

**AGENDA
ITEM**

9



CITY COUNCIL
AGENDA STAFF REPORT

DATE: March 20, 2024

TO: Mayor and City Council

APPROVED BY: Esperanza Colio Warren, City Manager *Esperanza Colio Warren*

REVIEWED BY: Sandra L. Fonseca, Interim Finance Director *SF*

PREPARED BY: Lilliana Falomir, Public Works Manager – Administrative *Lilliana Falomir*

SUBJECT: Authorize City Manager to Sign Amendment No. 1 between the City of Calexico and The Holt Group, Inc. in the Amount of \$18,000.00 for Labor Compliance Consulting Services for Renovation to Calexico Fire Station No. 2 for a Total Contract of \$130,500.00.

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Recommendation:

Authorize City Manager to Sign Amendment No. 1 between the City of Calexico and The Holt Group, Inc. in the Amount of \$18,000.00 for Labor Compliance Consulting Services for Renovation to Calexico Fire Station No. 2 for a Total Contract of \$130,500.00.

Background:

On January 17, 2024, the City Council of the City of Calexico authorized the City Manager to sign Agreement of Professional Services between the City of Calexico and The Holt Group, Inc. in the amount of \$112,500.00 for preparation of Building Assessment and Improvement Report and Documents and Construction Management of Fire Station No. 2 Rehabilitation Project.

On March 6, 2024, the City Council awarded a bid proposal from A&N Quality Builders in the amount of \$966,559.00 for the Renovation of Calexico Fire Station No. 2.

Discussion and Analysis:

Anyone working on a public works project as the Renovation of Calexico Fire Station No. 2 must be paid prevailing wage; therefore, the City of Calexico needs a labor compliance company to assist in making sure the contractor and subcontractors pay the correct wages as determined by State and Federal laws. Since The Holt Group, Inc. will be assisting in the Construction

Management of said project, City staff has requested a proposal for labor compliance consulting services. City staff has reviewed The Holt Group, Inc. proposal for labor compliance and recommends that the City Council authorize the City Manager to sign Amendment No. 1 to Agreement of Professional Services with The Holt Group, Inc. for labor compliance consulting services for Renovation to Calexico Fire Station No. 2

Fiscal Impact:

Capital Improvement Program Budgeted Item for FY 2023-2024	
REVENUE	
Fund No. 411-91-926-56003-000 (Successor Agency)	\$130,500.00
Total	\$130,500.00
EXPENDITURE	
The Holt Group, Inc.	\$112,500.00
The Holt Group, Inc. – Amendment No. 1	\$18,000.00
Total	\$130,500.00

Coordinated With:

City Manager's Office.
Public Works Department.
Finance Department.

Attachment(s):

1. Amendment No. 1

ATTACHMENT NO. 1

**AMENDMENT NUMBER 1 TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF CALEXICO AND THE HOLT GROUP, INC.**

AMENDMENT NUMBER 1 dated March 20, 2024, the agreement for professional services between the City of Calexico (“City”) and The Holt Group, Inc. (“Consultant”) dated January 17, 2024 (the “Agreement”) concerning Renovation to Calexico Fire Station No. 2 (the “Project”).

The Consultant has entered into the Agreement with the City for the furnishing of professional services, and the parties now desire to amend the Agreement.

Therefore, it is mutually agreed that the Agreement is amended to include Additional Services to be performed by Consultant and provisions for additional compensation by the City to the Consultant, all set forth in:

Exhibit A – Amendment No. 1 dated March 6, 2024

The parties ratify the terms and conditions of the Agreement not inconsistent with this Amendment, all of which are incorporated by reference.

CITY OF CALEXICO:

CONSULTANT:

By: _____

By: _____

Title: Esperanza Colio Warren, City Manager

Title: _____

Date: _____

Date: _____

By: _____

Title: Carlos Campos, City Attorney

Date: _____

By: _____

Title: Veronica L. Alvarado, City Clerk

Date: _____



PROPOSAL

**Labor Compliance Consulting Services
For
Renovations to Calexico Fire Station No. 2**

March 6, 2024

Prepared by:

**Crystal Ransdell
Labor Compliance Consultants Of
Southern California
Po Box 15937
San Diego, CA 92175
(760) 791-6914**

Requested by:

**Shane Goff
The Holt Group
1601 N. Imperial Avenue
El Centro, CA 92243
760-337-3883**

I. EXECUTIVE SUMMARY

HISTORY OF FIRM & SUMMARY OF QUALIFICATIONS

Labor Compliance Consultants of Southern California (LCCSC) is a consulting firm offering Labor Standards Compliance Consulting and Contractor Monitoring services to both private and public-sector clients in Southern California and Western Arizona. LCCSC recommends and will perform training in the office to all the contractor's labor compliance staff and supervisors. We have a staff of trained and experienced labor compliance monitors and interviewers.

LCCSC has provided labor compliance consulting services to our governmental sector clients in ensuring Federal and State of California Labor Standards Compliance on many of their public works projects. The Staff of LCCSC has attended several training sessions pertaining to the California Department of Industrial Relations prevailing wage requirements for public works projects and has attended two Labor Compliance Program seminar trainings at Fresno State University. Individual training by Ms. Karen Belcher with the Department of Apprenticeship Standards has provided up to date training per the California Labor Code § 1777.5, the apprenticeship requirements, to the LCCSC Staff. Additionally, the LCCSC Staff has attended numerous training sessions provided by the Housing and Urban Development Department for public works projects. The training sessions reviewed compliance with Davis Bacon and Related Acts and Wage Guidelines. LCCSC maintains a bilingual Labor Standards Compliance Staff for onsite worker interviews to assist in facilitating accurate data collection and reporting.

