

# Request for Proposals (RFP)

## Measure HH Job Training Programs



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## **Background**

### **Measure HH**

On November 6, 2018, the residents of East Palo Alto voted in favor (79.58%) of enacting Measure HH, a parcel tax on commercial office space of 25,000 square feet or more at the rate of \$2.50 per square foot, estimated to annually raise \$1,675,000, that may be used only for the following purposes:

1. Creating and maintaining affordable and supportive housing programs, with an emphasis on the creation of net new housing;
2. Creating and maintaining programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics (“STEM”) sectors and building trades, and strengthen the City’s First Source Hiring Program; and
3. Paying for City staff and overhead costs to administer Ordinance No. 417-A (“Ordinance”) that governs Measure HH and provide an annual report that complies with the requirements of Government Code section 50075.3.

Revenue generated from Measure HH must be allocated in the following manner:

1. A **minimum** of 35% of the revenue must be used exclusively for the construction of new, affordable housing stock;
2. A **maximum** of 15% of the revenue may be used for City staff and overhead costs to administer the Ordinance and to provide an annual report; and
3. The remaining proceeds may be used for other purposes specified in the Ordinance, at the discretion of the City Council.

For a copy of the Ordinance, please see Attachment 1.

Since October 2020, the City’s consultant, Brightline Defense Project (“Brightline”) has been researching and developing recommendations for how to best utilize Measure HH revenue to provide the most practical and effective pathways to upward mobility for East Palo Alto residents.

Brightline presented its recommendations to City Council on November 1, 2021 for programs that facilitate access to job opportunities for East Palo Alto residents in the STEM sectors and building trades. The staff report that accompanied this item is provided as Attachment 2.

Based on these recommendations, the City Council directed staff to release a Request for Proposals (“RFP”) to identify qualified organizations to provide employment training programs to East Palo Alto residents in the building trades and STEM sectors.

## **Purpose of this RFP**

The City seeks assistance from a qualified organization(s) to provide job training programs that are focused on the building trades and alternative pathways into STEM sector employment. The proposed programs should demonstrate a clear “career ladder,” or a job-by-job career path, along with anticipated growth in earnings over time.

Through this RFP process, the City intends to enter into an agreement (or multiple agreements) with one or more organizations for the desired services.

Individuals and firms responding to this RFP (“Respondents”) must submit a proposal that thoroughly describes their experience, capacity, and ability to perform the services being sought by the City. Respondents may submit their qualifications to be considered for one or more of the following Service Categories, which will be ranked/rated separately:

<b>RESPONDENT QUALIFICATION SERVICE CATEGORIES</b>	
<b>Category Area</b>	<b>Description</b>
STEM Fields	Education and training programs to provide career pathways to living-wage jobs in the STEM sectors.
Building Trades	Pre-apprenticeship programs to provide an entry point to living-wage jobs in the construction sector.

## **Success in Targeting STEM & Building Trades**

Respondents should have experience successfully implementing regional education and training programs in the building trades and/or the STEM fields. Proposals will be evaluated based on Respondents’ ability to 1) demonstrate knowledge of existing employment trends, and 2) propose innovative and ambitious approaches to developing applied skills pathways and increasing employment opportunities for our residents in these key sectors.

This is the first RFP for Measure HH job training programs. A list of potential STEM jobs, including STEM-related jobs in Life Sciences and Biotech fields, that may be eligible for Measure HH funding is provided in Attachment 3; please note that this list was compiled by staff for informational purposes and may not be exhaustive. As further described in this RFP, the City welcomes input from Respondents regarding the types of employment targeted by their job training programs within the STEM fields, with a focus on achieving a living wage, as defined below.

## **Living Wage Requirement**

The City Council determined that a key objective of Measure HH is to link residents with careers that provide a living wage, understood as a wage that is sufficient to cover basic needs (such as food, shelter, transportation, childcare, and healthcare) in a particular region. This value is distinct from a minimum wage, which may be defined as the lowest amount a worker can be paid according to the law.

For the purpose of defining a Living Wage standard and hourly rate for this RFP, the City will utilize the Living Wage Calculator from the Massachusetts Institute of Technology (MIT).<sup>1</sup> A static version is provided in Attachment 4. Specific recommendations are:

- The proposed training or education program should target employment categories with earnings that are comparable to the 2021 Living Wage for a single individual with no children in San Mateo County - **at a minimum** of \$28 per hour, or \$58,240 annually.
- The City will use the Living Wage hourly rate for a single individual, rather than adjusting the rate based on household size. Using the rate per individual will increase eligibility and access to City-sponsored programs for East Palo Alto residents, regardless of the size of their family or household.

### **Ability to Leverage Outside Resources**

Measure HH revenue is not intended to fund the full administration of job training programs, but rather to augment resident participation in programs run by partner organizations. Successful Respondents will demonstrate an ability to leverage outside funding and, where applicable, the broader regional ecosystem of training programs.

### **Strategically Inclusive Programs**

In addition to an ability to leverage outside resources, Respondents should demonstrate a program design that will reduce known barriers to program participation, such as current working hours, childcare, transportation, and factors that may otherwise act as barriers for residents to access Measure HH programs.

In addition, the City is especially interested in providing training opportunities to residents in their primary language. Respondents must be prepared to provide greater detail on how their programs would be delivered to non-English speakers in East Palo Alto.

### **Key Items to Address in Response**

The City seeks a contract with professional consultant individuals or firms with the necessary expertise to provide the services described in at least one Service Category in this RFP. Key elements of the response should include:

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<sup>1</sup> See <https://livingwage.mit.edu/> for the calculator and methodology.  
January 7, 2022

## **Detailed Cover Letter**

Respondents must submit a detailed cover letter that describes the Service Category(ies) for which the Respondent is submitting a proposal(s). The cover letter must make a declarative statement that the Respondent has reviewed all aspects of the City's Contractor and Professional Services Agreement (Attachment 5), including the City's insurance requirements, and that the Respondent agrees with these documents. If the Respondent has concerns about the City's standard forms, those concerns must be identified in the cover letter. Any proposal that does not acknowledge the City's insurance and contracting requirements will be deemed **ineligible**.

## **Experience and Expertise**

Respondents shall submit a narrative describing their experience and expertise in at least one specific Service Category, providing the professional services for which the firm wants to be considered. Specific examples of similar consultant work shall be provided. If more than one entity is partnering to respond to the City's RFP, the Respondent must provide a narrative that includes the comprehensive experience of both entities.

Further, Respondents must provide resumes for key personnel who would be assigned to work on the City's projects. To be considered in more than one Service Category, Respondents should submit a separate narrative for each, clearly delineated.

Respondents must provide three references for each Service Category for which the individual/firm is applying.

## **Program Design**

Respondents must provide detailed information to assist the City in better understanding the proposed program and activities, including the following items to be addressed in this section:

- Description of job training programs that the Respondent would fund with support from the City;
- Clarification of whether the Respondent is applying for funds that support STEM or Trade programs (or both);
- Number of individuals the Respondent could support with City funding;
- Anticipated program(s) timeline, initiation, length of the program(s), and duration to program(s) completion for a customer participant;
- Description of how the program(s) would be delivered including, but not limited to: in person in East Palo Alto, in person outside of the City, and/or virtual;
- Description of how the customer participant is connected to real employment at the completion of the program(s);
- Description of where the program(s) would be offered;

- Description of how the Respondent's proposed program(s) meet the City's goal of providing job training programs for residents to achieve, upon completion, a job with compensation of at least \$28 per hour;
- Description of the Respondent's relationship with job generators who may hire residents who have participated in a Measure HH funded program;
- Description how the Respondent would measure the successes of the programs offered - what key metrics will be used to measure success;
- Description of how the Respondent will recruit East Palo Alto residents to participate in the program(s) for which the Respondent seeks City funding.

### **Statement Regarding Measure HH**

As was discussed at the City Council meeting on November 2, 2021, employment opportunities associated with STEM fields present a broader spectrum of choices than those only associated with traditional technology companies. The Life Sciences, government, and medical industries all offer STEM job opportunities, and training programs for these jobs may be supported by Measure HH funding.

Respondents shall declare that, to the best of their knowledge, the job training programs being proposed meet the intent of Measure HH. Direction of Measure HH funding to provide job training opportunities for East Palo Alto residents is a new endeavor for the City. As such, it is imperative that all aspects of the RFP process be scrutinized to ensure compliance with Measure HH.

Prior to forwarding recommendations to the City Council, City staff will make an initial determination regarding whether the programs proposed by Respondents are eligible for Measure HH funding. The City Council has ultimate authority to determine which programs are deemed eligible for Measure HH funding.

### **Cost Structure**

Respondents must submit a detailed schedule of estimated costs, on a per-participant basis. ("Cost Structure"). This Cost Structure shall:

- Fully describe the City's investment to assist an individual participant, from point-of-entry to program completion.
- Demonstrate how other funding sources would be leveraged to support the East Palo Alto resident to complete the program.
- Include, if applicable, the cost of addressing other barriers to participation, such as childcare, technology access, and transportation costs, on a per-participant basis.
- Identify any administrative overhead costs in the per-participant cost.
- Describe the process of what happens if a participant drops out of the program.

Respondents must state the total requested funding amount as product of the final, total per-participant cost and the proposed number of participants to be served.

**Evaluation Criteria**

Description	Possible Points
<p>Respondents shall demonstrate <u>experience</u> providing the services outlined in the RFP with successful results. For example, if a Respondent applies for the Service Area of providing services for STEM opportunities, that Respondent must demonstrate experience in that area. To be eligible, Respondents shall have at least the following experience providing job training and/or job placement services:</p> <ul style="list-style-type: none"> <li>• The Trades - 10-years</li> <li>• STEM - 5-years (Lead agency must have at least 5-years experience)</li> </ul>	50
<p>Respondents shall demonstrate the <u>capacity</u> to provide the services described in the RFP. Respondents shall demonstrate that they can identify eligible East Palo Alto residents to participate in the programs they would offer if awarded a City contract. Respondents may form partnerships with other organizations/entities to make their proposal more comprehensive.</p>	30
<p>Respondents shall demonstrate their ability to <u>leverage</u> the City’s funding with other funding for the purposes of providing services. It is the City’s goal to assist as many residents as possible, therefore, programs that are already leveraging additional funding, thus bringing down the City’s cost per participant, may receive higher points in this section.</p>	15
<p><u>Local</u> East Palo Alto organizations, serving in a lead or partner role, shall receive up to five points. Organizations outside of East Palo Alto may partner with a local organization to submit a proposal, however.</p>	5

Respondents applying for more than one Service Category will be rated/ranked separately for each category.

**City Council Consideration**

City staff will rate Respondent proposals, conduct interviews, and, ultimately, identify the highest rated Respondents. Staff will make formal recommendations to the City Council in Spring of 2022.

**RFP Process May Require Further Negotiation on Program Design**



The purpose of this RFP is to identify qualified entities to provide the City of East Palo Alto with job training programs funded by Measure HH funding. Proposals submitted to the City through this RFP process will be evaluated, however, future negotiations with Respondents may be necessary prior to the City and Respondent(s) executing a contract.

### **Contractor and Professional Services Agreement**

All services shall be provided in accordance with the City's Standard Consulting Services Agreement (see Attachment 5). Prospective consultants shall be familiar with, and willing to execute, all terms contained in the Agreement before submitting a proposal. Any potential exceptions to the scope of services or terms of the Agreement should be clearly identified in the response to this RFQ.

### **Insurance Requirements**

All proposals shall confirm in writing the ability to fully comply with the below insurance requirements of the City or specify items for further discussion and possible modification. Prior to entering into contract with the City, Respondent will provide evidence of:

#### **Types of Insurance**

- a. **Commercial General Liability Insurance**: Contractor's General Liability insurance shall include contractual liability coverage. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance (Commercial General Liability Insurance) on an occurrence basis as shall protect it while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as claims for property damage which may arise from the Contractor's operations under this Agreement, whether such operations be by Contractor or by any sub-Contractor or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000), in aggregate or Two Million Dollars (\$2,000,000) combined single limit bodily injury and property damage for each occurrence. Contractor shall provide the City with certificates of insurance and copies of additional insured and primary coverage endorsements evidencing the insurance coverage required by this Agreement.
- b. **Automobile Liability Insurance**: Contractor shall take out and maintain during the life of this Agreement such Automobile Liability Insurance in an amount of not less than One Million Dollars (\$1,000,000) for each occurrence combined single limit or not less than One Million Dollars (\$1,000,000) for any one (1) person, and One Million Dollars (\$1,000,000) for any one (1) accident, and Three Hundred Thousand Dollars, (\$300,000) property damage. Contractor shall provide the City with certificates of insurance and copies of additional insured and primary

coverage endorsements evidencing the insurance coverage required by this Agreement.

- c. Worker's Compensation and Employer's Liability Insurance: Contractor shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 18161 of the California Labor Code: "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement".
- d. Professional Liability Insurance: Contractor shall take out and maintain during the life of this Agreement a policy of professional liability insurance, protecting it against claims arising out of the acts, errors, or omissions of Contractor pursuant to this Agreement, in the amount of not less than One Million Dollars (\$1,000,000) per claim. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of services described herein.

