

Central 70 Request for Proposals

Addendum No. 3

Release of June 14, 2016

The following excerpts of the Central 70 RFP include Section 6 of Schedule 15 and Appendix B of Schedule 15. These sections contain CDOT's proposed local hiring provisions.

This addendum is available online at: <https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte/projects/i-70/central-70/central-70-documents/central-70-pa-for-rfp-addendum-no-3.pdf>

The full Central 70 RFP is available online at <https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte/projects/i-70/central-70/request-for-proposals-rfp> (link updated 3/31/2020)

DBE and ESB firms and applicants for DBE and/or ESB certification that are not themselves Subcontractors; all OJT and local hire participants; and complainants. The Developer is required to (and shall ensure its Subcontractors and each of their Subcontractors) cooperate fully and promptly with compliance reviews, certification reviews, investigations and other requests for information, in any such case, by the Department in connection with Developer's compliance with this Section 5 and Section 6 of, and Appendices A, B and C to, Schedule 15.

**5.3. Intimidation and retaliation**

The Developer shall not (and shall ensure that its Subcontractors and each of their Subcontractors shall not) intimidate, threaten, coerce, or discriminate against any individual or firm for the purpose of interfering with any right or privilege secured by CDOT's DBE, ESB or OJT programs or the Project's local hiring program, each as implemented for this Project pursuant to this Schedule 15, or because the individual or firm has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under any such program.

**5.4. Assurance of Non-Discrimination**

By entering into this Agreement, the Developer agrees to the following assurance (which for purposes of Developer Default number (29) in Section 32.1.1 of the Project Agreement shall constitute a material obligation) and shall include it in all Subcontracts without modification except as appropriate to identify the Subcontractor who will be subject to the provisions of such Subcontract:

*The contractor, sub-recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to: (1) Withholding progress payments; (2) Assessing sanctions; (3) Liquidated damages; and/or (4) Disqualifying the contractor from future bidding as non-responsible.*

**5.5. OJT Program and Minimum Wages**

The intent of the On-the-Job Training (OJT) program plan is to provide an innovative approach to train and upgrade females and minorities in the journey worker status of the skilled crafts. Training opportunities may be provided with on-the-job trainees or duly registered apprentices.

The minimum wage rates for OJT program participants during the Construction Period are [ ]<sup>2</sup>. The minimum wage rates for OJT program participants during the Operating Period shall be established by the Department and notified to the Developer at least 60 Calendar Days prior to the commencement of each Contract Year during the Operating Period. The first such notification shall be made prior to the Substantial Completion Date and shall apply to the Contract Year during which the Substantial Completion Date occurs.

The Developer shall ensure that payment to all OJT program participants is not less than such minimum rates from time to time. In addition, trainees/apprentices working in the skilled crafts must be paid the Davis-Bacon wage decision full fringe benefit rate per hour for the classification of work required by the approved program in accordance with Appendix D to this Schedule 15.

**6. SMALL BUSINESS AND WORKFORCE DEVELOPMENT GOALS**

**6.1 Summary of Goals**

The following table summarizes the goals defined in greater detail in Sections 6.2 and 6.3 of, and Appendices A, B and C to, this Schedule 15 with respect to DBEs, ESBs, OJT and local hiring.

<sup>2</sup> **Note to Proposers:** Minimum wage rates will be provided in the final RFP.

Collectively, the Construction Work Small Business Goals, the Operating Period Small Business Goals and the Workforce Development Goals (each as separately defined in Sections 6.2 and 6.3 of this Schedule 15) are referred to herein as the “Small Business and Workforce Goals”.

