



March 27, 2024

Local Hire Overview & Trade Exemption Review

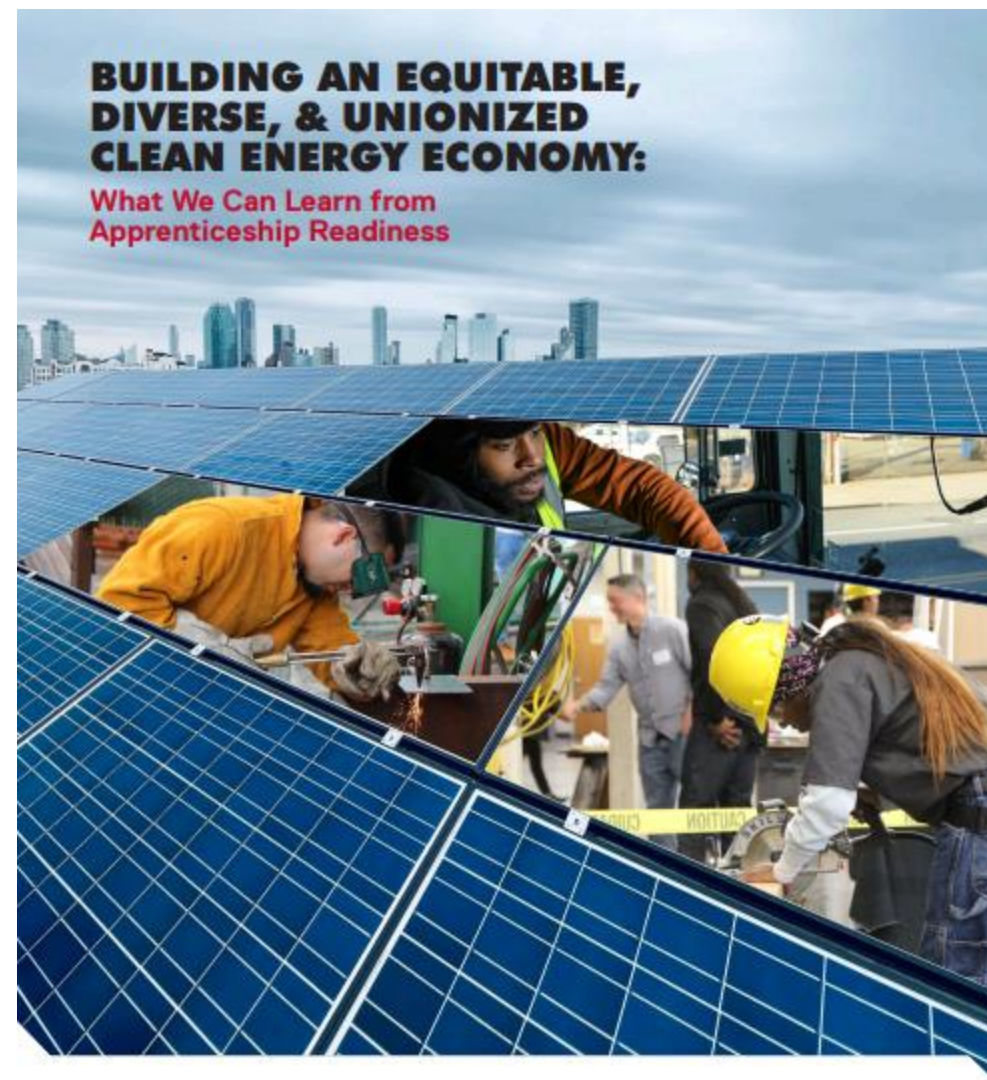
**Prepared for
Workforce Investment San Francisco
Local Hire Trade Exemption Committee**

Cornell University Case Study

ILR Climate Jobs Institute: Building an Equitable, Diverse & Unionized Clean Energy Economy

The Climate Jobs Institute (CJI) at Cornell University's ILR School is guiding the nation's transition to a strong, equitable, and resilient clean energy economy by pursuing three aims: to tackle the climate crisis; to create high quality jobs; and to build a diverse, inclusive workforce.

- Published November 2023 – research report highlighting: SF-[CityBuild](#), Chicago-[HIRE360](#), and NYC-[Apprenticeship Readiness Collective](#)
- Illuminating best practices for practitioners interested in starting or expanding their work in the apprenticeship readiness space;
- Providing a series of recommendations for three stakeholder groups - organized labor, construction employers, and community-based organizations - on how to approach apprenticeship readiness work in order to maximize impact; and
- Offering additional suggestions for governmental policymakers and private funders, both of whom can support apprenticeship readiness and build organizational capacity



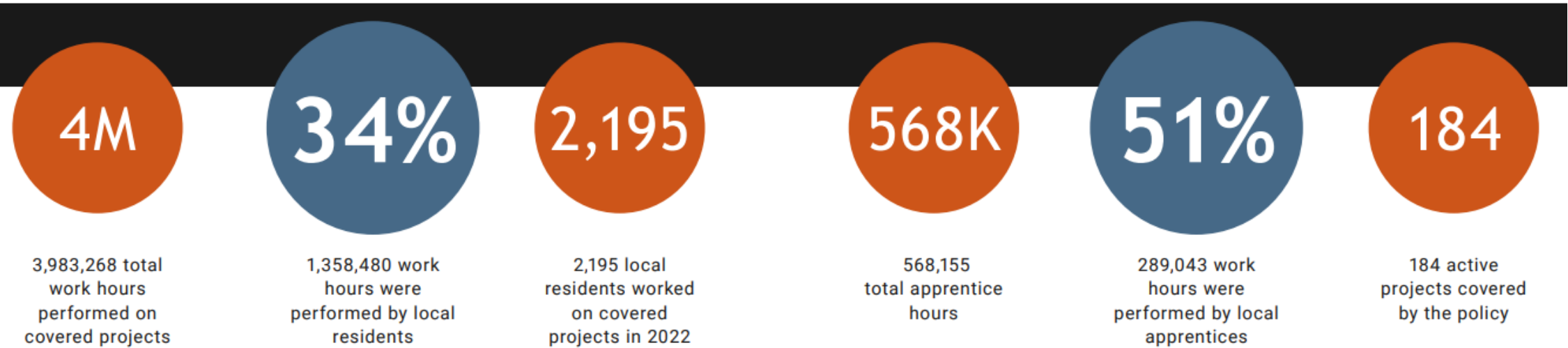
San Francisco Local Hiring Policy

IMPLEMENTED IN 2011

- Applies to contracts for San Francisco public works estimated above Chapter 6 threshold (currently \$1M)
- Initiated at 20% of total hours per trade by “local residents”, planned for 5% increase annually up to 50% per trade
- 50% of apprentice hours per trade by “local residents”
- Reciprocity Agreement with San Mateo County for inclusion of residents as local on projects located in San Mateo

Mandatory Local Hire Escalation		
Year 1 (2011)	20% Local	
Year 2 (2012)	25% Local	
Year 3 (2013)	30% Local	Review
Year 4 (2014)	30% Local	Review
Year 5 (2015)	30% Local	
Year 6 (2016)	30% Local	Review
Year 7 (2017)	30% Local	Amend
<p>March, 2017 – Amendment to move to Administration Code Chapter 82 and set permanent 30% requirement</p>		

2023 Local Hire Annual Report Summary



San Francisco Administrative Code 82.5(1)

Specialized Trades

(1) **Specialized Trades.** Every two calendar years, OEWD shall publish a list of trades designated as “Specialized Trades,” for which the Local Hiring Requirements of this Policy shall not be applicable. Prior to designating a trade as a Specialized Trade, OEWD shall have made findings that: (A) considering all referral sources and best estimates of workers residing in the City, there will be insufficient numbers of qualified and available Local Residents and Disadvantaged Workers to enable Contractors and Subcontractors to satisfy the Local Hiring Requirements for such trade; and (B) best estimates indicate that on all Covered Projects during those calendar years, in the aggregate, demand for work hours in such trade will not exceed a maximum number of hours as determined by OEWD through the regulatory process set forth in subsection [82.9\(a\)](#). All Contractors and Subcontractors shall report to OEWD the Project Work Hours utilized in each designated Specialized Trade.

