

Executive Order City of Pittsburgh Office of the Mayor	
Subject: Safe & Responsible Contractor Policy for Construction Industry	Number: 2017-09
By Direction of: William Peduto, Mayor	Date: July 26, 2017

WHEREAS, This Administration recognizes that a reliable, efficient construction industry is essential to Pittsburgh’s future because it impacts core goals and functions of the City, including rebuilding infrastructure systems, promoting successful economic development and fostering new business investment in private enterprise; such concerns impact all sectors of construction, private, public and publicly-assisted construction; and

WHEREAS Securing safe, successful delivery of construction services is extremely difficult due to the complex, unpredictable and inherently dangerous nature of this industry, wherein errors in project planning or execution, especially those caused by untrained or inexperienced personnel, can result in serious health and safety risks to project workers or the general public, unnecessary cost overruns, flawed or inferior projects, and disruptions in schedules that delay the use of critical government facilities or private enterprises; and

WHEREAS The Administration further recognizes that a significant number of contractors and subcontractors (hereinafter “*contractors*”) in the local construction industry do not comply with important laws and regulations, including but not limited to those relating to contractor registration or licensing, building permits, city wage tax requirements and wage and safety standards; and that the failure to comply with such laws creates serious risks to public safety and worker safety, prevents the City from collecting applicable fees and taxes, and results in illegal, unfair competition to law-abiding contractors; and

WHEREAS To ensure public health and safety, safeguard City resources and investments and protect consumers of construction services from unqualified and disreputable firms, Pittsburgh would benefit from developing effective licensing, procurement and economic development policies, including the use of clearly defined technical qualification and contractor responsibility standards to address the unique challenges of the industry and ensure participation by competent, law-abiding contractors and properly trained craft workers; and

WHEREAS, This Administration specifically seeks to ensure that construction work is performed by fully “responsible” contractors that meet key performance criteria and contractor responsibility standards, including: (a) a satisfactory record of past performance and compliance with applicable laws and industry regulations; and (b) adequate present performance capabilities, including technical qualifications and required physical and personnel resources needed to perform projects in a safe, timely and cost-effective manner; and

WHEREAS, Pittsburgh, like that of many other municipalities, is facing serious skill shortages in construction due to shifting demographics, mass retirement of baby boomers and other factors; and such shortages will become increasingly worse without proactive policy solutions, which will severely undermine the City's ability to ensure a sufficient pool of competent contractors and an adequate supply of skilled labor to meet project needs; and

WHEREAS, This Administration also recognizes that, notwithstanding generally strong economic trends in Pittsburgh in recent years, there are still a substantial number of under-employed and unemployed residents who, with proper education and training, could help the City meet its demand for skilled workers on future projects; and

WHEREAS, Substantial evidence, supported by data from multiple, credible sources, shows that the construction industry challenges Pittsburgh is facing can be effectively addressed through the use of certain progressive public policy tools, including contractor responsibility standards, prevailing wage and apprenticeship training requirements, project labor agreements, full transparency/public disclosure rules and joint public-private enforcement efforts; and

WHEREAS, Such public policies could significantly benefit the City of Pittsburgh and the development of these policies could be assisted by the ideas, input and constructive participation of local stakeholders, who could work in partnership with the Administration to identify the City's critical needs in further detail and recommend specific viable solutions.

NOW, THEREFORE, I, William Peduto, Mayor of the City of Pittsburgh, by the virtue of the authority vested in me by the City Charter and laws of the City of Pittsburgh, do hereby direct the following actions:

1. Creation of a Construction Industry Task Force ("Task Force") to study the Pittsburgh construction industry and prepare a report and recommendations to the Mayor and City Council for executive and/or legislative action to address the above-stated challenges.
2. The Mayor's Office Liaison shall provide staffing for and convene the Task Force of no more than nine (9) individuals from a broad base of stakeholders that shall include representatives from the following organizations:
 - (a) Two Representatives of Pittsburgh City Council;
 - (b) Two Workforce Readiness/Minority Recruitment Programs;
 - (c) One representative of Construction Contractor Organizations;
 - (d) One representative of Project Developer Organizations;
 - (e) One representative of Building Trades Labor Organizations;
 - (f) One Representative of Apprenticeship Training Organizations; and
 - (g) One Representative of Regional Workforce Development Programs.
3. The Task Force shall be assisted by one or more persons appointed by the Mayor to represent affected City Departments and Offices, including the Department of Public Works, Department of Licenses and Inspections, Department of Management and Budget, and Finance Department, as well as the Mayor's Office Liaison to Partner4Work. The Task Force shall consult with the Law Department on an ongoing basis on the development of the mission outlined above.