### **Additional Requirements**

- a. Broader Insurance Coverage: In the event that Contractor maintains broader coverage and/or higher limits than the City's minimum requirements, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance shall be called upon to protect it as a named insured.
- b. Additional Insured Status: The City of East Palo Alto, its subsidiary agencies, directors, officers, employees, agents, independent contractors and volunteers shall be named as additional insureds on any such policies of comprehensive general and automobile liability insurance.
- c. Primary and Non-Contributory Coverage: Except for professional liability and worker's compensation insurance, the policies shall also contain a provision that the insurance afforded to the City, its subsidiary agencies, and their directors, officers, employees, agents, independent contractors and volunteers based on additional insured status shall be primary and non-contributory insurance to the full limits of liability of the policy, and that if the City, its subsidiary agencies and their directors, officers, employees, agents, independent contractors and volunteers have other insurance against a loss covered by a policy, such other insurance shall be excess insurance only.

- d. Verification of Coverage: Contractor shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause). All certificates and endorsements are to be received and approved by the City Attorney's Office at least five days before Contractor commences work to be performed pursuant to the agreement.
- e. Notice of Cancellation: Contractor shall provide thirty (30) days' notice, in writing, to the City, at 2415 University Avenue, East Palo Alto, CA 94303, of any pending change or cancellation of the policy.
- f. Deductibles or Self-Insured Retentions: Prior to the execution of this Agreement, any deductibles or self-insured retentions must be declared to and approved by City.
- g. Breach: In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, City, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

**Proposed Timeline, Submittal Requirements, and Due Date**

Event	Date
Release of RFQ	Friday, January 7, 2021
First Pre-bidders conference Respondents must register at the Zoom link provided below <a href="https://us06web.zoom.us/j/84641593723">https://us06web.zoom.us/j/84641593723</a>	Wednesday, January 26, 2022 from 10 am to 11:30 am
Second Pre-bidders conference Respondents must register at the Zoom link provided below <a href="https://us06web.zoom.us/j/89542095849">https://us06web.zoom.us/j/89542095849</a>	Wednesday, February 2, 2022 from 10 am to 11:30 am
Deadline to submit RFP questions	Friday, February 11, 2022 by 12:00 PM
City's written response (Addendum) to RFP questions	Friday, February 18, 2022 by 5:00 PM
RFP responses due	Friday, April 1, 2022 by 12:00 PM

Proposal evaluation completed by City/Respondent Interviews	Late April to Early May 2022
Notice of results (estimated)	May 2022
City Council consideration of consultant agreements	May/June 2022

### **Submittal Requirements**

Respondents must submit three (3) hard copies of each proposal submitted as well as an electronic version of each proposal on a flash drive. If Respondents are submitting proposals for multiple services, they can be combined in one hard copy as long as each proposal is clearly identified.

### **Due Date**

Respondents must email an electronic copy of their proposal to [ced@cityofepa.org](mailto:ced@cityofepa.org) and mail or deliver three hard copies of the proposal, by 12:00 PM on Friday, April 1, 2022, to the following address:

City of East Palo Alto  
1960 Tate Street, East Palo Alto, CA 94303  
Attention: Rachel Horst, Housing and Economic Development Manager

### **Questions**

Please forward any questions regarding the RFP to the Community & Economic Development Department ([ced@cityofepa.org](mailto:ced@cityofepa.org))

The deadline to submit questions for this RFP is Friday, February 11, 2022 by 12:00 PM.

The City will issue an addendum to this RFP no later than Friday, February 18, 2022 by 5:00 PM, with all questions/answers that were submitted prior to the deadline.

### **Attachments**

1. Ordinance No. 417-A
2. November 1, 2021 Staff Report
3. List of STEM Employment
4. MIT Living Wage Calculator
5. City's Contractor and Professional Services Agreement

# ATTACHMENT 1

## ORDINANCE NO. 417-A

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO IMPOSING AN ANNUAL PARCEL TAX OF TWO DOLLARS AND FIFTY CENTS DOLLARS (\$2.50) PER SQUARE FOOT ON COMMERCIAL OFFICE REAL PROPERTY GREATER THAN 25,000 SQUARE FEET

THE PEOPLE OF THE CITY OF EAST PALO ALTO ORDAIN AS FOLLOWS:

#### Section 1. Findings and Declarations.

The People of East Palo Alto find and declare as follows:

- a. Parcel taxes on commercial office space within the City may be imposed by a vote of the people.
- b. Commercial office development in East Palo Alto adds service demands, and increases housing costs, displacement, and local traffic congestion without significant job opportunities for the City's current residents. This is concerning for the City's constituents.
- c. By imposing a parcel tax on commercial office space, the City will generate revenue that can be used to fund affordable and supportive housing programs, with an emphasis on the creation of net new housing; and programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics sectors, building trades, and strengthen the City's First Source Hiring Program.
- d. By creating and maintaining programs that will support affordable housing and job opportunities for the City's residents, the City can offset some of the negative impacts caused by commercial office development, such as increased housing costs, displacement, and lack of job opportunities for current residents.
- e. The parcel tax on commercial office space will only apply to commercial office real property greater than 25,000 square feet.

#### Section 2. Revenue Purposes.

The revenue generated by the parcel tax of \$2.50 per square foot on commercial office space shall be spent only for affordable and supportive housing programs, with an emphasis on the creation of net new housing; programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics sectors, building trades, and strengthen the City's First Source Hiring Program; and City staff and overhead costs to administer the ordinance and provide an annual report that complies with the requirements of Government Code section 50075.3.

These purposes constitute the specific purposes of the parcel tax, which are legally binding and enforceable limitations on how the proceeds of the tax can be spent.

Section 3. Title.

This measure shall be known as the “Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities.”

Section 4. Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities.

The East Palo Alto Municipal Code is hereby amended by adding Chapter 3.70, sections 3.70.010 through 3.70.050, to read as follows:

**Chapter 3.70. Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities**

**3.70.010. Title.**

This Chapter 3.70 shall be known and may be cited as the “Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities.”

**3.70.020. Definitions.**

“Commercial office real property” means any parcel of real property in the City which is primarily used or leased as commercial office space. For the purposes of this tax, using property to operate an internet retailing business is a commercial office space use.

“Owner” means the person having title to real estate as shown on the most current official assessment roll of the San Mateo County Assessor.

“Parcel” means a unit of real estate in the City of East Palo Alto as shown on the most current official assessment roll of the San Mateo County Assessor.

“Person” means an individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

**3.70.030. Parcel Tax on Commercial Office Space.**

A special non-*ad valorem* parcel tax shall be levied annually on the owner of each parcel of commercial office real property within the City, at a rate of two dollars and fifty cents (\$2.50) per square foot of developed commercial office space, unless the owner is exempt by law or pursuant to section 3.70.040, in which case the parcel tax shall be assessed to

the holder of the possessory interest in such parcel, unless such holder is also exempt from taxation by law or pursuant to section 3.70.040.

**3.70.040. Exemptions.**

Parcels with less than 25,000 square feet of developed commercial office space are exempt from section 3.70.030.

**3.70.050. Use of Revenue.**

A. The proceeds of the parcel tax shall be used solely for the purposes set forth in this section. The proceeds collected by the levy of the parcel tax shall be used to:

1. Create and maintain affordable and supportive housing programs, with an emphasis on the creation of net new housing;
2. Create and maintain programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics sectors, building trades, and strengthen the City's First Source Hiring Program; and
3. Pay for staff and overhead costs to administer the ordinance and provide an annual report that complies with the requirements of Government Code section 50075.3.

B. The revenue of the parcel tax shall be used in the following manner:

1. A minimum of 35% of the revenue shall be used exclusively for the construction of new, affordable housing stock.
2. A maximum of 15% of the revenue shall be used for staff and overhead costs specified in section 3.70.050.
3. The remaining proceeds may be used for any of the other purposes specified in Section 3.70.050(A) at the discretion of the City Council.

C. The purposes set forth in this section shall constitute the specific purposes of the parcel tax, which are legally binding and enforceable limitations on how the proceeds of the tax can be spent.

**3.70.060. Accountability.**

Upon the levy and collection of the tax authorized by this ordinance, an account shall be created into which the proceeds of the tax shall be deposited. The proceeds of the tax authorized by this ordinance shall be applied only to the specific purposes identified in this ordinance. An annual report that complies with the requirements of Government Code section 50075.3 shall be filed with the East Palo Alto City Council annually.

Section 5. Method of Collection.

The parcel tax imposed by this ordinance shall be collected by the County with the other property taxes unless another method of collection is designated by the City Council.

Section 6. Amendment.

By approving this ordinance, the voters authorize the City Council to amend this tax without subsequent voter approval, provided such amendment does not increase the amount of tax paid by any taxpayer in excess of the rate set forth in this ordinance or change the allowed uses for the tax revenues.

Section 7. Conflicting Measures.

This measure is intended to be comprehensive and fully address and occupy the field of taxation of parcels of commercial office real property in the City. It is the intent of the people of the City of East Palo Alto that in the event this measure and any other measure relating to taxation of parcels of commercial office real property in the City, appear on the same ballot, the provisions of the other measure shall be deemed in their entirety to be in conflict with this measure. If this measure receives a greater number of affirmative votes than any conflicting measure or measures, this measure shall prevail in its entirety, and all provisions of such other measure or measures shall be null and void in their entirety. If this measure is approved by the voters but does not receive a greater number of affirmative votes than any other measure(s) appearing on the same ballot relating to taxation of parcels of commercial office real property in the City, then this measure shall take effect to the extent not in conflict with said other measure(s).

Section 8. Severability.

If any word, phrase, sentence, part, section, subsection, or other portion of this Ordinance, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this chapter, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The People of the City of East Palo Alto hereby declare that they would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional.



Section 9. Required Vote.

The City Council shall levy the special tax provided for herein upon approval of two-thirds of the votes cast by qualified voters of the City voting on this measure in the election.



**EAST PALO ALTO  
CITY COUNCIL  
STAFF REPORT**

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**DATE:** November 1, 2021

**TO:** Honorable Mayor and Members of the City Council

**VIA:** Jaime M. Fontes, City Manager *Jaime M. Fontes*

**BY:** Rachel Horst, Housing Project Manager  
Amy Chen, Community & Economic Development Director

**SUBJECT:** Measure HH Study Session

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**Recommendation**

Conduct a Study Session and provide direction on the Measure HH Program.

**Alignment with City Council Strategic Plan**

This recommendation is primarily aligned with:

Priority No. 2: Enhance Economic Vitality  
Priority No. 6: Create a Healthy and Safe Community

**Background**

*Measure HH*

On November 6, 2018, the residents of East Palo Alto voted in favor (79.58%) of enacting a parcel tax, titled Measure HH, on commercial office space of 25,000 square feet or more at the rate of \$2.50 per square foot. Measure HH was estimated to raise \$1,675,000 annually. Ordinance #417-A ("Ordinance"), which governs the parcel tax, restricts its use to the following purposes:

- Creating and maintaining affordable and supportive housing programs, with an emphasis on the creation of net new housing;
- Creating and maintaining programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics (STEM) sectors and building trades, and strengthen the City's FSH Program; and,
- Paying for City staff and overhead costs to administer the ordinance and provide an annual report that complies with the requirements of Government Code section 50075.3.

Revenue generated from HH must be used in the following manner:

- A minimum of 35% of the revenue must be used exclusively for the construction of new, affordable housing stock;
- A maximum of 15% of the revenue may be used for City staff and overhead costs to administer the Ordinance and to provide an annual report; and,
- Remaining proceeds may be used for any of the other purposes specific in the Ordinance at the discretion of the City Council.

In 2018, Measure HH was proposed and passed by voters and the City staff started to develop job training programs and a reapproach to the FSH Policy.

The City then sought consultants experienced in each area to identify strategies which would maximize the impact of Measure HH funding. On October 6, 2020, the City Council approved a \$125,000 agreement with Brightline Defense Project (“Brightline”) to provide review and analysis of the Measure HH program and an agreement with Emerald Cities Collaborative (“Emerald Cities”) for \$125,000 to provide review and analysis of the FSH policy.

### *Progress to Date*

Over the last year, staff has been working with Emerald Cities and Brightline to research and develop recommendations for City Council consideration. Progress milestones are detailed in Table 1 below:

<b>TABLE 1</b>	
<b>Date</b>	<b>Milestone</b>
January 27, 2021	Informational Community Kick Off meeting of Measure HH and FSH
June 15, 2021	City Council Meeting: FSH Policy - Best Practices Overview <sup>1</sup>
July 20, 2021	City Council Meeting: Measure HH – Funds Disbursement Recommendations <sup>2</sup>
September 8, 2021	Measure HH Public Meeting
September 29, 2021	FSH Public Meeting

A summary of the City Council meetings is further described below, and staff reports and public meetings<sup>3</sup> may be found on the City’s webpages.

The purpose of this staff report is to discuss staff recommendations and seek further direction on the Measure HH Program.

