

Remediation Responses
2023 Audit of the Residents Preference Program (RPP)



The Office of Equity and Inclusion provides leadership to create opportunities and achieve racial equity for all.

FINDING 1

Finding 1: There is no process to track and monitor apprenticeship and on-the-job training requirements and there is no process to monitor that the first-source employment program is being utilized and perform other first-source employment program responsibilities.

Remediation: The Labor Compliance Reporting (LCR) portal tracks and monitors Apprenticeship and On-the-Job Trainee (OJT). That data is then extracted into formal reports. The Human Resources Agreement (HRA) documents the requirement to utilize First Source Staffing agencies as a first source for both new and ongoing hiring efforts. We also share First Source Staffing hiring event details with developers.

Is Apprentice Verified	1	
Is Trainee Verified	(All)	
Contractor	Sum of Is Apprentice Verified	Sum of Is Trainee Verified
Blair Fire Protection, LLC	11	0
Dynamic Contracting Services	1	0
Neumann Plumbing & Heating, Inc	13	0
NSI Electrical Contractors, Inc.	18	0
Stark Pavement Corporation	13	0
Grand Total	56	0

IV. FIRST SOURCE EMPLOYMENT REQUIREMENT

A. DEVELOPER shall, in developing and constructing the PROJECT comply with the First Source Employment Utilization Requirement in MCO 355-11 by undertaking the following activities:

1. Utilizing City's first-source employment program as the first source for recruitment and referral of applicants for new and replacement employment.

FINDING 2

Finding 2: The HR agreements state that there will be an established minimum amount of required apprenticeship and on-the-job training hours to align with MCO 355-9. The minimum 5 apprenticeship and on-the-job training requirements were not established in the two projects randomly sampled for testing. The 511 Holdings project had 175 apprentice hours with no RPP Certified apprentice hours on a project with 3,247 total hours and the Seven04 project had 3,011 apprentice hours with 1,120 RPP-certified apprentice hours on a project with 41,063 total hours.

Remediation: In addition to extracting data on Apprenticeship/OJT, we utilize data from LCR to calculate a project's progress as it relates to meeting the required 25% participation from Apprenticeship / OJT. Per MCO 355-9-1-a1, the Human Resources Agreement states, "One-quarter (25 percent) of the apprentices and on-the-job trainees required for the PROJECT as measured in worker hours, shall be unemployed or underemployed residents of the CITY."

Project: Edison School - Supplementing		
Est Compl Dt:	12/31/24	FINAL
ZND	9/17/24	
Category	% Required	% Achieved
Professional Services SBE	18%	22.0%
Construction SBE	25%	35.0%
RPP Inclusion	40%	36.0%
RPP with Bonus	40%	40.0%
SIA RPP	25%	25.0%
Apprentice RPP	25%	25.0%
SIA RPP Apprentice	40%	40.0%
Section 3	25%	25.0%
Targeted Section 3	5%	5.0%

FINDING 3

Finding 3: The Office of Equity and Inclusion did not compile any annual reports on the Residents Preference Program during the 2019-2021 audit period.

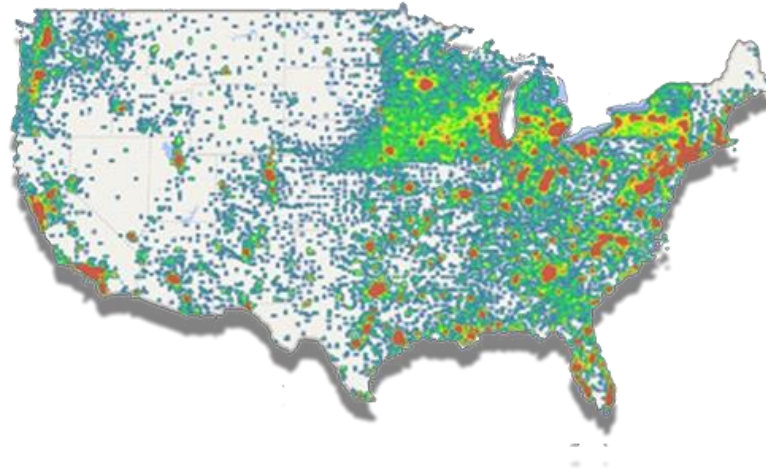
Remediation: The 2023 Annual RPP Report is complete, has been shared with the Comptroller's Office, and is being presented before the ZND.



FINDING 4

Finding 4: Nineteen of the 46 workers sampled as having Special Impact Area (SIA) designation had addresses in payroll records that were outside of special impact areas.

Remediation: OEI has teamed with ITMD to program LCR to identify, designate, and approve/pend/deny all monitored inclusion goals including SIA status. As such, any individual designated as residing in a Special Impact Area zip code goes through a review process prior to approving that status.



FINDING 5

Finding 5: Internal Audit selected a random sample of two projects completed during the audit period. For the 511 project, three employers submitted construction time reports late for ten employees. For the Seven04 project, six employers submitted construction time reports late for ten employees.

Remediation: We utilize LCR to track and monitor timely payroll entry. We then use this information to communicate and follow-up with developers as needed.

