

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net**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.

<b>ATTACHMENT D</b>
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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*

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Michelle Lopes Caldwell  
Chief Administrative Services Officer

*Arthur T. Leahy*

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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	<b>Avant Garde Corporation</b>	Yes	No	Yes
P	<b>Casamar Group</b>	Yes	Yes	No
P	<b>Metro Compliance Services (MCS)</b>	Yes	Yes	Yes
P	<b>Opportunity Marketing Group (OMG)</b>	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	<b>Padilla &amp; Associates, Inc.</b>	Yes	No	Yes
P	<b>Parsons Constructors, Inc.</b>	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	<b>Perceptive Enterprises, Inc. (PEI)</b>	Yes	Yes	Yes
S	GCAP Services	Yes	No	No
S	Diana Ho Consulting Services, Inc.	Yes	No	Yes
P	<b>The Solis Group</b>	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.