) Provide written notification to Young Community Developers, Inc. and/or any other organizations identified for the Contractor by the Agency when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(c) Maintain a current file of the names, addresses and telephone numbers of each off-the-street, Minority group, female or resident applicant and each Minority, female and resident referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union, or if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(d) Provide immediate written notification to the Agency when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a Minority Group Person, a woman or a resident sent or requested by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations. In this connection, Developer shall also work with the unions to develop an apprentice and pre-apprentice program for skilled trades for a specified minimum of residents. This program will be incorporated in any Project Labor Agreement and in applicable construction contracts.

(e) Develop on-the-job training opportunities and/or participate in training

programs which expressly include Minority Group Persons and women, including apprenticeship, trainee and upgrading programs relevant to the Contractor's employment needs, especially those funded or approved by BAT or DAS. The Contractor shall provide notice of these programs to the sources compiled under Section 4.1(b) above. in this connection, Developer shall provide training space at the Shipyard, and use its vendor relationships to secure heavy equipment, for these training programs.

(f) Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all Minority group and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at the Project Site and Agency Parcels.

(g) Review, prior to beginning work at the Project Site and Agency Parcels and at least annually thereafter, the Contractor's EEO policy and equal opportunity obligations under the Agreement and this Rider 1 with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as superintendents, general foremen, etc. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed and disposition of the subject matter. The Agency's contract compliance staff shall be invited to attend the meeting held prior to the beginning of work at the Project Site and Agency Parcels.

(h) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including Minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(i) Direct its recruitment efforts, both oral and written, to local Minority group, female and community organizations, to schools with Minority and female students and to Minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one (1) month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(j) Encourage present Minority and female employees to recruit other Minority Group Persons and women and, where reasonable, provide after school, summer and vacation employment to Minority and female youth both on the Project Site and Agency Parcels and in other areas of a Contractor's work force.

(k) Validate all tests and other selection requirements where there is an obligation to do so under 41 C.F.R. Part 60-3.

(l) Conduct, at least annually, an inventory and evaluation of Minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training etc., such opportunities.

(m) Ensure that seniority practices, job classifications, work assignments and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(n) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the genders.

(o) Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and equal opportunity obligations.

4.2 Contractors are encouraged to participate in voluntary associations that assist in fulfilling one or more of their equal opportunity obligations under Section 4.1(a) through (o). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Section 4.1(a) through (o) provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of Minority Group Persons and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's Minority and female work force composition, makes Good Faith Efforts to meet its individual goals, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

Section 5. Additional Provisions.

5.1 The failure by a union with which the Contractor has a collective bargaining agreement, to refer either Minority Group Persons or women shall not excuse the Contractor's obligations under this Rider 1.

5.2 A Contractor shall not enter into any subcontract with any person or firm that the Contractor knows or should have known is debarred from government contracts pursuant to Executive Order 11246.

5.3 No employee to whom the equal opportunity provisions of this Rider 1 are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to Exhibit A to Attachment 24 of the Agreement or this Rider.

5.4 Each Contractor shall designate a responsible official to monitor all employment-related activity to ensure that the Contractor's EEO policy is being carried out.

Section 6. Documentation and Records.

6.1 Submission of Certified Payrolls to the Agency. Each Contractor shall submit through the general contractor to the Agency by noon on each Wednesday a report providing the information contained in the Agency's Optional Form of payroll report for the week preceding the previous week on each of its employees. Each prime contractor is responsible for the submission of this report by each of its Subcontractors.

6.2 Instructions for Coding Certified Payrolls. In addition to maintaining the information required by Section 6.3, each Contractor shall include, on the weekly payroll submissions, the code designating each employee's craft, skill level, protected class status and domicile in accordance with the following table:

**Table for Coding Crafts, Minority Group Persons,
Women and Residents on Certified Payrolls**

CRAFT CODE	DESCRIPTION	CRAFT CODE	DESCRIPTION
1	Electrician	22	Carpet, Linoleum, Vinyl Tile Layer
2	Iron Worker	23	Elevator Constructor
3	Sheet Metal Worker	24	Cement Mason
4	Asbestos Wrkr/Heat & Frost Insulator	25	Laborer or Allied Worker
5	Plumber, Pipe or Steamfitter	26	Glazier & Glassmaker
6	Refrigeration	27	Painter, Paperhanger, Taper
7	Boilermaker	28	Sign Installer
8	Sprinkler Fitter	29	Scrapper
9	Brick, Caulk, Marble, Point, Terrazzo	30	Awning Installer
10	Hod Carrier	31	Drapery Hanger
11	Terrazzo Finisher	32	Low Voltage Electrician
12	Plasterer	33	Towboat Operator-Marine Engineer
13	Lather	34	Towboat Deckhand-Inland Boatworker
14	Carpenter or Drywall Hanger	35	Owner/Operator - Truck
15	Mill Worker or Cabinetmaker	36	Owner/Operator - Heavy Equipment
16	Millwright	37	Upholsterer
17	Roofer	38	Teamster, Construction
18	Pile Driver	39	Janitor
19	Surveyor/Operating Engineer	40	Environmental Control System Installer
20	Tile (Ceramic)/Marble Finisher	41	Window Cleaner
21	Tile (Ceramic)Setter	89	Security Guard

CODE	DESCRIPTION	CODE	DESCRIPTION
D	San Francisco-Domiciled	B	Black
R	BVHP Area-Resident	I	American Indian
L	Latino	C	Caucasian/White
A	Asian/Pacific Islander	W	Woman

6.3 Required records. For each employee, the Contractor's payroll or similar record shall contain the name, address, whether an employee lives in the BVHP Area, telephone numbers, construction trade, classification, union affiliation (if any), employee identification number, Social Security number, gender, race, status (*e.g.*, mechanic, apprentice, trainee, helper or laborer), dates of changes in status, hourly wage rates (including rates of contributions for costs anticipated for fringe benefits or cash equivalents thereof), daily and weekly number of hours worked, deductions made and actual wages paid. Records shall be maintained in an easily understandable and retrievable form; provided that, to the extent that existing records satisfy this requirement, the Contractor shall not be required to maintain separate records.

6.4 Additional Information. The report required by Section 6.2 shall be accompanied by:

(a) A statement of any problems encountered by the Contractor in obtaining Minority, female or resident referrals from any union; and

(b) A statement of the reasons the Contractor failed to meet the ethnic and gender employment goals (if the goals were not met), the reasons the Contractor failed to meet the fifty percent (50%) San Francisco residency goal (if that goal was not met) and the reasons the Contractor was not able to perform any of the equal opportunity steps set forth in Section 4.1(a) through (o) (if any of the steps were not taken).

6.5 Inspection of Records. The Contractor shall make the records required under this Section available for inspection or copying by authorized representatives of the Agency, and shall permit such representatives to interview employees during working hours on the job.

6.6 Failure to Submit Reports. If a Contractor fails or refuses to provide the reports to the general contractor as required by Section 6.1, the Agency, upon notice from the general contractor or Developer, shall consider but not be required to institute arbitration proceedings against the non-compliant Contractor.

6.7 Submission of Good Faith Effort Documentation. If the Contractor's Good Faith Efforts are at issue, the Contractor shall provide the Agency with the documentation of its efforts as required by Section 4.1.

Section 7. Arbitration of Disputes. The Agency, Developer and any affected Contractor may take any dispute concerning the interpretation, implementation or alleged breach of this Rider to arbitration in accordance with the arbitration provisions of Exhibit A to Attachment 24 of the Agreement.

Section 8. Preconstruction Workforce Inclusion Meeting.

8.1 Prior to Close of Escrow and Commencement of Construction, the general contractor, any prime contractor, or any Subcontractor (regardless of tier) shall attend a preconstruction meeting convened by the Agency and to which outreach organizations are invited to review the reporting requirements, the prospective work force composition and any problems that may be anticipated in meeting the work force goals. This will be the only agenda for this meeting, which is intended to be separate from the bid conference or any other preconstruction meeting. The Contractor's and Subcontractors' personnel attending this meeting will include their respective intended project managers and foreman.

8.2 Any Subcontractor (regardless of tier), who does not attend such a meeting shall not be permitted on the job site. The Agency shall convene additional preconstruction workforce inclusion meetings within twenty-four (24) hours of the Contractor's request. The Contractor shall endeavor to include as many prospective Subcontractors as possible at these meetings in order not to protract unduly the number of meetings.

8.3 Failure to comply with this preconstruction workforce inclusion meeting provision shall result in the Agency ordering a suspension of work by the prime contractor and/or the Subcontractor until the breach has been cured. Suspension under this provision is not subject to arbitration.

Section 9. Term. The obligations of Developer and the Contractors with respect to their construction work forces, as set forth in Exhibit A to Attachment 24 of this Agreement and this Rider 1, shall remain in effect until completion of all work to be performed by Developer in connection with the initial construction Horizontal Improvements at the Project Site and Agency Parcels.

Exhibit A

Redevelopment Agency of the
City and County of San Francisco

BAYVIEW HUNTERS POINT EMPLOYMENT AND CONTRACTING POLICY

Adopted _____, 2007

Resolution No. _____-2007

TABLE OF CONTENTS

I.	PURPOSE	1
A.	PURPOSE.....	1
II.	HIRING GOALS	2
A.	CONSTRUCTION WORKFORCE HIRING GOAL	2
B.	PERMANENT / TEMPORARY WORKFORCE GOAL.....	2
C.	TRAINEE GOALS	2
III.	DEFINITIONS	2
IV.	APPLICATION OF POLICY BY PROJECT TYPE	4
A.	AGENCY ACTION PROJECTS	4
B.	PRIVATE SIGNIFICANT PROJECTS.....	5
C.	CITYBUILD AND PUBLIC IMPROVEMENTS.....	6
D.	SMALL PRIVATE PROJECTS.....	6
V.	TERM	7
VI.	APPLICABLE COMMUNITY REDEVELOPMENT LAWS	7
VII.	CONSTRUCTION WORKFORCE HIRES	8
A.	PROCEDURES FOR CONSTRUCTION WORKFORCE HIRES.....	8
1.	COMPLIANCE WITH THE POLICY.....	8
2.	EXECUTE EMPLOYMENT AND CONTRACTING AGREEMENT	8
3.	SUBMISSION OF LABOR FORCE PROJECTIONS AND OTHER DATA.....	9
4.	SUBMIT SUBCONTRACTOR INFORMATION FORM	9
5.	PRECONSTRUCTION MEETING.....	9
6.	SUBMIT CONSTRUCTION WORKER REQUEST FORM	9
7.	RESPONSE FROM CBO	9
8.	ACTION BY CONTRACTOR WHEN REFERRALS AVAILABLE	10
9.	ACTION BY CONTRACTOR WHEN REFERRALS UNAVAILABLE	10
10.	ACTION BY CONTRACTOR WHEN NO RESPONSE FROM CBO	10
11.	ACTION BY CONTRACTOR WHEN NO RESPONSE FROM UNION	11
12.	HIRING APPRENTICES.....	11
13.	TERMINATION AND REPLACEMENT OF REFERRALS	11
B.	REPORTING REQUIREMENTS FOR CONSTRUCTION WORKFORCE	11
1.	SUBMISSION OF CERTIFIED PAYROLL REPORTS	11
2.	CONTENTS OF CERTIFIED PAYROLL REPORTS	12

3.	ADDITIONAL INFORMATION	12
4.	REPORT ON TERMINATIONS	12
5.	INSPECTION OF RECORDS	12
6.	FAILURE TO SUBMIT REPORTS	12
7.	SUBMISSION OF GOOD FAITH EFFORT DOCUMENTATION	13
8.	CODING CERTIFIED PAYROLLS.....	13
VIII.	TRAINEE HIRES	14
A.	PROCEDURES FOR TRAINEE HIRES	14
1.	COMPLIANCE WITH THE POLICY.....	14
2.	EXECUTE EMPLOYMENT AND CONTRACTING AGREEMENT	14
3.	CONTACT EDUCATIONAL INSTITUTIONS.....	15
4.	RESPONSE FROM EDUCATIONAL INSTITUTIONS	15
5.	ACTION BY DESIGN PROFESSIONALS WHEN REFERRALS AVAILABLE.....	15
6.	ACTION BY DESIGN PROFESSIONALS WHEN REFERRALS UNAVAILABLE.....	15
7.	ACTION BY DESIGN PROFESSIONAL WHEN NO RESPONSE FROM EDUCATIONAL INSTITUTIONS....	16
8.	TERMINATION OF TRAINEE FOR CAUSE.....	16
B.	REPORTING REQUIREMENTS FOR TRAINEE HIRES	16
1.	ANNUAL REPORTING	16
2.	REPORT ON TERMINATIONS	16
IX.	PERMANENT / TEMPORARY WORKFORCE POLICY	17
A.	PERMANENT / TEMPORARY WORKFORCE HIRES	17
1.	POLICY STATEMENT	17
2.	COMPLIANCE WITH THE POLICY.....	17
3.	NEGOTIATE AND EXECUTE EMPLOYMENT AND CONTRACTING AGREEMENT	17
4.	REVIEW OF PERMANENT / TEMPORARY WORKFORCE POLICY	17
X.	AGENCY EQUAL OPPORTUNITY PROGRAM	18
A.	COMPLIANCE WITH AGENCY'S EQUAL OPPORTUNITY PROGRAM.....	18
1.	SMALL BUSINESS ENTERPRISE PROGRAM	18
2.	NONDISCRIMINATION IN CONTRACTS AND EQUAL BENEFITS POLICY.....	18
3.	MINIMUM COMPENSATION POLICY AND HEALTH CARE ACCOUNTABILITY POLICIES.....	18
4.	AGENCY'S PREVAILING WAGE POLICY.....	19
XI.	EMPLOYMENT AND CONTRACTING POLICY - ADDITIONAL PROVISIONS....	19
1.	DESIGNATE A POINT OF CONTACT	19
2.	NO RETALIATION.....	19
3.	NO DISCRIMINATION.....	19

4.	COLLECTIVE BARGAINING EXCLUSION	20
5.	NO CONFLICT WITH STATE OR FEDERAL LAW	20
6.	EXISTING WORKFORCE	20
7.	USE OF DEBARRED ENTITIES PROHIBITED	20
8.	INCORPORATION	20
9.	SEVERABILITY	20
10.	WAIVER	21
XII.	ARBITRATION OF DISPUTES	21
1.	ARBITRATION BY AAA	21
2.	DEMAND FOR ARBITRATION	21
3.	PARTIES' PARTICIPATION	21
4.	AGENCY REQUEST TO AAA	21
5.	SELECTION OF ARBITRATOR	21
6.	SETTING OF ARBITRATION HEARING	22
7.	DISCOVERY	22
8.	CALIFORNIA LAW APPLIES	22
9.	ARBITRATION REMEDIES AND SANCTIONS	22
10.	ARBITRATOR'S DECISION	23
11.	DEFAULT AWARD; NO REQUIREMENT TO SEEK AN ORDER COMPELLING ARBITRATION	23
12.	ARBITRATOR LACKS POWER TO MODIFY	23
13.	JURISDICTION/ENTRY OF JUDGMENT	23

I. PURPOSE

A. Purpose

1. Pursuant to California Community Redevelopment Law (“**CRL**”) and consistent with long standing practice, the San Francisco Redevelopment Agency (“**Agency**”) hereby adopts this Employment and Contracting Policy to ensure training and employment opportunities for lower-income residents in the Bayview Hunters Point (“**BVHP**”) Redevelopment Project Area, including residents in the 94124 zip code, subject to the criteria set forth below.

2. In adopting the BVHP Redevelopment Plan, the Agency and the City and County of San Francisco (“**City**”) have made a commitment to vigorous equal opportunity and diversity in employment. Thus, the Agency has proposed programs to encourage local hiring and contracting by the private sector engaged in development in the Project Area.

