

~~AN ORDINANCE PROVIDING THAT ALL CONSTRUCTION CONTRACTS
HAVING AN ESTIMATED VALUE OF
\$100,000.00 OR MORE AWARDED BY THE CITY
PROVIDE FOR CONTRACTUAL PROVISIONS REQUIRING EMPLOYMENT
OF 50% OF THE ACTUAL RESIDENTS OF THE CITY OF EAST CHICAGO
AND PROVIDING SANCTIONS. AMENDING ORDINANCE NO. 3442 AND
REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND
PROVIDING FOR A CITY OF EAST CHICAGO LOCAL HIRING
ORDINANCE~~

WHEREAS, the rate of unemployment among residents of the City of East Chicago is higher than both the national and statewide averages; and

WHEREAS, the City Council of the City of East Chicago is desirous of promoting employment opportunities for residents of the City; and

NOW THEREFORE, be it ordained by the ~~Common~~ City Council of the City of East Chicago that:

SECTION 1. For ~~any~~ all non-specialized construction contracts and nonexempt specialized contracts, as determined by the Board of Public Works, ~~construction project~~ having an estimated contract value of \$100,000 or more, and where not otherwise prohibited by federal, state, or local law ~~which is funded entirely by the City of East Chicago, a political subdivision of the City or any department of the City with their own revenues or in part with federal revenues pursuant to congressionally created grant programs which are intended to encourage economic revitalization including improved opportunities for the poor, minorities, and/or unemployed within the municipality to which the grant was given (including, without limitation, Community Development Block Grants, Urban Development Action Grants and Economic Development Administration Grants);~~

FILED IN CLERK'S OFFICE
FEB 27 2004
May Marie Land
Clerk, East Chicago City Court

the total hours Worked by persons relative to the project by employees of the Contractor and its subcontractors shall be performed at least fifty percent (50%) by actual residents of East Chicago. ~~construction workers hired~~ Henceforth, the total workforce hours of all employees hired by the Contractor and its subcontractors in the categories of skilled and nonskilled jobs, or any combination thereof, for all non-specialized construction contracts and nonexempt specialized contracts, as determined by the Board of Public Works, shall be performed by at least fifty percent (50%) percent actual residents of the City of East Chicago.

SECTION 2. "Actual residents of the City of East Chicago" shall mean persons domiciled within the City of East Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

SECTION 3. This minimal percentage of East Chicagoans shall not be understood as limiting or deterring the fuller utilization of East Chicagoans beyond this level, but is intended instead as minimum requirements unless the City grants a waiver based upon demonstration by the Contractor of impracticability or excessive cost of complying with the specified percentages. A waiver or reduction shall be deemed appropriate if the Contractor and/or its subcontractor has unsuccessfully solicited a sufficient number of residents of the City of East Chicago to perform the work and has documented such effort to the satisfaction of the City. In addition, the Contractor and/or its subcontractor seeking a waiver or reduction shall provide timely notice of the need for qualified residents of the City of East Chicago to an appropriate source of referrals, which source shall be entitled to comment on any waiver or reduction application.

SECTION 4. The Contractor and its subcontractors that perform work on all non-specialized construction contracts and nonexempt specialized contracts as determined by the Board of Public Works shall comply with the minimum percentage of total worker hours performed by actual residents of the City of East Chicago as specified in this Ordinance.

SECTION 3-5. The City of East Chicago's Local Hiring Ordinance shall be included in all non-specialized construction contracts and nonexempt specialized contracts as determined by the Board of Public Works and let by the

City or a political subdivision or department of the City. The compliance, enforcement, and sanctions of this ordinance shall be governed by the individual terms of each contract awarded. Any contractor entering into a public contract with the City, political subdivision of the City or any department of the City by acceptance of the contract, agrees to comply with and be bound by the terms of the Local Hiring Ordinance.

SECTION 6. The Contractor shall submit with its bid solicitation and/or contract document the Affidavit of East Chicago Residency Hiring attached hereto.

SECTION 7. All contracts awarded by the City, a political subdivision of the City or any department of the City shall be on forms prescribed and approved by the City Council and drafted by the Law Department of the City.

