



2018 SEP -5 PM 2:19
OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

SEP - 5 2018

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania, N.W., Suite 504
Washington, D.C. 20004

Dear Chairman Mendelson:

In accordance with the First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2.219.04, I am transmitting the Department of Employment Services "Semiannual Report for the period of January 1, 2018 – June 30, 2018.

Should you have any questions or comments, you may contact Dr. Unique Morris-Hughes, Interim Director, Department of Employment Services, at 202-671-1900.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser", written over a horizontal line.

Muriel Bowser

Attachment



DEPARTMENT OF EMPLOYMENT SERVICES OFFICE FIRST SOURCE COMPLIANCE SEMI-ANNUAL REPORTING SUMMARY

January 1, 2018 – June 30, 2018

WE ARE
WASHINGTON
DC GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

OVERVIEW OF THE FIRST SOURCE EMPLOYMENT PROGRAM

The District of Columbia Department of Employment Services (DOES) oversees the Office of First Source Compliance (OFSC), charged with monitoring and enforcing the requirements of the Workforce Intermediary Establishment and Reform of the First Source Amendment Act of 2011, D.C. Official Code §§ 2.219.01 – 2.219.52 and enforcement provisions are at §§ 2.219.31 – 2.219.35. The OFSC operations are aligned within the Office of Wage-Hour (OWH). Under the OWH, the OFSC strengthened its operations and performance to ensure that all government assisted projects or contracts are effectively monitored and that the law is being enforced.

For more than 30 years, the OFSC has been an integral part of the District's strategy to reduce unemployment. First Source ensures that District residents receive priority consideration for all new jobs created by municipal financing and development programs. Under the law, 51% of all new hires must be District residents for any government-assisted project or contract between \$300,000 and \$5,000,000. Over the years, various amendments have been added to strengthen or relax requirements in an effort to appropriately administer the program.

The Way to Work Amendment Act of 2006 expanded coverage beyond the construction industry by expanding the definition of contracts to include any recipient that receives government assistance from the District. The act also defined direct beneficiaries to include retail and commercial tenants. The First Source Act of 2011, which went into effect on February 24, 2012, enacted substantial changes to the First Source Law, including the following:

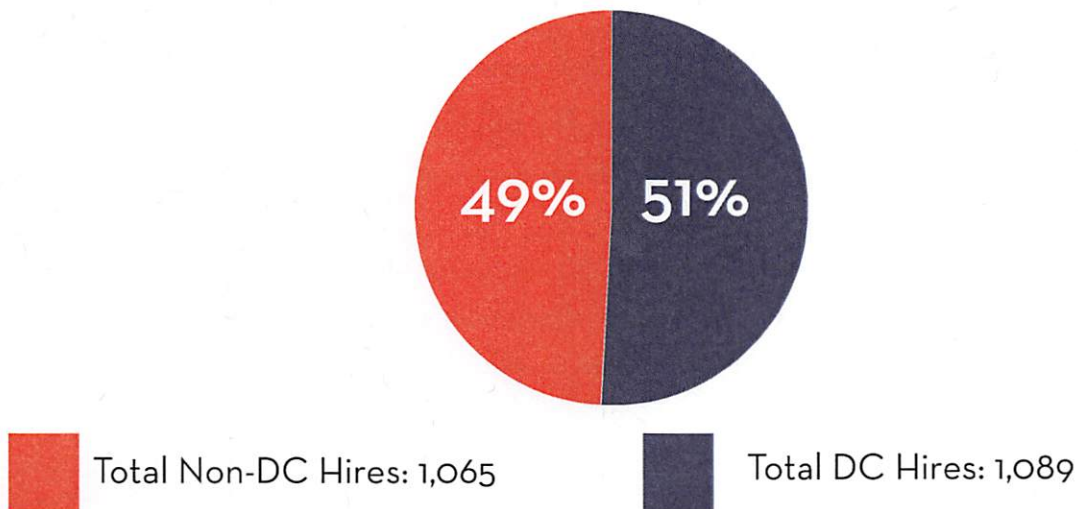
- The First Source hiring process must begin with a formal written agreement between the employer and DOES.
- The employer commits to utilizing DOES as its first source for the recruitment, referral, and placement of employees.
- The agreement also spells out other specific requirements of the District's original First Source Law and its amendments.

FIRST SOURCE SEMI-ANNUAL REPORT STATISTICS

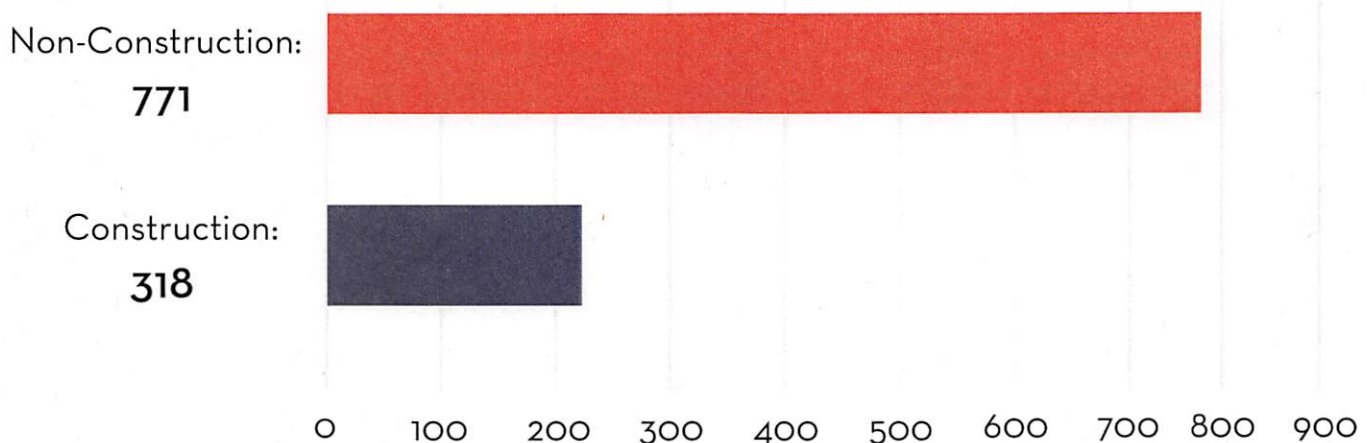
During the period of January 1, 2018 – June 30, 2018, there were 511 executed First Source Agreements. A total of 2,154 positions were created, with 1,089 of these positions filled by District residents, approximately 51% of all hires.

Of those DC hires, 318 are construction, while 771 are non-construction as shown in the tables below.

FIRST SOURCE NEW HIRES



DC HIRES CONSTRUCTION VS. NON-CONSTRUCTION



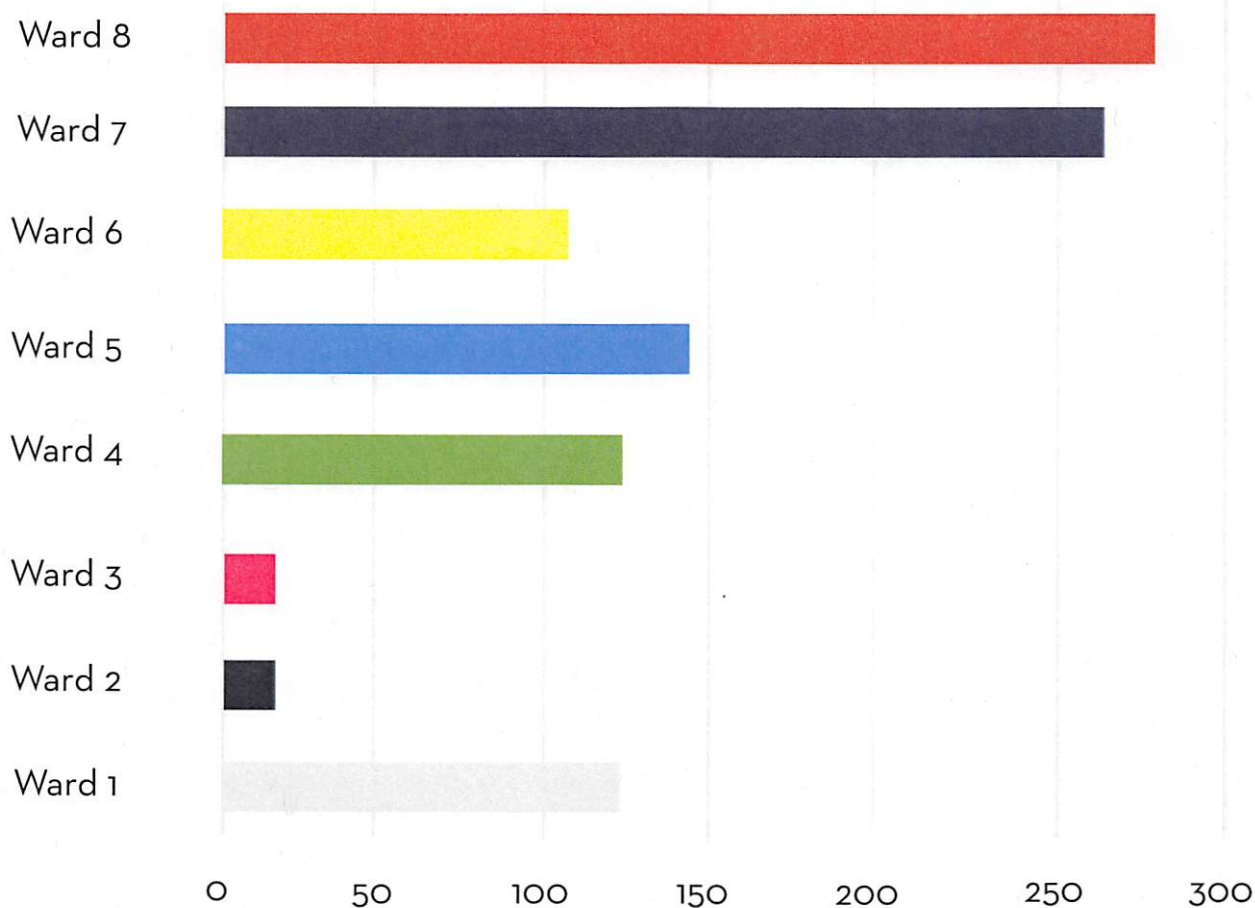
First Source worked in collaboration with the DOES Business Services Group, Office of Apprenticeship and American Job Centers to assist employers with recruitment, placement, and referrals to ensure qualified District residents are being hired and are working on First Source projects. The DOES Job Bank assisted employers with registering and posting their positions in DCNetworks.

