



## Board Report

File #: 2016-0437, File Type: Contract

Agenda Number: 38

### EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE JUNE 23, 2016

**SUBJECT: LABOR COMPLIANCE MONITORING BENCH**

**ACTION: APPROVE LABOR COMPLIANCE MONITORING BENCH CONTRACT(S)**

#### **RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to execute Contract Modification No.1 to the **Labor Compliance Bench (The Bench)** Contract Numbers PS-21307700 A-J, for labor compliance monitoring services, to exercise the first one-year option and extend the contract term from June 30, 2016 to June 30, 2017 increasing the total authorized not-to-exceed amount by \$1,578,584 from \$13,478,064 to \$15,056,648;
- B. AUTHORIZING the award of a task order with Padilla & Associates, Inc. for Contract No. PS-21307700-E to perform labor compliance monitoring services on the South Western Light-Rail Vehicle Yard Project for a fixed price of \$772,575.87, increasing the total contract amount from \$78,413.23 to \$850,989.87;
- C. APPROVING Labor Compliance Monitoring Services task orders for the I-405 Sepulveda Pass Widening Project with Parsons Corporation (Task Order #1) for the fixed price amount of \$1,640,930.76; for the Crenshaw/LAX Project with the Solis Group (Task Order #32) for the fixed price amount of \$3,646,745; for the Regional Connector Transit Corridor Project with Perceptive Enterprises, Inc. (Task Order #45) for the fixed price amount of \$2,915,465.43; and for the Westside Subway Extension Section 1 Design/Build Project with Metro Compliance Services, JV (Task Order #48R) for the fixed price amount of \$3,952,560.03; and
- D. AUTHORIZING the Chief Executive Officer to award and execute task orders with the total authorized amount of \$15,056,648.

#### **ISSUE**

On June 16, 2011, the Board of Directors authorized the Chief Executive Officer (CEO) to establish a qualified list of candidates to perform labor compliance monitoring services for Metro construction projects under RFIQ PS-2130-7700 to the recommended consultants (Attachment A), for a period of five years with five, one year options. The expiration date for the base five year period for the Labor Compliance Monitoring Bench is June 30, 2016. Staff is seeking approval to exercise the first of five, one year options in order to meet the requirements of the California Labor Code, Davis Bacon and related Acts that require Metro to ensure all construction workers employed to work on Metro

funded construction projects are compensated according to the state and federal prevailing wage laws and regulations.

Task orders have been issued for various amounts (see Attachment A) on the premise that the funding for Labor Compliance Monitoring services was authorized within the Board of Directors approved life of project (LOP) budgets for the various capital projects. The Board Report in June 2011 stated all costs will be included in the approved LOP budgets for each capital project.

Staff, with the end of the contract term approaching, reviewed the initial Board Report and contracts in order to exercise the first of the five, one year options. Upon review of all relevant documentation it was determined the June 2011 Board Report had not:

1. Provided for specific authorization to the CEO to execute task orders under the individual Bench Contracts within a specified amount; and
2. Establish a total not-to-exceed amount for the Bench.

Although the Board authorized award of the bench contracts, the board action did not specifically include funding authority. The CEO, pursuant to his Board delegated authority, authorized award and execution of task orders up to \$500,000 per contract. Staff needed to obtain Board approval of task orders that exceed the limit of \$500,000 per contract. Staff issued a total of 48 task orders under the ten bench contracts. However, staff inadvertently exceeded their authority on four of the contracts by awarding task orders in excess of the \$500,000 contract limit. Item C of this recommendation is a request for ratification of those four task orders.

Vendor/Contract Management (V/CM) engaged in a review of all bench contracts and single contracts where task orders are issued to determine if any other task orders had been issued exceeding Board approved authorizations. V/CM reviewed these contracts and found they were compliant and consistent with Board approved authority.

V/CM has proceeded with corrective action to ensure such incidents do not happen in the future. In the short term, by June 30, 2016, V/CM will receive a daily report generated in the Contract Information Management System (CIMS) listing all bench contracts and the task order amounts awarded-to-date. This report will provide the V/CM team, Contract Administrators, Buyers and management, daily awarded balances for all active bench contracts to manually compare against the Board approved funding amounts.

In the long term, V/CM will work with the Information Technology (IT) department to program and implement a solution of systematic controls through a detailed bench contract tracking application, to be completed within six months (November 2016). The application will provide daily tracking of bench contract awards, and electronically reconcile the contract awards to the authorized contract

limit, and create warning notifications to the Project Manager and V/CM management when the approved bench value reaches 75 percent of authorized contract limit. This solution has already been developed in concept, within the capabilities of CIMS, but the actual program coding needs to be developed.

## **DISCUSSION**

The California Labor Code, and the Davis Bacon Act and related Acts require Metro to ensure that all construction workers employed to work on Metro funded construction projects are compensated according to state and federal prevailing wage laws and regulations. The Consultants on the Bench are responsible for evaluating, monitoring, and advising Metro on enforcing prevailing wage requirements on assigned construction projects. This includes maintaining all required records, providing assistance to field personnel, conducting field interviews and investigations and other duties in accordance with applicable laws and regulations governing public works projects.

