

**Special Experimental Project No. 14 (SEP-14)
Workplan to Evaluate the Use of Local Labor
Hiring Preferences**

Colorado Department of Transportation

Central 70 Project

Location: I-70, from Brighton Blvd.
to Chambers Rd. (MP 274-284)

Federal-aid Number: AQC R600-165

State Id Number: 13599

October 14, 2015

Amended: July 19, 2019

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A. Introduction

The Colorado Department of Transportation (CDOT) submits this workplan for FHWA review and approval as a \$1.23B design-build-finance-operate-maintain project, called the Central 70 Project, incorporating a Local Labor Hiring Preference (LLHP) contract provision. This workplan is provided under the Notice: Contracting Initiative announced in the March 6, 2015 Federal Register. CDOT is requesting FHWA's approval for the use of the following provisions on a Federal-aid project for the reconstruction of I-70 East between Brighton Boulevard and Chambers Road in the Denver-metro area under the experimental authorities under 23 U.S.C. 502 and SEP-14.

B. Purpose

Central 70 is a unique project that will impact some of the oldest neighborhoods in Denver, which contain a high concentration of minority and low-income residents. This section of I-70 is also one of the most heavily traveled and congested highway corridors in Colorado. This multi-year project is expected to bring thousands of construction-related jobs to the area. CDOT proposes a LLHP for the purpose of benefitting these impacted environmental justice communities. Members of these communities have expressed a desire for job opportunities on this project. Instituting a LLHP would demonstrate CDOT's support for innovative workforce initiatives.

C. Scope

2019 Update: The Central 70 Project received the Record of Decision from FHWA on January 19, 2017, approving the Partial Cover Lowered alternative that is referenced in the original Scope.

The Central 70 Project is part of the greater I-70 East Project, which is currently under environmental review pursuant to the National Environmental Policy Act (NEPA). The Record of Decision is anticipated to follow a phased approach with Central 70 being the first phase. The proposed LLHP is currently anticipated to only apply to the Design/Build phase of the Central 70 Project. See **Attachment A** for a map of the Central 70 Project area.

Through its environmental study, CDOT is evaluating several alternatives for the reconstruction of I-70 between I-25 and Tower Road (<http://www.i-70east.com>). CDOT has identified a preferred alternative called the Partial Cover Lowered (PCL) alternative. The Central 70 Project would implement Phase 1 of the PCL alternative. Central 70 is currently estimated to cost \$1.23B and would be the largest project in CDOT history. The project will be predominantly funded with state dollars, however, \$50M in Federal CMAQ funds will be provided through the local Metropolitan Planning Organization. The developer is supporting the capital construction with \$416M in TIFIA, \$120M in Private Activity Bonds and \$64M in private equity. The state will be repaying the developer over a 30-year operations and maintenance term with an availability payment. As currently conceived, the PCL Alternative would include:

- Removal of the existing viaduct between Brighton Boulevard and Colorado Boulevard;
- Reconstruction of the I-70 East Corridor, with a portion below the existing ground level;
- Construction of a landscape highway "cover" above one segment of the reconstructed highway, which would physically reconnect a divided neighborhood; and
- Addition of one new Express Toll Lane in each direction throughout the length of this project.

D. Schedule

2019 Update: The Schedule has been updated from the original workplan to accurately reflect completion dates.

Described below is the overall schedule for the delivery of the Central 70 Project and a schedule for development and implementation of the local hire goal.

1. Central 70 Procurement Schedule

- *March 2015*
Request for Qualifications released
- *July 2015*
Shortlist announcement
- *September 29, 2015*
First Draft Request for Proposal (RFP)
Draft notified teams that CDOT was submitting a SEP 14 application.
- *February 23, 2016*
Second Draft RFP
- *June 14, 2016*
Third Draft RFP
- *October 27, 2016*
Fourth Draft RFP
- *March 6, 2017*
Final Request for Proposal
- *November 21, 2017*
Contract Award
- *Anticipated late-2022*
Project completion (Design/Build phase)

2. Local Hire Goal Schedule

- *November 2, 2015 (Completed)*
Workforce community roundtable: Workforce development groups, union representatives and local economic development groups will join CDOT in a discussion of workforce development for the Central 70 Project.
- *November 6, 2015 (Completed)*
Issue Request for Proposal (RFP) for workforce development services and community needs assessment.
- *March 31, 2016 (Completed)*
Award workforce and needs assessment RFP.
- *September 2016 (Completed)*
Needs assessment completed with proposed local hiring goal.
- *June 14, 2016 (Completed)*
Local hiring goal and contractual language finalized for inclusion into the third draft of the RFP.