A. Such forms shall include the following but not limited to language which shall ~~contain language governing~~ govern the local hiring provision as follows:

- (i) Contractors shall comply with the 50 percent (50%) local hiring requirement on contracts as designated by the City. ~~in order to comply with the 50 percent local hiring mandate will seek skilled and unskilled workers from and the East Chicago Referral Job Bank.~~
- ii.) Monitoring of compliance with the local hiring ordinance will be done by a compliance officer from the Human Rights Commission, and/or designated representative.
- ~~iii.) Sanctions for non-compliance to the local hiring ordinance will be imposed by the entity of the City political subdivision of the City or any department of the City that is party to the contract awarded. Such sanctions to be imposed pursuant to the terms of the contract may include but not be limited to:
Stopping work on Contract until compliance is reached.
Suspension of payments.
Termination of the contract.
Recovery by the City of .1% of the contract award price as liquidated damages.~~

B. Compliance and Reporting

- (i). The Contractor shall provide for the maintenance of adequate employee residency records to ensure that actual East Chicago residents are employed on the designated construction project. The Contractor and its subcontractors shall maintain copies of personnel documents supportive of every East Chicago employee's record of actual residence. **Such documentation shall include at a minimum the following three items: a copy of the employee driver's license; a copy of a current utility bill; and copy of the individual voter's registration card.** COMMITTEE SUGGESTED THREE OF FIVE ITEMS TO BE IDENTIFIED.
- (ii). The Contractor shall submit and shall ensure that all of its subcontractors working on the Site submit two (2) copies of certified payrolls for the payment period to the City or its designated representative every week. (U.S. Department of Labor Form WH-347 and/or an equivalent: i.e. electronic format, as determined by the City). In addition, the Contractor and all of its subcontractors shall identify clearly the actual residence of every employee on each submitted certified payroll, the first time that an employee's name appears on a payroll, the date that the company hired the employee should be written in after the employee's name. Whereby Contractor has identified an employee as an East Chicago Resident the following three items: a copy of the employee's driver's license; a copy of a current utility bill; and copy of the individual voter's registration card shall accompany the certified payroll whereby the employee's name first occurs. All payrolls must be identified with the Contractor and/or subcontractor's name and Contract name and number, and must be sequentially numbered. The Contractor shall ensure that its payrolls and its subcontractors payrolls are submitted until all Work by the Contractor and/or subcontractor is completed. If there are periods of no Work by the Contractor and/or subcontractor, a payroll labeled "NO WORK" shall be submitted. The final payroll shall be labeled "FINAL."

Certified payrolls are required to assure workforce hiring compliance as well as wage compliance. Race, ethnicity, worker classification, social security number, and gender must be clearly marked for each employee on the certified payroll along with all additional information required by the City. An employee's address should appear every time his/her name appears on the payroll. The Contractor must submit the certified payrolls and additional information regarding workforce hiring and wage compliance by providing a payroll summary report in the form required by the City. The payroll summary report form required by the City and the U.S. Department of Labor must be submitted by Contractor and each subcontractor, reflecting fully the periods of Work covered by the partial payment request.

(iii). Full access to the Contractor and its subcontractors' employment records shall be granted to the City, or any duly authorized representative thereof. The Contractor and subcontractors shall maintain all relevant personnel data for a period of at least three (3) years after final acceptance of the Work.

(iv). At the direction of the City, affidavits and other supporting documentation will be required of the Contractor to verify or clarify an employee's actual address or change of actual address when doubt or lack of clarity has arisen.

Defer to Law Department as to whether language should be incorporated which informs the Contractor and/or its Subcontractors that individuals should not be reassigned from other projects thus resulting in a demotion in an attempt to met the requirements of this ordinance.

C. Non-compliance

(i). Good faith efforts on the part of the Contractor to provide utilization of actual East Chicago residents shall not suffice to replace the actual, verified achievement of the requirement

concerning the worker hours performed by actual East Chicago residents.

(ii). The City may impose the following remedies if the Contractor is found to be in noncompliance in achieving the workforce-hiring requirement as cited in this ordinance:

- (a) Stop work on Contract until compliance is reached.
- (b) Suspension of payments.
- (c) Termination of the Contract.