First Source Employment Program

First Source employers self-report their hires and transfers into the DOES OFSC First Source Online Registration and Reporting System (FORRS).

Semi-Annual Report For the Period of January 1, 2018 - June 30, 2018	
Total number of active First Source Employment Agreements.	511
Total number of individuals hired on agreements.	2,154
The number of District residents hired on agreements.	1,089
The percentage of hires.	51%
The number of unemployed District of Columbia residents on the First Source Register.	11,962

DC New Hires By Ward



SUMMARY OF FIRST SOURCE COMPLIANCE, OUTREACH, & TECHNICAL ASSISTANCE ACTIVITIES (January 1, 2018 – June 30, 2018)

The First Source program engaged in the following activities:

- Collaborated with multiple District agencies to execute and manage 511 First Source Employment Agreements
- Provided outreach to 166 employers to inform them of the First Source Agreement requirements through orientations, introductory meetings, vendor workshops, and vendor forums
- OFSC has provided ongoing FORRS training and technical support in order to ensure accurate and timely reporting
- Conducted 1,238 total compliance related reviews (including desk audits and site visits) of the First Source Employment Agreement requirements

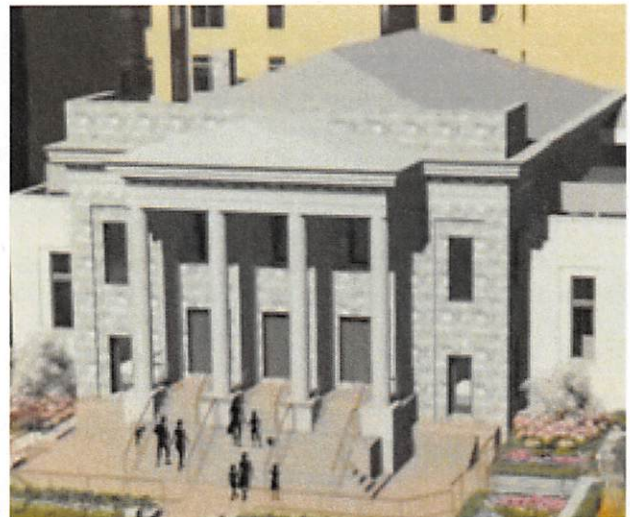
FIRST SOURCE HIRING AND PROJECT HIGHLIGHTS

CONSTRUCTION FIRST SOURCE PROJECT HIGHLIGHTS

Project: Beacon Center

Address: 6100 Georgia Avenue, NW
Washington, DC 20011

Beacon Center is a joint venture (JV) project between the Emory United Methodist Church's development arm, The Emory Beacon of Light, and The Community Builders. The JV hired Ellisdale Construction as the general contractor to demolish portions of a church in the Brightwood neighborhood of DC and build a 99-unit affordable housing project located at 6100 Georgia Avenue, NW. Ellisdale Construction hired a consultant group, Northern Real Estate Urban Ventures (NREUV), to perform compliance consulting services for the project and ensure that First Source Law and Agreement requirements, among others, were met. NREUV successfully assisted subcontractors in hiring 28 District residents on the project, resulting in a 90% DC new hire rate. The project achieved the result through Project Community



First Source Employment Program

Capital, the workforce development program group of NREUV, by holding job fairs in Ward 4 and conducting interviews over a three day period. More than 100 people were interviewed for available positions on the project. In addition, NREUV boldly included requirements in their contract that the developer hire at least 30 District residents during the project.

