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OFFICE OF THE  
SECRETARY

MURIEL BOWSER  
MAYOR

MAR 12 2018

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, 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 July 1, 2017 – December 31, 2017" for your review.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser", written over the printed name and title.

Muriel Bowser  
Mayor

Enclosure



# FIRST SOURCE EMPLOYMENT PROGRAM SEMI-ANNUAL REPORTING SUMMARY

*July 1 - December 31, 2017*



GOVERNMENT OF THE  
DISTRICT OF COLUMBIA  
MURIEL BOWSER, MAYOR

## OVERVIEW OF THE FIRST SOURCE EMPLOYMENT PROGRAM

The Department of Employment Services oversees the Office of First Source Compliance (First Source), 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 – 2.219.05). Program operations are aligned within the Office of Wage-Hour (OWH). Under the OWH, First Source strengthened its operations and performance to ensure that all government assisted funded projects or contracts were effectively monitored and that the law was being enforced.

For more than 30 years, the Office of First Source Compliance 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 on any government-assisted project or contract between \$300,000 and \$5,000,000 must be District residents. Over the years, various amendments have been added to strengthen or relax requirements in an effort to appropriately administer the program.

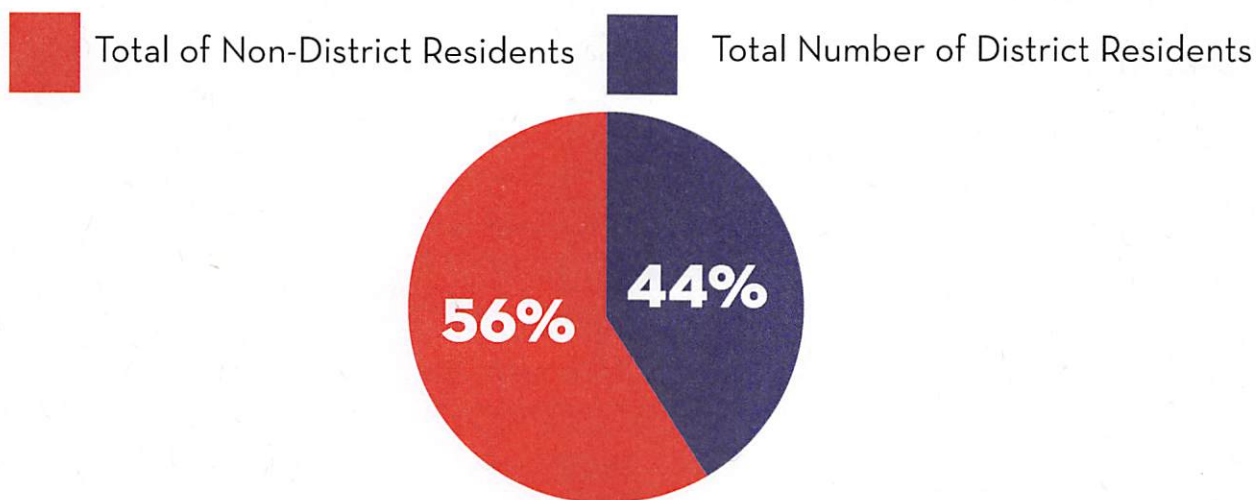
The Way to Work Act of 2006 expanded coverage beyond the construction industry by expanding the definition of contracts to include any recipient that receives government assistance from the District. The act also defined direct beneficiaries to include retail and commercial tenants. The Workforce Intermediary Establishment and Reform of First Source Amendment 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 has to commit 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 July 1, 2017 – December 31, 2017, there were 602 executed First Source Agreements. To date, 38 new job openings have been posted in relation to these 602 Agreements. A total of 1,658 positions were created, with 923 of these new positions filled by District residents, approximately 56% of all hires.

## NEW HIRES



First Source worked in collaboration with the Department of Employment Services' 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 the First Source Register.

All First Source Employers self-report their hires and transfers into the DOES Office of First Source Online Registration and Reporting System (FORRS).

First Source Employment Agreement D.C. Code 2-219.01-2-219.05 Semi-Annual Report for the Period of July 1, 2017 - December 31, 2017	
Total number of First Source Employment Agreements received from July 1, 2017 - December 31, 2017.	602
Number of job openings listed with the Department of Employment Services from July 1, 2017 - December 31, 2017 connected to First Source Employment Agreements.	38
Total number of individuals hired from July 1, 2017 - December 31, 2017 on contracts subject to First Source Employment Agreements.	1658
Number of District residents hired from July 1, 2017 - December 31, 2017 on contracts subject to First Source Employment Agreements.	923
The percentage of hires from July 1, 2017 - December 31, 2017 on contracts subject to First Source Employment Agreements who reside in the District of Columbia.	55.67%
The number of unemployed District of Columbia residents on the First Source Register.	6503

*\*Employment status at application time=Not Employed: 6498. Employment status at Application time=Employed, but received notice of termination of employment.*

## SUMMARY OF FIRST SOURCE COMPLIANCE, OUTREACH, & TECHNICAL ASSISTANCE ACTIVITIES (July 1, 2017 – December 31, 2017)

The First Source team engaged in the following activities:

- Collaborated with multiple District agencies to execute and manage 602 First Source Employment Agreements.
- Provided outreach to 261 employers to inform them of the First Source Agreement requirements through orientations, introductory meetings, vendor workshops, and vendor forums.
- Provided multiple training opportunities focused on successful implementation of the First Source Online Registration and Reporting System in order to ensure accurate and timely reporting.
- Conducted compliance monitoring on 92 existing projects/contracts spanning 602 + agreements during the reporting period (July 1, 2017 – December 31, 2017).
- Conducted 3,000 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:

#### SOME Benning Road Project

Project: SOME Benning Road

Address: 4414-4430 Benning Road, NE  
Washington, DC 20019

In early 2016, So Others Might Eat (SOME) started construction of the Conway Center at 4414 Benning Road NE. DOES provided training for the developer, general contractors and subcontractors to raise awareness of the First Source Agreement requirements, apprenticeship requirements, and service offerings found in the Business Service Group and American Job Center.



The prime contractor, Bozzuto Construction Company (BCC), and its subcontractors were able to make an economic impact and provide benefits to the local community through successful partnerships with DOES, SOME's Center for Employment Training (CET) Program, unions and other community organizations. Bozzuto in collaboration with the entities named above hosted job fairs, onsite training, and a summer help program on site and District residents, including hard to employ residents, were hired providing long term employment. Additionally, Bozzuto along with DC Public Schools, provided District students a tour of the job site.

The Conway Center is slated to end construction in February 2018. The Center will provide 202 units of affordable housing for families and single adults; job training for 300 students per year; and health care for 15,000 patients annually, provided by Unity Health Care.

### **The Wharf - Southwest Waterfront Redevelopment**

Project: Southwest Waterfront Redevelopment

Address: 600-1100 Water Street, SW  
Washington, DC



The Department of Employment Services is in the process of closing out Phase I of the construction at the Wharf and reviewing the projects compliance with First Source. Hoffman Madison - Waterfront established the Wharf Development Advisory Group and the Wharf Community Benefits Committee to address workforce concerns and to create jobs and apprenticeship opportunity at the Wharf. Additionally, HMW fostered strong partnerships with council members to keep them informed of The Wharf's overall progress in meeting District government requirements and other community benefit efforts.

During Phase I of the construction, DOES conducted monthly meetings with HMW to assess the Wharf's overall progress in meeting First Source requirements and status of each subcontractor in meeting jobs/apprenticeship goals.

DOES partnered with the Clark Job Opportunities Trailer once a week and assisted with registering district residents into DC Networks. As a result of the successful partnerships and efforts of the contractors First Source goal achievements 621 District residents hired, 194 Ward 8 residents hired,

# First Source Employment Program

204 DC Apprentices and 69 East of the River Apprentice worked onsite:

The Wharf Project Phase I of Construction As of November 2017							
DC New Hire Goal %	DC New Hire Actual %	Ward 8 New Hire Goal	Ward 8 New Hire Actual %	DC Apprentices	DC Apprentices Actual %	East of Anacostia River Apprentices Goal	# of Apprentices East of River Actual%
51%	48.44%	20%	31.24%	51%	51.26%	30%	33.82%

The Wharf is now in the Operations Phase. DOES and HMW conducted a First Source Agreement Requirements Training. Agreements have been executed and reporting has begun in our First Source On-line Registration and Reporting System (FORRS). DOES will continue monitor compliance of the Operation's Phase throughout the life of the Agreement.

A Career Fair on August 10, 2017 was hosted by Council Members Charles Allen and Elissa Silverman with DOES provided prescreened candidates. The Career Fair was attended by more than 1000 pre-screened applicants and more than 25 of The Wharf Operators/Managers/ retailer/ restaurateurs/services. Prior to the career fair The Districts top hospitality/ retail/service training organizations was held on July 26, 2017. As a result 96 DC Hires reported in November. The Concord Hospitality, Operator of the Hyatt House and Canopy by Hilton reported as of the opening 72 District residents hired.