	<b>Disadvantaged Business Enterprise</b>	<b>Emerging Small Business</b>	<b>On-the-Job-Training</b>	<b>Local Hiring</b>
<b>Construction Period</b>				
<b>Design Services</b>	11.6%	3%	N/A	760,000 total employment hours with [ ] <sup>3</sup> employment hours performed by new hires
<b>Other Construction Work</b>	12.5%	3% <sup>4</sup>	200,000 employment hours	
<b>Routine Maintenance</b>	N/A		N/A	
<b>Operating Period</b>				
<b>Routine Maintenance</b>	N/A	\$850,000 (indexed) every five Contract Year period	N/A	N/A
<b>Renewal Work</b>	% to be established for each five Contract Year period	N/A	Number of employment hours to be established for each Contract Year	N/A

**6.2 Small Business Goals**

**6.2.1 Construction Period Goals**

- a. As further outlined in Appendix A to this Schedule 15, the Developer shall make good faith efforts to achieve the DBE and ESB Construction Period goals set out in Section 6.1 of this Schedule 15: DBE Design Goal (11.6%); ESB Design Goal (3%); DBE Construction Goal (12.5%); and ESB Construction and Routine Maintenance Goal (3%) (collectively, the “Construction Work Small Business Goals”). Following consultation with the Developer, the Department may lower any of these goals at any time if it reasonably believes, upon evaluation of the DBE and ESB markets, that such goal is unachievable.
- b. The Developer shall also assist in the development of DBEs and ESBs as outlined in the Developer’s Approved SDBPP. The Developer shall ensure that during the Construction Period at least one of its (or its Subcontractors’) employees has three or more years of experience in small business outreach and capacity building.

**6.2.2 Operating Period Goals**

- c. During the Operating Period the Developer shall make good faith efforts to achieve the Routine Maintenance ESB Goal applicable to each five Contract Year period and the Renewal Work DBE Goal applicable to each five Contract Year period (collectively, the “Operating Period Small Business Goals”) as set out below. Following consultation with the

<sup>3</sup> **Note to Proposers:** To be provided in a future Addendum.

<sup>4</sup> **Note to Proposers:** By way of clarification, the intent is that Routine Maintenance work may count toward the ESB goal but not the DBE goal.

Developer, the Department may lower any of these goals at any time if it reasonably believes, upon evaluation of the DBE and ESB markets, that such goal is unachievable.

#### **Routine Maintenance ESB Goal**

- d. As further outlined in Appendix C to this Schedule 15, commencing with the Contract Year during which the Substantial Completion Date occurs, the Developer shall make good faith efforts to achieve \$850,000 (indexed) of ESB participation in the Routine Maintenance (the "Routine Maintenance ESB Goal") during each sequential five Contract Year period during the Operating Period, with the first such period being the Contract Year during which the Substantial Completion Date occurs and the immediately following four Contract Years (provided that, if applicable, the amount of such goal shall be prorated for the first such period to account for the Substantial Completion Date occurring part way through a Contract Year).
- e. The Developer and the Department shall meet at agreed upon intervals, but no less than annually, to evaluate the Developer's progress toward achieving the then applicable Routine Maintenance ESB Goal (such meeting may be the annual progress review held pursuant to Section 1.3.2 of this Schedule 15).
- f. At the end of each five Contract Year period, the Department will evaluate whether the Developer has achieved the Routine Maintenance ESB Goal and its efforts to achieve such goal, in order to determine whether a Noncompliance Event has occurred pursuant to Section 1.4.2.a of this Schedule 15. Whether or not the Developer has achieved the goal, the Developer shall submit for review by the Department documentation evidencing the good faith efforts that the Developer considers it has taken to achieve the goal.

