



December 15, 2016

Ms. Renee Sigel
Division Administrator
Federal Highway Administration
228 Walnut Street, Room 508
Harrisburg, PA 17101-1720
Attention: Clint Beck, P.E.

Dear Ms. Sigel:

Enclosed for your review is one (1) copy of the initial report for the Sports & Exhibition Authority of Pittsburgh and Allegheny County (SEA) Local Labor Hiring Pilot Program Project, which summarizes the bids results and any identifiable effects on the bids.

If you have any questions or require additional information, please contact Mrs. Kelly M. Barber, P.E., Project Schedules, Specifications, and Constructability Section at (717) 787-5810.

Sincerely,

/S/

Melissa J. Batula, P.E.
Division Chief
Highway Delivery Division

Enclosures

4826/JMS/pvd

CC: B.I. George-Nwabugwu, FHWA
K.M. Barber, P.E., 7th Floor CKB
C.L. Moon-Sirianni, P.E., District 11-0
T.P. Ryser, P.E., Sports & Exhibition Authority



Sports & Exhibition Authority

When you have the lime, Pittsburgh has the place

December 6, 2016

Mr. Justin L. Smith, PE
PA Department of Transportation
Bureau of Project Delivery
400 North Street, 7th Floor
Harrisburg, PA 17120

Re: SEA Local Labor Hiring Preference Goals SEP 14 Workplan
Lower Hill Infrastructure
Element II-C Centre Avenue and Street I Reconstruction

Dear Mr. Smith:

The Sports & Exhibition Authority (SEA) submits the attached initial report for your review and use. SEA is utilizing the SEP- 14 Pilot Program for the above referenced project. This initial report summarizes any identifiable effects on the bids received.

If you have any questions please feel free to contact me at 412-201-7344.

Sincerely,

/S/

Thomas P. Ryser, Jr., PE Project Manager

Enclosure

cc: Cheryl Moon-Sirianni, PE -PennDOT
Robert M. Collins, PE -PennDOT
Mary Conturo -SEA
Doug Straley -SEA
Rosemary Carroll -SEA
Clarence Curry -SEA
File: 660, Im #60599

Special Experimental Project No. 14 (SEP-14)

Workplan to Evaluate the Use of Local Labor Hiring Preferences

Sports & Exhibition Authority of Pittsburgh and Allegheny County. an authority organized and existing pursuant to the Sports and Exhibition Authority Act 16 PS § 5501 et seq. and having an address at 171 Tenth Street, Pittsburgh PA 15222 (SEA)

Location: Intersection of Centre Avenue and a roadway to be constructed, Pittsburgh PA 15219

Federal-aid Project Number: T 111-960-M300

PennDOT Project number: MPMS # 104262

A. Introduction

The SEA submitted a work plan for FHWA review and approval as a design bid build project incorporating a Local Labor Hiring Preference (LLHP) contract provision. This work plan was provided under the Notice: Contracting Initiative announced in the March 6, 2015 Federal Register.

Historically, FHWA prohibited its recipients from using LLHP provisions that do not directly relate to the bidder's performance of work. The SEA desires to use a LLHP provision in its construction contracts. SEA requested and received FHWA's approval for the use of these contract provisions on a Federal-aid project identified herein under the experimental authorities under 23 U.S.C. 502 and SEP-14.

B. Purpose

The SEA recognizes the importance of encouraging hiring of persons residing in distressed neighborhoods which have been targeted for redevelopment projects. 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 Local Hire Program is to be included in the construction contracts for these activities. The provisions require the contractor to make a good faith effort to provide that 20% of all project work hours that are performed by Pennsylvania residents are performed by residents of the Neighborhoods. While FHWA has viewed such preferences as a constraint on competition, the Contracting Initiative announced in March 2015 provides Federal-aid recipients with an opportunity to evaluate such preferences on federally assisted construction projects on a pilot-project basis. These goals have a variety of worthwhile local objectives, such as encouraging the development of the workforce and jobs in the low income, distressed neighborhoods in which the projects are located. The program will promote Ladders of Opportunity as encouraged by FHWA. The pilot project will enable the SEA to evaluate the effectiveness and efficiency of the use of Federal-aid and local funds in achieving the desired objectives.