3. This BVHP Employment and Contracting Policy is designed to ensure that Agency Action Projects and private Significant Projects (which do not receive Agency assistance), provide employment opportunities for lower-income BVHP Residents and San Francisco Residents in the areas of construction, professional services, and permanent jobs. This Policy will supplement and not supplant the existing Agency employment and contracting policies found in the Agency’s Equal Opportunity Program and the Agency Purchasing Policy, which are briefly summarized in Section X. The Employment and Contracting Policy seeks to provide economic benefits to existing BVHP Residents and San Francisco Residents from redevelopment activities within the Project Area. BVHP Residents have disproportionately lower income levels. As part of this policy, residents will be referred by the CBOs (defined below) that serve San Francisco lower-income residents. Therefore, the BVHP residential preference fulfills the purpose of providing economic opportunity to lower-income residents.

4. This Employment and Contracting Policy meets or exceeds the requirements of the City of San Francisco’s Administrative Code Chapter 83 (First Source policy) and CityBuild Program. Thus, entering into and complying with the terms of an Employment and Contracting Policy Agreement will satisfy the requirements of the City’s First Source Policy. It is also intended to satisfy the requirements of Health and Safety Code Section 33422.3 which states that for any contract over \$100,000, the Agency may set specific percentages by craft or trade for the employment of available project area residents.

5. The Agency is committed to facilitating Project Sponsor, Contractor and Employer access to and the hiring of qualified BVHP and San Francisco Residents. To further this goal, the Agency will continue to contract with CBOs to provide education and referral programs and services which will allow BVHP and San Francisco Residents to be considered for employment.

6. The Agency and the Planning Department of the City and County of San Francisco (“**Planning**”) entered into a delegation agreement as of September 19, 2006 (the “**Delegation Agreement**”). Per the Delegation Agreement, Planning shall not approve a Significant Project in the Project Area unless the Project Sponsor has entered into an Employment and Contracting Agreement(s) with the Agency. Ongoing compliance with such Agreements(s) shall become a condition of the permit.

7. This Employment and Contracting Policy shall be effective on or after _____, 2007 (“**Effective Date**”).

8. The Agency and the PAC shall review the effectiveness of the new Employment and Contracting Policy after one (1) year of implementation.

II. HIRING GOALS

A. Construction Workforce Hiring Goal

1. The Employment and Contracting Policy has a goal that **fifty percent (50%)** of construction workforce hires for each trade be qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. This goal is expressed as a percentage of each Contractor's total hours of employment and training by trade on the project. The procedure for meeting the construction workforce goal is set forth in Section VII.

B. Permanent / Temporary Workforce Goal

1. The Employment and Contracting Policy has a goal that **fifty percent (50%)** of permanent / temporary workforce hires be qualified BVHP Residents and then San Francisco Residents with First Consideration given to BVHP Residents. The procedure for meeting the permanent / temporary workforce goal is set forth in Section IX.

C. Trainee Goals

1. The Employment and Contracting Policy requires that all design professionals (architects, engineers, planners, and environmental consultants) on contracts over \$100,000, hire qualified BVHP Residents and then San Francisco Residents with First Consideration given to BVHP Residents as trainees. The trainee hiring goal for architects, engineers and other design professionals is based upon the total amount of the design professional's contract as follows:

<u>Trainees</u>	<u>Design Professional Fees</u>
0	\$ 0 - \$ 99,000
1	\$100,000 - \$ 249,999
2	\$250,000 - \$ 499,999
3	\$500,000 - \$ 999,999
4	\$1,000,000 - \$1,499,999
5	\$1,500,000 - \$1,999,999
6	\$2,000,000 - \$4,999,999
7	\$5,000,000 - \$7,999,999
8	\$8,000,000 - or more

2. The procedure for meeting the trainee hiring goal is set forth in Section VIII.

III. DEFINITIONS

1. Agency-Action Project means, as applicable, the Agency's funding (including conduit bond financing), acquisition, disposition, or development of property through a Development and Disposition Agreement ("**DDA**"), Owner Participation Agreement ("**OPA**"), loan agreement, grant agreement or other transactional and/or funding documents between a Project Sponsor and the Agency, provided however, that the Agency's Model Block Program is excluded from this definition, as it will contain its own local hiring and contracting requirements.

2. **Agency Compliance Officer** means the Agency's Contract Compliance Specialist assigned to oversee the Project Sponsor's compliance with the requirements of the Employment and Contracting Policy Agreement.

3. **Agreement** means an Employment and Contracting Agreement entered into between the Agency and the Project Sponsor pursuant to this Employment and Contracting Policy.

4. **Arbitration Parties** means the Agency, Project Sponsor, Contractors, Employers and all persons who attend the arbitration hearing pursuant to Section XII, as well as those persons and Project Sponsors who are subject to a default award provided that all of the requirements in Section XII (11) have been met.

5. **BVHP Resident** means, for the purposes of this Employment and Contracting Policy only, any person who resides in the BVHP Project Area or within the 94124 zip code as it is defined on the Effective Date.

6. **CBO** means any community based organization that provides training, education and referral services to BVHP Residents, including but not limited to:

Young Community Developers, Inc., 1715 Yosemite Avenue, San Francisco, CA 94124, (415) 822-3491;

Mission Hiring Hall, 3042 – 16th Street, San Francisco, CA 94103, (415) 626-1919 (Construction jobs only);

South of Market Employment Center, 288 – 7th Street, San Francisco, CA 94103, (415) 865-2105 (Permanent Jobs only) and

Ella Hill Hutch Community Center, 1050 McAllister Street, San Francisco, CA 94115, (415) 921-6276

7. **City** means the City and County of San Francisco.

8. **Commercial Project** means (for purposes of this Employment and Contracting Policy only): (1) any building permit application for a commercial activity over 25,000 square feet in floor area and involving new construction, an addition, or alteration which results in over \$2,000,000 in improvements as stated on the City's building permit application (including any tenant improvements covered by said building permit); or (2) any application which requires discretionary action by the City's Planning Commission relating to a commercial activity over 25,000 square feet including, but not limited to conditional use project authorization under San Francisco Planning Code section 309, and office development under San Francisco Planning Code Sections 320, et seq.

9. **Contractor** means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who is a general contractor, subcontractor (regardless of tier) or consultant working on: (i) an Agency Action Project, (ii) a Significant Project in the Project Area, or (iii) a development project when the Project Sponsor has voluntarily subscribed to this Employment and Contracting Policy.

10. **Delegation Agreement** means the delegation agreement between the Agency and Planning dated September 19, 2006 as such agreement may be amended from time to time.

11. **Employer** means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who owns or operates a retail or commercial business which is part of: (i) an Agency Action Project, (ii) a Significant Project in the Project Area, or (iii) a

development project when the Project Sponsor has voluntarily subscribed to this Employment and Contracting Policy.

12. **Employment and Contracting Agreement or (“Agreement”)** means the written agreement entered into between the Project Sponsor and the Agency which details the particular requirements the Project Sponsor must meet in order to be in compliance with this Employment and Contracting Policy.

13. **First Consideration** means that a Project Sponsor, Contractor and/or Employer shall give first consideration to qualified BVHP Residents in accordance with Section VII.A. (6) - (8) of this Employment and Contracting Policy and then to San Francisco residents for hiring opportunities in the areas of construction workforce, permanent / temporary workforce and trainee hires prior to offering the hiring opportunity to other applicants.

14. **Housing Project** means (for purposes of this Employment and Contracting Policy only) new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units.

15. **PAC** means the Bayview Hunters Point Project Area Committee.

16. **Planning** means the Planning Department and/or the Planning Commission of the City and County of San Francisco.

17. **Position** means a permanent / temporary position not related to construction or construction trades.

18. **Project Area** means the Bayview Hunters Point Project Areas as delineated in the Bayview Hunters Point Redevelopment Plan, adopted June 1, 2006 and recorded June 23, 2006, (Document Number 2006I199495) as it may be amended from time to time.

19. **Project Sponsor** means the developer of commercial space or new housing units defined herein as a Significant Project in the Project Area.

20. **San Francisco Resident** means any person who resides in the City and County of San Francisco.

21. **Significant Project** means, for purposes of this Employment and Contracting Policy only, a Commercial Project or Housing Project as defined in this Employment and Contracting Policy.