Current List of Specialized Trades

Trade	Classification/Scope of Work
Pile Driver	Marine diving, Underwater or Marine-related pile driver work
Operating Engineer	<ul style="list-style-type: none"> a. Helicopter Pilot b. Crane Operator and Oilers c. Boat, Barge, Dredge and/or Floating Equipment Operators, Deck Engineers and Oilers d. Tunnel and Underground Work
Laborer	Tunnel and Underground Work
Electrical Utility Lineman	Lineman/Cable Splicer
Ironworker	Ironworker Connector
Carpenter	Millwright
All Trades	Stainless Steel Welder
Driver	Driver
Teamster	Teamster

OEWD Policy on Addition/Removal of Specialized Trades

Criteria for Creating Specialized Trade List:

1. Insufficient number of qualified and available local residents for the trade
2. Required skills and certification beyond what is required by the State of CA Apprenticeship Standard
3. Skills utilized requires specialized licenses beyond what is required for a journey-level worker within the trade

Criteria for New Addition to the List:

1. OEWD-conducted quarterly review of requests from stakeholders for exemption during the bidding process
2. Stakeholders submit requests with industry data that fits the criteria of exemption
3. OEWD presents request for addition to list to Local Hiring Policy review committee

Criteria for Removal of Specialty Trade from List:

1. OEWD-conducted review of trades on the current list
2. OEWD has determined that sufficient local residents have gained pathways into the trade, and
3. OEWD has entered into a Direct Entry Agreement with the trade

OEWD Analysis for Removal of Specialized Trades

Criteria 1 – OEWD-conducted review of trades on current list

In May 2023, CityBuild convened an internal review group to analyze construction trade hours for all Chapter 82 projects that reported hours in the previous 5 calendar years (ranging 2018-2022) in the City's Certified Payroll Reporting System. The data included total hours worked by San Francisco residents, and the resulting percentage of hours worked by San Francisco residents. Apprentice data was also analyzed where available.

Criteria 2 – Determination that sufficient local residents have gained pathways into the trade

The review group determined that the measure of whether sufficient local residents have gained sufficient pathway to satisfy criteria 2 is whether the trade has shown both a) sustained increase as percentage of all hours over the last 3-5 years, and b) a sustained increase in local participation across all projects over the last 3-5 years.