C. Scope

The pilot project is known as MPMS # 104262 Element 11-C, Centre Avenue and Street I Intersection Reconstruction Project. This project is part of SEA development activities at the Lower Hill. Scope includes new sidewalks, curbs, ADA ramps, traffic and pedestrian signals, bike racks, and storm water drainage •tree boxes." The project will be funded with a \$946,680 Transportation Alternatives Program Grant with the balance funded from a Commonwealth of Pennsylvania Redevelopment Assistance Capital Program Grant. This project is typical of other SEA street construction and reconstruction projects completed over the past ten years and will provide a suitable project for comparison purposes. The SEA used a contract provision that requires the contractor to make a good faith effort to provide that 20% of all contract labor hours that are performed by Pennsylvania residents are to be performed by residents of the Neighborhoods.

D. Schedule/Status:

The construction contract was awarded to Frank J. Zottola Construction, Inc. (Contractor) in the amount of \$1,761,655. The Notice To Proceed was issued November 7, 2016 and the completion date is July 21, 2017. Physical construction is not anticipated to start until early spring. Currently the contractor is making submittals and ordering material.

The Contractor is finalizing their Local Hire Plan.

E. Evaluation Measures:

- The number of bidders (including the location of the home office)

The SEA received six (6) bids for the MPMS #104262 Lower Hill Infrastructure Element II-C (TAP) Project with a mix of local and non-local contractors. The bids ranged from \$1,761,655 to \$2,537,833. The project was awarded in September 2016.

MPMS # 104262 Lower Hill Infrastructure Element 11-C (TAP)

1.) Frank J. Zottola Construction, Inc.
595 Pittsburgh Road
Butler, PA 16002

2.) A Merante Contracting Inc
4740 Streets Run Road
Pittsburgh, PA 15236

3.) S.E.T., Inc.
235 East Water Street
Lowellville, OH 44436

4.) Michael Facchiano Contracting, Inc.
801 McNeilly Road
Pittsburgh, PA 15226

5.) Gulisek Construction LLC
1145 State Route 31
Mt. Pleasant, PA 15666

6.) Golden Triangle Construction Company, Inc.
8555 Old Steubenville Pike
Imperial, PA 15126

Comparable Project

1.) MPMS #27045 Chuck Noll Way had seven (7) bidders and the bids ranged from \$909,192 to \$1,153,743. The project was awarded in July 2011.

2.) Lower Hill Infrastructure Element I had seven (7) bidders and the bids ranged from \$11,470,000 to \$16,024,099. The project was awarded in December 2014.

The number of bids received are in line with previous SEA projects.

- A comparison of the impact of the Local Hire Program on the workforce This comparison will be made at the end of the project
- A comparison of unit bid prices

The SEA is completing the Lower Hill Infrastructure Element I phase of the project which contains a majority of the same bid items as M PMS # 104262 Lower Hill Infrastructure Element II-C (TAP) and after comparing the unit prices there was no effect on the unit prices related to the Local Hire.

- The SEA will provide an evaluation of the net economic benefit of employing additional residents of the Neighborhoods by analyzing the potential monetary benefits that might be related to the receipt of funds from other federally assisted programs (e.g. reductions in the unemployment rolls, payments for uninsured health insurance costs, etc.). The economic analysis will address the extent to which other Federal funds may be impacted by reducing unemployment in the Neighborhoods workforce.

This evaluation will be made at the end of the project

- The SEA will provide an evaluation of the potential increase in the pool of skilled labor available to all contractors.

This evaluation will be made at the end of the project