

Report Title:

Public Contracts; First Source Hiring Policy

Description:

Establishes a statewide first source hiring policy to require private businesses that enter into a contract with the State or are the beneficiary of a grant from the State to consider and make good faith efforts to hire resident individuals referred by the director before all others.

THE SENATE
TWENTY-THIRD
LEGISLATURE, 2005
STATE OF HAWAII

S.B. NO. ¹⁸

A BILL FOR AN ACT

relating to public contracts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 103D, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"Part

First Source Hiring Program

"§103D- Purpose. The purpose of this part is to assist Hawaii residents in finding employment with businesses that enter into contracts with or receive financial assistance in the form of grants from the State and, in turn, to

provide those same businesses with qualified local applicants for job openings.

§103D- Definitions. As used in this part, unless the context clearly requires otherwise:

"Contract" shall have the same meaning as in section 103D-104.

"Department" means the department of labor and industrial relations.

"First source hiring agreement" means an agreement entered into by a governmental body and a contractor doing business in the State or a grantee under which the governmental body and the contractor or grantee agree to work cooperatively in endeavoring to identify and hire residents to fill job openings within the entity.

"Grant" shall have the same meaning as in section 103D-104.

"Resident" means an individual domiciled in the State.

§103D- First source hiring agreement form. On or before December 1, 2005, the department shall develop a model first source hiring agreement form that shall be executed by the governmental body and the contractor or grantee with the award of a contract or grant. The model first source hiring agreement form shall provide for the following:

(1) That the contractor or grantee of a contract or grant shall:

(A) Inform the department of all of the entity's job openings prior to interviewing individuals for employment related to the contract or grant;

(B) Utilize the resources of the department as its first source for hiring candidates to fill job vacancies;

(C) Allow the department seven days from the date of

receipt of job opening notifications to refer screened and qualified candidates to the contractor or grantee;

(D) Work cooperatively with the department to develop any necessary training programs to enable residents in qualifying for and securing employment;

(E) Provide first preference and first consideration to the extent permitted by law and any existing labor agreements to candidates referred to by the department;

(F) Make all hiring decisions in the contractor's or grantee's sole and absolute discretion;

(G) Endeavor to provide candidates referred by the department priority in filling job openings if the candidates meet the qualifications of the position;

(H) Provide the department with information regarding the progress and employment status of those candidates referred by the department that the contractor or grantee has hired; and

(I) Designate a specific individual that the department may contact in regard to the provisions of

the first source hiring
agreement;

(2) The department shall:

(A) Review and process all of
the contractor's or grantee's
job opening notifications;

(B) Refer, within seven days
of the receipt of job opening
notifications, screened and
qualified candidates to the
contractor or grantee;

(C) Arrange follow-up and
post-hire transitional and
supportive services, as
necessary and appropriate;
and

(D) Review and evaluate the
effectiveness of the first
source hiring agreement and
make modifications as
necessary and appropriate;
and

(E) Promote the first source
hiring program to the public,
including but not limited to
employers and employees;

(3) A contractor or grantee may apply
to the department for a waiver of the
seven-day requirement, as provided in
the rules established by the
department; and

(4) The first source hiring agreement
shall terminate upon the termination of
the contract or grant.

§103D- First source hiring register. (a) The department
shall compile and maintain a first source hiring register.
The department shall utilize the services of the various
employment and training providers, including but not

limited to the department of human resources development, the One-Stop Employment Centers throughout the State, labor unions, nonprofit and community organizations, and any other interested organizations in compiling and maintaining the first source hiring register.

(b) The first source hiring register shall list residents who are qualified for jobs in categories as determined under the rules adopted by the department.

§103D- Enforcement. (a) Any transfer of the assets of the contractor or grantee that are related to a contract or grant shall be subject to the provisions of the first source hiring agreement and shall bind and be enforceable against the transferee.

(b) If a contractor or grantee defaults in the performance of its obligations stated in the first source hiring agreement, the contracting governmental body shall notify the contractor or grantee of the default in writing addressed to the contractor or grantee at its address stated in the contract or grant, or at any address otherwise provided by the contractor or grantee.

(c) The contractor or grantee shall commence to cure all of the defaults stated in the written notice within five days of the date of the written notice and shall complete the correction within a reasonable time, as stated in the rules.

(d) If the contractor or grantee fails to cure all defaults stated in the written notice, the governmental body may exercise its remedies as stated in the applicable contract or grant.

§103D- Report. The department shall submit a report to the legislature on or before twenty days prior to the commencement of each regular session, which shall include the following:

(1) The annual number of contracts and grants for which first source hiring agreements were executed;

(2) The annual number of individual residents from the first source register who were hired by each

contractor or grantee with which a first source hiring agreement was executed;

(3) The duration of time individual residents from the first source hiring register have been employed;

(4) The number of individual residents listed in the first source hiring register at the beginning and end of the reported calendar year; and

(5) The effectiveness of each first source hiring agreement in securing employment for individual residents from the first source hiring register.

§103D- Rules. The department shall adopt rules pursuant to chapter 91 necessary for the purposes of this part."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date.

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY: _____