#### **Renewal Work DBE Goal**

- g. As further outlined in Appendix C to this Schedule 15, commencing with the Contract Year during which the Substantial Completion Date occurs, the Developer shall make good faith efforts to achieve the Renewal Work DBE Goal (as defined in Section 6.2.2.f of this Schedule 15) during each sequential five Contract Year period during the Operating Period, with the first such period being the Contract Year during which the Substantial Completion Date occurs and the immediately following four Contract Years (provided that, if applicable, such goal for the first such period shall take into account that the first Contract Year in such period is not a full 12 month period if the Substantial Completion Date occurs part way through a Contract Year).
- h. Prior to the Substantial Completion Date, and thereafter prior to the end of each five Contract Year period referenced in Section 6.2.2.e of this Schedule 15, the Department shall notify the Developer of a goal for DBE participation on Renewal Work during each applicable period (the "Renewal Work DBE Goal"). The Department shall determine such goal based on a review of the Accepted Renewal Work Plan most recently submitted prior to the start of the first Contract Year in any such period (or, in the case of the first such period, prior to the Substantial Completion Date), together with any other relevant documentation.
- i. The Developer and the Department shall meet at agreed upon intervals, but no less than annually, to evaluate the Developer's progress toward achieving the then applicable Renewal Work DBE Goal (such meeting may be the annual progress review held pursuant to Section 1.3.4 of this Schedule 15).
- j. At the end of each five Contract Year period, the Department will evaluate whether Developer has achieved the Renewal Work DBE Goal and its efforts to achieve such goal, in order to determine whether a Noncompliance Event has occurred pursuant to Section 1.4.2.b of this Schedule 15. Whether or not the Developer has achieved the goal,

the Developer shall submit for review by the Department documentation evidencing the good faith efforts that the Developer considers it has taken to achieve the goal.

### **6.3 Workforce Development Goals**

The Developer is obligated to achieve the Local Hiring Goal, the Construction Period OJT Goal and the Renewal Work OJT Goals (collectively defined as the "Workforce Development Goals"), as further detailed in this Section 6.3.

#### **6.3.1 Construction Period Goals**

##### **On-the-Job Training Goal**

- k. The Developer shall achieve the OJT goal for the Construction Period set out in Section 6.1 of this Schedule 15 (the "Construction Period OJT Goal"), as calculated by reference to Other Construction Work comprised of skilled craft work and otherwise in accordance with Appendix B to this Schedule 15. Failure to achieve the Construction Period OJT Goal shall constitute a Noncompliance Event pursuant to Section 1.4.1.b of this Schedule 15.

##### **Local Hiring Goal<sup>5</sup>**

- i. The local hiring goal for the Construction Period is 760,000 total contract employment hours with a minimum of [ ] hours performed by new hires (the "Local Hiring Goal"), as calculated in accordance with Section 2 of Part III of Appendix B to this Schedule 15.<sup>6</sup> For certainty, achievement of the Local Hiring Goal requires the Developer to have achieved both the total employment hours goal and the new hire employment hours goal. For the purposes of this Schedule 15, a new hire is any individual hired by their employer after the execution of this Agreement. Monetary incentives for achieving and exceeding the Local Hiring Goal are described in Section 2 of Part V of Appendix B of this Schedule 15.

#### **6.3.2 Operating Period OJT Goals**

The Developer shall achieve the Renewal Work OJT Goal during each Contract Year period during the Operating Period, with the first such period being the Contract Year during which the Substantial Completion Date occurs (the "Renewal Work OJT Goal"), as calculated by reference to Renewal Work comprised of skilled craft work and otherwise in accordance with Appendix C to this Schedule 15. Failure to achieve the Renewal Work OJT Goal applicable to any Contract Year period shall constitute a Noncompliance Event pursuant to Section 1.4.2.c of this Schedule 15.

## **7. COMMUNITY DEVELOPMENT PROGRAMS**

### **7.1 Community Development Programs**

In order to contribute to the community development needs of the Globeville, Elyria and Swansea neighborhoods and otherwise create a positive relationship between local communities and the Developer, the Developer shall:

- a. establish an organized program to assist businesses in taking advantage of the significant business opportunity provided by the local workforce during the Construction Period. This program shall include a commitment to work with restaurants, food vendors and catering businesses that are located within such neighborhoods and are likely to be impacted by the Construction Work. This program may include the following elements:
  - i. Business investment revolving loans and/or grant programs;

<sup>5</sup> **Note to Proposers:** The Department has received full approval from FHWA to have local hiring preferences in this contract. All local hiring provisions are subject to change according to the FHWA approval process for Special Experimental Project No. 14-Local Labor Hiring Program. In addition, in the context of the local hiring provisions, the Procuring Authorities are considering the application of the FY2016 Appropriations Act. Additional details may be provided on these matters in a future Addendum.