As required in The Wharf Land Disposition Agreement, HMW paid \$1 million to The District for Workforce Intermediary Programs. HMW currently is working with The District for a final determination on how those funds will be used for Phase 1 Operations and Phase 2 Construction and Operations. DOES and WIC will coordinate to develop training opportunities for district residents.

## NON-CONSTRUCTION FIRST SOURCE CONTRACTS HIGHLIGHTS:

Yelp, Inc., moved to Washington, DC and established its office location at 575 7th Street, NW. Yelp entered into a First Source Employment Agreement in November 2017 with the Department of Employment Services. Yelp projected to hire 500 employees in a 10 year period with 251 being District residents. Yelp will make good faith effort to hire a minimum of 251 new District residents over the first 10 years. Yelp will make a good faith effort to create a series of opportunities that provides at least 50 DC residents opportunities to prepare for a career within the technology space. Provide a preference for residents from under-represented backgrounds, and a preference for using technology in performing sales and marketing jobs in either of the following two programs:

- Develop a curriculum and run program (in partnership with DC government or other partners) to train high school students in technology entrepreneurship, through the District's Summer Youth Employment Program internship.

- Offer a career training program for District residents, by providing opportunities within Yelp's internship and college learn programs.

On November 28, 2017 DOES Office of First Source Compliance conducted a First Source Agreement Requirements and First Source Online Registration and Reporting System training. Yelp, Inc. will submit their monthly First Source Contract Compliance reports in the FORRS system and Office of First Source Compliance will monitor the contract as long as the benefits are being received.

**AmeriHealth Caritas District of Columbia** has launch a pathways to work workforce readiness initiative, Pathways to Work, to assist families in all Wards of the District to achieve financial stability. It is a 12-week paid internship at AmeriHeath Caritas DC that offers job training services for District residents in need of additional assistance with foundational job readiness. The program has a strong partnership with the Department of Employment Services and the YWCA where program participants who have completed Career Connections and Project Empowerment are referred to the Pathways internship program. Participants not only benefit from experiencing in Member Engagement, Care Management, and Community Outreach, but also receive guidance from experience mentors, financial literacy education, computer training, soft skills and knowledge necessary to begin a career in hospitality or service industries leading to the START Hospitality Skills and/or Certified Guest Professional (CGSP) certifications.

AmeriHealth Caritas has established an alternative plan to invest training dollars in to District residents to increase its First Source 51% hiring goal. To date AmeriHealth Caritas has hired 45 District residents out of 49 hires with a 91% hire rate.

### TRAINING HIGHLIGHTS:

The Office of First Source conducted a First Source Law and Agreement Requirements Training on October 10, 2017 at the Community Hub for Opportunities in Construction (CHOICE) Board of Trade Conference. The CHOICE field representative is currently working with the Department of Employment Services' Office of First Source Compliance and Office of Apprenticeship on the DC United Soccer Stadium and DC Sports & Entertainment project which is subject to a First Source Employment Agreement and Project Labor Agreement.

The Office of First Source will conduct ongoing training for many of the District agencies and their vendors to bring awareness of the First Source Law and agreement requirements.

### FIRST SOURCE ONLINE REGISTRATION AND REPORTING SYSTEM CUSTOMER SUPPORT

DOES has established a First Source Online Registration and Reporting System Customer Support

# First Source Employment Program

position to respond to our customers (Employers) in a timely manner. The customer support staff provides FORRS training and technical support with using FORRS, and provides resolutions to questions, issues or concerns regarding reporting workforce statistics in FORRS. First Source has provided a First Source Employer User Guide, Frequently Asked Questions and On-line Self Training modules.

## ENFORCEMENT OF PENALTIES

First Source has established a formal penalty 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 of the employers compliance status in regards to meeting or not meeting their respective hiring or hour worked percentage goals.

## STAFF DEVELOPMENT

The Office of First Source Compliance monitors continue to participate in trainings to enhance their skills and knowledge of the industry. The monitors participated in the Exemplar Global Certified ISO 9001:2015 36-Hour Lead Auditor Training, and the Davis-Bacon Act and Service Contract Act 3 Day Prevailing Wage Seminar.

## FIRST SOURCE'S COMMITMENT

The Office of First Source Compliance will continue to:

- Monitor and enforce compliance throughout the life of the government-assisted projects/ contracts.
- Bring awareness to the First Source Agreement requirements through trainings, meetings, and site visits.
- Strengthen our partnership with our District contracting agencies through roundtable sessions, trainings, and meetings.
- Enhance our First Source Online Registration and Reporting System and provide customer support.
- Staff Growth and Development.

# NOTES



GOVERNMENT OF THE DISTRICT OF COLUMBIA  
**MURIEL BOWSER, MAYOR**

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