



Legislation Text

File #: 21-1008, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 8-30-21

Requesting Agency: Denver Economic Development and Opportunity
Division:

Subject Matter Expert Name: Susan Liehe
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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed Agreement between the City and County of Denver and Colorado Restaurant Association Education Fund to foster and promote re-hiring, retention, and job security for workers in the food/beverage service industry.

Approves a contract with the Colorado Restaurant Association Education Fund for \$1,000,000 and through 12-31-21 to foster and promote re-hiring, retention, and job security for workers in the food/beverage service industry (OEDEV-202159134). The last regularly scheduled Council meeting within the 30-day review period is on 10-11-21. The Committee approved filing this item at its meeting on 9-8-21. Pursuant to Council Rule 3.7, Councilmember CdeBaca called out this resolution at the 9-20-21 Council meeting for a one-week postponement to 9-27-21.

Affected Council District(s) or citywide? Citywide

Contract Control Number: OEDEV-202159134

Vendor/Contractor Name (including any "DBA"): Colorado Restaurant Association
Type and Scope of services to be performed:

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.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract: 6/1/2021 - 12/31/2021

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term: \$1,000,000

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)