IV. APPLICATION OF POLICY BY PROJECT TYPE ¹

A. **Agency Action Projects**

1. The Employment and Contracting Policy is mandatory for Agency Action Projects. Agency Action Projects will require the Project Sponsor to execute an Employment and Contracting Agreement with the Agency as a condition of approval. The construction workforce goal, permanent / temporary workforce goal and the trainee hiring goal for professional services contracts all apply to this type of project.

¹ Page 24 contains a BVHP Employment and Contracting Policy Matrix which also gives an overview of the application of the policy by project type.

2. Additionally, the Agency's Small Business Enterprise ("**SBE**") Program, as amended from time to time, will apply when Project Sponsors on Agency Action Projects contracts for professional / personal services related to the project, such as planning studies, building and/or landscape design, economic or feasibility studies, community outreach services, printing or graphic production. The SBE participation goal is a good faith effort that 50% of the subcontracting opportunities go to Agency certified SBEs with First Consideration given to SBEs within the Project Area.

3. In addition to the local hiring and small business contracting programs listed above, Project Sponsors will be **required to comply** with the Agency's Equal Opportunity Program which include:

- o Nondiscrimination in Contracts and Equal Benefits Policy
- o Minimum Compensation Policy
- o Health Care Accountability Policy
- o Agency Prevailing Wage Policy (Labor Standards)

4. The Agency's Equal Opportunity Program is described briefly in Section X.

5. The requirements of the Employment and Contracting Policy and the Agency's Equal Opportunity Policies will be incorporated into an Agreement. The Agency's Executive Director will review and approve the Agreement on behalf of the Agency. Adherence to the Agreement shall be monitored by the Agency's Contract Compliance Division. Agency staff shall periodically report to the BVHP PAC and the Agency Commission on the compliance status of Agency Action Projects.

B. Private Significant Projects

1. The Employment and Contracting Policy is mandatory for private Significant Projects (not requiring Agency assistance) in the Project Area that exceed the following thresholds:

- **Housing Projects:** new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units ; or
- **Commercial Projects:** (1) any building permit application for a commercial activity over 25,000 square feet in floor area and involving new construction, an addition, or alteration which results in over \$2,000,000 in improvements as stated on the City's building permit application (including any tenant improvements covered by said building permit); or (2) any application which requires discretionary action by the City's Planning Commission relating to a commercial activity over 25,000 square feet including, but not limited to conditional use project authorization under San Francisco Planning Code section 309, and office development under San Francisco Planning Code Sections 320, et seq.

2. Private Significant Projects shall be entitled by Planning as set forth in the Delegation Agreement and will require the Project Sponsor to execute an Employment and Contracting Agreement with the Agency as a condition of approval. The construction workforce

goal, permanent / temporary workforce goal and the trainee hiring goal for professional services contracts all apply to this type of project.

3. In addition to the hiring program, Project Sponsors will be encouraged to subscribe **voluntarily** to the Agency's Equal Opportunity Program which include:

- o Small Business Enterprise Program
- o Nondiscrimination in Contracts and Equal Benefits Policy
- o Minimum Compensation Policy
- o Health Care Accountability Policy
- o Prevailing Wage Provisions (Labor Standards)

4. The Agency's Equal Opportunity Program is described briefly in Section X.

5. The mandatory programs and the programs which the Project Sponsor has voluntarily subscribed to, if any, will be incorporated into an Agreement and at that point become mandatory. The Agency's Executive Director will review and approve the Agreement on behalf of the Agency. Adherence to the Agreement shall be monitored by the Agency's Contract Compliance Division. Agency staff shall periodically report to the BVHP PAC and the Agency Commission on the compliance status of private Significant Projects.

C. CityBuild and Public Improvements

1. While not part of the Employment and Contracting Policy, the CityBuild workforce initiative applies to all public infrastructure and other public improvements projects that the City funds in the Project Area. CityBuild is an initiative of the Mayor's Office of Economic and Workforce Development, in partnership with other City departments, that utilizes City-sponsored construction as a vehicle to deliver training and employment opportunities to San Francisco residents. When the Agency is providing additional funding for a City funded public project, Agency staff shall work with CityBuild and the lead City department to consider implementation of elements of the Agency Employment and Contracting Policy as well as the Equal Opportunity Program.

2. The purpose of CityBuild is to ensure equal employment opportunities for San Francisco residents of all backgrounds and genders in construction workforce activities provided under City-sponsored construction projects. CityBuild establishes a goal of 50% participation for San Francisco residents in each trade for total hours worked on a project. CityBuild creates a single, responsible and accountable entity, Mayor's Office of Economic and Workforce Development, to direct construction employment and training efforts across projects and departments and develops trained, committed men and women to become the construction workforce of the future.

3. The Agency's Equal Opportunity Program is described briefly in Section X.

D. Small Private Projects

1. The Employment and Contracting Policy does not mandate local hiring or contracting for purely private projects that fall below the threshold of Significant Projects.

However, Project Sponsors will be encouraged to subscribe **voluntarily** to the following Agency's Equal Opportunity Programs and other policies which include:

- o BVHP Employment and Contracting Policy
 - o Small Business Enterprise Policy
 - o Nondiscrimination in Contracts and Equal Benefits Policy
 - o Minimum Compensation Policy
 - o Health Care Accountability Policy
 - o Agency Prevailing Wage Policy (Labor Standards)
2. The Agency's Equal Opportunity Program is described briefly in Section X.

V. TERM

1. The term for meeting the obligations under the Employment and Contracting Policy ("Term") shall be as follows:

For Construction Workforce – From the date of the Employment and Contracting Agreement until two (2) years thereafter or the expiration of the building permit for the project, whichever is later.

For Trainee Hiring – From the date of the Employment and Contracting Agreement until two (2) years thereafter or the expiration of the building permit for the project, whichever is later.

For Permanent / Temporary Workforce – Up to ten (10) years from the date of the temporary certificate of occupancy per building , as determined through good faith negotiations between the Project Sponsor and the Agency based upon the anticipated number of permanent and/or temporary positions created by the Project.

VI. APPLICABLE COMMUNITY REDEVELOPMENT LAWS

1. The Employment and Contracting Policy is designed to further the objectives of the Community Redevelopment Law that redevelopment project areas support local businesses and lower-income BVHP Residents in the revitalization efforts of the Agency. Specifically, the Community Redevelopment law (which is codified in the California Health and Safety Code) states:

33422.1. Preference in Awarding Contracts to Local Businesses.

To the greatest extent feasible, contracts for work to be performed in connection with any redevelopment project shall be awarded to business concerns which are located in, or owned in the substantial part by persons residing in, the project area.

33422.3. Agency Specification of Workmen to be Lower-Income Project Area Residents for Certain Contracts.

To insure training and employment opportunities for lower-income project area residents, the agency may specify in the call for bids for any contract over one hundred thousand dollars (\$100,000) for work to be performed in connection with any redevelopment project that project area

residents, if available, shall be employed for a specified percentage of each craft or type of workmen needed to execute the contract or work.

33423. Prevailing Wage Rates Required.

Before awarding any contract for such work to be done in a project, the agency shall ascertain the general prevailing rate of per diem wages in the locality in which the work is to be performed, for each craft or type of workman needed to execute the contract or work, and shall specify in the call for bids for the contract and in the contract such rate and the general prevailing rate for regular holiday and overtime work in the locality, for each craft or type of workman needed to execute the contract.

33424. Payment of Prevailing Wages.

The contractor to whom the contract is awarded and any subcontractor under him shall pay not less than the specified prevailing rate of wages to all workmen employed in the execution of the contract.

33425. Penalty for Noncompliance with Prevailing Wages.

As a penalty to the agency which awarded the contract, the contractor shall forfeit ten dollars (\$10) for each calendar day or portion thereof for each workman paid less than the stipulated prevailing rates for any public work done under the contract by him or by any subcontractor under him. A stipulation to this effect shall be included in the contract.

33426. Record of Wages.

Each contractor and subcontractor shall keep an accurate record showing the name, occupation, and actual per diem wages paid to each workman employed by him in connection with the work. The record shall be kept open at all reasonable hours to the inspection of the agency.