(iii). If the Contractor is permitted to complete the Work and when Work is completed, and the City has determined that the Contractor failed to ensure the fulfillment of the requirement of this ordinance concerning the worker hours performed by actual East Chicago residents, or has failed to report in the manner indicated above under "Reporting and Compliance", the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to East Chicagoans to the degree stipulated in this Supplementary Condition. Therefore, in such a case of non-compliance it is agreed that 1/10 of 1 percent, of the Adjusted Contract Price (approved contract value) shall be withheld by the City in payment for **each full one** percentage of shortfall toward the stipulated residency requirements. Failure to report the residency and hours of all employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no East Chicago residents were employed. The formula shall be calculated as such:

$$.0010 \times \text{Adjusted Base Amount} = \text{Sum} \times \text{Net Deficiency} = \text{Potential Damage Amount.}$$

(iv.) The willful falsification of statements and the certification of payroll data may subject the Contractor, subcontractors, or employee to prosecution.

(v.) Liquidated damages, if any, will be calculated on completion of the Work and submission of the Contractor's final pay request together with all attendant certified payrolls, schedules of

values, lien releases and other required documentation of workforce hiring.

- (vi.) Nothing herein provided shall be construed to be a limitation upon the Human Rights Commission **Ordinance No. 3286** (November 16, 1981) as amended, or other affirmative action requirements under the regulations promulgated by applicable federal, state or local authorities.
- (vii.) The monetary damages stipulated in subsection (b) hereof may be adjusted by the City to represent a larger fraction of the Adjusted Contract price, if the City determines after a review of Contractor's compliance with this Section that said damages are insufficient to secure compliance herewith. In no event may damages be adjusted to a lower fraction. In addition to assessing the monetary damages stipulated in subsection (b) hereof, the City may, in lieu of declaring the Contractor to be a non-responsible bidder, require the Contractor to post a surety bond or other appropriate security in an amount representing ten percent (10%) of the Contract Price for subsequent contracts on which the Contractor bids, which the Contractor shall agree to forfeit in its entirety in the event that full compliance with the requirements of this section is not achieved during the performance of any future contract that the Contractor enters with the City.
- (viii.) ~~Any person who is employed in a construction project subject to the provisions of this section who knowingly supplies false information concerning his or her residence shall be subject to a fine of not more than \$500 for each day the violation has occurred, and imprisonment for a period not to exceed thirty (30) days. Any person found to have violated this Section shall also be barred from employment on any construction project subject to this ordinance for a period of five years.~~

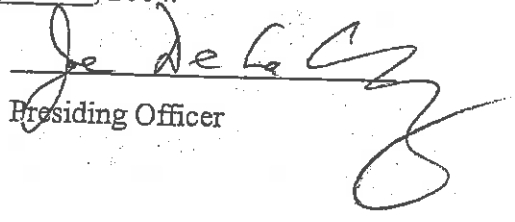
SECTION 5. ~~Any disputes regarding the Local Hiring~~

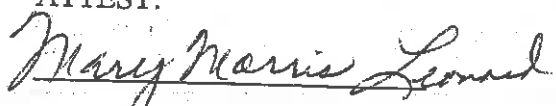
~~Ordinance will be submitted to arbitration before an arbitrator selected by the parties from American Arbitration Association after other remedies as stipulated in the contract~~
~~SECTION 6. Nothing in this ordinance shall be construed to repeal the Human Rights Commission Ordinance No. 3286 (November 16, 1981) as amended, which continues in full force and effect.~~

SECTION 8. The monetary damages as stipulated above in Section 7, shall be utilized for establishing worker training related programs for the City of East Chicago.

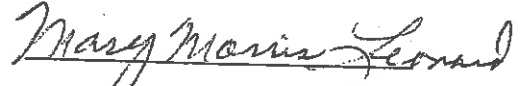
SECTION 7 9. This ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

PASSED and ADOPTED by the ~~Common~~ City of the City of East Chicago, Indiana on the 20th day of Feb., 2004.


Presiding Officer

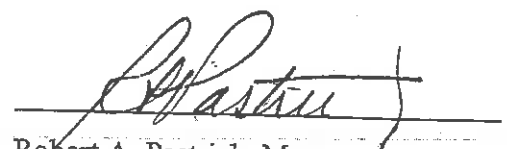
ATTEST:

City Clerk

PRESENTED by me to the Mayor of the City of East Chicago, Indiana on the ____ day of ____, 2004


City Clerk

FILED IN CLERKS OFFICE
FEB 27 2004
Mary Morris Leonard
Clerk, East Chicago City Court