Criteria 3 – Entered into a Direct Entry Agreement

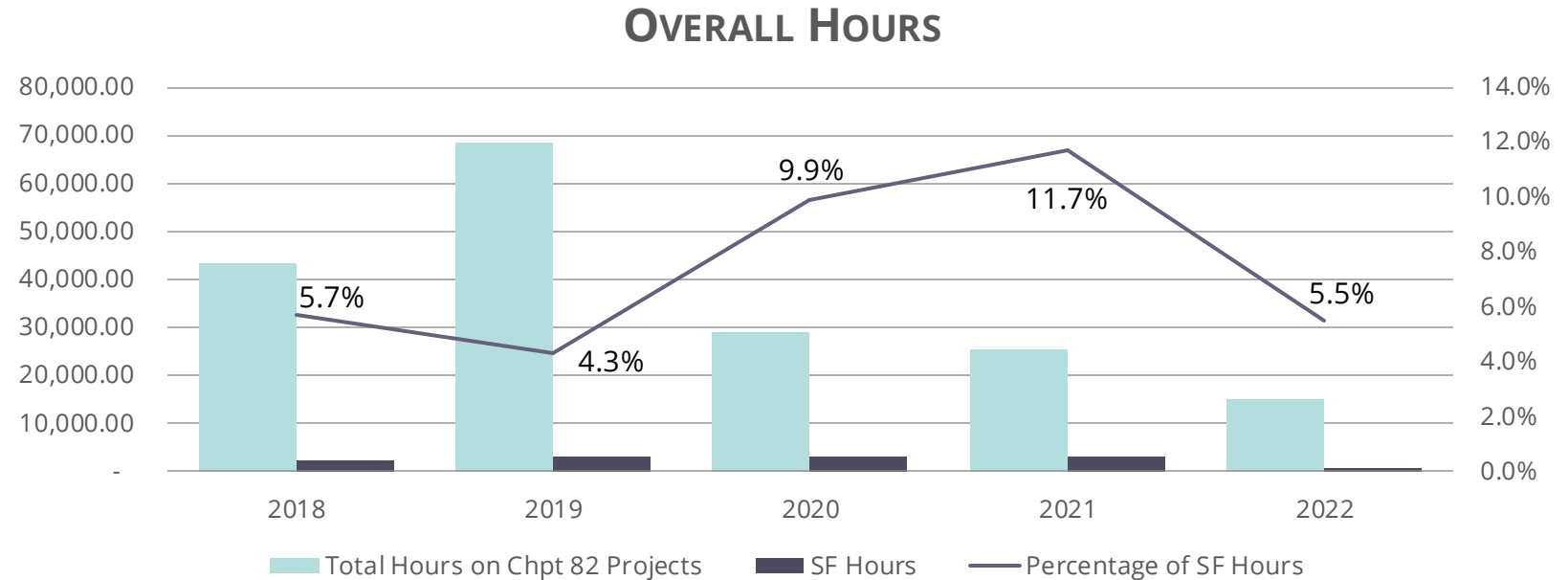
Should Criteria 2 be met, then an assessment will be made on whether the trade meets Criteria 3: OEWD has entered into a Direct Entry Agreement with the trade where contractors may draw from to meet the requirements.

Analysis Conclusion:

The review group determined that no trades on the current list of specialized trades met the thresholds for Criteria 2, so a review of Criteria 3 was not performed.

MARINE PILE DRIVER

0.5%
5-year Average
percentage of
Total Work Hours on
all Chapter 82 Projects



APPRENTICE HOURS: NO APPRENTICE HOURS REPORTED.

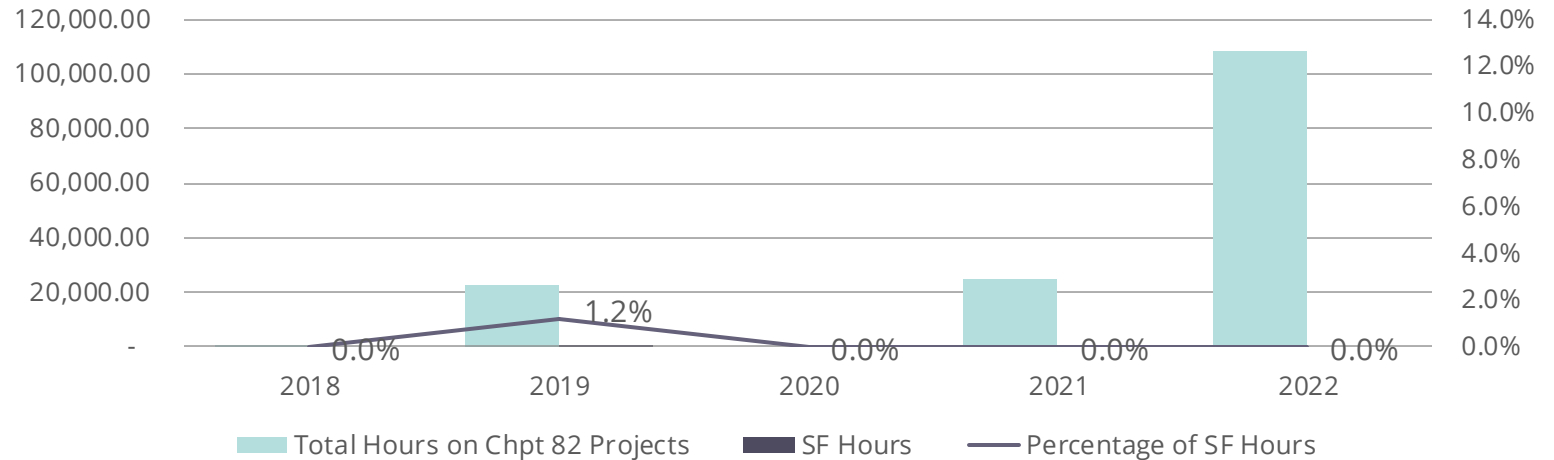
This trade failed to meet the thresholds identified under criteria 2 because this trade showed no sustained increase in total hours percentage and did not show any sustained increase in its local participation rate. Given that the trade failed to meet either threshold for criteria 2, it was not eligible for analysis for criteria 3. The review group concluded that Marine Pile Driver does not meet the criteria for removal from the Specialized Trades Exemption List.