VII. CONSTRUCTION WORKFORCE HIRES²

A. Procedures For Construction Workforce Hires

1. Compliance with the Policy

The Project Sponsor agrees and will require each Contractor and all subcontractors to use its good faith efforts to employ 50% of its construction workforce hires by trade and by hours from qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. Project Sponsors and Contractors will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the goal or by taking the following steps in good faith towards compliance.

2. Execute Employment and Contracting Agreement

The Project Sponsor shall execute an Agreement which details the requirements of the Employment and Contracting Policy, as well as the Agency's Equal Opportunity Program, if

² The same procedure for construction workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.

applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the general contractor. The general contractor shall do the same in its contracts with its subcontractors. Thus, each Contractor will be obligated to comply with the terms of the Agreement. The Project Sponsor and/or Contractors shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

3. **Submission of Labor Force Projections and Other Data**

The general contractor shall submit, to the extent available, labor force projections to the Compliance Officer within two (2) weeks of award.

4. **Submit Subcontractor Information Form**

The general contractor shall submit to the Compliance Officer the Subcontractor Information Forms, twenty-four (24) hours prior to the preconstruction meeting. The Subcontractor Information Forms are available from the Compliance Officer upon request.

5. **Preconstruction Meeting**

The general contractor shall hold a preconstruction meeting which shall be attended by the Compliance Officer, the CBO assigned to the proposed project, all prime contractor(s) and all subcontractor(s). The preconstruction meeting shall be scheduled between two (2) days and thirty (30) days prior to the start of construction at a time and place convenient to all attendees. The purpose of the meeting is to discuss: the hiring goals, workforce composition, role of the CBOs, worker referral process, certified payroll reporting, procedure for termination and replacement of workers covered by this policy and to explore any anticipated problems in complying with the Employment and Contracting Policy. All questions regarding how this Employment and Contracting Policy applies to the Project Sponsor, general contractor, subcontractors and consultants should be answered at this meeting. Failure to hold or attend at least one (1) preconstruction meeting will be a breach of this Employment and Contracting Policy that may result in the Agency ordering a suspension of work until the breach has been cured. Suspension under this provision is not subject to arbitration.

6. **Submit Construction Worker Request Form**

For the Term of the Agreement, each time the Project Sponsor or Contractor seeks to hire workers for the construction or rehabilitation of improvements, they must first submit, by fax, email or hand delivery, an executed construction worker request form to the CBO. Preferably this request will be submitted at least two (2) business days before the workers are needed. However, requests with less than two (2) business days notice will be accepted. The construction worker request form will indicate generally: the number of workers needed, duration needed, required skills or trade and date/time to report. The construction worker request form is available from the CBO or Compliance Officer upon request.

7. **Response from CBO**

The CBO shall respond, in writing, via fax, email or hand delivery to each request for construction workers. The response shall state that the CBO was able to satisfy the request in full, in part or was unable to satisfy the request. The CBOs shall look to their own referral lists, as well as confer with other CBOs and CityBuild in an attempt to find qualified BVHP Residents and San

Francisco Residents. If the CBO is able to satisfy the request in full or in part, it shall direct the qualified BVHP Resident(s) or San Francisco Resident(s) to report to the Contractor on the date and time indicated in the request. If the CBO is unable to satisfy the request, then the CBO shall send a fax or email stating that no qualified BVHP Residents or San Francisco Residents are currently available.

8. Action by Contractor When Referrals Available

The Project Sponsor or Contractor whose request has been satisfied in full or in part shall make the final determination of whether the BVHP Residents or San Francisco Residents are qualified for the positions and the ultimate hiring decision. The Agency strongly encourages the Contractor to hire the qualified BVHP Residents or San Francisco Residents referred by the CBO. However, if the Contractor finds the BVHP Residents or San Francisco Residents are not qualified, then the Contractor shall send the BVHP Residents or San Francisco Residents back to the CBO. Before the close of business on the same day, the Contractor shall fax or email a statement addressed to the CBO stating in detail the reason(s) the BVHP Residents or San Francisco Residents were not qualified or the reason(s) for not hiring the BVHP Residents or San Francisco Residents. The CBO shall, within one (1) business day of receipt of the fax or email, send new qualified BVHP Residents or San Francisco Residents that meet the legitimate qualifications set by the Contractor or alternatively, send a fax or email stating that no qualified BVHP Residents or San Francisco Residents are currently available.

9. Action by Contractor When Referrals Unavailable

If a Contractor receives a response from the CBO stating that no qualified BVHP Residents or San Francisco Residents are currently available, then the Contractor may hire the number of construction workers requested from the CBO, using its own recruiting methods, giving first consideration to BVHP Residents and then San Francisco Residents. Any additional new construction workforce hires (including the replacement of any terminated workers) must comply with this Employment and Contracting Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from the CBO as proof of compliance and submit a copy of each response received to the Agency Compliance Officer upon request.

10. Action by Contractor When No Response From CBO

If a Contractor has not received a response to its construction worker request from the CBO within two (2) business days, then the Contractor should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause a response to be sent to the Contractor within two (2) business days of being notified. If the Contractor does not receive a response from the CBO within four (4) business days (the original two (2) business days plus the additional two (2) business days), then the Contractor may hire the number of construction workers requested from the CBO, using its own recruiting methods, giving first consideration to BVHP Residents and then San Francisco Residents. Any construction workforce hires (including the replacement of any terminated workers) must comply with this Employment and Contracting Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from the CBO as proof of compliance and submit a copy of each response received to the Agency Compliance Officer upon request. This Employment and Contracting Policy is intended to provide qualified BVHP and San Francisco

Residents with employment opportunities without causing undue delay in hiring needed construction workers.

11. **Action by Contractor When No Response From Union**

The Contractor should immediately advise the Agency Compliance Officer by phone, fax or email when the Contractor has sent a qualified BVHP Resident or San Francisco Resident to a union hall for referral in accordance with a collective bargaining agreement and the union did not refer the qualified BVHP or San Francisco Resident back for employment or when the union referral process impedes the Contractor's ability to meet its obligations under this policy. Conflicts between this Employment and Contracting Policy and any collective bargaining agreements will be resolved pursuant to Section XI (4).

12. **Hiring Apprentices**

A Contractor may meet part of the Construction Workforce Goal by hiring apprentices. However, hiring an apprentice does not satisfy or waive the trainee hiring obligation, if any, for design professionals. Unless otherwise permitted by law, apprentices must be trained pursuant to training programs approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training or the California Department of Industrial Relations, Division of Apprenticeship Standards. Credit towards compliance will only be given for paid apprentices actually working on the project. No credit is available for apprentices while receiving class room training. Under no circumstances shall the ratio of apprentices to journeymen in a particular trade or craft exceed 1:5.

13. **Termination and Replacement of Referrals**

If at any time it becomes necessary to terminate for cause a construction worker who was hired under this Employment and Contracting Policy, the Contractor shall notify the CBO in writing via fax or email and submit a report of termination pursuant to Section VII (B)(4). If the Contractor intends to fill the vacant position, then the Contractor shall follow the process set forth in this Employment and Contracting Policy beginning at Section VII (A)(6).

B. Reporting Requirements For Construction Workforce

1. **Submission of Certified Payroll Reports**

Each Contractor subject to this Employment and Contracting Policy shall submit to the Agency a certified payroll report for the preceding work week on each of its employees. The Project Sponsor is ultimately responsible for the submission of these reports by the Contractors. The certified payroll report is due to the Agency by noon each Wednesday. To facilitate compliance, the Agency uses the online LCP Tracker system (www.lcptracker.com) for submission of certified payroll reports. This system is available at no cost to the Contractor and LCP Tracker is compatible with all major computer payroll systems. Training and educational materials for LCP Tracker are available at no cost online and through the Compliance Officer. Contractors are required to report certified payroll using the LCP Tracker system at www.lcptracker.com. However, a waiver shall be granted pursuant to Section XI (10) to any Contractors who do not have a computer, online access or who use a computer payroll system that is incompatible with LCP Tracker.