<sup>6</sup> **Note to Proposers:** The number of employment hours by new hires will be provided in the Final RFP.

## Appendix B

### Construction Period Workforce Development Goals Compliance and Plan Requirements

#### Part I. Workforce Development Plan Requirements

The WDP shall at a minimum include the following elements:

**1. General Plan Requirements:**

- a. A written statement indicating the Developer's commitment to achieve the Construction Period OJT Goal and the Local Hiring Goal.
- b. A description of the CRPM and other team members responsible for implementing the Developer's WDP, including the name of each team member, a description of their workforce development experience, and a description of their roles and responsibilities on this Project.
- c. A description of how the Developer and all Subcontractors will recruit their workforce, including planned outreach events involving the local community. The Developer shall describe how it will work with CDOT-approved workforce development organizations to advertise job openings locally.

**2. On-The-Job Training Plan: With respect to OJT:**

- d. Identification of the number and description of the skilled craft areas where trainees and apprentices will be used during the Construction Period on Other Construction Work.
- e. The minimum length and type of training that will be offered for each position.
- f. A description of how the Developer will monitor hours completed, training provided, and how the Developer will alleviate barriers to employment, graduation and successful permanent placement.
- g. A description of the Developer's approach to graduating participants. The Developer shall identify a target number of graduates in order to maximize participant graduation rates from the pre-approved trainee/apprenticeship programs during the Construction Period.
- h. An annual schedule indicating the distribution of training hours over each Contract Year for the duration of the Construction Period.
- i. The Developer shall describe recovery tools and methods that will be implemented should appropriate progress not be made toward the overall goal attainment.

**3. Local hiring plan: With respect to local hiring**

- j. Strategic approach for meeting the Local Hiring Goal, including the identification of jobs targeted for recruitment, the estimated length of employment associated with identified jobs, and an estimated schedule of the distribution of hours for the Construction Period.
- k. A description of how the Developer shall provide assistance to prospective and actual local employees to alleviate barriers to employment and to promote retention.
- l. A description of how the Developer shall monitor and track hours worked and of the internal procedures through which the Developer will ensure the Local Hiring Goal will be met. This will include distribution of the goal responsibilities to Subcontractors, collecting data on Subcontractor participation and performance, and ensuring only valid participation is counted.
- m. A description of how the Developer plans to ensure compliance with the residency requirements in Section 2 of Part III of this Appendix B for workers that will count toward the Local Hiring Goal.

- n. An affirmative statement that no existing employees of the Developer or any Subcontractor will be displaced or have their employment terminated as a result of the Local Hiring Goal.

**4. Plan Updates.**

The WDP is intended to be a living document and shall be updated or revised as necessary during the course of the Construction Period, including as requested by the Department. At a minimum, an update of the WDP shall be submitted to the Department for Approval no later than 30 Calendar Days prior to the commencement of each Contract Year.

**Part II. Advertisement of Job Openings**

To ensure local workers are given full and fair opportunity to participate in the hiring process for vacant positions, the Developer and all Subcontractors shall advertise all job openings with Department- approved workforce development organizations for a period of seven Calendar Days before such job openings can be advertised through any other sources.