## **Analysis**

<sup>1</sup> June 15, 2021 City Council Meeting:

[http://eastpaltoalto.ig2.com/Citizens/Detail\\_LegiFile.aspx?Frame=&MeetingID=1402&MediaPosition=18039.335&ID=1775&CssClass=](http://eastpaltoalto.ig2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1402&MediaPosition=18039.335&ID=1775&CssClass=)

<sup>2</sup> July 20, 2021 City Council Meeting:

[http://eastpaltoalto.ig2.com/Citizens/Detail\\_LegiFile.aspx?Frame=&MeetingID=1420&MediaPosition=13121.624&ID=1819&CssClass=](http://eastpaltoalto.ig2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1420&MediaPosition=13121.624&ID=1819&CssClass=)

<sup>3</sup> Public Meetings: <https://www.ci.east-palo-alto.ca.us/econdev/page/measure-hh-first-source-hiring>

## Measure HH

At the July 20, 2021, City Council meeting, the Brightline team presented the progress on research and recommendations for the Measure HH program – please see Attachment 1 – to view the staff report from July 20, 2021 . The general consensus among the group was that efforts to date were appropriately targeted, and additional analysis should continue with an emphasis on pre-apprenticeship programs in the building trades as well as pilot programs focused on alternative career paths in the STEM fields. Some specific feedback and action items from the meeting included the following:

- Initially, the primary focus should be on pre-apprenticeship programs in building trades, ideally through partnership with an existing organization to leverage the existing ecosystem of these programs in the region.
- Programs creating paths to STEM careers should be approached carefully to ensure they are handled properly. It is important that these programs be effective, so an ideal plan would start with pilot initiatives to develop small but scalable successes.
- Internships are recognized as viable but not ideal options. However, they are worth exploring so long as the focus is on supporting individual candidates versus subsidizing corporations.
- City Staff may begin drafting a sample Request for Proposals (RFP) for both building trades and STEM-related programs.
- Brightline and City Staff should identify at least ten community-based organizations/companies/training programs to target for RFPs.
- Brightline should construct “career ladders” for any recommended initiative which demonstrate a job-by-job career path along with estimated growth in earnings over time.
- Recommendations and ideas for Measure HH funding should be broad. City Council should have wide discretion to identify initiatives which would maximize the impact of HH spending.
- Organizations that provide Measure HH services should meet minimum eligibility standards prior to applying for Measure HH funding.
- The City should define “upward mobility” or “career ladders” to assist with identification of programs that may be eligible for Measure HH funding.
- The role of the City, at least initially, would be to seek, secure, and administer contracts with organizations that provide Measure HH services, while maintaining ultimate oversight of the program.
- In an effort to measure the successes of the program, the City should establish clear objectives and target metrics to which organizations providing Measure HH programs should adhere.

### *Activity and Analysis Since July 20, 2021*

Following the July 20<sup>th</sup> session, Brightline has moved from the general analysis stage to focus on identifying specific models for Council consideration, including recommendations regarding the most effective and practical initiatives. Specific actions Brightline has taken during that time include the following:

- Identified one to three models for each target area (i.e., building trades education, STEM training and education, etc.) and analyzed each to determine which are worthy of

promotion and which are impractical.

- Performed legal analysis to determine if there are any impediments to broadening the reach of Measure HH to include initiatives which are not explicitly spelled out in the text of the statute (i.e., life sciences careers, entrepreneurship, self-study programs).
- Researched and prepared specific metrics including career ladder data and estimated cost data for each proposed initiative.
- Conducted focused research on life sciences careers and available training resources, tech apprenticeships, entrepreneurial services, and potential partners in building trades pre-apprenticeship programs.
- Led a virtual Public Meeting on September 8<sup>th</sup> to present several proposed initiatives for community feedback.
- Met with several additional stakeholders. Please see Appendix A to the Workforce Development Recommendations Report attached hereto.

### *Key Conclusions of Measure HH*

After months of research and analysis, Brightline has come to the following general conclusions which have guided the recommendations included herein:

1. Broadly, “upward mobility” refers to the movement of an individual or family from one social level or stratum to a higher one. This typically means a rise to a position of greater power and status. For East Palo Alto, this should more specifically refer to economic advancement, with an individual or family’s improved social status chiefly reflected in an increase in income and wealth. The Measure HH Program should ensure that East Palo Alto residents are equipped to follow career paths necessary to keep up with the Bay Area’s abnormally high cost of living.
2. When compared to the budgets for workforce development programs in other Bay Area municipalities, the revenue generated by Measure HH, while significant, is not sufficient to try and mimic those programs. East Palo Alto must instead draw inspiration from numerous ideas and take a more distributed approach to funding – select several small initiatives to support which: 1) have a clear path to placing local residents in sustainable career pathways, and 2) are scalable to produce more job training and placement results for the community.
3. Rather than funding general training programs, the City’s Measure HH investments should be targeted to assisting specific individuals achieving higher wage jobs. Compensation would be based on the number of East Palo Alto residents that an organization supports through commitment to and completion of a specific workforce training program.
4. The City should consider funding related activities that eliminate barriers to participation in a job training program, such as the need for childcare, transportation, or wages. When the City issues a future Request for Proposals or Qualifications to subcontract for Measure HH services, the City may require that applicants incorporate related barrier-reducing services in their calculation of a per participant cost: childcare, transportation, hourly stipend, etc.
5. Due to limits on total revenue and the percentage of that revenue available for

administrative expenses, it is imperative that any new initiatives leverage the expertise of well-established third-party organizations, be they community-based organizations (CBOs), training programs, non-profits, or even for-profit companies. CBOs that are not based in East Palo Alto may consider partnering with organizations that are located in and serve the East Palo Alto community.

6. Pre-apprenticeship programs for building trades are the best first initiative to delve into. There are already several partner programs with long-standing infrastructure in place and a history of success. Early conversations with them have suggested paths to establishing East Palo Alto-specific cohorts that can be fed into existing program(s). All that is missing is a clear expectation as to the cost – information which will become available once an RFP process is in place.
7. STEM jobs are highly sought after, competitive, and present multiple barriers to entry. Educational requirements remain the toughest barrier to entry, and even when hired, minority employees face retention rates much lower than the industry average. To date, industrywide investments exceeding \$1B have not improved representation. However, tactical investments with Measure HH can help guide skilled East Palo Alto residents to this sector.
8. HH-funded initiatives aimed at finding alternative career paths to STEM careers should be modest ventures at the outset. Because tech companies are reticent to look at alternative candidates, it will be imperative that those companies have successful case studies they can believe and invest in. East Palo Alto must be deliberate and patient with these programs so that they may take root and grow over time.
9. The life sciences industry has an established presence in the Bay Area, and the mid-peninsula specifically, which makes it a good source of middle-income jobs. Research has shown that there are a large number of jobs, specifically various lab technician positions at anchor institutions such as Stanford University, whose education requirements do not rise above an AA degree. Coupled with the promise of potentially 3,000-4,000 new R&D/lab jobs associated with the Ravenswood District development, there is an opportunity to train residents to fill both existing and future positions.
10. In line with the language of Measure HH, City Council should exercise broad discretion in identifying potential programs to fund. This means expanding the definition of what is eligible for funds in order to serve the widest variety of options. While there are specific initiatives that are of a higher priority and offer the most logical path to jobs with a middle-income or higher, there are other smaller ideas which may provide equally valuable opportunities. Examples include subsidization of self-study/self-certification programs as well as support for entrepreneurs and artists.
11. Both the Measure HH programs and the new First Source Hiring policy will be best served by being connected in some way. This may include job set asides for graduates of HH programs and priority recruitment.

### *Key Challenges of Measure HH*

While there is a fairly clear path to getting new programs approved and funded, there remain several challenges which must be considered moving forward. Some are manageable, but

others may require additional efforts or funds to mitigate and should be part of the Council's considerations.

1. Notification – One of the biggest issues with the First Source Hiring Policy has been the difficulty in getting notice of new jobs from employers to potential resident candidates. A similar issue exists regarding recruitment for any of the various programs being contemplated here. Though programs may be well set up for success, without a significant pool of qualified candidates they will exist in a vacuum. It will be important to create a central source of information that covers what the programs offer, their requirements for application and acceptance, what responsibilities and benefits they carry, etc. It will be equally important that EPA community organizations be directly tied into this information hub and that they be the key disseminators of that information.
2. Staffing – City Staff capacity is already highly leveraged with a wide variety of duties, and any new programs will add strain on staff bandwidth. While HH does allow for funds to be used to cover administrative costs, the cap at 15% will limit how many new resources can be brought in, focused solely on administering HH programs. Ultimately, as HH revenues grow in line with new development, staffing may become easier, but until then the City will need to rely heavily on third parties who already have the infrastructure in place to handle these new initiatives. Although the current administrative cap is 15% of Measure HH revenues, participating organizations will have the opportunity to propose an administrative cost structure as a portion of their proposed per capita (or per participant) costs.
3. Uncertain Revenue – Because the Measure HH tax responsibilities are tied directly to large, new developments, there may be a disincentive for developers to build properties which might fall under the HH umbrella. This disincentive may result in the abandonment of a project, but more likely will lead to increasing requests by developers for alternative “off ramps” in lieu of compliance with the parcel tax obligation. While early indications are that this is not the case for developers already queued up for new projects, there may be concern that future revenues generated by Measure HH will be negatively affected.
4. Compliance – There is no promise that, even with a well-trained pool of resident candidates, companies choosing to reside in East Palo Alto will provide more than “good faith” efforts to hire those candidates. The language of the revised First Source Hiring Policy will need to be such that companies entering the City invest in not only the land but the community.
5. Meeting Community Needs and Expectations – A balancing act is required in choosing any new programs to support, one which takes into account the types of jobs that the people of East Palo Alto are striving for while also allowing for a pragmatic approach that focuses on the realities of what jobs are available that also fulfill an individual's economic needs to live in this region.

### *Staff Recommendations*

With full acknowledgement that implementation of these new processes will require significant cycles learning and adaptation, staff recommends the following actions:

Item	Recommendation
Establish definition of “upward mobility”	Consider programs that provide participants with real opportunities to complete training and be earning a “living wage” <sup>4</sup> within three years.
Establish minimum eligibility standard for service providers	Organizations should demonstrate at least 10 years of experience in providing direct job training and/or job placement services.
Postpone establishment of specific budget amount for Measure HH services	City Council delay the establishment of a specific budget allocation associated with the first RFP, so that respondents focus on a desired outcome and appropriate process and scaffolded supports to achieve those outcomes.
Issue Request for Proposals (RFP) to identify first Measure HH programs	<p>City should issue the first RFP to identify Measure HH program providers with the following parameters:</p> <ul style="list-style-type: none"> <li>• An ample 3-month response deadline</li> <li>• Apply to both STEM and the trades</li> <li>• Require proposals to be calculated on a per-participant-to-completion cost structure</li> <li>• Proposed scoring: <ul style="list-style-type: none"> <li>○ Demonstrated experience - 50 pts</li> <li>○ Ability to perform - 30 pts</li> <li>○ Funding leverage - 15 pts</li> <li>○ East Palo Alto organization - 5 pts</li> </ul> </li> </ul> <p>Alternatively, the City Council could direct staff to draft an RFP with other specific elements and return for further discussion prior to issuance.</p>
City Council consideration of Measure HH programs	At the conclusion of the RFP process, staff would review, evaluate, and formulate recommendations for City Council consideration.

**Next Steps**

Following the November 1, 2021, Study Session, staff and the consultants will follow up on these action items:

- Issue RFP by November 15, 2021, and with submittal required by March 2022 (exact date to be determined).
- Direct staff, in partnership with Brightline, to review and evaluate proposals and return

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<sup>4</sup> Broadly, “living wage” refers to the minimum income necessary for a worker to meet their basic needs. A living wage includes food, housing, and other essential needs such as clothing. The goal of a living wage is to allow a worker to afford a basic but decent standard of living through employment without government subsidies. Note a living wage is not the same as a local minimum wage, where local jurisdictions can set those and in this case the City of East Palo Alto has established in 2020 and took effect on January 1, 2021.



to the City Council in April 2022.

### **Fiscal Impact**

There are no fiscal impacts associated with the items discussed in this staff report.

### **Public Notice**

The public was provided notice of this agenda item by posting the City Council agenda on the City's official bulletin board outside City Hall and making the agenda and report available at the City's website and at the San Mateo County Library located at 2415 University Avenue, East Palo Alto.

### **Environmental**

The action being considered does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

### **Attachments**

1. Workforce Development Recommendations

Prepared by: Brightline Defense

# MEASURE HH APPROPRIATIONS

## Proposed Workforce Development Initiatives

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### Introduction

In 2018, Measure HH was enacted to create a new revenue source for the City of East Palo Alto to improve equity for its residents in the job market. Coupled with an updated First Source Hiring Policy, Measure HH funds will be leveraged to give the residents of East Palo Alto equal access to jobs in which they have historically been underrepresented.

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Brightline Defense has been tasked with providing recommendations to the City Council for initiatives that will best utilize Measure HH revenue, and which will provide the most practical and effective pathways to upward mobility for East Palo Alto residents.

Through Brightline's research, analysis, and conversations with dozens of stakeholders, we have identified three sectors which offer the most opportunity for upward mobility: construction, life sciences, and the tech industry. Additionally, a commitment to supporting small business owners and entrepreneurs located in East Palo Alto can benefit not only those residents but the community as a whole.

Below are several proposed initiatives intended to assist residents in finding alternative career paths to jobs that will provide a level of income necessary to exist and thrive in the Bay Area. For a number of these proposals, it is recommended that the City work to build collaborative partnerships with organizations both inside and outside East Palo Alto city limits. Because many of these workforce development initiatives are new even for their sectors, it will be necessary to leverage the expertise of outside organizations that have shown success in other cities. However, the ideal partnership with an organization located outside of East Palo Alto would happen in collaboration with one or more community organizations operating within the City. It is essential that the community and its representative groups actively participate in the City's new workforce development programs to ensure their success.

The role of the City, at least initially, would be to seek, secure, and administer contracts with organizations that provide Measure HH services, while maintaining ultimate oversight of the program. In an effort to measure the successes of the program, the City should establish clear objectives and target metrics to which organizations providing Measure HH programs should adhere.

Four key areas have been identified as the best paths to upward mobility:

***I. Building Trades***

Several new development projects are currently in place or are being contemplated in East Palo Alto, including specifically The Landing Waterfront Development and the Ravenswood Business District Specific Plan Area. In addition to providing new full-time job opportunities, these projects also offer an opportunity for construction and building jobs that can be filled with East Palo Alto residents. However, demand requires supply, and it is recommended that the City invest in programs which will provide residents a pathway into building trades jobs.

The best entryway to a construction career is through a pre-apprenticeship program. Better access to a pre-apprenticeship program provides long-term career pathways as well as prevailing wages and benefits, all without the need for an advanced degree. Any support for pre-apprenticeships will also require a

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commitment to providing parallel education to young adults who may not see vocational training as a viable alternative.

## **II. Technology and STEM Careers**

High tech companies staff a significant number of jobs which provide upward mobility in the San Francisco Bay Area. However, those jobs come with two significant barriers which make entry difficult.

First, the tech career path typically requires a minimum of a four-year degree, with only a number of opportunities to build job skills through alternative paths such as internship or apprenticeship. Because it is also not efficient or reasonable to expect a large swath of the community to finance and complete a four-year degree program, Measure HH funding may instead resource non-traditional career paths and training for qualified individuals who would otherwise be ignored by private tech sector employers.

Secondly, Measure HH resources are relatively small, especially when compared to larger private sector investments. While the tech community has made a commitment to improve diversity in hiring across the industry (including over \$4.5 billion<sup>1</sup> in new initiatives in 2020 alone), a vast majority of tech companies have shown little to no improvement in their diversity and inclusion. Black and Latinx individuals make up the largest demographic portion of East Palo Alto, and as of this year they make up only 4.7% and 6.8% of tech employees, respectively, a 0.4% and 0.5% increase in each since 2014.

The proposals below are intended to respond to these challenges and create access to qualified and deserving individuals who have been otherwise excluded from participating. However, these barriers are significant and cannot be broken down overnight. Additionally, Measure HH resources are smaller compared to current private sector funding commitments aimed at improving diversity, so a focus on relationship building will be key in helping the community access these more lucrative careers.

## **III. Life Sciences and Biotech**

The life sciences and biotech industries qualify as STEM-related careers and may include accessible middle-income jobs to East Palo Alto residents without 4-year

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<sup>1</sup> Blendoor, *State of DEI in Tech 2021: An analysis of the diversity, equity, and inclusion performance (and pledges) of 240 tech companies in 2020*, <https://blendoor.com/assets/resources/SODT-2021.pdf>.

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degrees. Lab technician positions are the best example as they can provide a living wage often with only a 2-year degree requirement. Life sciences and biotech companies remain a robust sector in the Bay Area,<sup>2</sup> with both industries expected to continue to grow in the near future. East Palo Alto is well positioned in particular and already has access to a potential anchor institution in Stanford University.

#### ***IV. Entrepreneurship***

Developers seeking approval for new projects in East Palo Alto have professed a commitment to include rent-free space set aside for resident small businesses and entrepreneurs. A program to partner with local small business training programs would give EPA entrepreneurs the tools to take advantage of these community spaces and grow their businesses in a way that would not have otherwise been possible.

From the four target areas above a total of eight initiatives have been chosen for final analysis and potential recommendation. They are discussed below as part of one of three tiers: Best Option, Further Discussion, or High Cost. Proposals in Tier 1 are likely to offer the quickest results and highest return on investment. Tier 2 proposals present creative solutions that may have one or more impediments to success. The final tier contains ideas that were seriously considered but have been deemed less than ideal based on cost, logistics, legal impediments, or other obstacles.

Lastly, analysis for each option will include the following:

- Proposed Structure: Several key elements of the proposed initiative are presented. These elements are meant to represent the core structure of that program and are not meant to be an exhaustive list.
- Financial Impact/Cost: An analysis of what factors will contribute to expenses and, where it can be determined, an estimated dollar cost for the proposed initiative in whole or in part.
- Career Ladder: Sampling of jobs and their salaries a typical program participant may progress through as part of a normal career path for that industry. Not all initiatives have a determinable career path.
- Ongoing Relevant Programs: A sampling of local programs which may be appropriate partners for each initiative, where most have been identified through stakeholder outreach.
- Stakeholder Feedback: Direct quotes or summaries of conversations from a variety of stakeholders. Feedback has been acquired through direct conversation with key

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<sup>2</sup> Northern California claims the largest cluster of biotech companies in the nation. According to the San Francisco Center for Economic Development, the Bay Area is home to about 1,377 life science and biotech companies, employing more than 140,000 people. <https://www.monster.com/career-advice/article/healthcare-9-locations-for-biotech-jobs-0916>.

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representatives of training academies, non-profits, developers, for-profit companies, research facilities, community-based organizations, and residents. Feedback is included for informational purposes only and is used only as part of the recommendation process.<sup>3</sup>

- **Brightline Analysis:** Conclusions by Brightline after consideration of numerous factors, including a program's estimated expense, logistical considerations, viability, stakeholder and community feedback, and historical and forecasted data.

## **TIER I: Best Options**

### **Model 1.1 – BUILDING TRADES: Pre-Apprenticeship through a third-party organization**

#### Proposed Structure:

- City Council would establish minimum eligibility criteria organizations must meet to be considered for Measure HH funding.
- Partner organizations would be required to make a formal response to a Request for Proposals (RFP) to be designed by City staff subject to final approval by the City Council.
- Responses to the Pre-Apprenticeship RFP would be reviewed by City staff for formal recommendation to the City Council for funding approval.
- Programs would be open to all residents, likely with a focus on attracting residents aged 18-25. Recruitment would come through local job training organizations and a City-sponsored advertising initiative in conjunction with local high schools. Funds for advertising and recruitment would ideally come from Measure HH funds, however, should they not be eligible, consideration should be given to using General Funds for this initiative.
- Measure HH funds would be used to provide a financial supplement to resident candidates who are accepted to an approved pre-apprenticeship program. This supplement/stipend is intended to offset any lost wages during a candidate's vocational training.
- Residents would be required to meet certain requirements which would include:
  - Age 18 or older
  - East Palo Alto residency (proof required)
  - High School Diploma or GED
  - Valid Driver's License
  - Any other requirements as prescribed by a partner organization upon their approval
- In as much as is possible, any East Palo Resident who completes an approved pre-apprenticeship program through Measure HH funding would be a priority candidate

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<sup>3</sup> See Appendix A for a full list of stakeholders contacted in association with this project.

for First Source Hire positions with developers building in East Palo Alto, pursuant to their contract covenants.

Financial Impact/Cost:

The expense for this program would be determined by several factors, most specifically (1) number of candidates, (2) number of approved program participants, (3) the recommended per person stipend, (4) administrative costs for staff and materials earmarked to run this program, and (5) any incidental expenses approved by the City Council (i.e., transportation allowance, educational materials/books, uniform allowance, etc.)

Career Ladder:

<b>Position<sup>4</sup></b>	<b>Duration/ Experience</b>	<b>Salary Range</b>	<b>Median Salary</b>
Pre-apprentice candidate	6-12 months	None	None
Apprentice	24 - 60 months <sup>5</sup>	\$14 - 27/hr <sup>6</sup>	N/A
Entry Level	0 - 1 years	\$36,800 - \$68,800	\$48,600
Journeyman	Varied	\$53,000 - \$91,000	\$68,900
Specialist	Varied	\$61,600 - \$97,800	\$77,600
Supervisor	Varied	\$62,750 - \$116,000	\$91,500
Advanced Professional: Field Superintendent, Project Manager, Estimator, Planner, Scheduler	Varied	\$80,750 - \$155,000	\$121,000

<sup>4</sup> Data is taken from several sources with a focus on eight trades highlighted by the Trades Orientation Program and which are considered to be accessible and common apprenticeship programs: Welding, Carpentry, Electrical, Masonry, HVAC, Plumbing, Roofing, and Sheet Metal. Advanced careers used include Superintendents, Project Management, Estimation, Construction Management, Planning, and Scheduling.

<sup>5</sup> Estimates come from a review of 15 relevant programs recommended for San Mateo County by the California Department of Industrial Relations, [https://www.dir.ca.gov/databases/das/results\\_aiglist.asp?varCounty=SAN+MATEO&varType=%25&Submit=Search](https://www.dir.ca.gov/databases/das/results_aiglist.asp?varCounty=SAN+MATEO&varType=%25&Submit=Search).

<sup>6</sup> Not all programs list a salary. Most are based on state requirements for a minimum apprentice salary.

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Senior Level/ Management	Varied	\$112,000 - \$206,000	\$162,000
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Ongoing Relevant Programs:

- Trades Orientation Program (Santa Clara)
- Trades Introduction Program (San Mateo)
- Work2Future
- SJ Works

Stakeholder Feedback:

- Key aspects of a successful pre-apprenticeship program: partnered with registered apprenticeships; tailored strategies for targeting needs of key populations; focus on “one on one” engagement to provide direct and long-term support.
- Be aware of barriers: geographic, language, education. Need to make sure that candidates can not only succeed in the pre-apprenticeship program, but that they will also be successful in future stages/jobs. Know your barriers and be prepared to mitigate them up front.
- Success comes in two parts: identify what the path is to a livable wage and identify what a candidate wants to do - then try and link the two.
- Focus on recruitment.

Brightline Analysis:

Out of all the initiatives considered, getting East Palo Alto residents enrolled in a pre-apprenticeship program offers the clearest path to success. Construction jobs meet three key criteria: (a) a significant increase in building in the Bay Area has created a strong demand for workers,<sup>7</sup> (b) construction jobs are typically middle to high-income jobs relative

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<sup>7</sup> According to Plan Bay Area 2040, a 2017 report by the Association of Bay Area Governments, projected employment in the Construction sector was expected to grow by 49% from 2015 to 2040. [http://2040.planbayarea.org/files/2017-07/Regional%20Forecast%20Supplemental%20%20Report\\_Final\\_7-2017\\_0.pdf](http://2040.planbayarea.org/files/2017-07/Regional%20Forecast%20Supplemental%20%20Report_Final_7-2017_0.pdf).

Those projections may currently be considered high following a downturn in construction projects during the COVID-19 pandemic. However, in their August 2021 California Economic Outlook report, Bank of the West has projected construction to grow significantly over the remainder of 2021 and through 2022 as projects which were stalled by the pandemic begin to restart. <https://www.bankofthewest.com/alpha/wealth-management/insights/economic-report/california-economic-outlook-august-2021.html>.



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to the median income for East Palo Alto, and (c) construction jobs do not carry the same advanced education requirements as STEM-related careers.

Pre-apprenticeship is the best entry point for a new candidate due to the less restrictive requirements to apply and the quality of the available programs. The programs which have been identified as potential partners for EPA have a long track record of success and are well-respected within the region. They carry the expertise and relationships which take years to build, and which the City would be wise to leverage rather than replicate.

Because construction job training programs and partnerships are well-established, Brightline recommends that City Council adopt this approach and seek to create an East Palo Alto cohort within an existing pre-apprenticeship program. It is further recommended that funding be used to subsidize the expense of creating such a cohort as necessary. To encourage better job trainee retention for a pre-apprenticeship program, funding may also be used to create a stipend for residents who are choosing between holding a full-time, low-paying job versus committing to the training cycle needed to enter a construction trades field.

### **Model 1.2 – TECHNOLOGY: Individual Education and Certification (coding academies, scholarships, independent study)**

#### Structure:

- Measure HH funds would be made available to assist East Palo Alto residents in paying for independent study programs. Additionally, funds could be made available to local coding academies to provide training to residents.
- City Council would establish the minimum eligibility criteria individuals and organizations must meet to be considered for Measure HH funding.
- For organizations, they would be required to make a formal response to a Request for Proposals (RFP) to be designed by City staff and with the final approval of the City Council.
- Responses to the Coding Education RFP would be reviewed by City staff for formal recommendation to the City Council for funding approval.
- For individuals, they would be required to fill out an application which would be designed by City staff. A list of pre-approved certification programs would also be generated and maintained by staff.
- An application would be subject to approval by either a new hire or an existing staff member. That individual/department would also be responsible for tracking disbursement, relevant documentation, and the tracking of each application and its applicant's progress.
- This program would also create a case manager position to track the progress of both approved applicants as well as coding academy graduates to assist them with job search, networking, and soft skills training. In lieu additional staffing, these duties might also be contracted out to an existing job training center.

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### Financial Impact/Cost:

Fairly low depending on how administrative services are resourced (new hire versus outsource). Overall, expense will depend primarily on community interest and follow-through by approved candidates.

As an example, Mission Bit in San Francisco provides skills training to adult candidates to become a Sales Development Representative. Programs are held virtually and include a \$1,000 stipend with a \$400 set-aside for technology (i.e., Chromebook). With fifteen students per cohort, three cohorts per year, the estimated cost to fund the same number of candidates in this program would be \$63,000 per year for candidate support plus some portion of the expense to pay educators.

### Career Ladder:

A career ladder for coding academy graduates and independent study certifications would eventually mimic that of a candidate who participates in an internship arranged by a third party. The main differences will be that (a) participants in this program will require more independent effort to accelerate their career development, and (b) participants in this program may be required to start with an entry level position not included in the original career ladder.

### Ongoing Relevant Programs:

- JobTrain
- Live in Peace
- StreetCode Academy
- YearUp
- Code2College
- Mission Bit
- /dev/color
- Publicly accessible training including, but not limited to: Google Grow, Microsoft Imagine Academy, Byte Back, and Per Scholas

### Stakeholder Feedback:

- Training program staff have noted that a virtual model has created a better opportunity to scale education programs. Primarily it allows for reduced waste as class sizes can be anticipated (no instructors teaching to empty rooms), expands the geographic reach of a program, and it removes the travel barrier to attend.
- Biggest issue with training programs is a lack of “soft skills” training. This is difficult in a classroom setting but is even more difficult in a virtual setting because students are unable to see and mimic other professional behaviors.<sup>8</sup>

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<sup>8</sup> This observation was repeated by all types of training organizations, including coding academies, training services, internship programs and apprenticeship programs.

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- Goals need to be defined and clear. There must be more than just a “STEM program.” Candidates need to know what they want to do, and those guiding them need to have tools in place to get them there.
  - Training program staff have also noted one big issue is confidence. Candidates lack the tools to compete and do not start on equal footing. The goal is to get candidates to the same level where they can compete.

### Brightline Analysis:

Self-study and self-certification are a great way to get the community engaged in the process at a manageable and reasonable price point that can guarantee access to anyone. It additionally creates base skillsets in residents that can meet the requirements to get into more advance programs such as an internship or apprenticeship.

The real challenge of this initiative would be the administrative side, where requests for self-education grants would need to be vetted, approved, and verified after the fact. It is unlikely new staff would be created for this initiative, but the amount of work involved could be mitigated with a pre-approval process. East Palo Alto is home to numerous community organizations and training centers who are already well respected. The majority of the work for this program would involve the design of a system which tracks a candidate from intake, to funding, to completion, where specific benchmarks are put in place to control funding throughout the process. For pre-approved service providers, this could mean directly funding programs simply based on the number of local resident participants.

Brightline recommends the City approve a set amount of HH funds for self-study/approved training. Candidates who wish to pursue certification in STEM-based subject matter, preferably through an approved online program, may apply for funds to pay the cost of studying/certification. Candidates who wish to pursue training with an approved program in STEM-based subject matter (i.e., attend a coding academy) would be sponsored through direct funding by the City to that program following a pre-approval process administered by City staff at the guidance of the Council.

### **Model 1.3 – TECHNOLOGY: Tech Apprenticeship**

#### Structure:

- City Council would establish minimum eligibility criteria organizations must meet to be considered for Measure HH funding.
- Partner organizations would be required to make a formal response to a Request for Proposals (RFP) to be designed by City staff and subject to final approval by the City Council.
- Responses to the Tech Apprenticeship RFP would be reviewed by City staff for formal recommendation to the City Council for funding approval.

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- An administrator would be designated by the City to handle publicity and recruitment, identify candidates for submission to approved programs, and act as a liaison between candidates and organizations.
  - The program would focus on all East Palo Alto residents with a minimum of a High School diploma or GED.
  - Approved candidates would receive a stipend for the duration of the training portion of any apprenticeship program to offset any lost wages incurred while participating.

#### Financial Impact/Cost:

To be determined. For the few programs that have been identified as potential partners, the majority of the expense is borne by the companies. However, they still require funding assistance to pay for administration of the program.

#### Career Ladder:

The career ladder of a tech apprentice will depend on the type of job that they are training for. Prior to being officially hired, a typical apprenticeship may have the following characteristics and timeline:

- Application period – candidates are vetted and selected for open slots in the program
- Tech training – at least 144 hours, often between 10-20 weeks
- On the job training – minimum of 2,000 hours
- Direct hire – candidate becomes a full-time employee at which time their career ladder will resemble that of any other entry-level tech worker

#### Ongoing Relevant Programs:

- Apprenti
- Rightvarsity
- Community Colleges (San Jose City, CC of San Francisco)

#### Stakeholder Feedback:

- Apprenticeship programs are expensive. They offer the best alternative pathway to a tech career (fixed term, short term), but often times cost can be reason enough for a candidate company to explore other option to improve diversity.

#### Brightline Analysis:

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One tech apprenticeship program, Apprenti, formed a consortium of twenty tech companies and asked them to determine how many of their tech positions actually required a four-year degree. They responded that only about 40% of those jobs required a four-year degree or higher.<sup>9</sup> This means a vast majority of tech jobs may be more accessible than previously thought. That said, college degree pedigree continues to drive hiring in the tech industry, a barrier to entry that is not likely to change anytime soon.<sup>10</sup>

Additionally, companies generally avoid such programs due to cost. For a program such as Apprenti, employers pay a facilitation fee, the cost of training and onboarding, and finally an apprentice's salary. Measure HH funding may be a good option to subsidize costs in a way that would make corporate participation more palatable.

The bottom line is that there is value in this pathway despite these challenges. Getting residents into tech jobs that they deserve is the main goal of Measure HH, and apprenticeships can be one of the most successful ways to achieve that. As opposed to the internship model where candidates often gain experience but not expertise, apprenticeships are an "earn while you learn" model that come with the promise of a job at the end.

Brightline recommends that the City engage with a partner with existing corporate relationships in the Bay Area to create an East Palo Alto-specific cohort, funded in part by Measure HH funds as is necessary.

## **TIER II: Further Discussion**

### **Model 2.1 – TECHNOLOGY: Internship facilitated through a third-party organization**

#### Structure:

- City Council would establish minimum eligibility criteria organizations must meet to be considered for Measure HH funding.
- Partner organizations would be required to make a formal response to a Request for Proposals (RFP) to be designed by City staff and subject to final approval by the City Council.
- Responses to the Tech Internship RFP would be reviewed by City staff for formal recommendation to the City Council for funding approval.
- An administrator would be designated by the City to handle advertisement and recruitment of the program, identify candidates for submission to approved programs, and act as a liaison between candidates and approved organizations.

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<sup>9</sup> Brian Nordii, *Tech Apprenticeships Promise a New Path for Diverse Candidates*, BuiltIn, May 4, 2020, <https://builtin.com/diversity-inclusion/apprenticeship-training-programs-offer-diverse-hiring-solution>.

<sup>10</sup> *Id.*

- The program would focus on young adults between 18 and 30 years old with a minimum of a High School diploma or GED, and with potential other requirements depending on the terms of each partner organization.
- Approved candidates would receive a stipend for the duration of the internship to offset any lost wages incurred while participating.
- This program would start as a pilot program with a small number of participants. The program would be scalable subject to future success and interest.

Financial Impact/Cost:

The expense for this program would be determined by several factors, most specifically (1) number of candidates, (2) number of approved program participants, (3) the recommended per person stipend, (4) administrative costs for staff and materials earmarked to run this program, and (5) any incidental expenses approved by the City Council (i.e., transportation allowance, educational materials/books, uniform allowance, etc.)

Because this would start as a small pilot program, there should be a cap on participation at the outset. This should allow City Council to earmark a specific amount of Measure HH funds specifically for tech internships.

Career Ladder:

<b>Position<sup>11</sup></b>	<b>Duration/ Experience</b>	<b>Salary Range</b>	<b>Median Salary</b>
Junior Developer	0-3 years	\$100,000 - \$184,000	\$135,000
Mid-Level Manager (Developer, Product, or Project Manager)		\$60,000 - \$165,000	\$98,000
Senior Developer	4-10 years	\$121,000 - \$201,000	\$156,000
Lead Developer	7-10 years	\$139,000 - \$220,000	\$175,000
Senior Engineer	7-10 years	\$193,000 - \$307,000	\$243,000

Ongoing Relevant Programs:

- YearUp
- Work2Future

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<sup>11</sup> Suggested positions, experience, and salary range taken from glassdoor.com for the San Francisco Bay Area.

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### Stakeholder Feedback:

- The consistent message from all stakeholders has been – “Money is key.” Stipends are an important part of internship programs. People who are candidates for these programs often come from difficult situations, and those situations create conflicts which make it difficult to be dedicated, i.e., work, caring for a family member, caring for a child, language barriers, lack of transportation, etc. Supplementing lost wages or providing money for transportation are examples of ways that those barriers can be addressed.
- There needs to be a focus on recruitment. A local team that is multilingual and multicultural will need to reach out to the community and guide them into workforce development programs. Potential candidates are not incentivized due to the long workforce development pathway and hiring process.<sup>12</sup>

### Brightline Analysis:

Finding alternative career paths in STEM fields remains one of the more difficult tasks in workforce development. Two key barriers consistently stand in the way: (a) STEM careers require advanced education that is not easily accessed, and (b) the internal culture of tech companies remains homogenous, with their hiring practices evolving slowly.

Internships have proven to be a very good way to not only get non-traditional candidates exposed to STEM subject matter, but more importantly to get them introduced into tech industry culture. That said, these programs are often limited in availability, breadth, and impact. While an internship carries great value in the exposure it provides, candidates may find that they do not receive the necessary training to convert the experience into a career.

Limitations aside, there are a few programs which have a demonstrated level of success in getting non-traditional candidates in the door at prestigious tech companies. This is not the ideal option, but it should be considered as part of a larger initiative to get resident candidates into the STEM fields through any means necessary. Brightline recommends that the City engage with local internship programs in an attempt to reserve a small number of slots for resident candidates, where the City would sponsor those candidates through HH funds. This should be a pilot program meant to progress slowly, in the hopes it can be scaled out in the future.

### **Model 2.2 – LIFE SCIENCES: Candidate Training through a third-party organization**

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<sup>12</sup> Per stakeholders, recruitment would occur in two places – through community organizations who already have a communications pipeline directly to individuals, and through the schools. School recruitment would require educating students on the value of alternative career paths and encourage them to explore new opportunities. This education would occur primarily at the high school and community college levels (i.e., Foothill College, Mission College, DeAnza College).

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Structure:

- Measure HH revenues would be used to fund existing and proposed new programs through local schools and organizations to train residents in Life Sciences jobs.
- City Council would establish minimum eligibility criteria organizations must meet to be considered for Measure HH funding.
- Partner organizations would be required to make a formal response to a Request for Proposals (RFP) to be designed by City staff and subject to final approval by the City Council.
- Responses to the Job Training and Workforce Development RFP would be reviewed by City staff for formal recommendation to the City Council for funding approval.
- This program would focus primarily on funding existing job programs who demonstrate an ability to train qualified candidates who can work for the life sciences and biotech companies anticipated to be moving into new developments in East Palo Alto.
- Candidates who are trained in programs using Measure HH funds could possibly receive priority consideration for First Source Hire jobs at companies moving into East Palo Alto.

Financial Impact/Cost:

Potentially high, but subject to the number and quality of responses to the RFP. Costs may be offset by developers who expect a large number of life sciences occupants.

Career Ladder:

Varies. There are a number of medical and lab-based jobs which require only an associate degree or a High School Diploma with an accompanying certification. Some examples include, but are not limited to, the following:

<b>Position</b>	<b>Salary Range<sup>13</sup></b>	<b>Median Salary</b>
Animal Technician	\$45,000 - \$59,000	\$48,000
Medical Assistant	\$39,000 - \$53,000	\$46,000
Lab Technician	\$44,000 - \$85,000	\$61,000
MRI Technologist	\$60,000 - \$113,000	\$89,000
Phlebotomist	\$36,000 - \$55,000	\$45,000
Radiology Technician	\$63,000 - \$92,000	\$77,000

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<sup>13</sup> Salary range and median salary taken from salary.com based on results for San Jose, CA.



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### Ongoing Relevant Programs:

- JobTrain
- Harvest Properties
- Sobrato
- SLAC/Stanford University
- Community Colleges (Foothill College, College of San Mateo)

### Stakeholder Feedback:

- Various developers currently seeking approval to build in East Palo Alto have cited biotech as a significant growth industry in and around the region. R&D and lab technician jobs are expected to make up as much as 30% of incoming jobs per estimates.

### Brightline Analysis:

Stakeholder conversations have led to the conclusion that (a) there are a large number of potentially accessible jobs in the life sciences industry, (b) future development is expected to bring additional similar jobs, and (c) there is an appetite in the industry for creating programs to train people to fill these jobs. Specific to the third point, recent discussions with individuals who run the SLAC<sup>14</sup> research facility at Stanford University has revealed a desire to partner with local community colleges to certify candidates for employment in the school's labs. In fact, in 2019 SLAC lowered the education requirements for such jobs from a 4-year to a 2-year degree.

There is some evidence that training people to fill life sciences jobs could prove a successful path to upward mobility. Brightline recommends that the City explore discussions with local schools and training organizations to determine what the City could do as a funding partner, and that the City be prepared to use Measure HH funds to prepare residents for life sciences jobs should the right opportunity materialize.

### **Model 2.3 – ENTREPRENEURSHIP: Support local training programs**

#### Structure:

- Measure HH revenues would be used to fund existing organizations who train and support entrepreneurs.

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<sup>14</sup> SLAC was originally an acronym for the Stanford Linear Accelerator Center and has since been changed to the SLAC National Accelerator Laboratory. Today, it is a U.S. Department of Energy National Laboratory centered in Menlo Park, but part of a coalition with 17 other centers including facilities in Berkely and Livermore.

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- City Council would establish minimum eligibility criteria organizations must meet to be considered for Measure HH funding.
  - Partner organizations would be required to make a formal response to a Request for Proposals (RFP) to be designed by City staff and subject to final approval by City Council.
  - Responses to the Entrepreneurial Training RFP would be reviewed by City staff for formal recommendation to the City Council for funding.
  - This program would focus primarily on funding approval for existing job programs with a demonstrated history of helping entrepreneurs develop the skillset necessary to run a business.
  - Funding would be reserved exclusively for participants in an approved program who are East Palo Residents.

Financial Impact/Cost:

Subject to the terms of an approved RFP. Overall participation is expected to be low, and thus the overall expense would most likely be low.

Career Ladder:

Not applicable.

Ongoing Relevant Programs:

- Harvest Properties
- Sobrato
- Renaissance Entrepreneurship Center
- Moveable/SJMade

Stakeholder Feedback:

- The marketplace is a big reason why cities exist. By supporting creators and makers you can create marketplaces, create destinations, and create a new urban grid.
- How do you build an ecosystem? Regulation can be a barrier to doing small events with selling opportunities. Potential entrepreneurs can't get started because they don't have an environment to sell.
- Creating an environment focused on helping local small businesses and entrepreneurs, EPA can create market differentiation from Palo Alto and Menlo Park. An opportunity to create something that is wholly of EPA and nowhere else.
- Upward mobility for the small businessperson requires access to resources, access to markets, and access to consumers.

Brightline Analysis:

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Supporting local entrepreneurs can offer a path to upward mobility and the quality of the community by imbuing a sense of ownership in its residents. It may also create new job opportunities that would be tied to community-owned businesses.

While there is value in setting up a program which expands residents' options for upward mobility, there are challenges to linking Measure HH funding to entrepreneurial programs. The chief hurdle is determining whether or not the City has a legal basis for expanding the reach of Measure HH to include entrepreneurship as a part of workforce development. There is a clear link to STEM for business ventures which rely on products or services tied to any of the STEM areas, but there is a clear question as to how far that link might reach. Many have argued that many of the skills used to launch any new business are the same as those learned in STEM fields: a willingness to experiment, a reliance on logic and evidence, and a focus on creative problem-solving.<sup>15</sup> But even if that link is accepted as sufficient, there is a good chance it would not survive a legal challenge should one arise.

An additional and more significant concern is that even if a program such as this were to be undertaken, the overall impact is likely to be very small. The opportunities would be a highly limited number of individuals, and even if one were to consider the potential for new jobs to be created, the number of new jobs is not expected to be enough to make much of a difference.

## **TIER III: High Cost**

### **Model 3.1 – BUILDING TRADES: New city-run pre-apprenticeship program**

#### Structure:

- City Staff would design, and City Council would approve the funding of, an independent pre-apprenticeship program paid for and run by the City of East Palo Alto.
- A designated facility, or an office in an existing facility, would be identified and earmarked for the East Palo Alto Pre-Apprenticeship program.
- An administrative staff would be hired and would likely include (most of) the following: Program Director, Administrative Assistant, Apprenticeship Program Liaison, Faculty Administrator, Instructors, Repair and Maintenance personnel, Front Desk/Intake Administrator, Case Managers, and IT professionals.
- A training program would be implemented with a curriculum designed to prepare residents for any number of apprenticeship programs, with a focus on broad exposure to several building trades as well as education in construction-related math skills necessary for acceptance in most apprenticeship programs.

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<sup>15</sup> Andrew B. Raupp, *Entrepreneurship Key to Future Success in STEM*, Forbes, August 25, 2020. <https://www.forbes.com/sites/forbestechcouncil/2020/08/25/entrepreneurship-key-to-future-success-in-stem/?sh=513b401f5b27>.

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- The program would advertise to the community at large with a primary focus on high school guidance programs to increase awareness of alternative career paths.
  - A City-sponsored pre-apprenticeship program would not provide a stipend or other supplemental pay to enrolled students.
  - The Program Director, with assistance from City staff, would be charged with developing relationships with local business interests, charitable interests, and other governmental agencies which might provide additional funds or job opportunities for graduates. The Director and Staff should additionally seek additional federal funding for the program.
  - Graduates of a Measure HH, City-sponsored pre-apprenticeship program would be given priority for any jobs made available through First Source Hiring requirements applied to any construction and development project within the East Palo Alto city limits.

#### Financial Impact/Cost:

Extensive. This initiative would require building a pre-apprenticeship from the ground up, including administrative staffing, faculty, infrastructure, facilities, information technology, advertising, and the costs of relationship building with numerous union-supported apprenticeship programs.

One key model for a city-created pre-apprenticeship program is CityBuild SF. CityBuild is run by the San Francisco Office of Economic and Workforce Development (OEWD). The program boasts 874 graduates since its inception in 2006, or roughly 62 graduates per year between 2006 and 2020.<sup>16</sup> It is estimated that the program has a yearly operating budget between \$3.5 and \$5 million. Based solely on an apples-to-apples analysis, to mimic that success for just 20 East Palo Alto residents per year could potentially cost between \$1.1 and \$1.6 million per year. This amount would not include the initial expenses associated with creating the program.

#### Career Ladder:

The Career Ladder for a City-created program would mimic that of a candidate who begins their career with an outside organization.

#### Ongoing Relevant Programs:

Not applicable, though the City may hire a consultant to assist in the design of the program. We would further expect there to be community-based organizations assisting with outreach to feed candidates into the city-run pre-apprenticeship.

#### Stakeholder Feedback:

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<sup>16</sup> <https://oewd.org/citybuild-academy>

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None. This would require starting from scratch and speaking with a completely different group of people for guidance.

Brightline Analysis:

Leveraging existing programming is the most cost-effective way to serve more residents. Measure HH funds are better spent funding programs with a proven record of success, with the City acting as a contract administrator. Additionally, the funds necessary to create an East Palo Alto pre-apprenticeship program are greater than the funds available via Measure HH.

Due to the cost, Brightline does not recommend that the City Council and City Staff focus on this option at this time. However, Brightline does note that future development will increase the amount of Measure HH revenues, potentially to a point where a City-run program is feasible. Depending on those revenues and the success of an EPA-specific pre-apprenticeship cohort run by a third party, the City may wish to revisit this option in the future.

**Model 3.2 – TECH: Internship program run by the City**

Structure:

- City staff would design, and City Council would approve the funding of, an administrative position or positions to work directly with existing tech companies in the East Palo Alto city limits (and nearby) to create internship opportunities specifically for qualified East Palo Alto residents.
- Administrator(s) would be tasked with managing both sides of the relationship — creating internship opportunities with local companies and recruiting and identifying candidates for those positions.
- The program would focus on young adults between 18 and 30 years old<sup>17</sup> with a minimum of a High School diploma or GED.
- Approved candidates would receive a stipend for the duration of the internship to offset any lost wages incurred while participating.
- This program would start as a pilot program with a small number of participants but be scalable based on its success and increased interest.

Financial Impact/Cost:

Program-related costs would likely be minimal. Any internship arranged directly with a company would be funded completely by the company. It is possible that the City would still want to provide a stipend to offset potential lost wages, but the true cost of this model would come from relationship building and administration as an intermediary between targeted candidates and companies.

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<sup>17</sup> Representatives from programs dealing with tech internships have identified this as the target range but emphasized that there is no ceiling on a candidate's age.

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### Career Ladder:

Career Ladder for a direct internship would mimic that of a candidate who participates in an internship arranged by a third party.

### Ongoing Relevant Programs:

No specific partners are identified. Any tech company would be a candidate, specifically those headquartered within a 10 to 20-mile radius of East Palo Alto.

### Stakeholder Feedback:

- Individual corporations, while eager to spend money on “diversity initiatives” are not interested in spending money, time, and resources on programs such as this. Facebook, for example, will not act as a direct partner and will only work with community organizations (i.e., YearUp).
- Tech companies feel most job requirements are highly specialized. They have difficulties finding candidates globally, and many employers do not focus on local job markets.
- Even if there is a partnership to place a candidate with a company, the companies don’t always have great ecosystems for onboarding, training, and retaining personnel.

### Brightline Analysis:

Tech internships are already very limited in availability and require very strong relationships with internal staff at the companies this program would target. This is achievable but would require more time and resources than a similar initiative which would partner with organizations who have already cultivated these relationships. That said, an internal program may be viable if sufficient connections already exist between the City and some tech companies. These bonds could be expanded to include workforce development agreements.

## APPENDIX A

Date	Name	Organization	Title
<b>2/8/21</b>	Adrienne Bryant	EPA Resident	N/A
<b>2/22/21</b>	Stewart Hyland	EPA Resident	N/A
<b>2/24/21</b>	Barrie Hathaway	JobTrain	President and CEO
<b>3/2/21</b>	Blair Volckmann	Harvest Properties	Partner
<b>3/5/21</b>	Ofelia Bello	Youth United for Community Action (YUCA)	Executive Director
<b>3/9/21</b>	Matt Raimi	Raimi + Associates	President and Founder
<b>3/11/21</b>	Kyra Brown	EPA Resident	N/A
<b>3/12/21</b>	Jasmyne Sanders	StreetCode Academy	Chief Operating Officer
	Olatunde Sobomehin	StreetCode Academy	CEO
<b>3/16/21</b>	Duane Bay	EPA Can Do	Executive Director
<b>3/17/21</b>	Marie McKenzie	City of East Palo Alto	Administrative Services Director
<b>3/19/21</b>	Owen Byrd	Downtown Streets Team	Chairman
<b>4/2/21</b>	Mike Kramer	Sand Hill Properties	Managing Director
<b>4/30/21</b>	Jose Cabrera	David E. Lewis Community Reentry Center	Community Worker
	Lear Blitzstein	San Mateo County	

<b>5/3/21</b>	Tim Steele	Sobrato	SVP, Real Estate Development
	Robert Tersini	Sobrato	VP, Real Estate Development
<b>5/5/21</b>	Katrina Logan	CLSEPA	Interim Director of Programs
<b>5/6/32</b>	Bell Jordan	Facebook	
<b>5/6/21</b>	Cindy Stahl	NOVAworks	Job Seeker Services Manager
<b>5/17/21</b>	B Kojo Ako-Asare	Emerson Collective	Senior Director, Investments
<b>5/19/21</b>	Larry Goode	Pastor	St. Francis Assisi Church in East Palo Alto
<b>6/15/21</b>	Nadine Rambeau	EPACenter	Executive Director
<b>6/25/21</b>	Sharifa Wilson	City of East Palo Alto	Project Manager, Community Archive Project
<b>6/28/21</b>	Tedd Fernandez	YearUp	Employment Placement Specialist
	Elissa Stankiewicz	YearUp	Associate Director of Institutional Giving
<b>7/9/21</b>	Yolanda Natal-Santos	Microsoft LEAP	Business Program Manager
	Nicole Young	Microsoft LEAP	Business Program Manager
<b>7/19/21</b>	Jeff Ruster	Work2Future	Director of Strategic Partnerships
<b>7/22/21</b>	Alok Gupta	Renaissance Center	Program Manager
<b>8/6/21</b>	Cynthia Chin	Mission Bit	Director of Programs
	Belinda Coronado	Mission Bit	Program Coordinator



<b>8/12/21</b>	Zenia Ibarra	YearUp/Facebook	Admissions and Outreach Coordinator
<b>8/16/21</b>	Arisha Williams	Santa Clara County Trades Orientation Program	Talent Acquisition Supervisor
	Louise Auerhahn	Santa Clara County Trades Orientation Program	Director, Economic and Workforce Policy
<b>8/18/21</b>	Eun-Mee Jeong	Eastside Prep	Director of Alumni Services
<b>8/24/21</b>	Larry Moody	JobTrain	JobTrain Staff and Former Mayor & Vice Mayor
<b>9/15/21</b>	Heather Starnes-Logwood	Live In Peace	Executive Director
<b>9/16/21</b>	Stacy Hollingsworth	Apprenti	State Director, California
<b>10/5/21</b>	Dr. Chi-Chang Kao	SLAC National Accelerator Laboratory	Director
<b>10/6/21</b>	Derek Braun	Strategic Economics	Senior Associate
	Troy Reinhalter	Raimi + Associates	Associate
<b>10/12/21</b>	Chereace Marcellin	SLAC National Accelerator Laboratory	Program Specialist
	Natalie Holder	SLAC National Accelerator Laboratory	Chief Diversity Officer

## ATTACHMENT 3

### **Examples of STEM-Related Employment**

Aerospace Engineering and Operations Technologists and Technicians

Automotive Engineering Technicians

Calibration Technologists and Technicians

Cardiovascular Technologists and Technicians

Civil Engineering Technologists and Technicians

Computer Network Support Specialists

Data Analyst

Data Scientist

Dental Hygienist

Diagnostic Medical Sonographer

Electrical and Electronic Engineering Technologists and Technician

Electrical and Electronics Drafter

Engineering Technologists and Technicians, Except Drafters, All Other

Information Technology Specialist

Junior Developer

Lead Developer

Licensed Practical and Licensed Vocational Nurse

Magnetic Resonance Imaging Technologist

Marketing Analyst

Mechanical Drafters

Mechanical Engineering Technologists and Technician

Mid-Level Manager

MRI Technician

Non-Destructive Testing Specialist

Nuclear Medicine Technologist

Nuclear Monitoring Technician

Nuclear Technician

Photonics Technician  
Principal Operations Manager  
Product Designer  
Quality Control Analyst  
Radiation Therapist  
Radiologic Technologists and Technician  
Radiology Technician  
Remote Sensing Technician  
Respiratory Therapist  
Senior Developer  
Senior Operations Manager  
Senior Quality Assurance Analyst  
Solar Sales Representatives and Assessor  
Surgical Technologist  
Systems Administrator  
Telecommunications Engineering Specialist  
UI/UX  
Web Developer

## ATTACHMENT 4

### **Massachusetts Institute of Technology Living Wage Calculator Snapshot**

#### **San Mateo County**

The Living Wage Calculator is produced by the Massachusetts Institute of Technology (MIT).<sup>1</sup> This tool calculates an estimated living wage at the county level for twelve types of households based on some combination of the following scenarios:

- One Adult/0-3 Children
- Two Adults with one working/0-3 Children
- Two adults with both working/0-3 Children

	ONE ADULT			
	No Children	1 Child	2 Children	3 Children
Living Wage (Hourly)	\$ 28.00	\$ 55.59	\$ 67.89	\$ 89.06
Living Wage (Yearly)	\$ 58,240	\$ 115,627	\$ 141,211	\$ 185,245

