



U.S. Department
of Transportation

Federal Highway
Administration

Memorandum

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

Date: February 9, 2016

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

In Reply Refer To:
HIPA-30

To: Catherine A. Batey
Division Administrator
Springfield, IL

We have received the February 1, 2016 email from Scott McGuire of your staff which:

1. Transmitted the January 13 Illinois Department of Transportation (IDOT) Local Labor Hiring Preference (LLHP) SEP-14 Workplan for the Thornton/ Lansing Road at Stony Island Avenue Intersection Reconstruction, Village of Lansing;
2. Transmitted the January 29 letter from Omer M. Osman, IDOT Director of Highways and Chief Engineer, which transmitted the above-referenced workplan and certified that the SEP-14 Workplan for this project is in compliance with Section 192 of the FY 2016 Appropriations Act.
3. Documented the Division verifying that all comments/issues have been addressed, endorsed the State DOT SEP-14 proposal per the US DOT Secretary's pilot, and requested that the Office of Program Administration grant approval.

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, intended to promote innovative contracting practices.

The reconstruction of the intersection of Thornton/Lansing Road at Stony Island Avenue in the Village of Lansing, Illinois is an approximate \$2 million project, which includes approximately \$1.6 million in FHWA funds. The scope of work involves widening and resurfacing, the addition of left turn lanes on all four legs of the intersection, and the addition of a right turn lane to the west leg. The existing pavement will be milled and resurfaced, and permanent traffic signals will be installed. IDOT states that this project is typical of its other intersection reconstruction projects completed over the past ten years and will provide a suitable project for comparison purposes.

IDOT proposes to use a contract provision that requires at least 20% of all contract labor hours that are performed must be performed by residents of the Village of Lansing, Illinois or reside within 10 miles north, south, or west of the Village border. The Contractor will receive an incentive of \$3.50 per hour for each local labor hour used on

the project with a not to exceed incentive amount of \$15,000. The contractor shall not displace any of its existing employees in order to satisfy such hiring preference.

FHWA approves the proposed use of geographic labor hiring preference and veterans hiring preference provisions on a Federal-aid project under the experimental authorities of 23 U.S.C. 502 and SEP-14. FHWA also approves the proposed use of the hiring preference incentive provision, as the incentive costs associated with the approval are eligible for participation as surface transportation workforce development and training costs, authorized by 23 U.S.C. 504(e), which provides for the use of Federal-aid formula funds for surface workforce development and training.

We are pleased to approve IDOT's SEP-14 Workplan to evaluate the use of a LLHP contract provision for the Thornton/ Lansing Road at Stony Island Avenue Intersection Reconstruction.

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.