2. **Contents of Certified Payroll Reports**

If certified payroll records are submitted via the LCP Tracker system, the required data points are already listed. If certified payroll records are submitted in paper form, the records shall be organized in an easily understandable format and contain **all** the following information: the name, address, telephone number, residency (Bayview Hunters Point, another redevelopment project area, San Francisco or other), last four (4) digits of the worker's Social Security number³, gender, ethnicity (see codes in Section VII (B)(8)), construction trade (see codes in Section VII (B)(8)), classification (e.g., mechanic, apprentice, trainee, helper or laborer), union affiliation (if any), dates of changes in status, daily and weekly number of hours worked, hourly wage rates (including rates of contributions for costs anticipated for fringe benefits or cash equivalents thereof), deductions made and actual wages paid. The foregoing notwithstanding, the reporting of hourly wage rates, deductions and actual wages paid are not required for Significant Projects unless the Project Sponsor has voluntarily subscribed to the Agency's Prevailing Wage Policy or the payment of prevailing wages is otherwise required by law. To the degree that existing certified payroll records satisfy these requirements, the Contractor shall not be required to maintain separate records.

3. **Additional Information**

In order to prevent unlawful discrimination in the selection, hiring and termination of employees on the basis of race, ethnicity, gender or any other basis prohibited by law and to identify and correct such unlawful practices, the Agency will monitor and collect information on the ethnicity and gender of each construction worker and apprentice. If an identifiable pattern of apparent discrimination is revealed by this additional information, it will be treated as a breach of this Employment and Contracting Policy and may be addressed as set forth in Section XII, Arbitration of Disputes.

4. **Report on Terminations**

In the event a BVHP Resident or San Francisco Resident hired pursuant to this Employment and Contracting Policy is terminated for cause, the responsible Contractor shall within two (2) days fax or email a termination report to the CBO with a copy to the Agency Compliance Officer stating in detail: (1) the name of the worker(s) terminated; (2) his/her job title and duties; (3) the reasons and circumstances leading to the termination(s); (4) whether the Contractor replaced the construction worker(s); and (5) whether the replacement worker(s) were BVHP Resident(s) or San Francisco Resident(s).

5. **Inspection of Records**

The Project Sponsor and each Contractor shall make the records required under this Employment and Contracting Policy available for inspection or copying by authorized representatives of the Agency, and shall permit such representatives to interview construction workers and apprentices during working hours on the job.

6. **Failure to Submit Reports**

³ Note: The Project Sponsor is required to provide complete Social Security numbers upon the request of the Agency.

If a Contractor fails or refuses to provide the reports as required it will be treated as a breach of this Employment and Contracting Policy and may be addressed as set forth in Section XII, Arbitration of Disputes.

7. Submission of Good Faith Effort Documentation

If the Project Sponsor's or Contractor's good faith efforts are at issue, the Contractor shall provide the Agency with the documentation of its efforts to comply with this Employment and Contracting Policy and the Agreement. The Project Sponsor or Contractor must maintain for the duration of the Term, a current file of the names, addresses and telephone numbers of each BVHP Resident or San Francisco Resident applicant referral whether self referral, union referral or CBO referral and what action was taken with respect to each such individual.

8. Coding Certified Payrolls

Each Contractor shall include, on the weekly payroll submissions, the code designating each construction worker's and apprentice's craft, skill level, protected class status and domicile in accordance with the following tables:

CRAFT CODE	DESCRIPTION	CRAFT CODE	DESCRIPTION
1	Electrician	22	Carpet, Linoleum and Vinyl Tile Layer
2	Iron Worker	23	Elevator Constructor
3	Sheet Metal Worker	24	Cement Mason
4	Asbestos Worker/ Heat & Frost Insulator	25	Laborer or Allied Worker
5	Plumber, Pipe or Steamfitter	26	Glazier & Glassmaker
6	Refrigeration	27	Painter, Paperhanger, Taper
7	Boilermaker	28	Sign Installer
8	Sprinkler Fitter	29	Scraper
9	Brick, Caulk, Marble, Point, Terrazzo		
10	Hod Carrier		
11	Terrazzo Finisher	32	Low Voltage Electrician
12	Plasterer	33	Towboat Operator-Marine Engineer
13	Lather	34	Towboat Deckhand-Inland Boat worker
14	Carpenter or Drywall Hanger	35	Owner/Operator - Truck
15	Mill Worker or Cabinetmaker	36	Owner/Operator - Heavy Equipment
16	Millwright	37	Upholsterer
17	Roofer	38	Teamster, Construction
18	Pile Driver	39	Janitor
19	Surveyor/Operating Engineer	40	Environmental Control System Installer
20	Tile (Ceramic)/Marble Finisher	41	Window Cleaner
21	Tile (Ceramic)Setter	89	Security Guard

ETHNICITY CODE	DESCRIPTION
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B	African American
L	Latino
I	American Indian
C	Caucasian/White
A	Asian
PI	Pacific Islander
F	Female (all females regardless of ethnicity)

PROJECT AREA CODE	DESCRIPTION
BIT	Bayview Industrial Triangle
BVHP	Bayview Hunters Point
HPSY	Hunters Point Shipyard
IB	India Basin Industrial Park
GG	Golden Gateway
MBN	Mission Bay (North)
MBS	Mission Bay (South)
MM	Mid-Market
RPSB	Rincon Point/South Beach
SF	San Francisco (not in any redevelopment project areas)
SOM	South of Market
TB	Transbay
VV	Visitacion Valley
WA	Western Addition Area A-2
YBC	Yerba Buena Center

VIII. TRAINEE HIRES⁴

A. Procedures For Trainee Hires

1. Compliance with the Policy

For architects, engineers and other design professionals only, there is a trainee hiring goal as set forth in Section II (C) above. These design professionals will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the trainee hiring goal or by take the following steps in good faith towards compliance.

2. Execute Employment and Contracting Agreement

The Project Sponsor shall execute an Agreement which details the requirements of the Employment and Contracting Policy, as well as the Agency's Equal Opportunity Program, if applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the architects, engineers and other design professionals. Thus, each design professional will be obligated to comply with the terms of the Agreement. The Project Sponsor

⁴ The same procedure for trainee hires applies to all design professionals regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.

and/or the design professionals shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

3. **Contact Educational Institutions**

The Agency works with the City, as well as educational institutional within the City, to provide a pool of student referrals to assist design professionals in meeting the trainee hiring goal. Within thirty (30) days of execution of the Agreement, the Agency Compliance Officer shall contact each design professionals and provide it with the name, address and telephone number of a point of contact at the City, **City College or other educational institutions in the Bay Area** who have a current list of students who are BVHP Residents or San Francisco Residents and are available for hire as trainees. Each design professional shall call the City or educational institution(s) and request referrals for the required trainee positions. The request will indicate generally: (1) the number of trainees sought; (2) the required skills set (keeping in mind that these are trainee positions); (3) a brief description of job duties; (4) the duration of the trainee period; and (5) any other information that would be helpful or necessary for the educational institution to make the referral. The minimum duration of assignment is part-time for one semester. However, design professionals are strongly encouraged to offer longer trainee employment periods to allow a more meaningful learning experience. (For example, a half-time or full-time assignment over the summer.) Although the initial contact shall be made by phone, the educational institution(s) may require the design professionals to send a confirming letter or fill out a form which the educational institution will provide. Each design professional is required to timely provide all of the information requested by the City or educational institution(s) in order to get the referrals.

4. **Response from Educational Institutions**

Each educational institution may have a different way of referring applicants, such as: sending resumes directly to the design professional; having the applicant contact the design professional by phone; require design professionals to conduct on-campus interviews; or some other method. The timing and method of the response will normally have be discussed with the design professional during the initial phone request. The design professional is required to follow the process set by the educational institution(s) in order to get the referrals.

5. **Action by Design Professionals When Referrals Available**

The design professional shall give First Consideration to BVHP Residents and then to San Francisco Residents referred by the educational institution(s). The design professional shall interview each applicant prior to making the decision to hire or not to hire. The design professional shall make the final determination whether the applicant is qualified for the trainee position and the ultimate hiring decision. The Agency strongly encourages the design professional to hire a qualified BVHP Resident or San Francisco Resident referred by the educational institution(s). The design professional shall notify each BVHP Resident and San Francisco Resident interviewed and the CBO in writing of the hiring decision.