This ordinance APPROVED and SIGNED by me on the ____ day of ____, 2004


Robert A. Pastrick, Mayor



CURRENT PROGRAM

**ARTICLE X: AFFIRMATIVE ACTION BY CITY CONTRACTORS ORDINANCE NO: 01-0030
MINORITY WORKFORCE NO LESS THAN 50%**

- INCLUDES REFERENCE TO ALL CONTRACTS
- REFERS TO PERCENTAGE OF 50% OR PERCENTAGE PROPORTIONATE TO MINORITY POPULATION IN EAST CHICAGO TO BE OBTAINED BY CONTRACTORS
- DOES ALLOW FOR REDUCTION AND/OR WAIVER PROVISIONS
- BASED ON NONCOMPLIANCE, REMEDIES ARE TERMINATION AND/OR CONTRACTOR BEING DECLARED INELIGIBLE
- CONTRACTOR MUST ATTEND A PRE-CONTRACT AWARD CONFERENCE PRIOR TO CONTRACT AWARD WITH THE HUMAN RIGHTS COMMISSION
- MONITORING OF COMPLIANCE TO BE DONE BY A COMPLIANCE OFFICER FROM THE HUMAN RIGHTS COMMISSION
- CONTRACTOR MUST SUBMIT WEEKLY MAN HOUR/POWER REPORTS AND A MONTHLY SITE REPORT

ALTERNATIVE RECOMMENDATIONS

◆ AMEND CURRENT ORDINANCE NO: 01-0030

- AMEND REFERENCE TO MONITORING OF COMPLIANCE TO BE DONE BY A COMPLIANCE OFFICER FROM THE HUMAN RIGHTS COMMISSION, AND/OR DESIGNATED REPRESENTATIVE
- DELETE ARTICLE X SECTION 1 ITEMS C, D, AND E
- DELETE ARTICLE X SECTIONS 2, 4, 5, 6, AND 7
- RECOMMEND SEPARATE ORDINANCE PROVIDING FOR EQUAL EMPLOYMENT OPPORTUNITY REGULATIONS AND ENFORCEMENT FOR CONTRACTS HAVING AN ESTIMATED VALUE OF \$100,000.00 OR MORE AWARDED BY THE CITY.
- RECOMMEND APPROPRIATE CONTRACT LANGUAGE AND BID CREDIT TO BE INCORPORATED INTO BID DOCUMENT
- BASE OBTAINING MINORITY AND FEMALE GOALS ON GENERAL CONTRACTS COMMITTED PERCENTAGES
- LET CONTRACTORS COMMIT TO % OF WORKFORCE IN VARIOUS CATEGORIES (MINORITIES AND WOMEN AS JOURNEYWORKERS, APPRENTICES, AND LABORS)
- BID CREDIT TO OFF SET AGAINST BASE CONTRACT AMOUNT TO DETERMINE LOWEST RESPONSIBLE BIDDER
- BASE CATEGORIES OF SKILLED AND NONSKILLED JOBS OR ANY COMBINATION THEREOF
- INCORPORATE BID CRITERIA LANGUAGE IN SOLICITATIONS INSTRUCTING CONTRACTORS ON TERMS AND REMEDIES IF CONTRACTOR IS NONCOMPLIANT
- REQUEST PAYROLLS IN BOTH HARDCOPIES AND ELECTRONIC FORMAT
- IDENTIFY WHERE MONETARY DAMAGES WILL BE APPLIED

◆ TRINAL, INC. TO MONITOR PAYROLLS AND CONDUCT SITE VISITS TO VALIDATE REPRESENTATIONS

LONG TERM INITIATIVES

- LOCAL BASE BUSINESS PREFERENCE (GENERAL INCENTIVE)
- ENCOURAGE CONTRACTORS TO HAVE AN OFFICE IN EAST CHICAGO
- GIVE PREFERENCE TO COMPANIES LOCATED IN EAST CHICAGO
- DEVELOPMENT OF STANDARD PROCUREMENT PROCEDURES
- PRE-QUALIFICATION OF CONTRACTORS FOR NON-BID PURCHASE ORDER CONTRACTS
- PRE-APPRENTICE PROGRAM AND GENERAL HIRING PROGRAM (SUPPORTED IN PART BY REVENUES FROM LDS)
- WEB BASED CONTRACT AND COMPLIANCE MONITORING WHICH COULD OFF SET LICENSING FEE AND POSSIBLE REVENUE GENERATING OPPORTUNITY
- ECONOMIC AND CAPACITY BUILDING DEVELOPMENT PROGRAMS FOR SMALL BUSINESSES
- DEVELOPMENT OF MINORITY, WOMEN, DISADVANTAGE AND LOCAL BASED BUSINESS PROGRAMS