- *January 2017 (Completed)*
Follow-up workforce community roundtable.
 - *March 2017 (Completed)*
Final RFP released to proposers
 - *December 2017 (Completed)*
Initial Evaluation Report.
 - *July 2019 (In Progress)*
 - *Interim Evaluation Report.*
 - *Amendment to workplan provided per email from John Huyer to Monica Pavlik December 17, 2018.*
- Final Evaluation Report.*
Exact timing will be established to produce report within six months of substantial completion.

E. Evaluation Measures

CDOT will evaluate the following criteria (as referenced in USDOT Q&A # 21), to determine the effectiveness and efficiency of this pilot project:

1. Project Description:

Describe the project(s), including the amount of FHWA funding involved, as well as the estimated total project cost.

See the “Scope” section above.

2. Proposed Contracting Requirement:

Describe the proposed contracting requirement that may otherwise be found to be inconsistent with the general requirement for full and open competition.

CDOT proposes to use a LLHP for the Central 70 Project that would target residents of the environmental justice study area identified in the I-70 East Environmental Impact Statement. See **Attachment B** for a map of the environmental justice study area. Considering that many of CDOT’s projects are federally funded, CDOT has never before utilized LLHP contract provisions or tracked the use of local labor on past projects. As a result, the contracting requirements proposed in this application are anticipated to specifically benefit the I-70 East environmental justice community using workforce initiatives influenced by other programs or projects across the country.

a. *Contract Local Hiring Goal Requirement*

CDOT proposes a contracting requirement in which a certain percentage of all contract labor hours are performed by residents of the environmental justice study area. This percentage is anticipated to apply to both skilled and non-skilled labor. The required percentage, referred to here as the “local hiring goal,” will be determined after a workforce needs assessment of the community is conducted. In November 2015, CDOT will be soliciting proposals for an organization to conduct a workforce needs assessment of the project as well as a job readiness evaluation of the community. This analysis would evaluate expected construction job opportunities and demographics of the community, which would enable CDOT to set an achievable local hiring goal. Community groups such as educational institutions, non-profits, public workforce investment systems, labor organizations, and other groups will be eligible to submit proposals.

2019 Amendment: FHWA requested additional information to finalize this SEP-14 workplan in a memo on February 1, 2016, "What are the LLHP percentage goals to be established?" CDOT's October 5, 2016 response letter is included below:

To arrive at its Local Hiring Goal, CDOT partnered with the Community College of Denver to conduct a Community Jobs and Workforce Needs Assessment. This assessment, which is provided along with this letter, combined demographic and employment data with input received from focus groups, individual interviews, and surveys. The currently proposed Local Hiring Goal for the Central 70 Project is 760,000 total contract employment hours, which represents 20% of anticipated total eligible project employment hours. CDOT is proposing that the Local Hiring Goal be achieved by both the use of new hires and existing employees, with a specific sub-goal established for new hire participation. We believe that our approach helps ensure that existing employees are not displaced.

The Community Jobs and Workforce Needs Assessment is included as **Attachment C** of this workplan.

b. Relevant Contract Provisions

2019 Amendment: FHWA requested additional information to finalize this SEP-14 workplan in a memo on February 1, 2016, "What contractual provisions will be necessary to ensure compliance?" CDOT's October 5, 2016 response is included below:

The relevant contract provisions from the third draft of the project's Request for Proposals are attached to this letter. Draft #3 of the RFP was released in June and is available at <https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte/projects/i-70/i-70-east-1/request-for-proposals-rfp>.^{*} The final draft of the RFP will be released after publication of the ROD (anticipated in early 2017). The finalized contract provisions will be submitted to FHWA prior to the publication of the final draft of the RFP.