TUNNEL AND UNDERGROUND WORKERS (LABORERS OR OPERATING ENGINEERS)

0.8%
5-year Average
percentage of
Total Work Hours on
all Chapter 82 Projects

The review group concluded that Tunnel and Underground Workers classification/scope of work (reported under both Laborer and Operating Engineer Trade Crafts) does not meet the criteria for removal from the Specialized Trades Exemption List.

OVERALL HOURS



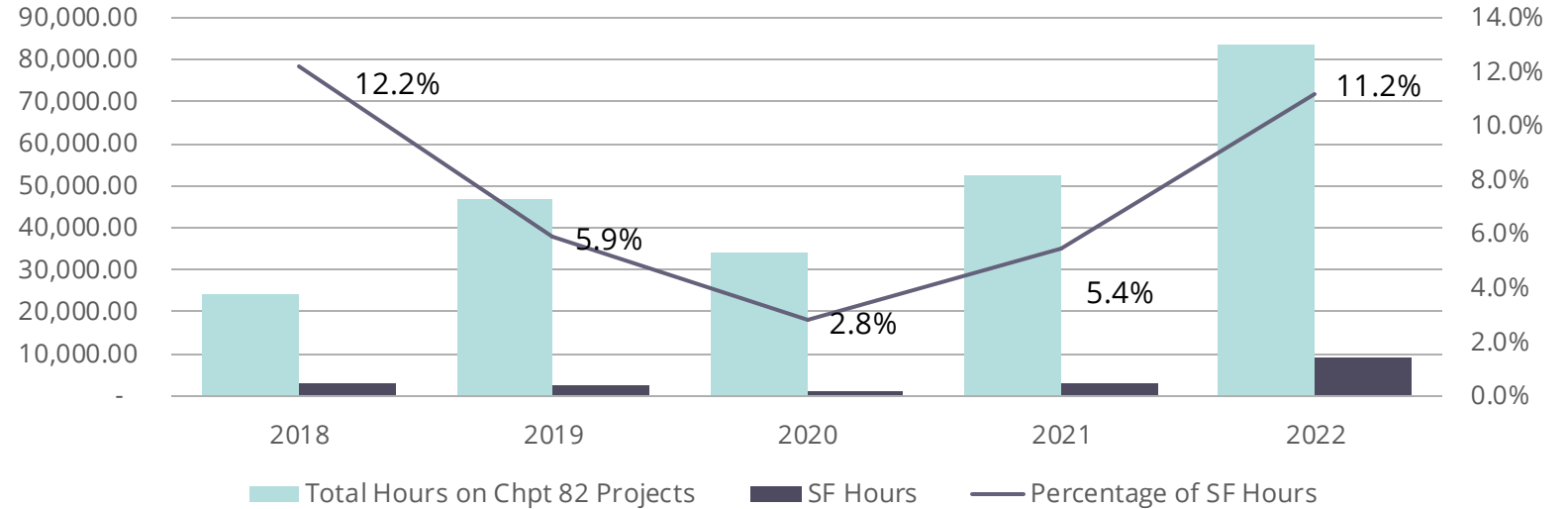
APPRENTICE HOURS:

	Total Apprentice Hours on Chpt 82 Projects	Total SF Apprentice Hours	Apprentice SF Percentage
2018	-	-	0%
2019	1,825.00	-	0%
2020	-	-	0%
2021	49.50	-	0%
2022	2,401.00	-	0%

CRANE AND DREDGE OPERATING ENGINEERS

OVERALL HOURS

1%
5-year Average
percentage of
Total Work Hours on
all Chapter 82 Projects



The review group concluded that Crane and Dredge Operating Engineers classification does not meet the criteria for removal from the Specialized Trades Exemption List.

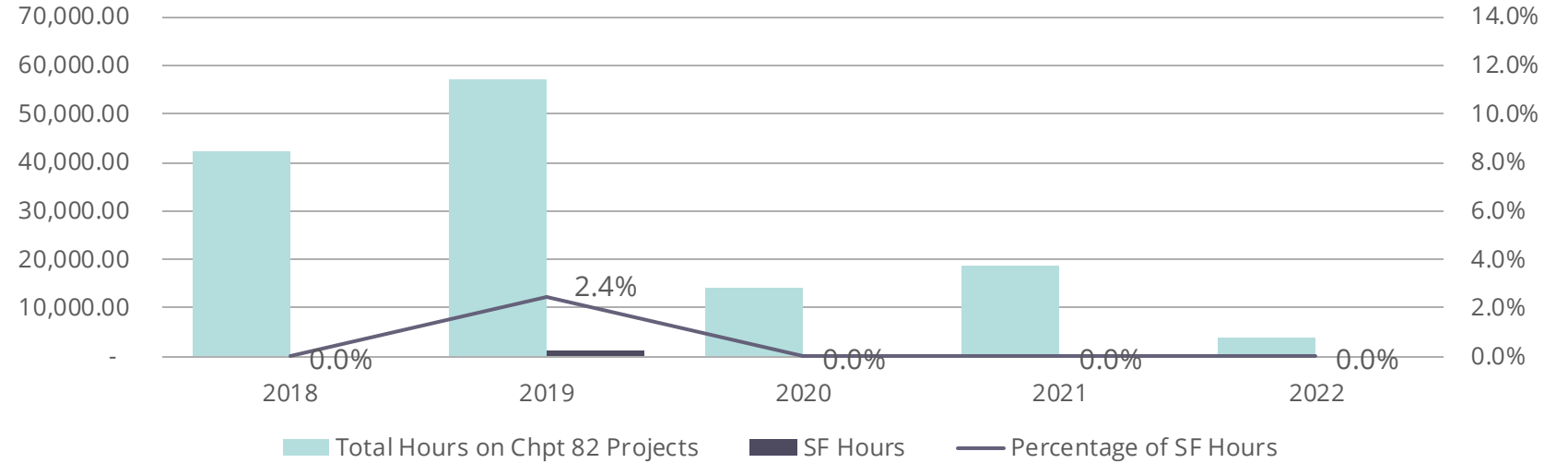
APPRENTICE HOURS:

	Total Apprentice Hours on Chpt 82 Projects	Total SF Apprentice Hours	Apprentice SF Percentage
2018	3,703.00	948.00	26%
2019	2,230.00	2,131.50	96%
2020	497.00	434.00	87%
2021	456.00	49.00	11%
2022	1,742.50	1,051.50	60%

ELECTRICAL UTILITY LINEMAN

0.4%
5-year Average
percentage of
Total Work Hours on
all Chapter 82 Projects

OVERALL HOURS



The review group concluded that Electrical Utility Lineman trade does not meet the criteria for removal from the Specialized Trades Exemption List.