Since the inception of the Bench, 48 task orders have been issued to date (See Attachment A), totaling \$13,478,063.38. The Bench has been an effective tool, specifically on Metro's mega, high profile projects. Currently, nine of the ten prime Bench consultants are certified as DBE's and SBE's. SBE's and DBE's have been awarded \$12,702,523 of the \$13,478,063 awarded to date (approximately 94% of the total awarded value). Metro's Small Business Enterprise (SBE) Program, Small Business Prime Program, or Disadvantaged Business Enterprise (DBE) Program are applied to the task order solicitations based on funding sources and estimated task order value.

As new capital projects have been approved by the Board, the funds for Labor Compliance monitoring services have been included in the approved LOP budgets for each capital project. The process to issue task orders on approved capital projects is as follows:

- An independent cost estimate and Scope of Work are developed by the Diversity & Economic Opportunity Department (DEOD) Project Manager.
- A requisition is developed by the DEOD finance unit and approved by the Project Manager for the capital project. DEOD submits the approved requisition, scope of work and information sheet to the Contract Administrator (CA) to issue a written request for a proposal from the members of the Bench.
- The CA receives proposal(s) and distributes them to the evaluation committee.
- The evaluation committee evaluate the proposals, the quality of work on previous task orders, demonstrated capabilities, the quality of deliverables, existing workload, cost control, price and other relevant factors (small business utilization, staff availability and hours proposed)
- The DEOD Project Manager prepares a recommendation memo and submits to CA, who determines the price is fair and reasonable.
- The CA issues a Notice of Intent to Award to inform the entire Bench of contractor selection and issues a Firm Fixed Price task order to the selected firm. Concurrently, the awardee submits a payment schedule to be approved by the DEOD Project Manager.

The Labor Compliance Monitoring Bench has been successful in providing DBE/SBE opportunities, meeting established goals, effective monitoring based on state and federal regulations and ensuring that workers on Metro's project are being paid the correct prevailing wage rates.

### **DETERMINATION OF SAFETY IMPACT**

The approval of this recommended action will not have any direct impact on the safety of our customers and employees.

### **FINANCIAL IMPACT**

Labor Compliance funding for capital projects have been included in the various budgets for new projects in FY17, which in most instances, is transferred to Cost Center 2130 (DEOD) and spent from there; if the funds remain in the Construction Cost Centers, DEOD staff is included in the approval hierarchy.

A total of \$1,578,584 has been estimated for FY17 for current task orders and issuing new task orders. The \$772,575.87 for the task order award listed in Recommendation B (Southwestern Light-Rail Vehicle Yard Project) is included in the total estimated amount for FY17. The remaining \$806,009 will be used to issue new task orders on various anticipated capital projects.

Capital project funding will be the source of funding for the Labor Compliance Monitoring task orders. DEOD will continue to work with Project Managers and cost center managers to budget cost in current and future years.

#### **Impact to Budget**

Capital project funding including federal, state, sales tax and grant funds is the source of funding for the Labor Compliance Monitoring task orders. Labor Compliance is built into the LOP and/or operating project budgets charged under the contracts identified in this report.

### **ALTERNATIVES CONSIDERED**

An alternative is to perform labor compliance monitoring services using only Metro staff by adding additional FTEs. This alternative is not recommended because the volume of capital construction work is constantly changing making this activity subject to peak periods alternating with periods of low activity.

### **NEXT STEPS**

Upon approval of the requested recommendations, staff will continue to award individual task orders for prevailing wage compliance monitoring services within the total Board approved funds, using funds included in the approved life of project budgets for capital projects in FY17.

Staff will continue to provide oversight on the active task orders under the existing Bench contracts.

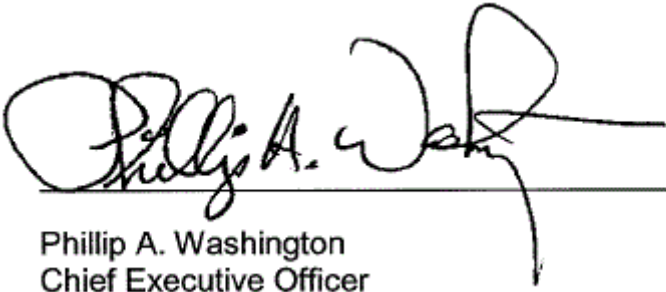
### **ATTACHMENTS**

- A. Procurement Summary
- B. List of Consultants & Awarded Task Orders
- C. DEOD Summary
- D. Board Report EMAC8

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## LABOR COMPLIANCE MONITORING BENCH / PS21307700 A-J