^{*}The website referenced in CDOT's letter has changed. All draft versions of the RFP and the final Project Agreement are available at <https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte/projects/i-70/central-70/request-for-proposals-rfp>. Details for the LLHP are included in Schedule 15, Appendix B of the Project Agreement (See Attachment D).

c. Targeted Geographic Area

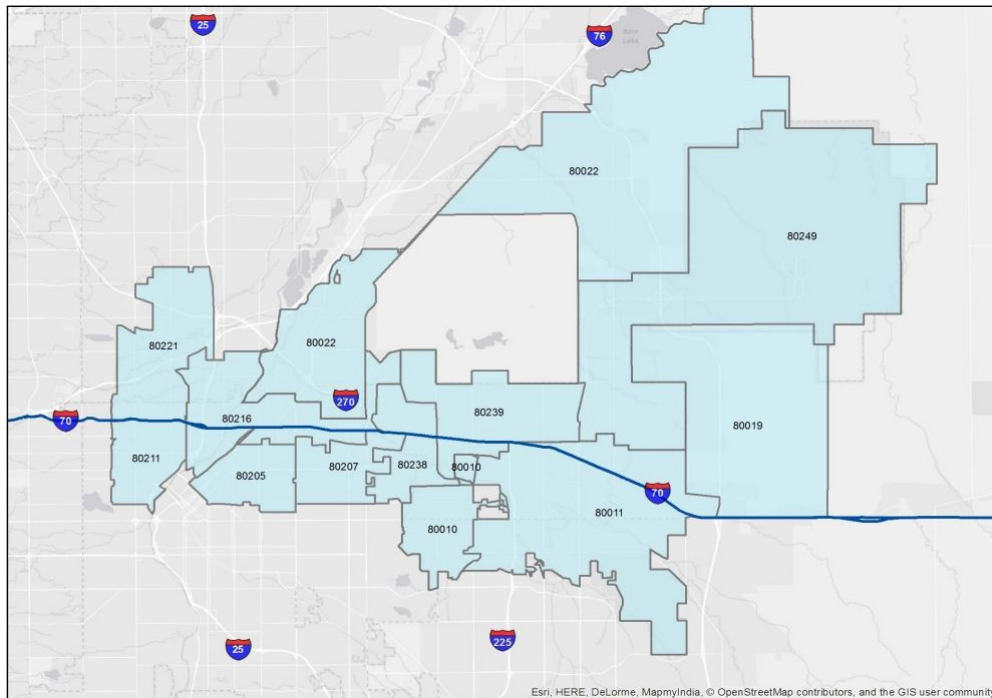
The LLHP is intended to benefit the residents of the environmental justice area to provide ladders of opportunity for residents living adjacent to the Central 70 Project. The neighborhoods within the project's environmental justice study area are Globeville, Elyria and Swansea, Northeast Park Hill, Stapleton, Montbello, Gateway, and parts of Aurora (See **Attachment B**). However, CDOT recognizes that the environmental justice study area is a relatively small geographic area. Should the needs assessment find too small of a resident pool in the environmental justice study area alone to make a worthwhile goal, CDOT may expand the targeted geographic area to include areas with a high percentage of low-income populations outside of the environmental justice study area.

2019 Amendment: FHWA requested additional information to finalize this SEP-14 workplan in a memo on February 1, 2016, "Will the Environmental Justice Area depicted in the SEP-14 workplan provide an adequate pool of workers?" CDOT's October 5, 2016 response letter is included below:

As noted in the February 1, 2016 letter, CDOT originally proposed using the Environmental Justice area as identified in the Final Environmental Impact Statement as the local hire boundary. However, the Community Jobs and Workforce Needs Assessment found that this would not be a sufficient area to support a robust local hire goal; particularly given Colorado's current low unemployment rate. Thus, the current geographic area for the Local Hiring Goal includes the Environmental Justice area and many

adjacent neighborhoods. CDOT believes that expanding the geographic scope in this way is necessary to provide an adequate pool of workers to accommodate 760,000 hours. These adjacent neighborhoods share similar demographic characteristics to those neighborhoods in the Environmental Justice area. A description of these communities and the reasons for their inclusion are provided in the attached Community Jobs and Workforce Needs Assessment (**Attachment C** in workplan). The map below shows the zip codes included in the boundary, however CDOT plans to focus efforts on specific neighborhoods within the area.