6. **Action by Design Professionals When Referrals Unavailable**

If after contacting all of the educational institutions provided by the Agency Compliance Officer, the design professional is informed that no qualified BVHP residents or San Francisco Residents are currently available, then the design professional should wait thirty (30) days and contact the educational institutions a second time to inquire whether qualified San Francisco

Residents are currently available for hire as trainees. If no qualified San Francisco Residents are currently available after the second request, then the design professional has fulfilled its obligation under this Section VIII, provided that the design professional has acted in good faith. The design professional must retain its file on all of the steps it took to comply with this policy and submit a copy of its file to the Agency Compliance Officer upon request.

7. **Action by Design Professional When No Response From Educational Institutions**

If a design professional has not received a response to its request for referrals from any of the educational institutions within five (5) business days after the design professional has fully complied with the procedures, if any, set by the educational institution(s) for obtaining referrals; then the design professional should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause the educational institution(s) to respond to the design professional within five (5) business days of the Agency Compliance Officer being notified. If the design professional still has not received a response from the educational institution(s) after this additional five (5) business day period has run, then the design professional has fulfilled its obligation under this Section VIII, provided that the design professional has acted in good faith. Each design professional must retain its file on all of the steps it took to comply with this policy and submit a copy of its file to the Agency Compliance Officer upon request.

8. **Termination of Trainee for Cause**

If at any time during the Term, it becomes necessary to terminate for cause a trainee who was hired under this Employment and Contracting Policy and the design professional has not met the minimum duration requirements under this policy, then the design professional shall hire a new trainee by following the process set forth in Section VIII(A)(3) above.

B. Reporting Requirements For Trainee Hires

1. **Annual Reporting**

Annually, during the Term of the Agreement or the term of the design professional's contract with the Project Sponsor, whichever is less, the Employer shall fax or email a report to the Agency Compliance Officer stating in detail: (1) the names of the BVHP Resident(s) or San Francisco Resident(s) interviewed in the past year for trainee positions; (2) the date(s) of each interview; (3) the reasons for not hiring the BVHP Residents or San Francisco Residents interviewed; (4) the name, address, gender and racial/ethnic background of the successful candidate for the trainee position; (5) whether the successful candidate is a BVHP or San Francisco Resident; (6) the maximum number of trainees the Employer has had within the last calendar year; and (7) the number of BVHP Residents and San Francisco Residents hired within the last calendar year.

2. **Report on Terminations**

In the event a BVHP Resident or San Francisco Resident hired pursuant to this Employment and Contracting Policy is terminated for cause, the responsible design professional shall within five (5) days fax or email a termination report to the Agency Compliance Officer stating in detail: (1) the name of the trainee(s) terminated; (2) his/her job title and duties; (3) the reasons and

circumstances leading to the termination(s); (4) whether the design professional replaced the trainee(s); and (5) whether the new trainee(s) are BVHP Resident(s) or San Francisco Resident(s).

IX. PERMANENT / TEMPORARY WORKFORCE POLICY⁵

A. Permanent / Temporary Workforce Hires

1. Policy Statement

Due to the wide variety of development, both public and private, that occurs in the City and is anticipated to occur in the Project Area as redevelopment commences, it is difficult to develop a single hiring requirement or procedure that is appropriate in all situations. The Agency seeks to ensure that BVHP Residents have the opportunity to share in the permanent and temporary jobs that come from redevelopment in the Project Area. At the same time, the Agency seeks to assist Employers in meeting workforce demands for Significant Projects within the Project Area. The Agency has adopted a flexible approach to achieve these goals. The Employment and Contracting Policy sets an overall goal of 50% for permanent / temporary workforce hires but allows flexibility to tailor the remaining key terms of the Agreement to fit the specific project.

2. Compliance with the Policy

The Project Sponsor agrees and will require each Employer to use its good faith efforts to employ 50% of its permanent / temporary workforce from qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. Project Sponsors and Employers will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the goal or by documenting the good faith efforts as set forth in the Agreement.

3. Negotiate and Execute Employment and Contracting Agreement

The Project Sponsor shall negotiate in good faith with the Agency's Contract Compliance staff to reach agreement on: (a) the Term of the Agreement; (b) the job titles or type of positions subject to this hiring obligation; (c) procedures for fulfilling the hiring obligation or meeting the good faith efforts; and (d) reporting requirements. These negotiations will be based upon the anticipated number of permanent and/or temporary positions created by the project. The executed Agreement will set forth the mutually agreed upon details, as well as the requirements of the Agency's Equal Opportunity Program, if applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the Employer. The Project Sponsor and/or Employer shall retain the executed Agreement and make it available to the Agency Compliance Officer upon request.

4. Review of Permanent / Temporary Workforce Policy

Working with the PAC, the CBOs and the City's workforce development systems, the Agency will review the Permanent / Temporary Workforce Policy and will revise the procedures

⁵ The same procedure for permanent / temporary workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.

and goals as necessary to ensure that BVHP and San Francisco Residents are given First Consideration for these job opportunities.

X. AGENCY EQUAL OPPORTUNITY PROGRAM

A. Compliance with Agency's Equal Opportunity Program

Compliance with some or all of the Agency's Equal Opportunity Program may be mandatory or voluntary depending on whether the development is an Agency Action Project, private Significant Project, CityBuild / public improvement project or a small Private Project. The components of the Agency's Equal Opportunity Program are described briefly below for reference. The full policies and procedures associated with these programs are available from the Agency's Contract Compliance Division.

1. Small Business Enterprise Program

The Agency's Small Business Enterprise ("SBE") Program was adopted by Agency Resolution No. 133-2004 on November 16, 2004, as part of the Agency's Interim Purchasing Policy and Procedures, and may be amended from time to time. The SBE Program provides for first consideration in awarding subcontracts and sub-consulting opportunities to Agency certified local small business enterprises. The SBE Program is designed to help ensure that SBEs have a fair opportunity to compete for and participate in contracts related to Agency- Action Projects and other projects that are subject to the SBE Program. SBEs are divided into three groups: (1) Project Area SBEs, (2) Local SBEs (outside an Agency project or survey area, but within San Francisco), and (3) all other SBEs (outside of San Francisco). If subject to the SBE Program, the Project Sponsor and its Contractors and Employers must make good faith efforts to achieve the goal of 50% SBE participation for professional / personal services, and construction contracts. The SBE Program sets a contracting goal and thus is different from the Employment and Contracting Policy which sets hiring goals. The Project Sponsor's obligations under the SBE Program will be incorporated into a SBE Agreement ("**SBE Agreement**"). The Agency Executive Director will review and approve the SBE Agreement on behalf of the Agency. The Agency's Compliance Officer will ensure compliance with the requirements and will report periodically to the BVHP PAC and the Agency Commission on compliance matters.

2. Nondiscrimination in Contracts and Equal Benefits Policy

The Agency's Nondiscrimination in Contracts and Equal Benefits Policy was adopted by Agency Resolution No. 175-97 on September 9, 1997 and may be amended from time to time. The Nondiscrimination in Contracts and Equal Benefits Policy prohibits discrimination in contracting and which includes a prohibition on discrimination in providing benefits between employees with spouses and employees with domestic partners. This policy requires the Project Sponsor to agree not to discriminate against or segregate any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). This policy also requires that employee benefits be equally available to domestic partners as they are to spouses.

3. Minimum Compensation Policy and Health Care Accountability Policies

The Agency's Minimum Compensation Policy ("MCP") and Health Care Accountability Policy ("HCAP") were adopted by Agency Resolution 168-2001 on September 25, 2001 and may be amended from time to time. MCP requires that all "Covered Employees," as defined therein, receive a minimum level of compensation. HCAP requires offering health plan benefits to Covered Employees or to make payments to the City and County of San Francisco's Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco's Director of Health.

4. Agency's Prevailing Wage Policy

The Agency's Prevailing Wage Policy (Labor Standards) was adopted by Agency Resolution No. 327-85 on November 12, 1985 and may be amended from time to time. The Agency's Prevailing Wage Policy applies to projects: (i) covered under Labor Code Section 1720 *et seq.*, (ii) that are Agency-Action Projects) or (iii) for which the Project Sponsor has voluntarily subscribed to this requirement. The Agency's Prevailing Wage Policy references the State's Labor Standards and the prevailing wage, benefits, eligibility, etc. are all calculated using the State's standards. In many instances, both the California Labor Code and the Agency's Prevailing Wage Policy will apply.