1.	<b>Contract Number:</b> PS21307700 A-J		
2.	<b>Contractor:</b> Multiple Firms (Labor Compliance Bench Firms)		
3.	<b>Mod. Work Description:</b> Administrative Changes to Labor Compliance Bench Contract		
4.	<b>Work Description:</b> Conduct labor compliance monitoring services for all construction projects that require the contractor pay prevailing wages under California State Labor Code.		
5.	<b>The following data is current as of:</b> May 20, 2016		
6.	<b>Contract Completion Status:</b>		<b>Financial Status:</b>
	<b>Award Date:</b>	June 16, 2011	<b>Board Approved NTE Amount:</b> N/A
	<b>Notice to Proceed (NTP):</b>	June 30, 2011	<b>Total Contract Modification Authority (CMA):</b> N/A
	<b>Original Completion Date:</b>	June 30, 2016	<b>Value of Task Orders and Mods. Issued to Date (including this action):</b> \$13,478,064
	<b>Current Est. Complete Date:</b>	June 30, 2020 for Task Orders	<b>Pending Approval Amount:</b> \$ 1,578,584
7.	<b>Contract Administrator:</b> Barbara A. Gatewood		<b>Telephone Number:</b> (213) 922-7317
8.	<b>Project Manager:</b> Wendy White		<b>Telephone Number:</b> (213) 922-2648

**A. Procurement Background**

This Board action is to authorize the Chief Executive Officer to execute Contract Modification No. 1 to the Labor Compliance Bench contracts, numbers PS21307700 A-J, to exercise the first, one year option extending the contract term from June 30, 2016 to June 30, 2017, and increasing the total authorized not-to-exceed amount by \$1,578,584 from \$13,478,064 to \$15,056,648.

In addition, staff is requesting the Board authorize the award of Task Order No. 47 with Padilla & Associates, Inc, Contract No. PS2130-7700 - E for Labor Compliance Monitoring on the Southwestern Light-Rail Vehicle Yard Project for the fixed price amount of \$772,575.87.

Lastly, the Board is requested to approve Labor Compliance Monitoring Services Task Order No. 1 for the I-405 Sepulveda Pass Widening Project with Parsons Corporation for the fixed price amount of \$1,640,930.76; Task Order No. 32 for the Crenshaw/LAX Project with the Solis Group for the fixed price amount of \$3,646,745; Task Order No. 45 for the Regional Connector Transit Corridor Project

with Perceptive Enterprises, Inc. for the fixed price amount of \$2,915,465.43; and Task Order No. 48R for the Westside Subway Extension Section 1 Design/Build Project with Metro Compliance Services, JV for the fixed price amount of \$3,952,560.03.

All Task Orders and Contract Modifications are handled in accordance with Metro's Acquisition Policy. The contract type is a firm fixed price.

**B. Cost/Price Analysis**

The recommended price for this action has been determined to be fair and reasonable based on fact finding and negotiations in accord with Metro's Acquisitions Policy. All future task orders and modifications will be determined to be fair and reasonable in accordance with Metro's Acquisition Policy at the time of issuance and award.

