



FIRST SOURCE COMPLIANCE

The Department of Employment Services (DOES) First Source Program has been in effect since 1984. For more than 30 years, the First Source Employment Program has been an important part of the District of Columbia's strategy to reduce unemployment in the city.

First Source ensures that city residents are given priority for new jobs created by municipal financing and development programs. Over the years, various amendments were added to strengthen or relax the requirements.

The Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011 made substantial changes to the First Source law, including the following:

- Eliminates contracts under \$300K from First Source obligations.

**Under District Law, of all NEW HIRES
51%
MUST BE DISTRICT RESIDENTS**

- Under the law, 51% of all new hires on any government-assisted contract valued at \$300,000 or more must be District residents.



WORKFORCE INTERMEDIARY ESTABLISHMENT AND REFORM OF FIRST SOURCE AMENDMENT ACT OF 2011

The District of Columbia Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011 significantly changed the District's First Source law. Crafted to increase the number of D.C. residents hired on projects funded by D.C. taxpayer dollars, the Act implemented more aggressive requirements for hiring, monitoring, and compliance. These changes ensure that District residents are given priority for new jobs created by municipal financing and development programs.

Other major changes to the new law include:

- The initial Employment Plan from bidders or offerors must outline a strategy to meet local hiring requirements as part of its response to the bid solicitation. An evaluation will be made and shall be worth 10% of the overall score of the bid or proposal.
- The winning bidder or offeror must submit a revised Employment Plan to the awarding agency which then will be submitted to DOES for approval prior to beginning work associated with the relevant government assisted contract. The new law outlines the

requirements for Employments Plans.

- The new law requires the primary beneficiary of the First Source Employment Agreement to choose whether the 51% hiring requirements of District residents will be cumulative on a contract or will be met by each individual beneficiary covered by the contract.
- The Department of Employment Services (DOES) must receive the First Source Employment Agreement/Revised Employment Plan no less than seven (7) calendar days in advance of the project or contract start date, whichever is later. No work associated with the relevant government assistance can begin on a contract until the First Source Employment Agreement/Revised Employment Plan has been accepted by DOES.
- The new law eliminates contracts under \$300,000 from the First Source obligations, but continues to require 51% of all new hires on government contracts be District residents.
- The beneficiary centers into a special workforce development training or placement arrangement with DOES.
- The new law maintains the 5% direct and indirect labor costs (monetary fine) level. The new law added failure to meet the hiring requirements may result in DOES imposing a penalty equal to 1/8 of 1% of the total amount of the direct and indirect labor costs of the contract of each percentage by which the beneficiary fails to meet the hiring requirements. The new law also includes debarment for those found in violation two (2) times over a ten-year period for a period of five (5) years.
- Appeals are heard by the Contract Appeals Board.

HOW TO SUBMIT A FIRST SOURCE AGREEMENT/EMPLOYMENT PLAN

Each District contracting agency is responsible for insuring that an initial Employment Plan is submitted for each bidder or offeror during the solicitation phase, and insure that a First Source Agreement and Revised Employment Plan is included with contract awardee required contractual documents.

Please email all First Source Agreements/Revised Employment Plans to the First Source mailbox at firstsource@dc.gov. Send Complete First Source Agreement/Revised Employment Plan in PDF Format.

CONTACT US TODAY!

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