FILED IN CLERK'S OFFICE
 FEB 27 2004
Mary Marie Leland
 Clerk, East Chicago City Court

AN ORDINANCE ~~PROVIDING THAT ALL CONSTRUCTION CONTRACTS HAVING AN ESTIMATED VALUE OF \$100,000.00 OR MORE AWARDED BY THE CITY PROVIDE FOR CONTRACTUAL PROVISIONS REQUIRING EMPLOYMENT OF 50% OF THE ACTUAL RESIDENTS OF THE CITY OF EAST CHICAGO AND PROVIDING SANCTIONS. AMENDING ORDINANCE NO. 3442 AND REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING FOR A CITY OF EAST CHICAGO LOCAL HIRING ORDINANCE~~

WHEREAS, the rate of unemployment among residents of the City of East Chicago is higher than both the national and statewide averages; and

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May Marie Leland
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~~XXXX~~
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~~City or a political subdivision or department of the City.~~ The compliance, enforcement, and sanctions of this ordinance shall be governed by the individual terms of each contract awarded. Any contractor entering into a public contract with the City, political subdivision of the City or any department of the City by acceptance of the contract, agrees to comply with and be bound by the terms of the Local Hiring Ordinance.

SECTION 6. The Contractor shall submit with its bid solicitation and/or contract document the Affidavit of East Chicago Residency Hiring attached hereto.

SECTION 7. All contracts awarded by the City, a political subdivision of the City or any department of the City shall be on forms prescribed and approved by the City Council and drafted by the Law Department of the City.

A. Such forms shall include the following but not limited to language which shall ~~contain language governing~~

govern the local hiring provision as follows:

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B. Compliance and Reporting

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Defer to Law Department as to whether language should be incorporated which informs the Contractor and/or its Subcontractors that individuals should not be reassigned from other projects thus resulting in a demotion in an attempt to met the requirements of this ordinance.

C. Non-compliance

- (i). Good faith efforts on the part of the Contractor to provide utilization of actual East Chicago residents shall not suffice to replace the actual, verified achievement of the requirement

concerning the worker hours performed by actual East Chicago residents.

(ii). The City may impose the following remedies if the Contractor is found to be in noncompliance in achieving the workforce-hiring requirement as cited in this ordinance:

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SECTION 5. Any disputes regarding the Local Hiring

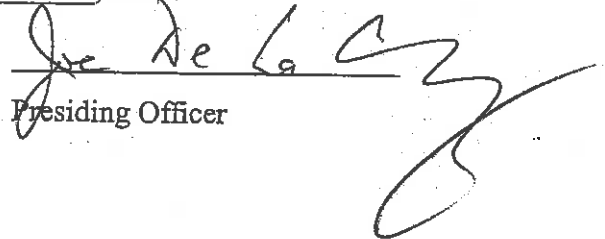
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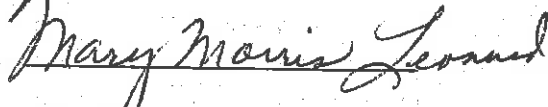
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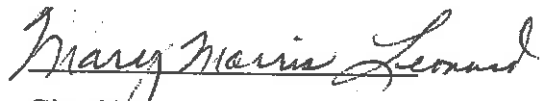
SECTION 7.9. This ordinance shall be in full force and effect from and
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PASSED and ADOPTED by the ~~Common~~ City of the City of
East Chicago, Indiana on the 20th day of Feb., 2004.

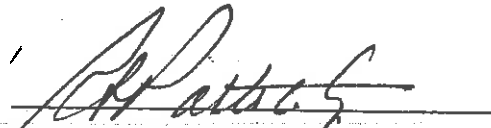

Presiding Officer

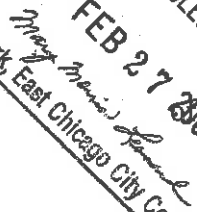
ATTEST:

City Clerk

PRESENTED by me to the Mayor of the City of East Chicago,
Indiana on the ___ day of ___, 2004


City Clerk

This ordinance APPROVED and SIGNED by me on the ___ day
, 2004


Robert A. Pastrick, Mayor

FILED IN CLERK'S OFFICE
FEB 27 2004

Clerk, East Chicago City Court