XI. EMPLOYMENT AND CONTRACTING POLICY - ADDITIONAL PROVISIONS

Project Sponsors, Contractors and Employers that are subject to this Employment and Contracting Policy (including those who have voluntarily subscribed to this policy) are subject to the following additional provisions.

1. Designate a Point of Contact

Each Project Sponsor, Contractor and Employer shall designate a responsible representative, manager or agent to monitor all employment-related activity under this Employment and Contracting Policy and to be the primary point of contact for issues arising under this policy.

2. No Retaliation

No person hired pursuant to this policy shall be discharged or in any other manner discriminated against by the Project Sponsor, Contractor or Employer because such person has filed any complaint or instituted or caused to be instituted any proceeding under or relating to enforcement of this Employment and Contracting Policy.

3. No Discrimination

There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). The Project Sponsor, Contractors and Employers will ensure that applicants are employed, and that persons are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) or other protected class status. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or

recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations.

4. **Collective Bargaining Exclusion**

Notwithstanding anything to the contrary in this Employment and Contracting Policy, if an Agreement conflicts with an existing labor agreement or collective bargaining agreement to which a Project Sponsor, Contractor or Employer is a party, the labor agreement or collective bargaining agreement shall prevail. Nothing in this Employment and Contracting Policy shall be interpreted to interfere with or prohibit existing labor agreements or collective bargaining agreements. However, the Project Sponsor, Contractor or Employer will still be obligated to provide workforce needs information to the CBO prior to hiring and the Employer will be obligated to make good faith efforts to comply with the requirements of its Employment and Contracting Policy Agreement that do not conflict with the collective bargaining agreement.

5. **No Conflict with State or Federal Law**

This Employment and Contracting Policy is to be implemented in a manner that does not conflict with applicable federal or state laws.

6. **Existing Workforce**

Nothing in this Employment and Contracting Policy shall be interpreted in a manner that would require termination of the Project Sponsor's, Contractor's or Employer's existing workers and employees.

7. **Use of Debarred Entities Prohibited**

Neither the Project Sponsor, Contractor nor Employer shall enter into any subcontract with any person or firm that the Project Sponsor, Contractor or Employer knows or should have known is debarred from federal, state or local government contracts.

8. **Incorporation**

Whenever the Project Sponsor, Contractor or Employer subcontracts a portion of the work, it shall set forth verbatim and make binding on each subcontractor the provisions of this Employment and Contracting Policy. That subcontract shall then be deemed a Contractor or Employer for the purposes of this Employment and Contracting Policy and shall be subject to all of the requirements hereto.

9. **Severability**

If any part or provision of this Employment and Contracting Policy or the application thereof to any person or circumstance is held to be invalid, then the remainder of this Employment and Contracting Policy, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Employment and Contracting Policy are severable.

10. **Waiver**

Any of the Employment and Contracting Policy requirements may be waived by the Agency's Executive Director, if he/she determines for good cause shown that a specific requirement is not relevant to the particular situation, would cause undue hardship, or that an alternative approach would better meet the goals of the Employment and Contracting Policy.

XII. ARBITRATION OF DISPUTES

1. **Arbitration by AAA**

Any dispute involving the alleged breach or enforcement of an Employment and Contracting Policy Agreement, including but not limited to disputes over qualification of referrals; whether termination was for good cause; and whether the Project Sponsor, Contractor or Employer has complied with this Employment and Contracting Policy Agreement in good faith shall be submitted to arbitration. The arbitration shall be submitted to the American Arbitration Association, San Francisco, California office ("**AAA**") which will use the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. If there is a conflict between the Commercial Rules of the AAA and the arbitration provisions in this Employment and Contracting Policy, this Employment and Contracting Policy shall govern. The arbitration shall take place in the City and County of San Francisco.

2. **Demand for Arbitration**

The party seeking arbitration shall make a written demand for arbitration ("**Demand for Arbitration**"). The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying the entities believed to be involved in the dispute; (2) a copy of the notice of default, if any, sent from one party to the other; and (3) any written response to the notice of default.

3. **Parties' Participation**

The Agency, Project Sponsor, Contractor, Employer and all persons or entities affected by the dispute shall be made Arbitration Parties. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such affected person or entity as an Arbitration Party.

4. **Agency Request to AAA**

Within seven (7) business days after service or receipt of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration and any written response thereto from the Project Sponsor, Contractor and/or Employer. Such material shall be made part of the arbitration record.

5. **Selection of Arbitrator**

One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the Arbitration Parties in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) business days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be the arbitrator's agreement to: (i) submit to all

Arbitration Parties the disclosure statement required under California Code of Civil Procedure Section 1281.9; and (ii) render a decision within thirty (30) days from the date of the conclusion of the arbitration hearing.

6. Setting of Arbitration Hearing

A hearing shall be held within ninety (90) days of the date of the filing of the Demand for Arbitration with AAA, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

7. Discovery

In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05 as it may be amended from time to time.

8. California Law Applies

California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings in any Employment and Contracting Agreement.

9. Arbitration Remedies and Sanctions

The arbitrator may impose only the remedies and sanctions set forth below:

- a. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance with the Employment and Contracting Policy Agreement.
- b. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Employment and Contracting Policy Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Employment and Contracting Policy Agreement, other than those minor modifications or extensions necessary to enable compliance with the Employment and Contracting Policy Agreement.
- c. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any Arbitration Party to comply with any of the requirements in the Employment and Contracting Policy Agreement. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.
- d. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars (\$50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first

willful breach of the Employment and Contracting Policy Agreement unless the breaching party has failed to cure after being provided written notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

e. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

10. **Arbitrator's Decision**

The arbitrator will normally make his or her award within twenty (20) days after the date that the hearing is completed but in no event past thirty (30) days from the conclusion of the arbitration hearing; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

11. **Default Award; No Requirement to Seek an Order Compelling Arbitration**

The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) the person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

12. **Arbitrator Lacks Power to Modify**

Except as expressly provided above in this Section XII, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Employment and Contracting Policy Agreement or to negotiate new agreements or provisions between the parties.

13. **Jurisdiction/Entry of Judgment**

The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The prevailing Arbitration Party (ies) shall be entitled to reimbursement for the arbitrator's fees and related costs of arbitration. Each Arbitration Party shall pay its own attorneys' fees, provided, however, that attorneys' fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

BVHP EMPLOYMENT AND CONTRACTING POLICY MATRIX

	Agency-Action Projects	Private Significant Projects	CityBuild & Public Improvements	Small Private Projects
BVHP Employment and Contracting Policy	Mandatory ⁶	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged
Small Business Enterprise Policy	Mandatory	Voluntary but Encouraged ⁷	Voluntary but Encouraged	Voluntary but Encouraged
Nondiscrimination and Equal Benefits Policy	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged	Voluntary but Encouraged
Minimum Compensation Policy	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged	Voluntary but Encouraged
Healthcare Accountability Policy	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged	Voluntary but Encouraged
Agency's Prevailing Wage Policy	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged ⁸	Voluntary but Encouraged

⁶ Mandatory means that the Project Sponsor **is required** to comply with the Agency's policy. However, each Agency policy has its own threshold and compliance requirements. For example, the Agency's Minimum Compensation Policy ("MCP") will apply to all Agency-Action projects but MCP has no compliance requirements for Project Sponsors with less than 25 employees.

⁷ Voluntary but Encouraged means that the Project Sponsor **is not required** to comply with the Agency's policy as a condition to developing the project. However, the Agency's Contract Compliance Department will encourage the Project Sponsor to subscribe voluntarily to these Agency policies. If the Project Sponsor voluntarily agrees to comply with one or more Agency's policies, then those policies will be added as a condition to the building permit and at that point will become mandatory.

⁸ Public Improvements and public/private project receiving City funds are subject to the State of California's prevailing wage requirements per California Labor Code Section 1720 *et seq.*