Map of Local Hire Recommended Zip Codes Provided in the Needs Assessment.



d. Workforce Development

CDOT's solicitation for a needs assessment will also include a scope of work for additional workforce development supportive services, which may include partnering with existing organizations. The organization awarded this contract will be expected to assist in the educating and training of residents in highway construction crafts and other project support fields prior to the commencement of construction. The organization would also serve as an initial point of contact that would assist in screening and tracking local residents seeking job opportunities on Central 70. The organization would refer applicants with relevant and appropriate experience to the developer and its subcontractors.

e. Advanced Notice of Job Openings

CDOT proposes requiring the developer and its subcontractors to provide advanced notice of job openings to local organizations approved by CDOT, such as the organization chosen by CDOT to provide the supportive services described above. After a specified period of time, the developer and subcontractors could then advertise openings through other sources. CDOT anticipates that this contracting initiative will help support the local hiring goal by providing local applicants early notification of job announcements.

f. Contract Incentives

CDOT is evaluating a contract provision that would award incentives to the developer for meeting or exceeding the local hiring goal. An incentive would be available to the developer on a yearly basis for the five-

year construction of Central 70. To be awarded the yearly incentive, the developer would have to demonstrate good faith efforts for meeting the goal and demonstrate that it is trending toward meeting or exceeding the local hiring goal. Part of that demonstration would include a yearly description of specific actions the developer has taken and will continue to undertake toward meeting the local hiring goal.

2019 Amendment: An email from John Huyer to Monica Pavlik on December 17, 2018 requested the LLHP contractual language from the signed Project Agreement be included in this workplan. Details are included below:

- The LLHP Hiring Goal: Project Agreement Schedule 15, Page 15-11, Part 6.3.1.b “The local hiring goal for the Construction Period is 760,000 total contract employment hours with a minimum of 380,000 hours performed by new hires (50%).”
- The LLHP Local Hiring Goal Incentive: Project Agreement Schedule 15, Page 15-29, Appendix B, Part 4.2.a.” The Enterprises shall pay the Developer \$125,000 for achieving the Local Hiring Goal. “
- The LLHP New Employee Local Hiring Goal Incentive: Project Agreement Schedule 15, Page 15-29, Appendix B, Part 4.2.b.” The Enterprises shall pay the Developer \$2.50 for every local employment hour worked by a new hire achieved in excess of the Local Hiring Goal, with a total maximum incentive payment...of \$125,000. “
- The LLHP Special Provisions: Project Agreement Schedule 15, Page 15-11 Part 6.3 “Workforce Development Goals” and Schedule 15, Appendix B “Construction Period Workforce Development Goals Compliance and Plan Requirements” (beginning on Page 15-23).

The Executed Version of Schedule 15 of the Project Agreement is included as Attachment D of this work plan.

3. Evaluation of Contracting Requirement Effects on Competitive Bidding:

Describe how the applicant will evaluate the effects of relevant contracting requirements on competitive bidding. In doing so, the applicant should, at a minimum, provide comparisons of bids received for the projects utilizing the relevant contract requirements to other projects of similar size and scope and in the same geographic area not utilizing such requirements. If a reduction in the pool of bidders is evident, explain the potential offsetting benefits resulting from the use of the requirement.

CDOT does not anticipate that the proposed LLHP will result in a reduction of bidders because of the large size of this project and enthusiasm for this project from the construction industry. CDOT has recently selected a shortlist of four teams interested in designing, building, financing, operating, and maintaining the I-70 East project.

In preparation for this application, CDOT reached out to the Regional Transportation District of Denver (RTD) to gather information about its FasTracks rail expansion projects. While not highway construction projects, FasTracks is an example of another large construction undertaking in the Denver area that utilizes a LLHP. CDOT has received no indication from RTD that their local preferences resulted in a reduced pool of bidders. Similar to RTD with its Workforce Initiative Now (WIN) Program, CDOT proposes to support its own project-specific LLHP through its own collaborative workforce partnership. The WIN Program shows that a project-specific goal does not have to be a burden that limits competitive bidding. According to RTD, “WIN recognizes that each joint venture team or individual contractor bidding has varied workforce requirements and each individual project presents unique career development options. Maintaining this flexibility and understanding the needs of each contracting team and/or partnering employer is critical to being able to provide demand-driven services.” See **Attachment E** for a summary RTD’s WIN Program and its LLHP on FasTracks projects.