**LABOR COMPLIANCE BENCH MONITORING**  
**ALL TASK ORDER AWARDS & PAID TO DATE VALUES**

A	B	C	D	E	G	H
	Task Order #	Contract Number	Project Description	LC Bench Consultant	Life of Task Order Total Amount	Amount Paid to Date
1	6	C0-940	Division 3 Master Plan	Avant Garde	\$ 14,856.00	\$ 14,856.00
2	9	OP-3344-2103	Trash & Vegetation Removal	Avant Garde	\$ 39,319.00	\$ 39,319.00
3	18	C0-983	I-405 Soundwall Package 5&7	Avant Garde	\$ 105,898.00	\$ 105,898.00
4	22	C-1016	Lighting Upgrade @ Maintenance Building	Avant Garde	\$ 4,350.00	\$ 4,350.00
5	24	C-1022	Bus Stop Amenity Improvements @ Locations Along Slauson Ave.	Avant Garde	\$ 2,285.00	\$ 2,285.00
6	38	C-1037R	Bus Div. Generators (Div. 1, 7 & 8 w/options @ Div. 3)	Avant Garde	\$ 18,701.00	\$ 18,701.00
7	49R	C-1056	Westside Subway Ext. Advance Utility Relocation (LaCienega Station)	Avant Garde	\$ 62,680.00	\$ 7,487.00
				<b>Avant Garde Subtotals:</b>	\$ 248,089.00	\$ 192,896.00
8	2	C0-943	Metro Orange Line Extension	Casamar Group	\$ 151,825.80	\$ 151,825.80
9	46	C-1043	Universal City Pedestrian Bridge	Casamar Group	\$ 50,562.23	\$ 48,193.68
10	39	OP-8380-3019	Division 13 CNG Fueling Facility D/B	Casamar Group	\$ 16,042.50	\$ 16,042.50
				<b>Casamar Group Subtotals:</b>	\$ 218,430.53	\$ 216,061.98
11	40	C-0981	Regional Connector Advance Utilities Relocation	Gail Charles Consulting Services (GCCS)	\$ 30,847.65	\$ 30,847.65
				<b>GCCS Subtotals:</b>	\$ 30,847.65	\$ 30,847.65
12	14	C-1000	Div.2 Cyclone Replacement	Metro Compliance Services, JV (MCS)	\$ 7,064.25	\$ 7,064.25
13	48R	C-1045	Westside Subway Extension Section 1 Design/Build	MCS	\$ 3,952,560.03	\$ 27,727.02
14	3	C0-958	El Monte Transit Center	MCS	\$ 130,144.80	\$ 130,144.80
15	44	C-1067	Pavement Replacement @ Division 8	MCS	\$ 10,601.73	\$ 10,601.73
16	41	C-1020	MRL Union Station West Entrance Skylight Ventilation Modification	MCS	\$ 7,180.03	\$ 7,180.03
17	34	C-1038R	Vault House Relocation Div. 2, 8, 10 & 15 (Phase 1)	MCS	\$ 8,626.00	\$ 8,626.00
18	35	C-1058	Division 9 Transportation Building Addition and Renovation	MCS	\$ 44,558.00	\$ 44,558.00
				<b>MCS Subtotals:</b>	\$ 4,160,734.84	\$ 235,901.83
19	11	C0-990	Crenshaw Advanced Utilities Project	Padilla & Associates	\$ 22,698.95	\$ 22,698.95
20	12	C0-985R	Lankershim Depot Rehabilitation	Padilla & Associates	\$ 4,846.52	\$ 4,846.52
21	13	C0-986	Harbor Transit Video Surveillance	Padilla & Associates	\$ 3,970.67	\$ 3,970.67
22	27	C-1042	Re-Roofing @ Div. 10 Tranp. Bldg.	Padilla & Associates	\$ 8,000.00	\$ 8,000.00
23	31	C-1048	Westside Subway Extension Project - Advanced Utility Relocations (La Brea Station)	Padilla & Associates	\$ 19,028.02	\$ 19,028.02
24	33	C0-973A	Sound Wall Package 6 & 8	Padilla & Associates	\$ 19,869.07	\$ 19,869.07



**LABOR COMPLIANCE BENCH MONITORING  
ALL TASK ORDER AWARDS & PAID TO DATE VALUES**

A	B	C	D	E	G	H
	Task Order #	Contract Number	Project Description	LC Bench Consultant	Life of Task Order Total Amount	Amount Paid to Date
25	47	C0-991	Division 16 Southwestern Yard Design/ Build (Recommendation D)	Pending Award		\$ -
				Padilla & Associates Subtotals:	\$ 78,413.23	\$ 78,413.23
26	1	C0-882	I-405 Sepulveda Pass Widening Project	Parsons	\$ 1,640,930.76	\$ 1,640,930.76
				Parsons Subtotals:	\$ 1,640,930.76	\$ 1,640,930.76
27	4	C0-938	In Ground Hoist Replacement	Perceptive Enterprises, Inc.	\$ 12,750.00	\$ 12,750.00
28	7	OP-3340-2480	Red Line Civic Center Station Escalator Replacement	Perceptive Enterprises, Inc.	\$ 40,795.00	\$ 40,795.00
29	19	C0-963	D/B Metro Green Line Storage Bldg @ Division 22	Perceptive Enterprises, Inc.	\$ 9,553.47	\$ 9,553.47
30	20	C0-999R	Division 10 Pavement Replacement (Employee Parking)	Perceptive Enterprises, Inc.	\$ 4,584.98	\$ 4,584.98
31	23	C-1017	Landscape Improvements	Perceptive Enterprises, Inc.	\$ 4,145.11	\$ 4,145.11
32	30	C0-998R	Pasadena Goldline Repairs D/B	Perceptive Enterprises, Inc.	\$ 34,097.71	\$ 34,097.71
33	45	C-0980	Regional Connector Transit Corridor	Perceptive Enterprises, Inc.	\$ 2,915,465.43	\$ 422,995.68
34	42	C-1013R	MOL to MRL North Hollywood Station West Entrance	Perceptive Enterprises, Inc.	\$ 63,651.64	\$ 63,651.64
				Perceptive Enterprises, Inc. Subtotals:	\$ 3,085,043.34	\$ 592,573.59
35	5	C0-975	Harbor Transit Improvements	The "G" Crew	\$ 21,209.00	\$ 21,209.00
36	8	OP-3344-2235	Anti-Graffiti Film	The "G" Crew	\$ 32,218.41	\$ 32,218.41
37	10	OP-3344-2634	Roll-Up Door Maintenance	The "G" Crew	\$ 79,812.27	\$ 71,723.01
38	16	OP-8380-2788R	Automated Portable Toilet	The "G" Crew	\$ 10,423.60	\$ 10,423.60
39	17	C0-974	Div.13 Bus Maint. & Oper. Facility	The "G" Crew	\$ 122,502.56	\$ 122,502.56
40	21	C-1015R	Division 1 Cyclone Replacement	The "G" Crew	\$ 5,512.83	\$ 5,512.83
41	25	C-1026	Pavement Replacement @ Blue Line	The "G" Crew	\$ 15,282.31	\$ 15,282.31
42	26	C-1033	Pavement Replacement @ Blue Line Artesia Station Bus Terminal & Terminal 26	The "G" Crew	\$ 5,512.83	\$ 5,512.83
43	28	C-1051	Radiant Heater Replacement @Div. 7 (Incl. Amend. #1)	The "G" Crew	\$ 5,974.17	\$ 5,974.17
44	29	C-1031	Div. 9 & 18 Water Recycling System	The "G" Crew	\$ 5,974.17	\$ 5,974.17
45	36	C-1046	Vault House Relocation @ Div. 1,5,9 & 18 (Phase 1)	The "G" Crew	\$ 17,686.61	\$ 17,686.61
46	37	C-1030R	Div 8, 10 & 15 Metal Bin Canopies & Building Awnings (Phase 1)	The "G" Crew	\$ 17,686.61	\$ 17,686.61
47	43	PS-12-6430-306R	Gateway Building Carpet Replacement	The "G" Crew	\$ 23,994.96	\$ 23,994.96
				The "G" Crew Subtotals:	\$ 363,790.33	\$ 355,701.07
48	15	C-1018	Div. 3 Maintenance Pit Waste Oil	The Solis Group	\$ 5,039.30	\$ 5,039.30

