

AN ACT

*Codification  
District of  
Columbia  
Official Code*

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the First Source Employment Agreement Act of 1984 to impose reporting requirements for first source employment agreements; to establish the requirement for certain government-assisted projects that 51% of new hires be residents of the District of Columbia; and to impose penalties on contractors who fail to comply with the act.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "51 Percent District Residents New Hires Amendment Act of 2001".

Sec. 2. Section 4 of the First Source Employment Agreement Act of 1984 is amended by adding new subsections (c) through (f) to read as follows:

"(c) The Chief Procurement Officer and each District Contracting Officer shall transmit each employment agreement to the Department of Employment Services.

"(d) Each beneficiary shall submit to the Department of Employment Services, every month following the execution of the contract, a contract compliance report for the project that includes the:

- "(1) Number of employees needed;
- "(2) Number of current employees transferred;
- "(3) Number of new job openings created;
- "(4) Number of job openings listed with the Department of Employment

Services;

"(5) Total number of all District residents hired for the reporting period and the cumulative total number of District residents hired; and

"(6) Total number of all employees hired for the reporting period and the cumulative total number of employees hired, including:

- "(A) Name;
- "(B) Social security number;
- "(C) Job title;
- "(D) Hire date;
- "(E) Residence; and
- "(F) Referral source for all new hires.

"(e)(1) The Chief Procurement Officer and each District Contracting Officer shall

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include in each government-assisted project, totalling \$100,000 or more, the provision that 51% of the new employees hired for the project shall be District residents.

"(2) With the submission of the final request for payment from the District, the beneficiary shall:

"(A) Document in a report to the Contracting Officer its compliance with paragraph (1) of this subsection; or

"(B) Submit a request to the Contracting Officer for a waiver of compliance with paragraph (1) of this subsection and include the following documentation:

"(i) Material supporting a good faith effort to comply;

"(ii) Referrals provided by the Department of Employment Services and other referral sources; and

"(iii) Advertisement of job openings listed with the Department of Employment Services and other referral sources.

"(3) The Contracting Officer may waive the provisions of paragraph (1) of this subsection if the Contracting Officer finds that:

"(A) A good faith effort to comply is demonstrated by the beneficiary;

"(B) The beneficiary is located outside the Washington Standard Metropolitan Statistical Area and none of the contract work is performed inside the Washington Standard Metropolitan Statistical Area;

"(C) The beneficiary enters into a special workforce development training or placement arrangement with the Department of Employment Services; or

"(D) The Department of Employment Services certifies that there are insufficient numbers of District residents in the labor market possessing the skills required by the positions created as a result of the contract.

"(4) Willful breach of the employment agreement, or failure to submit the contract compliance report pursuant to paragraph (2) of this subsection, or deliberate submission of falsified data, may be enforced by the Contracting Officer through the imposition of penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract. The payment shall be remitted to the Department of Employment Services for job training programs, subject to appropriations by Congress.

"(5) The beneficiary may appeal any decision of the Contracting Officer pursuant to paragraph (4) of this subsection to the Contract Appeals Board as provided in the contract.

"(6) The provisions of this subsection shall not apply to government-assisted projects entered into prior to the effective date of the 51 Percent District Residents New Hires Amendment Act of 2001.

"(f) Nonprofit organizations shall be exempt from subsection (e) of this section."

**Sec. 3. Fiscal impact statement.**

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,

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approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

**Sec. 4. Effective date.**

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia