

DEOD SUMMARY

**LONE HILL TO WHITE DOUBLE TRACK PROJECT FINAL DESIGN PS&E
AE73891000**

A. Small Business Participation

Moffatt & Nichol, Inc. (MNI) made a 27.19% Small Business Enterprise (SBE) and a 3.18% Disabled Veterans Business Enterprise (DVBE) commitment. Based on payments, the project is 60% complete and the current SBE/DVBE participation is 20.59% and 3.67%, respectively, representing a 6.60% SBE shortfall. MNI is exceeding the DVBE commitment by 0.49%.

MNI contends that the shortfall is due to the bulk of the work scheduled to be performed by Pacific Railway Enterprises, Inc. (PRE) taking place later in the project. MNI stated that PRE has ramped up production in the past couple of months and anticipates PRE's level of participation to increase accordingly. MNI projects that its shortfall will be mitigated within the next six (6) months.

MNI listed 15.18% SBE and 3.43% DVBE participation for the proposed modification. Staff will continue to monitor MNI's efforts to meet and/or exceed its commitment.

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|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| Small Business Commitment | 27.19% SBE 3.18% DVBE | Small Business Participation | 20.59% SBE 3.67% DVBE |
|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|

| | SBE Subcontractors | % Committed | Current Participation¹ |
|----|--------------------------------------|--------------------|--|
| 1. | Pacific Railway Enterprises, Inc. | 16.93% | 10.08% |
| 2. | Rail Surveyors and Engineering, Inc. | 6.13% | 5.51% |
| 3. | Wagner Engineering | 4.13% | 5.00% |
| | Total | 27.19% | 20.59% |

| | DVBE Subcontractors | % Committed | Current Participation¹ |
|----|----------------------------|--------------------|--|
| 1. | MA Engineering | 3.18% | 3.67% |
| | Total | 3.18% | 3.67% |

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.