**LABOR COMPLIANCE BENCH MONITORING  
ALL TASK ORDER AWARDS & PAID TO DATE VALUES**

A	B	C	D	E	G	H
	Task Order #	Contract Number	Project Description	LC Bench Consultant	Life of Task Order Total Amount	Amount Paid to Date
49	32	C0-988	Crenshaw / LAX	The Solis Group	\$ 3,646,745.00	\$ 759,338.20
				The Solis Group Sutotals:	\$ 3,651,784.30	\$ 764,377.50
GRAY INDICATES CLOSED TASK ORDERS				Totals	\$ 13,478,063.98	\$ 4,107,703.61

**RECOMMENDATION "C"**

**REQUEST FOR APPROVAL OF AWARD LIST**

A	B	C	D	E	F	F
	Task Order #	Contract Number	Project Description	LC Bench Consultant	Life of Task Order Total Amount	Amount Paid to Date
1	48R	C-1045	Westside Subway Extension Section 1 Design/Build	Metro Compliance Services, JV	\$ 3,952,560.03	\$ 27,727.02
2	1	C0-882	I-405 Sepulveda Pass Widening Project	Parsons	\$ 1,640,930.76	\$ 1,640,930.76
3	45	C-0980	Regional Connector Transit Corridor	Perceptive Enterprises, Inc.	\$ 2,915,465.43	\$ 422,995.68
4	32	C0-988	Crenshaw / LAX	The Solis Group	\$ 3,646,745.00	\$ 759,338.20
GRAY INDICATES CLOSED TASK ORDERS					\$ 12,155,701.22	\$ 2,850,991.66

## DEOD SUMMARY

## LABOR COMPLIANCE MONITORING BENCH / PS-2130-7700 A thru J

**A. Small Business Participation**

There are a total of ten Primes on the Bench, nine of whom are Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) certified firms. Parsons Constructors, Inc. is the only non-DBE Prime.

Each task order has either a 35% DBE or SBE goal depending on the funding source of the task order. DBE and SBE participation is based on the aggregate value of all task orders issued. The Primes have exceeded the DBE or SBE goals on all task orders awarded to date, except for Opportunity Marketing Group which has yet to receive a task order.

	DBE/SBE Primes & Subcontractors	Current DBE Participation	Current SBE Participation
<b>1</b>	<b>Padilla &amp; Associates</b>	100%	0%
	<b>TOTAL</b>	<b>100%</b>	<b>0%</b>
<b>2</b>	<b>Parsons Constructors, Inc.</b>		
	CVL Consulting	47.92%	0%
	The G crew	0%	0%
	Construction Planning & Management	0%	0%
	LCPtracker	0%	0%
	Hill International, Inc.	0%	0%
	<b>TOTAL</b>	<b>47.92%</b>	<b>0%</b>
<b>3</b>	<b>The Solis Group</b>	<b>94.6%</b>	0%
	CS & Associates (CS&A)	5.4%	0%
	<b>TOTAL</b>	<b>100%</b>	<b>0%</b>
<b>4</b>	<b>Perceptive Enterprises</b>	95.6%	0%
	Gail Charles Consulting Services	4.4%	0%
	GCAP Services	0%	0%
	Diana Ho Consulting Services	0%	0%
	<b>TOTAL</b>	<b>100%</b>	<b>0%</b>
<b>5</b>	<b>Metro Compliance Services, JV</b>	100%	100%
	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>
<b>6</b>	<b>Avant Garde</b>	100%	100%
	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>
<b>7</b>	<b>Casamar Group, LLC</b>	<b>100%</b>	<b>100%</b>
	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

