



U.S. Department
of Transportation

Federal Highway
Administration

Memorandum

Subject: **ACTION:** Local Labor Hiring Preference under
Special Experimental Project No. 14 (SEP-14)

Date: November 11, 2015

From: Thomas D. Everett
Director, Office of Program Administration
Washington, DC

In Reply Refer To:
HIPA-30

To: Renee Sigel
Division Administrator
Harrisburg, PA

We have received the Sports and Exhibition Authority of Pittsburgh and Allegheny County's (SEA's) SEP-14 work plan, dated October 20, 2015, to evaluate the use of a local labor hiring preference (LLHP) contract provision for the Element 11-C, Centre Avenue and Street 1 Intersection Reconstruction Project from Clint Beck of your office, along with your office's endorsement, on November 6. Pennsylvania Department of Transportation (PennDOT) submitted their formal request for FHWA approval of the workplan to your office on November 5. The SEP-14 workplan is being advanced in response to the pilot [Contracting Initiative](#) announced by the U.S. Department of Transportation in a *Federal Register* Notice on March 6, 2015.

This project is part of SEA development activities at the Lower Hill. The project activities include new sidewalks, curbs, ADA ramps, traffic and pedestrian signals, bike racks, and storm water drainage "tree boxes." The project is estimated at \$1,234,490, which will be funded with a \$946,680 Transportation Alternatives Program Grant (FHWA funds) and a \$287,810 Commonwealth of Pennsylvania Redevelopment Assistance Capital Program Grant. The SEA LLHP (its "Local Hire Program") targets hiring of persons in the Greater Hill District neighborhoods ("Neighborhoods") for the projects SEA undertakes in the Lower Hill. The SEA proposes to use a contract provision that requires the contractor to make a good faith effort to provide that 20 percent of all contract labor hours that are performed by Pennsylvania residents are to be performed by residents of the Neighborhoods.

SEA's October 20 transmittal also responded to comments that our office sent to your office on October 7 regarding the draft SEP-14 workplan dated September 10, 2015. In viewing the responses, we find that our comments have been satisfactorily addressed.

Therefore, FHWA approves the SEP-14 work plan dated September 10, 2015 with the following suggestions:

1. SEA should ensure that “Exhibit A - Contract Provisions pertaining to Local Hire” of the SEP-14 workplan are incorporated into the project’s Special Provisions.
2. SEA should perform an analysis of bid data from a suitable number of projects of similar scope and cost. This data analysis would include, but is not necessarily limited to comparisons of unit cost information of major items. If SEA finds other suitable metrics, it is encouraged to share them.

With its approval of the SEP-14 workplan, FHWA accepts, for use on the Federal-aid project, as identified in the workplan, the geographic labor hiring preference contract provisions contained in that workplan under the experimental authorities of 23 U .S.C. 502 and SEP-14.

If you have any questions, please contact the following: Gerald Yakowenko at Gerald.Yakowenko@dot.gov or (202)366-1562, or John Huyer at John.Huyer@dot.gov or (651)291-6111.