2019 Amendment: FHWA granted conditional approval of this SEP-14 workplan in a memo on October 27, 2015, with the expectation that CDOT would provide additional information to gain full approval. “We would

ask that CDOT provide an estimate of the actual use of local residents on a few completed Federal-aid projects of similar size and scope (if such projects/information is available). Perhaps CDOT's workforce needs assessment will provide such information, but it would be good to know what is typically achieved without preferences." CDOT's December 7, 2015 response letter is included below:

CDOT has not historically tracked local employment participation on its projects. However, CDOT has obtained data about local residents that have been referred to two projects in the Denver area through the Workforce Initiative NOW (WIN) Program. The WIN Program is a collaborative workforce partnership that provides workforce development services for transportation construction projects. The WIN Program has referred employees to contractors on two federal-aid projects: CDOT's US 36 Express Lanes Phase 2 Project and the Regional Transportation District (RTD)'s Eagle P3 Project. Additionally, CDOT has obtained some local participation data on another Denver-area federal-aid project, the US 6 Bridge Replacement. The following data serves as an estimate of the actual use of local residents on three projects that did not utilize LLHP.

1. US 36 Express Lanes Phase 2

The US 36 Express Lanes Phase 2 Project is a public-private partnership involving about 15 miles of improvements between Denver and Boulder, Colorado. The project, with an estimated cost of \$208.4 million, includes the addition of an express lane in each direction and the reconstruction of two general purpose lanes in each direction.

The WIN Program worked with seven contractors on the project. Those contractors hired 38 total workers referred by the WIN Program. Of those 38 workers, 11 were from the zip codes adjacent to the project area. Those adjacent zip codes are:

80022 Commerce City
80026 Lafayette
80224 West Denver/Federal Heights 80229 Thornton
80234 Broomfield
80241 Thornton
80249 Commerce City
80301 East Boulder

2. Eagle P3 Project

Although it is a transit project, Eagle P3 has several similarities to the Central 70 Project. Eagle P3 is a public-private partnership with a cost of \$2.2 billion and includes 36 miles of new commuter lines. The project's East Line to Denver International Airport is located near the Central 70 project area.

Contractors on the project hired 56 workers referred by the WIN Program. Of those 56 workers, 37 were from local zip codes that were targeted for recruitment by the WIN Program. Those local zip codes are:

80003 Arvada
80011 Central Aurora
80204 Central Denver- La Alma/Sun Valley
80205 NE Denver -Curtis Park/Five Points/Swansea
80204 Park Hill
80211 North Denver/West Highland
80214 Central Denver/Capitol Hill

80216 North Denver/Globeville
80219 South West Denver/Westwood
80221 West Denver/Sherrelwood
80239 Far NE Denver/Montbello
80249 Far NE Denver/Green Valley Ranch

3. US 6 Bridge Replacement

The US 6 Bridge Replacement is a \$98 million design-build project in Denver. The project includes replacing six existing bridges and building six new bridges. CDOT obtained data from the Kraemer International, the project's prime construction contractor. Kraemer hired 18 people from nearby zip codes. Those zip codes are:

80204 Central Denver – La Alma/Sun Valley
80211 Central Aurora
80214 Central Denver/Capitol Hill
80219 South West Denver/Westwood
80223 West Denver/Ruby Hill
80226 Lakewood

Additionally, a local job fair was held in the local community on January 22, 2014. Contractors on the project hired 17 job fair participants. While the residency of these individuals is not known, outreach for the job fair targeted local residents living in areas adjacent to the project.

The number of local residents employed on the Central 70 will be compared to the three federal-aid projects described above. CDOT is currently soliciting proposals for a Community Job Readiness and Workforce Needs Assessment that will allow CDOT to identify the geographic scope for Central 70's local hire preferences. Proposals are due to CDOT by December 17, 2015 and the needs assessment is expected to be completed by April 1, 2016. The needs assessment will include a description of the local area's potential labor force and an estimate of total workforce hours on the project that could be fulfilled by local residents. The needs assessment will also include strategies for obtaining local employment above what was seen on US 36 Express Lanes Phase 2, US 6 Bridge Replacement, and Eagle P3.*

Note that the Schedule has changed since CDOT provided this letter in December 2015. The Workforce Needs Assessment (Attachment C**) was completed, but the dates for completion changed. The Schedule section has been updated to reflect these changes.*

2019 Amendment: FHWA requested additional information to finalize this SEP-14 workplan in a memo on February 1, 2016, "To what extent will CDOT use the LLHP requirements as an evaluation and award criteria in the procurement process?" CDOT's October 5, 2016 response letter is included below:

The four shortlisted teams bidding for this project will be required to submit a Workforce Development Plan as part of their proposals. CDOT is asking proposers to detail how they will comply with the On-the-Job Training and local hiring requirements in the plan. Workforce Development Plans will be scored and evaluated as part of the technical proposal pursuant to Part C and Part E of the Instructions to Proposers, which is available at [...should we just attach this]? For scoring purposes, the Workforce Development Plans will be evaluated together with the proposer's Environmental Management, Strategic Communications, Community Development Programs, and Small and Disadvantaged Business Participation Plans. All these plans combined will receive a pass/fail evaluation and technical score, schedule score, and financial score. In this Best Value calculation, a proposer can achieve a maximum

technical score of 30 points. The technical proposal that includes the Workforce Development Plan is worth a maximum of 6 points.

4. How Proposed Contracting Requirement Improves Federal Funding:

Describe and quantify how the proposed contracting requirement would lead to increases in the effectiveness and efficiency of Federal funding for the project(s).

The purpose of CDOT's LLHP is to bring economic benefit and ladders of opportunity to an environmental justice impacted community with a large low-income population. Members of these communities have expressed a desire for job opportunities on this project. Instituting a LLHP would demonstrate CDOT's support for innovative workforce initiatives. This LLHP and other environmental justice mitigation efforts will help build more trust with these communities and result in a more effective and efficient project.

CDOT will track hiring on the project through the developer's Monthly Progress reports and Semi-Annual Workforce reports. The reports will give the developer opportunities to discuss potential concerns or recommendations for the program. CDOT will also explore ways of how it can quantify and evaluate the economic benefit of the program to this area. CDOT believes that a local hiring goal in tandem with its other workforce development efforts will lead to a more efficient project because contractors will be able to spend less time and resources on finding qualified workers. CDOT also believes that having a local workforce could reduce traffic near the construction zone by reducing the need for workers that commute from outside the area.

Other federal funding effectiveness measures include, but are not limited to: enhancing the tax base of the local community, reducing burden on aid-based social programs, increasing resident's employment and earning potential, reducing local crime rates, as well as addressing diversity without affirmative action.

Another advantage to the proposed contracting requirement is that hiring locally enables residents to spend their income in the target neighborhood, thereby directly contributing to the continued growth of the local economy and thereby creating a multiplier effect for additional new jobs.

2019 Amendment: FHWA granted conditional approval of this SEP-14 workplan in a memo on October 27, 2015, with the expectation that CDOT would provide additional information to gain full approval. "Under Workplan Section E4, CDOT needs to describe and quantify how the proposed contracting requirement would lead to increases in the effectiveness and efficiency of Federal funding. It would be helpful for the application to address how the requirement will enhance the purpose of the federally funded project. It should describe how the requirement will facilitate community support for the project and how it will enhance overall workforce development for the projects and future projects." CDOT's December 7, 2015 response letter is included below:

A LLHP for Central 70 Project would make a significant contribution toward the effectiveness and efficiency of this Federal-aid project. In particular, this requirement would:

1. Contribute to Federal objectives of providing ladders of opportunity and developing a future highway construction workforce.

Central 70's proposed LLHP are intended to provide ladders of opportunity to residents of the environmental justice community in Central 70's project area. Because of the presence of a large environmental justice area, Central 70 represents a unique opportunity for CDOT and FHWA to advance the mission of the Federal On-the-Job Training Program and to promote Equal Employment Opportunity by recruiting minorities, women, and other disadvantaged individuals in this area. There are high concentrations of Hispanic or Latino populations in five out of seven neighborhoods along the I-70 corridor. Overall, 48 percent of the project study area is Hispanic or Latino; a percentage considerably higher than Denver average of 32 percent. There is also a 23 percent African-American

minority concentration in the study area; compared to 10 percent for Denver overall. In addition, several neighborhoods along the project area have high concentrations of low-income households, including Globeville (53.4%), Elyria and Swansea (44.4%) and Northeast Park Hill (44.7%)

2. Contribute to the overall objective of the Central 70 Project and build community support:
A LLHP would also contribute to the overall objectives of the Central 70 Project, which include promoting “corridor-wide economic and community vitality and enhancing community values and project benefits.”