4. The Mayor’s Office Liaison shall commission any technical support required by the Task Force, including the development of necessary construction industry studies, to inform and assist the work of the Task Force.
5. The Task Force shall review applicable provisions of the Pittsburgh Code and related administrative regulations to determine whether any existing provisions should be modified or deleted or new provisions should be added to achieve the policy goals of this Executive Order. These provisions shall include but not be limited to the following:
 - (a) Title 1—*Administrative*; Article I, *General Provisions*; Chapter 107, *Licenses and Permits*;
 - (b) Title 1—*Administrative*, Article I, *General Provisions*; Chapter 161, *Public Contracts*, especially:
 - i. § 161.16 *Required Provisions in City Contracts*;
 - ii. § 161.22 *Debarment from Bidding on/Participating in City Contracts*;
 - iii. § 161.22 *Public Works Contracts*;
 - (c) Title 1—*Administrative*; Article IX, *Boards and Commissions*, Chapter 177, *Economic Development Commission*;
 - (d) Title 2—*Fiscal*; Article VII, *Business Related Taxes*; Chapter 245, *Earned Income Tax*;
 - (e) Title 7—*Business Licenses*; especially:
 - i. Article 5, *Trade Occupations*; Chapter 751, *Contractor Registration*, § 751.03, *Qualifications*; and
 - ii. Article 5, *Trade Occupations*; Chapter 751, § 753.01, *Suspension for Failure to Abate Violations*.
6. The Task Force’s work shall be tailored to address the needs of each of the three major sectors of the construction industry: private, public and publicly-assisted projects. For purposes of this Executive Order, “publicly-assisted” projects shall include any construction projects or programs in which the City participates and seeks to promote or support through direct funding, real property, favorable tax policy or other assistance.
 - (a) For private sector construction, the Task Force shall explore possible revisions to current licensing, permit and tax laws that will help promote public and worker safety, protect consumers of construction services, and ensure full compliance with applicable laws and regulations in these areas. Public policy tools to be considered should include, but not be limited to: (1) contractor qualification and responsibility standards; (2) apprenticeship training requirements; and (3) increased sanctions, penalties and other law enforcement reforms, such as authorization of private attorney general actions.
 - (b) For public sector construction, the Task Force shall explore possible revisions to appropriate procurement provisions of the City Code to ensure public and worker safety, protect capital investments made by the City, and promote workforce development efforts to address skill shortage challenges. Public policy tools to be considered for these purposes should include, but not be limited to: (1) contractor qualification and responsibility standards; (2) apprenticeship training requirements; and (3) project labor agreements for major projects.

- (c) For publicly-assisted construction, the Task Force shall explore possible revisions to provisions of the City Code relating to economic development and other public-private ventures in which the City invests resources or otherwise supports or facilitates project construction. The focus of such reforms shall be to ensure public and worker safety; protect the use of capital or equitable investments made by the City; and promote workforce development efforts to address skill shortage challenges. Public policy tools that should be considered for these purposes should include, but not be limited to: (1) extension of City's prevailing wage law to these projects; (2) contractor qualification and responsibility standards; (3) apprenticeship training requirements; and (4) project labor agreements for major projects.
7. All City departments and authorities under the Mayor's jurisdiction shall work cooperatively to ensure the success of the mission outlined above.
 8. The Task Force shall work with local economic development entities, including the Economic Development Commission, Urban Redevelopment Authority of Pittsburgh, the Housing Authority of the City of Pittsburgh, Pittsburgh Water and Sewer Authority, Pittsburgh Parking Authority, Pittsburgh Sports & Exhibition Authority, Pittsburgh Stadium Authority, and Pittsburgh Land Bank, to consider adoption of policies necessary to effectuate the goals of this Executive Order. All independent agencies, City-affiliated entities, and City-related institutions, including those specified herein, are strongly encouraged to work to help advance these efforts and adopt similar policy initiatives, where applicable.
 9. All actions taken pursuant to this Executive Order shall be performed in accordance with applicable local, state, and federal law.
 10. The Task Force's report and recommendations shall be submitted to the Mayor and City Council within ninety (90) days of the effective date of this Executive Order.

This Executive Order shall take effect immediately and remain in effect until amended or rescinded by the Mayor.