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Some Cities May Soon Make Contractors Hire Local for Transportation Projects.

Cities and states will be able to require contractors on federally funded transportation projects to hire local workers for those projects, U.S. Transportation Secretary Anthony Foxx announced Tuesday.

The move, hailed by many mayors as a way to help create jobs, would also allow the localities to require the construction companies to hire veterans or low-income workers.

Federal law currently requires that bids be awarded to the lowest bidder, in most cases.

"We are developing a pilot that will help us learn about how having a more robust hire provision at the federal level would actually work and what some of the challenges actually are. It's been 40 years since this has been tested," Foxx said.

The changes would give the cities and states that participate in the program "maximum flexibility" to determine who would qualify as local residents, or whether to also include low-income residents or veterans, Foxx said.

But the one-year pilot program only applies to money received from the Federal Highway Administration and the Federal Transit Administration. Federal transportation officials will determine whether the extra requirements "unduly limit competition." If they find the restrictions do not substantially affect competition for bids, they could further loosen restrictions in the future.

Los Angeles Mayor Eric Garcetti praised the move.

"Out here in L.A., if we had no money in, we could get creative and talk about local hires. But as soon as we had a dollar of federal money in, we could not put in there, 'You're going to hire locals,'" he said. "That was taking one of our most important tools away in exchange for a dollar or more from the feds."

Garcetti's predecessor, Antonio Villaraigosa, pushed the federal government four years ago to allow municipalities to include workforce requirements when they asked for bids. Villaraigosa had been looking for a way to rekindle the local economy at a period of high unemployment, and he wanted to make sure local residents got a larger share of the estimated 166,000 transportation jobs in the region. Villaraigosa raised the issue when he headed the U.S. Conference of Mayors, and the group later endorsed the concept.

William Bell, the mayor of Birmingham, Ala., said his city launched apprenticeship programs to train new construction workers after the recession.

"It would all be for naught if we did not have the jobs to support those young men and women who go through this training process," he said. "The changes that have been made in the rules today would allow us to help create those job opportunities for our citizens and to put us on a stronger

footing for growth in the future.”

Atlanta Mayor Kasim Reed said the new pilot project would help his city be “more bold” in its efforts to employ local residents, especially as the city leads a \$6 billion effort to upgrade Hartsfield-Jackson Atlanta International Airport.

“To the extent that we can focus on local residents, low-income individuals and, of course, our veterans, cities are going to thrive and our country is going to do better,” Reed said.

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