In fact, community members and local leaders have already expressed a desire for innovative workforce initiatives that lead to local employment opportunities. Provided below are several comments received on the I-70 Supplemental Draft Environmental Impact Statement on the importance of local workforce opportunities.

“Hello. I’m an ironworker; a native Colorado resident. And I understand that everybody is negative against this project, but I’m in support of it due to it’s going to bring a lot of high-paying jobs to our area, which will help build our economy. And what everybody is not realizing is that I-70 is falling apart, and sooner or later it is going to have to be rebuilt. So whether you face it now or face it ten years from now, it’s still going to happen. So I would suggest that everybody get on board with this and realize that this is in our best interest rather than when it falls apart and we lose five or six, seven people to a car accident when it collapses, whether it’s somebody driving on top or below it. So that my view on it. And please help Colorado Workforce build a stronger Colorado. Thank you.”
--Jimmy Cordova, Resident

“Include job training and employment goals in all contracts for companies receiving contracts on the project. EIS should include provisions to assist in employment opportunities for local low income and minority populations. Examples include an employment outreach plan and program using jobs fairs as done by CODT for current US 6 reconstruction; working with local job skills building and placement entities; as well as programs similar to the RTD WIN program. Hiring should be 20-25% from the local community, 80216, and 80205. Subcontractors should have detailed local hiring plan, including training and education as stated above.”
--City of Denver, Department of Public Works

“Job training and apprenticeship programs, similar to those established by FastTracks should be implemented. Hiring should prioritize applications made by local residents.”
--Harriet Mullaney, Resident.

“Commitment to sourcing 40% of hiring needs from local residents and giving first priority to local businesses for project-related contracts. Potential mitigation for adverse impacts...should include access to workforce training and middle skill level jobs and by supporting existing businesses wherever possible—thus injecting much needed capital into the local neighborhood economy. This should be accomplished by implementing targeted outreach education and workforce training programs at locations within the affected GES area, focusing on local residents and giving first priority to local businesses for project-related contracts.” --Urban Land Conservancy

3. Contribute to the project’s workforce needs
The Central 70 Project is the largest project in CDOT history with a projected needed workforce of approximately 4,000 people. Colorado’s strong economy and low [un]employment rate could pose a challenge to identifying enough workers over the 4-5 year duration of the project. Recent statistics from the Colorado Department of Labor and Environment found that the September 2015

unemployment rate for metro Denver is 3.2 percent, the lowest rate measured since May 2001. By pairing a LLHP with workforce development services, Central 70 will be in effect growing its own workforce to support the project.

CDOT has already taken the first steps toward implementing the actions set forth in the Department's October 2015 application. In early November, CDOT hosted a roundtable event where local workforce development experts and community representatives discussed strategies for promoting development of the local workforce for the Central 70 Project. This roundtable was followed by the issuance of a Request for Proposals for an assessment of existing skill sets and educational attainments of employment-aged residents of the environmental justice area, anticipated employment and skill needs of Central 70 employers, and critical skill gaps common among likely job-seekers.

4. Contribute to workforce development for future Federal-aid projects in Colorado

CDOT anticipates that the LLHP will aid the Central 70 Developer in meeting its OJT goal on this project and result in a stronger and more capable local workforce for future federal-aid projects. Colorado is a rapidly growing state, with a 40% increase in population expected over the next 20 years. As congestion continues to grow and the condition of the state's highway infrastructure declines, CDOT is working to implement a robust construction program. Through the implementation of its RAMP program, CDOT is working to bring 18 projects (totaling more than \$450,000,000) to construction across the metro area. These include major projects along C-470 (\$300 million) and North I-25 (\$79 million). By building a local workforce with experience in the construction industry, the Central 70 Project also will be helping to provide a workforce for future projects across the metro area and the state.

5. **How Proposed Contracting Requirement Protects Competitive Bidding:**

Describe and quantify how the proposed experimental contracting technique would protect the integrity of the competitive bidding process either in connection with the particular contract or when considered over the long term for that agency's program.

CDOT is committed to maintaining the integrity of the competitive bidding process by conducting a transparent selection process. The I-70 East Project is a very visible project being observed by many interested stakeholders. CDOT has selected four teams to participate in the Request for Proposal process and the executive summary of each team's Statement of Qualifications is available at <https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte/procurement/i70/i-70-east/i70eastsoqs>. CDOT also will publicly release all drafts of the project's Request for Proposals, which will be available at <https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte/projects/i-70/i-70-east-1/request-for-proposals-rfp>. If approved, the proposed contracting requirements described in this application will be added to future drafts of the RFP.