**Part III. Counting goal participation**

**1. Counting OJT participation**

- a. OJT participation that counts toward satisfying the Construction Period OJT Goal shall be calculated based on the aggregate number of employment hours on Other Construction Work (excluding, for certainty, O&M Work During Construction) worked by trainees and apprentices who satisfy the requirements below.
- b. The employment of the following categories of individuals by the Developer (and Subcontractors) shall count towards achieving the Construction Period OJT Goal :
  - i. trainees that are enrolled in a program approved by the Department and FHWA;
  - ii. apprentices that are enrolled and duly registered in a U.S. Department of Labor approved program; and/or
  - iii. trainees that are enrolled in an approved program with Colorado Contractors Association (CCA).
- c. In addition, a proposed apprentice or trainee must have been Approved by the Department for such individual's participation to be counted toward achieving the Construction Period OJT Goal. Approval must occur before employment hours can be counted toward the goal. To obtain Approval for the apprentice or trainee, the Developer must submit the following to the Department for each apprentice and each trainee:
  - i. evidence of the registration of the trainee or apprentice into the approved training program; and
  - ii. the completed CDOT form for each trainee or apprentice.
- d. The employment of a trainee/apprentice in a skilled craft will not be counted toward the Construction Period OJT Goal if that individual has already worked or been paid at a professional/journeyman level status for more than 6 months prior to Approval of their participation as a trainee/apprentice.
- e. Before training begins, the Developer shall provide each trainee with a copy of the approved training program, pay scale, pension and retirement benefits, health and disability benefits, promotional opportunities, other employer policies and complaint procedures.

**2. Counting local hiring program participation**

- f. For a worker's hours to be eligible for the Local Hiring Goal, the individual must:

- i. Reside in one of the following zip codes during such individual's term of employment on the Project and for a minimum of 60 Calendar Days prior to having been Accepted as a local worker by the Department: 80010, 80011, 80019, 80022, 80205, 80207, 80211, 80216, 80238, and 80239.
  - ii. perform a function on the Project (whether as skilled or non-skilled labor).
- g. A proposed local worker must have been Accepted by the Department for such individual's hours to be counted toward the Local Hiring Goal. Acceptance must occur before the participation can be counted toward the Local Hiring Goal. To gain Acceptance, the Developer must submit the following to the Department for each local worker:
  - i. Completed Local Hiring Program Enrollment, in a form to be agreed between the Parties (both acting reasonably);
  - ii. A self-certifying Residency Disclosure, in a form to be agreed between the Parties (both acting reasonably), signed by the individual whose employment hours are to be counted toward the Local Hiring Goal; and
  - iii. Any additional documentation to prove residency on a case-by-case basis as the Department determines is necessary.
- h. Hours worked by local workers must be documented and reported (pursuant to Part IV of this Appendix B) to the Department in a format mutually agreed upon by the Developer and the Department (both acting reasonably).
- i. The Developer shall notify the Department when an Accepted local worker no longer meets the eligibility requirements within 14 Calendar Days of the local worker's employer obtaining knowledge of the local worker's new residency status. Failure to notify the Department in accordance with this Section may result in all of the individual local worker's hours being disqualified from counting toward the Local Hiring Goal.
- j. The Developer and all Subcontractors are prohibited from displacing or terminating existing employees to attain the Local Hiring Goal.

#### **Part IV. Reporting requirements**

**1. Disclosure of Information:**

In order to monitor and enforce the requirements of this Schedule 15, the Developer shall disclose employment records for trainees and apprentices as well as individuals that will count toward achieving the Local Hiring Goal. The Department may verify employment records and information by reviewing personnel files as well as interviewing any individual employed by the Developer or any Subcontractor.

**2. Records:**

The Developer shall keep records regarding the progress of the Workforce Development Plan participation on the Project, including Subcontractor participation.

**3. Reports:**

The Developer shall submit each of the following reports for Acceptance:

- a. Monthly report: In accordance with Section 8 (Project Administration) the Developer shall submit a monthly report (in a form to be agreed between the Parties, both acting reasonably) to the Department no later than the tenth Working Day of each Month during the Construction Period. The report shall include:

- i. On-The-Job Training reports, which shall include the following, at a minimum:

- A. Total employment hours expended during the Construction Period to date separated into skilled craft employment hours, professional services employment hours, and all other employment hours.
  - B. Total employment hours by trainees/apprentices expended during the Construction Period to date.
  - C. Updated projected employment hours by trainees/apprentices for the Work during the Construction Period.
  - D. If the projected employment hours are less than the Construction Period OJT Goal, the Developer shall provide an explanation detailing how it intends to meet the OJT participation projections outlined in its WDP, including a description of activities and other proactive measures intended to facilitate increased OJT participation.
  - E. A list of current and new (i.e. since the last report) trainees/apprentices by providing full name, employer, description of services or applicable work code, start date, skilled craft program registered in (including verification of enrollment) for trainees/apprentices, total hours worked in current month, pay rate, total hours worked to date on the Project, supervisor full name, and a description of the training and performance level.
  - F. Any performance problems with the training/apprenticeship participants and how the problems were resolved, including any reasons for participants leaving the Project.
  - G. A list of trainees/apprentices that have graduated or successfully completed their training program, and last date worked on site.
  - H. A signature by the Developer certifying the information in the report is accurate.
- ii. Local Hiring Program reports, which shall include the following, at a minimum:
- A. Total employment hours expended during the Construction Period to date separated into skilled craft employment hours, professional services employment hours, and all other employment hours..
  - B. Total hours worked by individuals hired locally during the Construction Period to date separated into skilled craft employment hours, professional service employment hours, and all other employment hours. The Developer shall specify whether each worker is considered a new hire.
  - C. Projected local hiring hours to be utilized during the Construction Period.
  - D. If the projected local hiring hours worked are less than the Local Hiring Goal, the Developer shall provide an explanation detailing how it intends to achieve the Local Hiring Goal including any remedies necessary to meet the Local Hiring Goal.
  - E. A list of current newly (i.e. since the last report) employed locally hired individuals, within that month, by providing full name, address, employer, description of services or applicable work code, start date, skilled craft program registered in (including verification of enrollment for newly employed individuals) if applicable, total hours worked in current month, pay rate, total hours worked to date on the Project, supervisor full name, address verification, and a description of performance level.

- F. Any performance problems with the locally hired individuals and how the problems were resolved, including any reasons for individuals leaving the Project.
- G. A signature by the Developer certifying the information in the report is accurate.

4. **Semi-annual Assessment:**

In addition to the monthly report required to be submitted in the relevant month, the Developer shall, pursuant to Section 1.2.3 of this Schedule 15, also submit to the Department for Acceptance on a semi-annual basis an assessment of progress (in a form to be agreed between the Parties, both acting reasonably) toward achieving the Workforce Development Goals applicable during the Construction Period, which shall include the following:

- a. a summary of solicitation and good faith efforts to date, effectiveness of the program, identification of areas for improvement, and recommendations for improving the WDP; and
- b. a notification as to whether the Developer considers that it has achieved any of the incentive milestones described in Sections 1.a to 1.c of Part V of this Appendix B. For any On-the-Job Training milestone reached, the Developer shall submit documentation evidencing that the trainee/apprentice has graduated from the applicable OJT Program and has since worked at least six months as a full-time journeyman on the Project in the skilled craft for which the individual graduated. Documentation shall include payrolls showing the individual worked as a fulltime journeyman.

5. **Annual Performance Progress Review:**

The Developer shall participate in an annual meeting with the Department within 30 Calendar Days before the end of each Contract Year to review its progress with its Workforce Development Plan and toward achieving the Workforce Development Goals applicable during the Construction Period. Within 30 Calendar Days after the annual performance review meeting, the Department will provide a written assessment as to whether the Developer has made adequate progress toward achieving the Construction Period OJT Goal and the Local Hiring Goal. Progress will be based on the Developer's demonstrated efforts with implementing its Workforce Development Plan and meeting the schedules and milestones described within the Workforce Development Plan.

6. **Final Report:**

The Developer shall submit, for Approval by the Department, its final report (in a form to be agreed between the Parties, both acting reasonably) on OJT and local hiring participation during the Construction Period within 30 Calendar Days after the Substantial Completion Date. The final report shall include total participation data through Substantial Completion. In the event that the Developer failed to achieve either the Local Hiring Goal or the Construction Period OJT Goal as of the Substantial Completion Date (as determined by the Department pursuant to Section 7 of this Appendix B), the Developer shall submit, for Approval by the Department, an updated report within 30 Calendar Days after the Final Acceptance Date.