APPRENTICE HOURS:

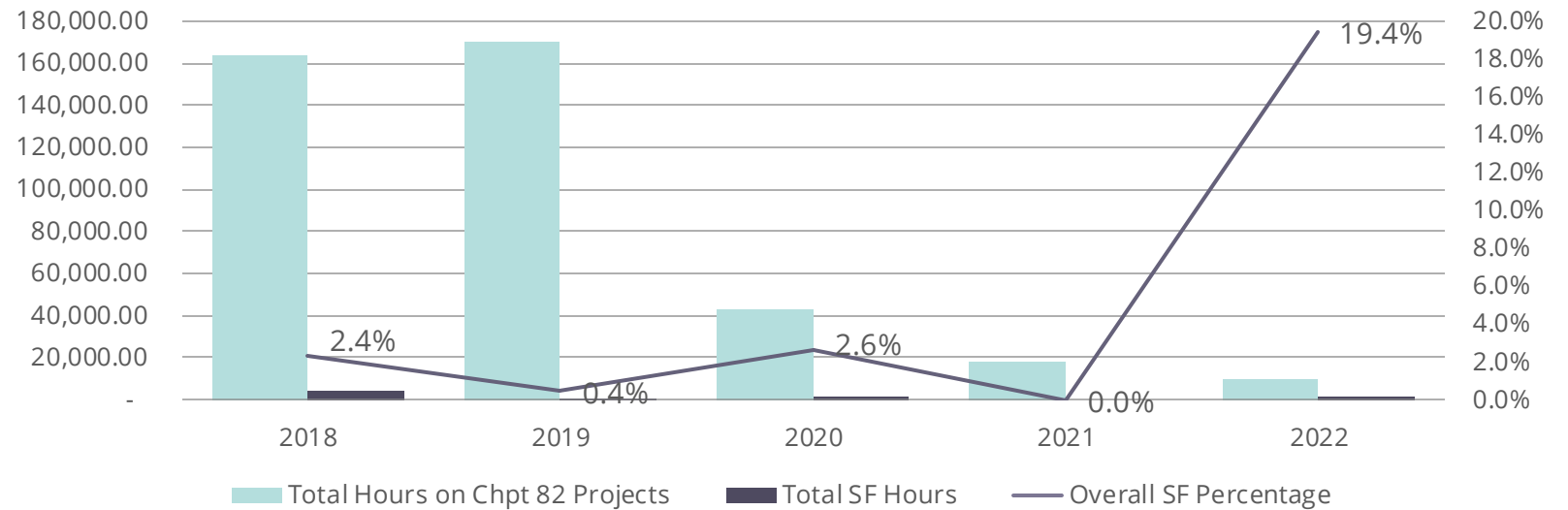
	Total Apprentice Hours on Chpt 82 Projects	Total SF Apprentice Hours	Apprentice SF Percentage
2018	2,495.00	-	0%
2019	5,554.00	-	0%
2020	428.00	-	0%
2021	1,791.50	-	0%
2022	130.00	-	0%

CARPENTER MILLWRIGHT

1%
5-year Average
percentage of
Total Work Hours on
all Chapter 82 Projects

The review group concluded that the Millwright classification (reported under the Carpenter trade) does not meet the criteria for removal from the Specialized Trades Exemption List.

OVERALL HOURS



APPRENTICE HOURS:

	Total Apprentice Hours on Chpt 82 Projects	Total SF Apprentice Hours	Apprentice SF Percentage
2018	55,731.16	3,404.00	6%
2019	50,407.60	762.00	2%
2020	8,433.50	1,027.00	12%
2021	3,625.40	-	0%
2022	1,194.50	-	0%

Trades Without Sufficient Data

Helicopter Pilot

Unable to parse out data by trade/classification.

Stainless Steel Welding (encompassed within various trades)

Unable to parse out data by trade/classification.

Ironworker Connector (encompassed within Ironworker trade)

Unable to parse out data by trade/classification.

Driver/Teamster

Exempted due to multi-jurisdictional work hours

Discussion

Ken Nim, Interim Workforce Director
Office of Economic and Workforce Development



oewd.org

