DEPARTMENT OF TRANSPORTATION

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May 13, 2015

To: CITIES AND COUNTIES IN CALIFORNIA

METROPOLITAN PLANNING ORGANIZATIONS

REGIONAL TRANSPORTATION PLANNING AGENCIES

Dear Transportation Partners:

The purpose of this letter is to bring to your attention the new Local Labor Hiring Pilot Program (Pilot Program) and to provide you with information on how to participate in the Pilot Program. On March 6, 2015, the United States Department of Transportation (USDOT) announced a one year contracting initiative Pilot Program to allow local or other geographic-based hiring preferences, economic-based labor hiring preferences, and labor hiring preferences for veterans.

The Pilot Program is primarily intended for construction projects, but USDOT may consider the application to Architectural and Engineering contracts as appropriate. To be eligible, projects must be advertised, during the pilot period, by March 5, 2016. Awarded contracts during this pilot period may continue to utilize the approved contractual requirements throughout the life of the project. The applications may be for specific contracts, group of contracts or programmatic approvals where the agency proposes to use labor hiring preferences on more than one federal-aid project during the pilot evaluation period.

How to apply and participate in the pilot:

This Pilot Program is carried out under Federal Highway Administration's (FHWA) Special Experimental Project No. 14 (SEP-14) Authority, which allows the experimental use of innovative contracting practices.

To participate in the Pilot Program, local agencies will need to prepare and submit a SEP-14 Work Plan to the appropriate Caltrans District Local Assistance Engineer (DLAE). DLAEs will review local agency SEP-14 Work Plans for completeness before forwarding to HQ Division of Local Assistance (DLA) Area Engineers. The complete Work Plan will be submitted to FHWA for review and approval. For your convenience, we have provided a template for your use in documenting your agency's Pilot Program Work Plan (Attachment "A").

The Work Plan should include a description of the technique to be evaluated and a proposed evaluation plan. Draft special provisions pertinent to the alternative practice should also be

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included at the time of the submission. Attachment "B" contains a complete list of general requirements for the development of Pilot Program Work Plan. Additional information regarding the SEP-14 Work Plan requirements and process can be found in the link below:

FHWA Contracting Initiative and SEP-14 Information:

http://www.fhwa.dot.gov/programadmin/contracts/

Contract Initiatives Question and Answers:

http://www.dot.gov/sites/dot.gov/files/docs/Local%20Hire%20Final%20Q%20and%20A%203%209%2015.pdf

We look forward to your participation in this Pilot Program.

Sincerely,

Ray Zhang, Chief

Division of Local Assistance

Attachments:

A - Pilot Program Work Plan Template

B – Pilot Program Work Plan Development General Requirements

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