To maintain the integrity of the LLHP, CDOT is planning a series of community roundtable meetings with key workforce development stakeholders to discuss the pilot process and broader workforce opportunities as a result of the project. In addition, CDOT will set a local hiring goal based on a workforce needs assessment, which will be publicly available. CDOT also will have the opportunity to discuss this proposed requirement with the shortlisted teams through upcoming one-on-one meetings. These conversations will provide an opportunity early in the process to identify and troubleshoot implementation concerns. By setting a realistic and achievable goal, CDOT is confident that LLHP will not negatively impact the integrity of the competitive bidding process.

6. Litigation Surrounding Use of the Requirement:

Describe whether or not the proposed contracting requirement has been the subject of litigation or whether litigation surrounding the use of the requirement has been threatened.

CDOT is unaware of any litigation in Colorado related to the proposed contracting requirements.

F. Reporting

CDOT will prepare and submit initial, interim and final evaluation reports for the project per the schedule below.

December 2017

The initial report will be prepared shortly after the award of contract and will include an implementation plan for the local hire preference and describe any impacts on the competitive process.

July 2019

This interim evaluation report will be prepared early in the construction period to evaluate progress toward achieving the local hiring goal, highlight success stories, and identify lessons learned. This is combined with an amendment to the workplan that incorporates the additional information that led to the approval of the SEP14 Application.

June 2023

A final report will be submitted within six months of substantial completion of the Design/Build phase of the Central 70 phase of the contract. The final report will contain an overall evaluation of the contracting technique, any incentives paid, final local hiring participation numbers, along with any suggestions and recommendations for improving the process.

In addition to these evaluation reports, CDOT will require the developer to submit Monthly Progress reports and Semi-Annual Workforce reports with information related to the following subjects:

- Applicant Information (Monthly Progress Report)
- Residency Verification (Monthly Progress Report)
- Recruitment Resources (Semi-Annual Report)
- Supportive Services Utilized (Semi-Annual Report)
- Link to formal CDOT OJT program (Monthly Progress Report)
- Job Classification When Hired (Monthly Progress Report)
- Anticipated Length of Employment (with status checks) (Semi-Annual Report)

2019 Amendment: FHWA requested additional information to finalize this SEP-14 workplan in a memo on February 1, 2016, "What administrative controls will CDOT use to implement the LLHP provisions during the performance of the design-build contract?" CDOT's October 5, 2016 response letter is included below:

Before a worker's hours can count toward the goal, the project developer must submit an enrollment form and self-certifying residency disclosure form. Hours will be tracked by verifying zip codes on payrolls using LCPTracker.

The project developer will be required to submit monthly reports on its progress toward the Local Hiring Goal. The developer will also participate in monthly meetings and annual performance reviews with CDOT. The developer will be required to report the following information monthly:

- A) Total employment hours to date on the project, separated by skilled craft, professional services and other;
- B) Total employment hours to date on the project by local individuals;
- C) Projected local hiring employment hours for the rest of the construction;

- D) An explanation of how it intends to make up hours, if the projected local hiring employment hours fall below the local hiring goal;*
- E) A list of locally hired individuals with addresses, name of employer, type of work they are performing, pay rate, and total hours worked to date on the project; and*
- F) Any performance issues for locally hired individuals and a description of how those issues were resolved*

Additionally, CDOT will continue to partner with the Community College of Denver along with other training and nonprofit organizations to provide supportive services and training for local workers. These partners will track local workers going through their programs.

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G. Attachments

Attachment A: Map of Central 70 Project Area



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Attachment B: Map of Environmental Justice Study Area

Exhibit 5.3 -1 - Environmental justice study area



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Attachment C: Community Jobs and Workforce Needs Assessment (separate document)

Due to size, this attachment has been provided in a separate file.

Attachment D: Executed Version of the Project Agreement: Schedule 15 (separate document)

The LLHP is included in Appendix B of Schedule 15. Due to size, this attachment has been provided in a separate file.

Attachment E: WIN's Incorporation into the FasTracks Program (separate document)

Due to size, this attachment has been provided in a separate file.