7. **Department Report:**

Following Approval of the Developer's report (or any update thereto) submitted pursuant to Section 6 of this Appendix B, the Department will evaluate the data to determine, and issue a written report setting out its determination of, whether the Developer has achieved as of the Substantial Completion Date (or, as applicable, as of the Final Acceptance Date) each of the Local Hiring Goal and the Construction Period OJT Goal. Such report shall also confirm whether or not the Developer is entitled to be paid any incentive payment(s) pursuant to Section 2 of Part V of this Appendix B and, if so entitled, the amount thereof (including relevant calculations).

## Part V. Monetary Incentives for Workforce Participation

1. Monetary incentives for On-the-Job Training Participation:
  - a. The Enterprises shall pay the Developer the applicable monetary incentive set out below for reaching one of the following milestones by the end of the third Contract Year of the Construction Period:
    - i. \$40,000 for achieving a total of 120,000 employment hours and graduating and retaining for at least six months after graduation 21 individuals; or
    - ii. \$60,000 for achieving a total of 120,000 employment hours and graduating and retaining for at least six months after graduation 23 individuals; or
    - iii. \$80,000 for achieving a total of 120,000 employment hours and graduating and retaining for at least six months after graduation 25 individuals.
  - b. The Enterprises shall pay the Developer the applicable monetary incentive set out below for reaching one of the following milestones by the end of the fourth Contract Year of the Construction Period:
    - i. \$40,000 for achieving a total of 160,000 employment hours and graduating and retaining for at least six months after graduation 31 individuals; or
    - ii. \$60,000 for achieving a total of 160,000 employment hours and graduating and retaining for at least six months after graduation 33 individuals; or
    - iii. \$80,000 for achieving a total of 160,000 employment hours and graduating and retaining for at least six months after graduation 35 individuals.
  - c. The Enterprises shall pay the Developer the applicable monetary incentive set out below for reaching one of the following milestones by Substantial Completion:
    - i. \$50,000 for achieving a total of 200,000 employment hours and graduating and retaining for at least six months after graduation 41 individuals; or
    - ii. \$70,000 for achieving a total of 200,000 employment hours and graduating and retaining for at least six months after graduation 43 individuals; or
    - iii. \$90,000 for achieving a total of 200,000 employment hours and graduating and retaining for at least six months after graduation 45 individuals.
  - d. For purposes of this Section 1:
    - i. eligible employment hours shall be calculated in accordance with Section 1 of Part III of this Appendix B;
    - ii. graduation means the individual has completed his or her training or apprenticeship program described in Section 1 of Part III of this Appendix B and has reached full journeyman status; and
    - iii. retention means the individual is working full-time on the Project as a journeyman in the skilled craft for which they graduated.

- e. Any amount payable pursuant to this Section 1 shall be paid no later than 45 Calendar Days after receipt by the Enterprises of an invoice from the Developer for the relevant amount, provided that the Developer shall not be entitled (i) to deliver such an invoice until after the Department has issued an assessment pursuant to Section 5 of Part IV of this Appendix B confirming that the Developer is entitled to such a payment and (ii) to any such payment earlier than the end of the relevant Contract Year by reference to which the relevant milestone is to be determined.
2. Monetary incentives for Local Hiring participation:
- a. The Enterprises shall pay the Developer \$125,000 for achieving the Local Hiring Goal.
  - b. The Enterprises shall pay the Developer [amount TBD]<sup>8</sup> for every local employment hour achieved in excess of the Local Hiring Goal, with a total maximum incentive payment payable pursuant to this Section 2.b of \$125,000.
  - c. Any amount payable pursuant to this Section 2 shall be paid no later than 45 Calendar Days after receipt by the Enterprises of an invoice from the Developer for the relevant amount, provided that the Developer shall not be entitled to deliver such an invoice until after the Department has issued a report pursuant to Section 7 of Part IV of this Appendix B that confirms the Developer's entitlement to such a payment.

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<sup>8</sup> **Note to Proposers:** To be provided in the final RFP.