	TYPICAL EXPENSES (Est)			
Food	\$ 3,792	\$ 5,574	\$ 8,343	\$ 11,093
Child Care	\$ -	\$ 14,862	\$ 29,724	\$ 44,586
Medical	\$ 2,545	\$ 8,323	\$ 8,011	\$ 8,150
Housing	\$ 26,364	\$ 40,068	\$ 40,068	\$ 52,380
Transportation	\$ 4,900	\$ 8,987	\$ 11,186	\$ 13,317
Civic	\$ 1,811	\$ 3,889	\$ 3,554	\$ 4,127
Other	\$ 2,794	\$ 4,553	\$ 4,996	\$ 6,037
Taxes	\$ 16,031	\$ 29,375	\$ 35,321	\$ 45,562
Annual Net Income	\$ 3	\$ (4)	\$ 8	\$ (7)

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<sup>1</sup> <https://livingwage.mit.edu/>

	<b>TWO ADULTS (One Working)</b>			
	No Children	1 Child	2 Children	3 Children
Living Wage (Hourly)	\$ 41.13	\$ 49.45	\$ 53.43	\$ 61.60
Living Wage (Yearly)	\$ 85,550	\$ 102,856	\$ 111,134	\$ 128,128

	<b>TYPICAL EXPENSES (Est)</b>			
Food	\$ 6,952	\$ 8,639	\$ 11,106	\$ 13,540
Child Care	\$ -	\$ -	\$ -	\$ -
Medical	\$ 6,143	\$ 8,011	\$ 8,150	\$ 7,804
Housing	\$ 32,640	\$ 40,068	\$ 40,068	\$ 52,380
Transportation	\$ 8,987	\$ 11,186	\$ 13,317	\$ 12,085
Civic	\$ 3,889	\$ 3,554	\$ 4,127	\$ 3,982
Other	\$ 4,553	\$ 4,996	\$ 6,037	\$ 6,055
Taxes	\$ 22,380	\$ 26,406	\$ 28,330	\$ 32,281
Annual Net Income	\$ 6	\$ (4)	\$ (1)	\$ 1

	<b>TWO ADULTS (Both Working)</b>			
	No Children	1 Child	2 Children	3 Children
Living Wage (Hourly)	\$ 20.56	\$ 29.38	\$ 36.03	\$ 44.76
Living Wage (Yearly*2)	\$ 85,530	\$ 122,221	\$ 149,885	\$ 186,202

	<b>TYPICAL EXPENSES (Est)</b>			
Food	\$ 6,952	\$ 8,639	\$ 11,106	\$ 13,540
Child Care	\$ -	\$ 14,862	\$ 29,724	\$ 44,586
Medical	\$ 6,143	\$ 8,011	\$ 8,150	\$ 7,804
Housing	\$ 32,640	\$ 40,068	\$ 40,068	\$ 52,380
Transportation	\$ 8,987	\$ 11,186	\$ 13,317	\$ 12,085
Civic	\$ 3,889	\$ 3,554	\$ 4,127	\$ 3,982
Other	\$ 4,553	\$ 4,996	\$ 6,037	\$ 6,055
Taxes	\$ 22,380	\$ 30,908	\$ 37,335	\$ 45,787
Annual Net Income	\$ (14)	\$ (3)	\$ 21	\$ (17)

**CONTRACTOR AND PROFESSIONAL SERVICES AGREEMENT**

This Contractor and Professional Services Agreement ("Agreement") is made by and between the City of East Palo Alto, a municipal corporation ("City"), as authorized by the East Palo Alto City Council via Resolution No. [REDACTED], and [ type in name ], [ type in the type of entity ], hereinafter referred to as "Contractor", who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide the City professional services as specified in Exhibit A, entitled "Scope of Work."
2. **Payment.** City shall pay Contractor for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B, entitled "Compensation." The payments specified in Exhibit B shall be the only payments to be made to Contractor for services rendered pursuant to this Agreement.
3. **Term.** The term of this Agreement shall commence on [ type in start date ] and shall continue in full force and effect until [ type in end date ].
4. **Facilities and Equipment.** Contractor shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.
5. **Indemnification.** Contractor shall indemnify, defend (with independent counsel approved by the City), and hold harmless the City, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, Contractor's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Contractor's operations, or any subcontractor's operations, to be performed under this Agreement, for the fullest extent permitted by law, with the exception of the sole active negligence or willful misconduct of the City. The provisions of this section shall survive the expiration or termination of this Agreement and are not limited by any provisions relating to insurance in this Agreement.
6. **Insurance Requirements.** Contractor agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements for Contractor." Failure to maintain required insurance at all times shall constitute a default and material breach.

**7. Accident Reports.** Contractor shall immediately report (as soon as feasible, but not more than 24 hours) to the City any accident or other occurrence causing injury to persons or property during the performance of this Agreement. The report shall be made in writing and shall include, at a minimum: (a) the names, addresses, and telephone numbers of the persons involved, (b) the names, addresses and telephone numbers of any known witnesses, (c) the date, time and description of the accident or other occurrence.

**8. Conflict of Interest.** Contractor warrants and represents that to the best of its knowledge, there exists no actual or potential conflict between Contractor's family, business, real property or financial interests and the services to be provided under this Agreement. Contractor shall comply with the City of East Palo Alto Conflict of Interest Code and not enter into any contract or agreement during the performance of this Agreement which will create a conflict of interest with its duties to City under this Agreement. In the event of a change in Contractor's family, business, real property or financial interests occurs during the term of this Agreement that creates an actual or potential conflict of interest, then Contractor shall disclose such conflict in writing to City.

**9. Independent Contractor.** Contractor is an independent contractor. Neither Contractor nor any of Contractor's officers, employees, agents or subcontractors, if any, is an employee of City by virtue of this Agreement or performance of any services pursuant to this Agreement. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Contractor accomplishes services pursuant to this Agreement.

**10. Licenses, Permits, Etc.** Contractor represents and warrants to City that all Contractor services shall be provided by a person or persons duly licensed by the State of California to provide the type of services to be performed under this Agreement and that Contractor has all the permits, qualifications and approvals of whatsoever nature which are legally required for Contractor to practice its profession. Contractor represents and warrants to City that it shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Contractor to practice its profession.

**11. Business License.** Contractor, and its subcontractors, has obtained or agrees to apply prior to performing any services under this Agreement to City's Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement. The failure to obtain such license shall be a material breach of this Agreement and grounds for termination by City. No payments shall be made to Contractor until such business license(s) has been obtained.

**12. Standard of Performance.** Contractor shall provide products and perform

all services required pursuant to this Agreement in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised under similar conditions by a member of Contractor's profession currently practicing in California.

Contractor is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work, and shall prepare plans, reports, and/or other work products in such a way that additional costs will not be incurred or, beyond a project budget approved or amended by the City Manager or his or her designee.

Whenever the scope of work requires or permits review, approval, conditional approval or disapproval by City, it is understood that such review, approval, conditional approval or disapproval is solely for the purposes of administering this Agreement and determining whether the Contractor is entitled to payment for such work, and not be construed as a waiver of any breach or acceptance by the City of any responsibility, professional or otherwise, for the work, and shall not relieve the Contractor of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Contractor.

Contractor's responsibilities under this section shall not be delegated. Contractor shall be responsible to City for acts, errors, or omissions of Contractor's subcontractors.

**13. Force Majeure.** Neither party shall be considered in default of this Agreement to the extent performances are prevented or delayed by any cause by circumstances beyond either party's reasonable control, such as war, riots, strikes, lockouts, work slow down or stoppage, acts of God, such as floods or earthquakes, and electrical blackouts or brownouts. In the event that the Contractor is unable to meet the completion date or schedule of services, Contractor shall inform the City Representative of the additional time required to perform the work and the City Representative may adjust the schedule.

**14. Time is of the Essence.** Time is of the essence in this Agreement. Any reference to days means calendar days, unless otherwise specifically stated.

**15. Personnel.** Contractor agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement.

The payment made to Contractor pursuant to this Agreement shall be the full and



complete compensation to which Contractor and Contractor's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Contractor nor Contractor's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Contractor. The City shall not be required to pay any workers' compensation insurance on behalf of Contractor. Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request.

**16. Prevailing Wages for Public Works Projects.** For public works projects, Contractor shall comply with all provisions of California laws dealing with prevailing wages, apprentices, and hours of work. Contractor shall also comply with provisions of Labor Code section 1720 as applicable. Contractor shall maintain certified payroll records evidencing such payment of prevailing wages as required by law.

**17. Contractor Not Agent.** Except as authorized under this Agreement or as City may authorize in a letter of authorization signed by the City Manager or his or her designee, Contractor shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, under this Agreement, to bind City to any obligation whatsoever.

**18. Termination or Abandonment by City.** The City has the right, at any time and in its sole discretion, to immediately terminate or abandon any portion or all of the services to be provided under this Agreement by giving notice to Contractor. Upon receipt of a notice of termination, Contractor shall perform no further work except as specified in the notice. Before the date of termination, Contractor shall deliver to City all work product, whether completed or not, as of the date of termination and not otherwise previously delivered.

The City shall pay Contractor for services performed in accordance with this Agreement before the date of termination. If this contract provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be based on an amount mutually agreed to by City and Contractor for the portion of work completed in conformance with this Agreement before the date of termination. In addition, the City will reimburse Contractor for authorized expenses incurred and not previously reimbursed. The City shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

**19. Products of Consulting Services.** The work product, including without limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Contractor resulting from services rendered pursuant to this Agreement, shall become the property of City. Contractor agrees that all copyrights which arise from creation of the work under this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Contractor makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

**20. Cooperation by City.** City shall, to the extent reasonable and practicable, assist and cooperate with Contractor in the performance of Contractor's services hereunder.

**21. Assignment and Subcontracting.** Contractor shall not subcontract, assign or transfer voluntarily or involuntarily any of its rights, duties or obligation under this Agreement without the express written consent of the City Manager or his or her designee in each instance. Any attempted or purported assignment of any right, duty or obligation under this Agreement without said consent shall be void and of no effect.

If subcontracting of work is permitted, Contractor shall pay its subcontractor within ten (10) days of receipt of payment by City for work performed by a subcontractor and billed by the Contractor. Use of the term subcontractor in any other provision of this contract shall not be construed to imply authorization for Contractor to use subcontractors for performance of any service under this Agreement.

The City is an intended beneficiary of any work performed by Contractor's subcontractor for purposes of establishing a duty of care between the subcontractor and City.

**22. Successors and Assigns.** All terms, conditions, and provisions of this Agreement shall apply to and bind the respective heirs, executors, administrators, successors, and assigns of the parties. Nothing in this section is intended to affect the limitation on assignment.

**23. Non-Discrimination/Fair Employment Practices.** Contractor shall comply with all applicable federal, state and local laws, rules and regulations in regard to non-discrimination and non-harassment in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, sexual orientation,

medical condition or physical handicap. Contractor agrees to abide by the City's Policy Against Discrimination, Harassment and Retaliation as set out in attached Exhibit D.

**24. Official Notices.** All notices or instruments required to be given or delivered by law or this Agreement shall be in writing and shall be effective upon receipt thereof and shall be by personal service or delivered by depositing the same in any United States Post Office, registered or certified mail, postage prepaid, addressed to:

If to City: [insert name]  
City Manager  
City Manager's Office  
2415 University Avenue  
East Palo Alto, CA 94303

If to Contractor: [insert name]  
[insert title]  
[insert company name]  
[insert street name and suite #, if any]  
[insert city, state and zip code]

Any party may change its address for receiving notices by giving written notice of such change to the other party in accordance with this section. Routine administrative communications shall be made pursuant to section 1 of Exhibit A.

**25. Integration Clause.** This Agreement, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. This Agreement shall not be amended or modified except by a written agreement executed by each of the parties hereto.

**26. Severability Clause.** Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.

**27. Law Governing.** This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of San Mateo County in the State of California or in the United States District Court, Northern District of California, San Francisco/Oakland Division, California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

**28. Waiver.** Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

**29. Ambiguity.** The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

**30. Headings.** The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

**31. Compliance with Laws.** Contractor will comply with all statutes, regulations and ordinances in the performance of all services under this Agreement.

**32. Confidentiality.** Contractor shall treat all records and work product prepared or maintained by Contractor in the performance of this Agreement as confidential and shall not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City records on information to any third party, other than its own employees, agents or subcontractors who have a need for the City records or information for the performance of services under this Agreement. A violation by Contractor of this section shall be a material violation of this Agreement and will justify legal and/or equitable relief.

Contractor agrees and acknowledges that this confidentiality provision does not limit the City's disclosure as required by law, pursuant to a subpoena, the California Public Records Act, or Order of the Court.

**33. News and Information Release.** Contractor agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from City through the City Representative.

**34. Counterparts.** The parties may execute this Agreement in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

**35. Authority.** The person signing this Agreement for Contractor hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Contractor.

**36. Exhibits.** The following exhibits are attached hereto and incorporated herein by reference:

- Exhibit A, entitled "Scope of Work," including any attachments.
- Exhibit B, entitled "Compensation," including any attachments.
- Exhibit C, entitled "Insurance Requirements," including any attachments.
- Exhibit D, entitled "Policy Against Discrimination, Harassment and Retaliation"

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year shown below the name of each of the parties.

[ INSERT CONTRACTOR NAME ] CITY OF EAST PALO ALTO,  
a municipal corporation

[ INSERT TYPE OF ENTITY ]

By: \_\_\_\_\_  
[ insert name ]  
[ insert title ]

By: \_\_\_\_\_  
Jaime M. Fontes  
City Manager

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
East Palo Alto Business License No.