NON-CONSTRUCTION FIRST SOURCE CONTRACTS

Project: Harris Teeter

Address: 1350 Potomac Avenue, SE
Washington, DC 20003

Harris Teeter is a non-construction employer located at 1350 Potomac Avenue, SE in Washington, DC. In 2014, Harris Teeter entered into a First Source Tax Abatement Agreement and has demonstrated success in offering District residents full-time employment opportunities. During the period of January 1, 2018 – June 30, 2018, Harris Teeter hired 68 individuals with 48 of them residing in the District, a 70% DC resident hire rate.



NON-CONSTRUCTION FIRST SOURCE CONTRACTS

Project: Admiral Security Services, a Red Coats, Inc. Family Company

Address: 4520 East West Highway, Suite 101
Bethesda, MD 20814

Admiral Security Services, a Red Coats, Inc. family company, is a non-construction employer that provides professional security services and is headquartered in the National Capitol Region. With an excellent regional presence, size, world-class experience, and resources, Admiral Security Services has multiple contracts on the District Wharf. Within the short time that the District Wharf has been in operation, Admiral Security Services has



hired 117 armed and unarmed security professionals, 60 of whom are District residents, resulting in a 51% DC resident hire rate.

NON-CONSTRUCTION FIRST SOURCE CONTRACTS HIGHLIGHTS:

TRAINING HIGHLIGHTS

OFSC strives to continuously collaborate with other DOES departments to enhance its workflow, tracking, and reporting capabilities. The departments include the Business Services Group, the Office of Apprenticeship, Information and Training, Workforce Development, the Office of Unemployment Compensation, and the Office of Information Technology. OFSC conducts ongoing training for many of the District agencies and their vendors/contractors to bring awareness of the First Source Law and agreement requirements. The training sessions are offered either in-person at DOES or through webinars lead by subject matter experts.

FIRST SOURCE ONLINE REGISTRATION AND REPORTING SYSTEM CUSTOMER SUPPORT

DOES First Source Online Registration and Reporting System (FORRS) customer support continues to assist District employers in a timely manner, providing FORRS training and technical support. Resolution of issues, response to concerns, and the answering of questions regarding reporting workforce statistics in FORRS are addressed through the First Source Employer User Guide, Frequently Asked Questions, and On-line Self Training modules. The resources can be found here: [https://webapps.does.dc.gov/FORRS/\(S\(bm44131qh5d5kcioxjk2pxtm\)\)/Home/FSHomePage](https://webapps.does.dc.gov/FORRS/(S(bm44131qh5d5kcioxjk2pxtm))/Home/FSHomePage) under the Customer Support tab.

ENFORCEMENT OF PENALTIES

First Source has implemented a formal process that enables DOES to enforce penalties on employers that are not meeting their First Source Agreement requirements. First Source has also provided public access to employer compliance statuses in regards to meeting or not meeting their respective hiring or hours worked percentage goals that can be accessed: [https://webapps.does.dc.gov/ExecutedFirstSourceAgreements/\(S\(ben2xybhwqwjkcaccuikOres\)\)/](https://webapps.does.dc.gov/ExecutedFirstSourceAgreements/(S(ben2xybhwqwjkcaccuikOres))/).

PROGRAMMATIC CHANGES

- OFSC drafted and implemented formal Standard Operating Procedures
- Executed the Mayor's Delegation of Authority which grants authority to the DOES Interim Director and the Chief Procurement Officer to enforce and implement the First Source Employment Agreement Act of 1984 and the First Source Compliance Act of 2008
- Revised and implemented a new version of the First Source Employment Agreement
- Increased staffing for citywide First Source Law compliance to better manage the District's needs
- Created employment and training email alerts that are sent on the 15th day of each month to District residents who are registered in DCNetworks, also known as the Virtual One Stop System (VOS)

First Source Employment Program

STAFF DEVELOPMENT

OFSC staff continues to participate in trainings to enhance their skills and knowledge of the industry. Staff attended Ignite 2018, the annual LCPtracker User Compliance and Workforce Education training from May 29 – June 1, 2018. Additionally, staff attended the 15th Annual Geographic Solutions Workforce Technology conference from June 19- 22, 2018.

FIRST SOURCE'S COMMITMENT

OFSC will continue to:

- Monitor and enforce compliance throughout the life of the government-assisted projects/contracts
- Bring awareness to the First Source Agreement compliance requirements through trainings, meetings, and site visits
- Strengthen partnerships with District contracting agencies through roundtable sessions, trainings, and meetings
- Enhance FORRS and provide excellent customer support
- Encourage staff growth and development
- Develop and implement state-of-the-art technology enhancements to streamline the entry, review and reporting of First Source data; allowing for better tracking, monitoring and enforcement of the First Source Employment Law, as amended, and Employment Agreement requirements

NOTES



GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

DEPARTMENT OF EMPLOYMENT SERVICES
4058 Minnesota Avenue, Washington, DC 20019
does.dc.gov