<b>8</b>	<b>The G Crew</b>	100%	100%
	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>
<b>9</b>	<b>Gail Charles Consulting Service</b>	<b>100%</b>	0%
	<b>TOTAL</b>	<b>100%</b>	<b>0%</b>
<b>10</b>	<b>Opportunity Marketing Group</b>	0%	0%
	E.W. Moon, Inc.	0%	0%
	Administration Rescue, Inc.	0%	0%
	Vahishta, Inc.	0%	0%
	<b>TOTAL</b>	<b>0%</b>	<b>0%</b>

**Metro**

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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
JUNE 16, 2011**

**SUBJECT: LABOR COMPLIANCE PROGRAM**

**ACTION: ESTABLISH PROFESSIONAL SERVICES BENCH**

**RECOMMENDATION**

Authorize the Chief Executive Officer to establish a qualified list of candidates to perform labor compliance monitoring activities for Metro construction projects under Request for Interests and Qualifications (RFIQ) PS-2130-7700 to consultants recommended in the Procurement Summary (Attachment A) for a contract period of five years with five one year options.

**ISSUE**

Metro is required to monitor the payment of prevailing wages to workers performing on construction projects in accordance with the California Labor Code and the US Department of Labor, Davis-Bacon and Related Acts.

**DISCUSSION**

The California Labor Code and the Davis Bacon and Related Acts require Metro to ensure that all construction workers employed to work on Metro funded construction projects are compensated according to the state and federal prevailing wage laws and regulations. Although the penalty for not paying construction workers appropriately are typically levied against the construction contractors, the State of California clearly identifies the responsibility for oversight lies with the public agency through guidance found in the California Labor Code.

The volume of construction projects is expected to significantly increase in the months and years to come based upon the following factors: 1) The Metro Board adopted the Long Range Transportation Plan update on March 2010 including the addition of Measure R, which will result in a variety of construction projects that will require prevailing wage monitoring ranging from street and facility maintenance to the construction of major rail projects; 2) The American Recovery and Reinvestment Act of 2009 (ARRA) will provide funds to be used for transportation capital projects.

The consultants on the labor compliance monitoring bench will be responsible for evaluating, monitoring, and enforcing prevailing wage requirements on construction projects as assigned. This will include maintaining all required records, providing assistance to field personnel, conducting field interviews and investigations and any other duties in accordance with applicable laws and regulations governing public works projects.

Metro staff will provide compliance oversight that will consist of periodic audits of contractor files and review and approval of all underpayment and restitution activities. Metro will also conduct orientations to ensure requirements are clearly explained to contractors awarded construction projects. All matters relative to technical or legal aspects of projects will be deferred to Metro.

The details of the procurement are included in the Procurement Summary in Attachment B. A total of eight firms have been selected for the bench. Of the eight firms, seven are certified small businesses. The DBE/SBE goal for the bench contracts is 35%.

### **FINANCIAL IMPACT**

A total of \$450,000 has been included in the FY12 budget in cost center 2130, DEOD to fund currently active projects. As new capital projects are approved by the Board, budget amendments will be requested to add funds to the budget to issue task orders to fund the new work. All costs will be included in the approved life-of-project budgets for each capital project.

Since this is an on-going state and federal requirement, the cost center manager and Chief Administrative Services Officer will be accountable for budgeting the cost in future years.

### Impact to Budget

The source of the funds for Labor Compliance monitoring is a combination of capital and operating fund sources including federal, state, sales taxes and grant funds. The following table shows the fund allocation. Labor Compliance funding for capital projects will be included in the life of project (LOP) budget for new projects from inception.

### ALTERNATIVES CONSIDERED

One alternative is to perform the duties using Metro staff by adding additional FTEs. A minimum of four FTEs are forecasted to perform prevailing wage monitoring. The cost for this option is estimated at \$400,000 per year. This is a viable option that represents a savings to Metro. This alternative is not recommended because the volume of capital construction work is constantly changing making this activity subject to peak periods alternating with periods of low activity.

A second alternative is to rely upon the contractor's monitoring and required reporting activities to Metro. This alternative also presents a savings to Metro. This alternative is not recommended because it would be impossible for Metro to ensure that all contractors are complying with the federal and state laws without an independent oversight role.

### NEXT STEPS

Begin to award individual task orders for prevailing wage compliance monitoring. The first projects to be awarded include the I-405 Sepulveda Pass Widening Project; the Orange Line Extension and the El Monte Busway and Transit Center.

### ATTACHMENTS

A. Procurement Summary

Prepared by: Linda B. Wright, Deputy Executive Officer, DEOD



Michelle Lopes Caldwell  
Chief Administrative Services Officer



Arthur T. Leahy  
Chief Executive Officer



## PROCUREMENT SUMMARY

## PROFESSIONAL SERVICES CONTRACTS

1.	Contract Number: PS-2130-7700 A-H	
2.	Recommended Vendor: See attachment A-1	
3.	Type of Procurement (check one) : <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFIQ <input type="checkbox"/> RFP – A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates: PS 2130-7700	
	A. Issued: December 30, 2010	
	B. Advertised/Publicized: January 3, 2011	
	C. Pre-proposal/Pre-Bid Conference: January 21, 2011	
	D. Proposals/Bids Due: March 2, 2011	
	E. Pre-Qualification Completed: To be completed by 5/20/12	
	F. Conflict of Interest Form Submitted to Ethics: May 12, 2011	
	G. Protest Period End Date: N/A	
5.	Solicitations Picked up/Downloaded: 44	Bids/Proposals Received: Bids/Proposals Received:  8
6.	Contract Administrator: Tommye Williams	Telephone Number: (213) 922-1051
7.	Project Manager: Linda Wright	Telephone Number: (213) 922-2638

## **A. Procurement Background**

The source selection methodology for this procurement was a Request for Interest and Qualifications (RFIQ). This methodology was the most advantageous as it would afford maximum opportunity for small business entities to participate on the Labor Compliance Monitoring Services bench for up to a ten-year period. It was also determined to be in Metro's best interest and in the interest of small business entities to have a provision that allows firms to be added to the bench in future years; that provision was included in the RFIQ.

The RFIQ was issued on December 30, 2010, and was advertised in various publications the first week in January 2011. A pre-proposal conference was held on January 21, 2011. Questions were received and answered in Amendment No. 1, which was issued on February 2, 2011. Additional questions were received to clarify the small business participation requirements at time of submission. Amendment No. 2 was issued on February 23, 2011, in response to the additional questions that were received. Eight firms submitted statements of interests and qualifications in response to the RFIQ.

## **B. Background on Recommended Contractors**

### **Avant Garde Corporation**

Advanced Avant Garde dba as Avant Garde was incorporated under the laws of the State of California on September 13, 2002. The company has been providing professional consulting services to municipalities and government agencies since that time with an emphasis on program management, community outreach and capital improvement project support services. Avant Garde's clients include Temple City, the City of La Mirada and Bellflower.

The company's principal has more than 10 years experience in performing labor compliance monitoring services.

Avant Garde is DBE certified.

### Casamar Group

Casamar Group (Casamar) was established in 2007 for the purpose of administering, monitoring and enforcing labor (prevailing wage) compliance as well as to provide construction management and compliance services for public works construction projects.

Casamar staff has extensive experience in labor compliance monitoring and enforcement in accordance with Department of Industrial Relations Labor Compliance Program standards as well as Federal compliance standards and Project Labor Agreement requirements.

Casamar's clients include Alameda Corridor Transportation Authority, Alhambra Unified School District, City of Long Beach, Inglewood Unified School District, Long Beach Transit, San Bernardino Community College District, San Diego Unified School District, City of Long Beach, and Pasadena Gold Line Authority.

Its principal has more than 27 years of professional project and construction management experience.

The Casamar Group is DBE and SBE certified.

### Metro Compliance Services

Metro Compliance Services (MCS) is a joint venture comprised of two established small businesses: GCAP Services, Inc. (GCAPP) and Comprehensive Housing Services, Inc. (CHS). The combined strengths of the partnership provides comprehensive experience in monitoring all sizes and types of construction projects including public agency experience.

Clients for the joint venture partners include the City of Huntington Beach, the City of Oxnard, and the City of Santa Monica, Orange County Transportation Authority, City of Los Angeles and LA Dept. of Water and Power.

MCS is DBE and SBE certified.

### Opportunity Marketing Group

Opportunity Marketing Group (OMG) specializes in Labor Compliance and Compliance Solutions. Its owner has been providing labor compliance services for more than 19 years.

OMG has provided labor compliance services on similar projects and has extensive experience performing labor compliance services on major construction projects in the Southern California area. Its clients include L.A. Live, the Staples Center, King Drew Magnet High School, and the California Museum of Science and Industry.

OMG is DBE and SBE certified.

#### Padilla & Associates

Padilla & Associates, Inc. has more than 17 years of labor compliance (prevailing wage) monitoring and enforcement service experience on large public works projects within the State of California. The combined years of the firm's principal and its senior managers totals more than 60 years of experience as former public administrators within large regional, federal and state agencies. This firm has served as prime contractor to numerous public agencies in the development and implementation of labor compliance monitoring, enforcement and training programs in the region.

Its list of clients include the City of Long Beach, Riverside Community College District, Los Angeles Community College District, Exposition Metro Line Authority, SCRRA, Oxnard Unified School District, Caltrans Toll Bridge Program, and LA County Department of Public Works.

Padilla & Associates is DBE certified.

#### Parsons Constructors, Inc.

Parsons Constructors, Inc. (PCI) is a wholly-owned subsidiary of the Parsons Corporation. PCI is a state-certified third party labor compliance contractor and has been engaged in the building and construction industry for more than 40 years. During the past 40 years, PCI has provided labor relations, safety and labor compliance services throughout North America both in the public and private sector.

The client list includes San Diego County Water Authority and the United States Postal Service.

### Perceptive Enterprises, Inc.

Perceptive Enterprises, Inc. was formed as a sole proprietorship in 1994. The firm's consulting experience includes working with both the public and Private sector. PEI is an approved Labor Compliance Program Third Party Administrator by the State Department of Industrial Relations.

PEI has provided prevailing wage consulting services to cities, school districts, colleges/universities and other public agencies. Their list of clients includes LA Unified School District, California State University campuses, City of Long Beach, Rosemead School District, and Montebello School District.

PEI is DBE and SBE certified.

### The Solis Group

The Solis Group was established in 1992 and its principals have provided labor compliance services to public sector clients for the past 19 years. This firm has direct experience working with California transit agencies including the Pasadena Blue Line Authority, Exposition Metro Line Construction Authority, the Orange County Transportation Authority, Gold Coast Transit, SCRRA and the Alameda Corridor Transportation Authority. The Solis Group is also an approved Labor Compliance Program Third Party Administrator by the State Department of Industrial Relations.

The Solis Group is DBE certified.

## **C. Evaluation of Proposals/Bids**

This was an explicit factors/weighted guidelines evaluation process. Minimum qualifications were identified that respondents had to meet in order to be considered beyond preliminary evaluation. The firms that met the minimum qualifications were then evaluated on the following criteria: Qualifications (Skills and Experience) of Prime Contractor and staff (40 points), Experience and Capabilities of the Firms on the Prime Contractor's Team (30 points) and Effectiveness of Management Plan/Understanding of Work (30 points). Price was not an evaluation factor at time of initial submission; however, price will be an evaluation factor during the task order award process.

Discussions, clarifications, and proposer interviews were conducted with the firms that responded to the RFIQ and upon completion of this process, it was determined that all eight respondents were qualified to participate on the bench. Contracts will be issued to each firm on the bench upon approval of staff's recommendation and then task orders will be issued for the specific projects that require labor compliance monitoring services using the task order award process specified in the RFIQ. That process will include Metro's issuance of a request for task order proposal to firms on the bench. Factors to be evaluated in the task order award process are experience on similar size projects, price, quality of contractor's performance under previous task orders, existing workloads, small business participation, staff availability and other relevant factors.

#### **D. Cost/Price Analysis Explanation of Variances**

Respondents provided initial billing rates for various labor classifications for the first year of the contract at time of proposal due date, for information purposes only. However, bench contractors will be required to submit detailed cost and price data when submitting proposals for task orders and price will be an evaluation factor in the award of each task order.

#### **E. Small Business Participation (Completed by DEOD)**

The Diversity and Economic Opportunity Department (DEOD) established a 35% goal for this Task Order/Bench contract for the participation of Disadvantaged Business Enterprise (DBE), Underutilized Disadvantaged Business Enterprise (UDBE), and Small Business Enterprise (SBE) certified firms. The type of goal that will apply for each Task Order will be based on the funding source as follows:

Funding Source	Small Business Program	Goal to be Applied
Federal	Metro DBE Program	DBE Anticipated Level of Participation (DALP)
Federal – Federal Highway Administration (FHWA)	Caltrans DBE Program	UDBE Goal
State and/or Local	Metro SBE Program	SBE Goal

Of the eight firms deemed qualified to participate on the bench, seven are certified DBE, four are certified SBE, and six qualify as Caltrans UDBE. The following chart outlines the certification status of each firm (including their proposed subcontractors).

Prime (P) Sub (S)	Name of Firm	DBE	SBE	UDBE
P	Avant Garde Corporation	Yes	No	Yes
P	Casamar Group	Yes	Yes	No
P	Metro Compliance Services (MCS)	Yes	Yes	Yes
P	Opportunity Marketing Group (OMG)	Yes	Yes	Yes
S	E.W. Moon, Inc.	Yes	No	Yes
S	Administration Rescue, Inc.	No	No	No
S	Vahishta, Inc.	No	No	No
P	Padilla & Associates, Inc.	Yes	No	Yes
P	Parsons Constructors, Inc.	No	No	No
S	The "G" Crew	Yes	Yes	Yes
S	Construction Planning & Management	No	No	No
S	LCPTracker, Inc.	No	No	No
S	Hill International, Inc.	No	No	No
P	Perceptive Enterprises, Inc. (PEI)	Yes	Yes	Yes
S	GCAP Services	Yes	No	No
S	Diana Ho Consulting Services, Inc.	Yes	No	Yes
P	The Solis Group	Yes	No	Yes
S	CS & Associates (CS&A)	Yes	No	Yes

Firms will be evaluated for SBE and UDBE responsiveness for each Task Order. DALP recommendation is encouraged but is neither a condition of award nor an issue of responsiveness.