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## Staff Report

ITEM 7D

**To:** City Council  
**From:** Judy Holwell, Redevelopment Project Manager  
**Date:** November 30, 2010  
**Subject:** RFP Selection for Labor Standards Coordinator

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### Discussion

Last year, the City received a Community Development Block Grant (CDBG) for a Microenterprise Façade Improvement Program. Due to the fact that CDBG funds are being used for construction costs of the façade improvements, federal statutes and regulations require payment of prevailing wages on the whole project and monitoring for labor standards compliance. Prevailing wage monitoring is guided by a number of federal laws, making CDBG monitoring complex. In addition, the State of California has prevailing wage monitoring laws which must also be taken into account when making wage determinations. The Department of Housing and Community Development (HCD) recommends that grantees plan how to comply with labor standards monitoring from the start by using a professional labor standards compliance officer from the procurement of construction contractors through project completion. The CDBG Grant Management Manual states, "Before putting a project's bid package together, **hire a professional labor standards coordinator.** Most staff at small cities and counties do not have this experience nor do they have hours to learn and manage this complicated process. Hiring a qualified coordinator prior to putting the project's bid package together is the first step in successful labor standards compliance."

In light of these recommendations, staff released a Request for Proposals (RFP) for a Labor Standards Coordinator. The RFP was properly noticed in the Hanford Sentinel and was sent to consultants on HCD's list of twenty-five California Davis-Bacon and State Prevailing Wage Consultants, as well as, the Central California Builders Exchange, the Tulare-Kings Counties Builders Exchange and the California Grant Network. Four proposals were received in response to the RFP. After reviewing all four proposals, staff has determined that Contractor Compliance and Monitoring, Inc. is qualified to provide the services and offered the most economical price. In their proposal, the firm indicated that if the City is efficient in scheduling preconstruction conferences and most projects are constructed within a 3-4 month time frame, the Labor Compliance costs could be approximately \$1,500 per project. Staff also used the cost per project phase to determine a maximum cost of \$3,530 per project, if the City does not take advantage of scheduling multiple projects simultaneously. However, staff feels confident that most projects will take place on concurrent time schedules;

therefore the City will be able to take advantage of the cost saving measures offered in the proposal. Below is a listing of all the proposals received.

The following proposals were received:

<u>Company</u>	<u>Cost per Project</u>
Contractor Compliance and Monitoring, Inc.	\$1,500
Carvalho Construction, Inc.	\$4,000
Willdan Engineering	\$6,035
Labor Consultants of California	\$9,150

The Microenterprise Façade Improvement Program has a total of \$41,625 in CDBG Grant Activity Delivery Funds, which can be used to hire the labor standards consulting firm.

### **Budget Impact**

Approximately \$1,500 per façade project will be expended from the CDBG Grant Activity Delivery Funds.

### **Recommendation**

That Council approve the selection of Contractor Compliance and Monitoring, Inc. to provide Labor Standards Coordinator services for the CDBG Microenterprise Façade Program and authorize the City Manager to negotiate the contract to provide such services.