



University of California  
Office of the President

Senior Vice President—Academic Affairs

Research Administration Office

# Memo Operating Guidance

No. 86-22, Supplement 1  
October 11, 2006

## CONTRACT AND GRANT OFFICERS

**Subject:** State Contract Provision: Priority Hiring Considerations

Contract and Grant Operating Guidance Memo 86-22, dated September 5, 1986, distributed a letter from the State Department of General Services (DGS) stating that Public Contract Code Section 10353, Priority Hiring Considerations, does not apply to public entities such as the University of California. [<http://www.ucop.edu/raohome/cgmemos/86-22.html>] Last year, an attorney at a State agency said that because the letter was "old", she would not delete this clause. As a result, we have obtained another letter from DGS Office of Legal Services reiterating this position. This letter is attached.

The State of California Public Contract Code Section 10353 referred to in this provision requires State agencies to include a provision in contracts in excess of \$200,000 which requires contractors to give priority to recipients of welfare aid in filling positions funded by the contract. Specifically, the clause found in State General Terms and Conditions (GTC) which the University sometimes receives instead of interagency agreements (GIA) terms and conditions states:

PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

The clause may also be incorporated within an agreement as well.

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David F. Mears  
Director

Enclosure



State of California • Arnold Schwarzenegger, Governor  
State and Consumer Services Agency  
**DEPARTMENT OF GENERAL SERVICES**  
**Office of Legal Services**

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October 12, 2005

Samuela A. Evans  
University of California  
Office of the President  
Research Administration  
1111 Franklin Street, 5<sup>th</sup> Floor  
Oakland, CA 94607

Dear Ms. Evans:

We have reviewed your e-mail to the Department of General Services, Office of Legal Services dated October 4, 2005, in which you ask the Department to confirm that the "Priority Hiring" provision contained in the recently updated General Terms and Conditions (GTC 1005) is not applicable to the University of California.

The legal basis for this provision is contained in Public Contract Code section 10353. It is the opinion of this office that this section is not applicable to State contracts with other public entities, including the University of California. As a result, we do not require the "Priority Hiring" provision to be included in State contracts with the University of California.

Sincerely,

LINDA A. CABATIC, Deputy Director  
Office of Legal Services

LAC:tcs:s:admin/opinions/priority hiring provision with UC contracts