

ORDINANCE/RESOLUTION REQUEST

Date of Request: 08/30/21

Please mark one: ☐ Bill Request or ☒ Resolution Request

1. Type of Request:

- ☒ Contract/Grant Agreement ☐ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment
- ☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change
- ☐ Other:

2. Title:

Authorizes a contract between Denver Economic Development & Opportunity and the Colorado Restaurant Association for \$1,000,000 to foster and promote re-hiring, retention, and job security for workers by in the food/beverage service industry through December 31, 2021.

3. Requesting Agency: Denver Economic Development & Opportunity (DEDO)

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Deborah Cameron 303-330-3599 (m)	Name: Susan Liehe 720-480-3481 (m)
Email: deborah.cameron@denvergov.org	Email: susan.liehe@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

6. City Attorney assigned to this request (if applicable):

Brian Martin

7. City Council District: Citywide

****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):
Professional Services

Vendor/Contractor Name: Colorado Restaurant Association

Contract control number: OEDEV-202159134

Location: 430 E. 7th Ave, Denver 80203

Is this a new contract? ☒ Yes ☐ No Is this an Amendment? ☐ Yes ☒ No If yes, how many? _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

June 1, 2021 through December 31, 2021

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$1,000,000		

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
6/1/2021 - 12/31/2021		

Scope of work:

See Executive Summary.

Was this contractor selected by competitive process? No, due to the targeted nature of the industry employers within a defined geographic area (i.e., City & County of Denver location) and workers this program is intended to support. Two associations are proposed as partners to deliver this “Denver Back to Work” program, the other being the Colorado Events Alliance.

Has this contractor provided these services to the City before? ☒ Yes ☐ No

Source of funds: Federal coronavirus relief funds (CRV)

Is this contract subject to: ☐ W/MBE ☐ DBE ☐ SBE ☐ XO101 ☐ ACDBE ☒ N/A

WBE/MBE/DBE commitments (construction, design, DEN concession contracts): N/A

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

DEDO’s work to help restart, rebuild, and stabilize our local job base includes supporting both employers and employees in the restaurant, hospitality, and events industry. DEDO’s “Denver Back to Work” program serving this industry is three tiered:

- City contracts with associations who are supporting employers during this hiring challenge; which funds
- Individual grants available from the associations to qualified employers to attract, hire, retain, and incent their employees, limited to \$10,000 per employer; with an end result of
- Direct pass-through cash grants made by the employers to their workers, not limited in the terms of our contract but estimated to be \$1,500 per person.

The program is designed so that minus a 6% administrative fee for the associations to properly administer the \$10,000 grants to employers, **the employers retain no portion of the cash grants**, and the dollars go directly to employees.

- “Denver Back to Work” **does not limit benefits to workers who reside outside of the City & County of Denver**, but only requires that the employer is hiring for a Denver location; the program also does not consider the **immigration or naturalization status** of the worker.
- A similar contract is being proposed with the Colorado Restaurant Association, also providing funding to employers up to \$10,000 each, with a \$1M total contract. These two contracts together supporting “Denver Back to Work” will **dedicate nearly \$1.5M to the industry** to use for hiring and retention incentives.
- After the administrative costs of \$84,905 across two association contractors based on an administrative fee to each limited to 6%, this program will serve approximately **140 Denver employers up to \$10,000 each** from a fund of approximately \$1,400,000.
- The employers receiving grants **are not required be dues-paying members** of the association making the grant.
- Cash grants to workers are not limited by the scope of our contract, but at \$1,500 each, an estimate of **the number of individual workers benefiting from this program is 943**.

Emerging from the dual crises of both a public health emergency and dramatic economic downturn, Denver finds itself in an unusual employment climate. Many employers across various sectors are trying to attract talent to fuel their operations and recovery, and some workers are exercising their options and flexibility to consider new careers, changing industries, and working in virtual or hybrid virtual/in-person settings.

Balancing the availability of higher wages, better benefits, scheduling flexibility, and even protection against health exposure risks, some workers from Denver’s restaurant, hospitality, and events sector do not appear likely to return. Others who were working in restaurant, hospitality, and events settings in March 2020 may not have the intention or skills/experience to leave the industry now, although it is clear that employers must present a more attractive hiring and retention picture. Competition for top and experienced talent is fierce. Some industry workers have been re-employed and then faced a second job loss as the uncertain economy continues to recover, and so longer-range job security is likely a stronger factor in a jobseeker’s mind than may have been the case pre-pandemic. Hiring bonuses, flexibility to accommodate child care, upskilling resources, and transportation costs are on the table, too.