APPROVED AS TO CONTENT:

\_\_\_\_\_  
[ Insert Department Head Name ]  
[ Insert Department Head Title ]

APPROVED AS TO FORM:

\_\_\_\_\_  
Rafael E. Alvarado Jr.  
City Attorney

**EXHIBIT A**  
**SCOPE OF WORK**

**1. Representatives.**

City Representative:

[ insert name ]  
[ insert title ]  
[ insert Department name ]  
2415 University Avenue  
East Palo Alto CA 94303  
[ insert telephone number ]  
[ insert facsimile number ]

Contractor's Representative:

[ insert name ]  
[ insert title ]  
[ insert company name ]  
[ insert street name and suite #, if any ]  
[ insert City, state and zip code ]  
[ insert telephone number ]  
[ insert facsimile number ]

All routine administrative communications between the parties will be between the above named representatives and may be by personal delivery, mail, facsimile transmission or electronic mail as agreed between the Contractor Representative and City's Representative.

**2. Services and Schedule.**

The services provided shall be as set forth in Attachment 1 of Exhibit A, attached hereto and incorporated herein by this reference and performed according to the schedule set forth therein. Contractor will complete all services by [ insert date ].

**3. Phased Performance.**

If the schedule calls for the services to be performed in phases or discrete increments, Contractor shall not proceed from one phase or increment to the next without written authorization from the City's Representative.

**4. Additional Services.** Additional services are those services related to the scope of Services of Contractor as set forth in Exhibit A but not anticipated at the time of execution of this Agreement ("Additional Services"). Additional Services shall be provided only when authorized by an amendment to this Agreement and approved by the City Manager, or his or her designee. City reserves the right to perform any Additional Services with its own staff or to retain other Contractors to perform said Additional Services. Any costs incurred due to the performance of Additional Services prior to the execution of an amendment will not be reimbursed

under this Agreement or an amendment.

Contractor's compensation for Additional Services shall be based on the total number of hours spent on Additional Services multiplied by the employees' appropriate billable hourly rate as established below. City, at its option, may negotiate a fixed fee for some or all Additional Services as the need arises. Where a fixed fee for Additional Services is established by mutual agreement between City and Contractor, compensation to Contractor shall not exceed the fixed fee amount.

**5. Key Personnel.** All of the individuals identified below are necessary for the successful prosecution of the services due to their unique expertise and depth and breadth of experience. There shall be no change in the personnel listed below, without written approval of the City Representative. Contractor recognizes that the composition of this team was instrumental in the City's decision to award the work to Contractor and that compelling reasons for substituting these individuals must be demonstrated for the City's consent to be granted. Any substitutes shall be persons of comparable or superior expertise and experience. Failure to comply with the provisions of this section shall constitute a material breach of Contractor's obligations under this Agreement and shall be grounds for termination.

Key personnel: [ **INSERT LIST OF EMPLOYEES NAMES** – If the project does not require assignment of specific personnel, delete "Key Personnel" section ]

**EXHIBIT B**  
**COMPENSATION**

**1. Contractor's Compensation.**

A. City agrees to pay Contractor, at the rate(s) specified below, for those services set forth in Exhibit A of this Agreement and for all authorized reimbursable expenses, for a total not to exceed [ insert dollar amount in words - e.g. Two Thousand Five Hundred Fifty Dollars and 13 Cents ] [ insert dollar amount in number- e.g., \$2,550.13 ].

Contractor shall notify City in writing no later than thirty (30) days prior to the estimated date when Contractor will have billed City the maximum payment amount permitted under this Agreement, and Contractor shall provide City with an estimate of the additional compensation required to complete the project.

**2. Appropriate Billable Hourly Rates for Services and Additional Services.**

Contractor's billable hourly rates shall be:

[ Insert Name, Title and Hourly Rate ]

or

["Contractor will perform the services according to the schedule contained in Attachment [insert number] of [insert letter]."]

**3. Contractor's Reimbursable Expenses.**

Reimbursable Expenses shall be limited to actual reasonable expenditures of Contractor for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by City.



#### **4. Payments to Contractor.**

A. Payments to Contractor shall be made within a reasonable time after receipt of Contractor's invoice, said payments to be made in proportion to services performed. Contractor may request payment on a monthly basis. Contractor shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of City.

B. All invoices submitted by Contractor shall contain the following information:

1. Description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. City's Purchase Order Number (if issued)
5. Social Security Number or Taxpayer Identification Number
6. Amount of this Invoice (Itemize all Reimbursable Expenses")
7. Total Billed to Date

C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to Contractor for correction. City shall not be responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above.

#### **5. Accounting Records of Contractor.**

Contractor shall maintain for three (3) years after completion of all services hereunder, all records under this Agreement, including, but not limited to, records of Contractor's direct salary costs for all Services and Additional Services performed under this Agreement and records of Contractor's Reimbursable Expenses, in accordance with generally accepted accounting practices. Contractor shall keep such records available for audit, inspection and copying by representatives of the City's Finance Department or other government agencies during regular business hours upon twenty four (24) hours notice.

The obligations of Contractor under this section shall survive this Agreement.

#### **6. Taxes.**

Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request. Contractor hereby agrees to indemnify and defend City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Contractor's breach of this section pursuant to the Indemnification provisions of this Agreement.

7. **Taxpayer Identification Number.** Contractor shall provide City with an IRS Form W-9, Request for Taxpayer Identification Number and Certification, containing an original signature and any other State or local tax identification number requested by City.

## EXHIBIT C

### INSURANCE REQUIREMENTS

#### I. TYPES OF INSURANCE

- A. Commercial General Liability Insurance: Contractor's General Liability insurance shall include contractual liability coverage. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance (Commercial General Liability Insurance) on an occurrence basis as shall protect it while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as claims for property damage which may arise from the Contractor's operations under this Agreement, whether such operations be by Contractor or by any sub-Contractor or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000), in aggregate or Two Million Dollars (\$2,000,000) combined single limit bodily injury and property damage for each occurrence.
- B. Automobile Liability Insurance: CONTRACTOR shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
- C. Worker's Compensation and Employer's Liability Insurance: Contractor shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 18161 of the California Labor Code: "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement".
- D. Professional Liability Insurance: Contractor shall take out and maintain during the life of this Agreement a policy of professional liability insurance, protecting it against claims arising out of the acts, errors, or omissions of Contractor pursuant to this Agreement, in the amount of not less than One Million Dollars (\$1,000,000) per claim. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of services described herein.

## II. ADDITIONAL REQUIREMENTS

- A. Broader Insurance Coverage: In the event that Contractor maintains broader coverage and/or higher limits than the City's minimum requirements, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance shall be called upon to protect it as a named insured.
- B. Additional Insured Status: The City of East Palo Alto, its subsidiary agencies, directors, officers, employees, agents, independent contractors and volunteers shall be named as additional insureds on any such policies of comprehensive general and automobile liability insurance.
- C. Primary and Non-Contributory Coverage: Except for professional liability and worker's compensation insurance, the policies shall also contain a provision that the insurance afforded to the City, its subsidiary agencies, and their directors, officers, employees, agents, independent contractors and volunteers based on additional insured status shall be primary and non-contributory insurance to the full limits of liability of the policy, and that if the City, its subsidiary agencies and their directors, officers, employees, agents, independent contractors and volunteers have other insurance against a loss covered by a policy, such other insurance shall be excess insurance only.
- D. Verification of Coverage: Contractor shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause).
- E. Notice of Cancellation: Contractor shall provide thirty (30) days' notice, in writing, to the City, at 2415 University Avenue, East Palo Alto, CA 94303, of any pending change or cancellation of the policy.
- F. Deductibles or Self-Insured Retentions: Prior to the execution of this Agreement, any deductibles or self-insured retentions must be declared to and approved by City.
- G. Breach: In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, City, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

## EXHIBIT D

### CITY OF EAST PALO ALTO'S POLICY AGAINST DISCRIMINATION, HARASSMENT AND RETALIATION

EFFECTIVE DATE: 12/21/2004

REVISED DATE: 1/12/07

ADOPTED BY CITY COUNCIL: 12/21/2004

#### I. PURPOSES

The purposes of this policy are to emphasize the City's commitment to keeping its workplace free of harassment, discrimination and retaliation, to define and provide examples of the conduct that is prohibited, to summarize the respective responsibilities for preventing, reporting, investigating, and responding to violations and to give clear warning of the serious consequences that violators will face.

A copy of this policy shall be provided to all persons who are subject to it, and shall be posted on City bulletin boards in all City facilities.

#### II. POLICY

All of the following are prohibited by this Policy:

- Discrimination or harassment in any aspect of City employment based on any legally protected characteristic or status, including sex, gender, sexual orientation, race, color, national origin, language, ancestry, religion, age, marital status, domestic partner, physical disability, mental disability, or medical condition.
- Retaliation for opposing, filing a complaint about, or participating in an investigation of, any such harassment or discrimination.
- Aiding, abetting, inciting, compelling, or coercing or any such discrimination, harassment or retaliation, or attempting to do so.

The City will take all reasonable steps necessary to prevent such misconduct from occurring, and to remedy and punish any occurrence. Any City employee, Council member, member of any advisory body, including any Commissioner, Committee member, or Board member found having engaged in any such misconduct will be subject to disciplinary action up to and including termination or censure or removal and will be deemed to have acted outside the course and scope of his or her employment.

This policy applies to all City employees, volunteers, interns, vendors, and contractors as well as to all applicants for City positions.

The policy shall not be interpreted or applied in any manner that would be inconsistent with any applicable State or Federal law or regulation, or increase the legal liability of the City.

### **III. DESCRIPTION AND EXAMPLES OF PROHIBITED HARASSMENT**

Harassment on the basis of sex is unlawful, and is prohibited by this policy. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when:

- An individual's submission to such conduct is made explicitly or implicitly, a term or condition of that individual's employment; or,
- An individual's submission to or rejection of such conducts is used as the basis for an employment decision affecting that individual; or,
- The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, abusive, or offensive work environment.

Sexual harassment need not be motivated by sexual desire or gratification, and may include nonsexual conduct motivated by the violator's hostility towards the victim's gender, or towards the victim's nonconformity to gender stereotypes. Sexual harassment includes not only conduct motivated by gender, but also by pregnancy, childbirth, or a related condition. A harasser may be either male or female, and the victim may either be the same sex or the opposite sex. Even a person who is not the intended target of harassment may be harassed by it if he or she witnesses it.

Sexual harassment may be verbal, visual, or physical. For example:

- Verbal harassment may consist of derogatory, threatening, or intimidating comments, epithets, slurs or jokes; references to gender, physical appearance, attire, sexual prowess, marital status, or pregnancy; or sexual advances, propositions, or demands.
- Visual harassment may consist of displaying or circulating derogatory or offensive posters, cartoons, drawings, photographs, pin-ups, computer images, or electronic media transmissions.
- Physical harassment may consist of assault, battery, or unwelcome, unnecessary and offensive touching (kissing, hugging, patting, rubbing, pinching, brushing against), stating, leering, gesturing, whistling or making noises, impeding or blocking movement, or physical interfering with normal work or movement.

In addition to prohibiting harassment based on sex or gender, this policy also prohibits harassment based on sexual orientation, or upon any other legal protected characteristic or status, such as race, religion, creed, color, national origin, language, ancestry, physical disability, mental disability, medical condition, marital status, domestic partner, or age.

Harassment on the basis of such factors is subject to the principles applicable to sexual harassment, as stated above.

#### **IV. REPORTING DISCRIMINATION, HARASSMENT OR RETALIATION**

Any City employee, volunteer, intern, vendor, contractor, or applicant who becomes aware of any discrimination, harassment or retaliation prohibited by this policy shall report it immediately to their immediate supervisor, or higher ranking supervisor, or the Assistant City Manager. Under no circumstances shall such a report be required or expected to be made to the person who engaged in the misconduct that is subject to this report.

The responsibility to report conduct prohibited by this policy arises even if the conduct is directed toward someone else and even if the person toward whom it is directed does not want it reported.

Reports may be made orally or in writing, free of requirements as to form.

Because reports of conduct prohibited by this policy will be treated as serious charges, the making of a deliberately false report, or a report made with reckless disregard for its truth or falsity, may subject the maker to disciplinary action.

#### **V. INVESTIGATION AND RESOLUTION**

The City of East Palo Alto will investigate all reported violations of this policy. All employees, volunteers, interns, vendors and contractors, members of the City Council, or members of a City advisory body shall cooperate with any such investigation.

Any supervisor, manager department head, member of the City Council, or member of a City advisory body who receives a report of, or who becomes aware of, conduct prohibited by this policy shall promptly report it to the Personnel Officer. Upon receiving the report, the Personnel Officer shall direct any report that accuses a City Council member or appointee to the City Council for investigation and resolution. The City Council shall delegate the responsibility to conduct a prompt, full, and fair investigation to the qualified private investigator. Upon receiving a report regarding a non-City Council member or appointee, the Personnel Officer shall conduct a prompt, full, and fair investigation, or delegate

that responsibility to a qualified City employee or private investigator. The person performing the investigation shall:

- Interview the complainant, the accused, and any other person the investigator believe to have knowledge relevant to the charges;
- Gather and review any documentary, electronic, or physical evidence relevant to the charges;
- Consult with legal counsel as needed;
- Determine whether the charges can or cannot be substantiated; and
- Develop recommendations for appropriate remedial and/or disciplinary action, if any.

## **VI. OUTSIDE ADMINISTRATIVE AGENCIES**

In addition to the remedies described in this Policy, the U.S. Equal Employment Commission and the California Department of Fair Employment and Housing provide administrative complaint and investigation processes as to harassment, discrimination or retaliation on the basis of a protected status. The toll free telephone number for such office is listed below:

California Department of Fair Employment and Housing 1.800.233.3212  
U.S. Equal Employment Opportunity Commission 1.800.669.4000