LCCSC has provided Labor Standards Compliance Services for the cities of Westmorland, Brawley, Imperial, Holtville, Calexico, and El Centro in addition to the County of Imperial. LCCSC has provided Labor Standards Compliance Services for private clients, including but not limited to Chelsea Investment Corporation, Emmerson Construction, TCI Construction, Trademark Construction, and JMR Construction of Chattanooga Tennessee. LCCSC has provided Labor Standards Compliance Services for several types of infrastructure related projects including but not limited to building construction, water, sewer and storm infrastructure improvements, roadway improvements and various others construction related projects.

LCCSC has performed the monitoring activities of the 3rd Party Labor Compliance Program operations for the Calexico Unified School District and the City of Brawley's LCP for the park project funded through proposition 84 bonds. LCCSC has performed the Labor Compliance Monitoring for the City of El Centro's LCP for the Skate Park project also funded through proposition 84 bonds. A list of labor standards compliance projects is included herein.

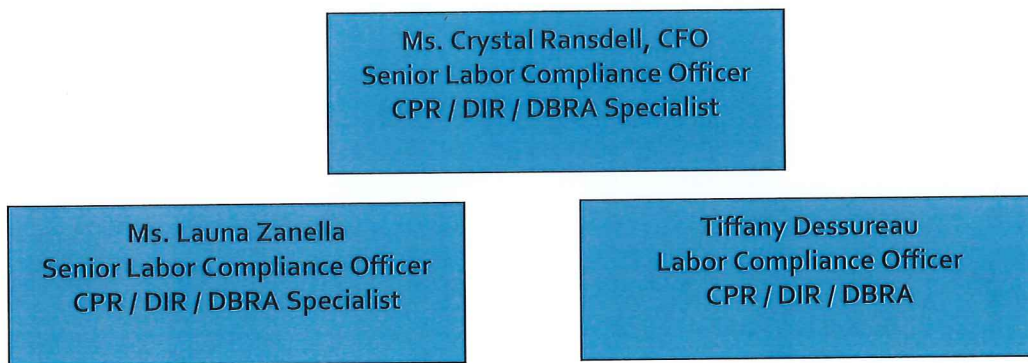
PRIMARY CONTACT FOR PROPOSAL

Ms. Crystal Ransdell
Senior Labor Standards Compliance Officer
P.O. Box 15937
San Diego, CA 92175
(760) 7691-6914
cransdell@lccsc.net

PRIMARY CONTACT FOR LABOR COMPLIANCE

Ms. Crystal Ransdell
Senior Labor Standards Compliance Officer
P.O. Box 15937
SAN DIEGO, CA 92175
(760) 7691-6914
cransdell@lccsc.net

ORGANIZATIONAL CHART



PROJECT TEAM HIGHLIGHTS:

LCCSC is a professional services firm well-seasoned in Labor Standards Compliance. LCCSC’s labor compliance staff has worked on various construction projects in the Imperial County. Therefore, LCCSC would be highly sensitive to the needs of our clients herein Southern California.

LCCSC IS DBE AND SWBE CERTIFIED- FIRM ID 44834

EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER

To provide employment and advancement opportunities to all individuals, employment decisions at Labor Compliance Consultants of Southern California are based on merit, qualifications, and abilities.

Except where required or permitted by law, employment practices are not influenced or affected by an applicant's or employee's race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

II. PROJECT APPROACH & SCOPE OF WORK

LCCSC shall be responsible for assisting **The Holt Group Inc** with activities needed to ensure that workers employed by the Prime Contractor and any subcontractors are hired and paid in compliance with all applicable State and Federal Laws. Ms. Ransdell shall serve as the contact person for all issues related to labor standards compliance pertaining to this project.

The project consists of the Labor Compliance Monitoring for

City of Calexico Fire Station No. 2 Renovations Project with an estimated construction time of six (6) months and estimated cost of \$966,559.00

Many different subcontractors and worker classifications will be present at the site which may require a substantial amount of Labor Standards Compliance oversight. It is critical that the labor compliance officers be involved at the commencement of the project to ensure timely compliance with the various aspects of labor standards compliance laws. Ms. Ransdell shall prepare the current wage decisions and review the construction contract to ensure the required contract verbiage is included in the prime contractor's contract with his subcontractors.

The estimated construction time is six (6) months from the date on the notice to proceed. The labor standards activities are expected to extend for a total nine (9) months. One (1) month prior to construction activities, six (6) months of construction activities and two (2) months following completion of the construction to obtain the final documentation from all contractors and subcontractors. Labor Standards Compliance Services will include the following:

A. Wage Decisions Monitoring

LCCSC shall obtain the applicable Federal Wage Decisions from the awarding agency and the California DIR Wage Decisions from the DIR web site as required and monitor any modification and applicable changes to the various worker classifications applicable to this project. LCCSC shall notify **The Holt Group Inc** of any modifications to worker wage decisions are made.

B. Pre-bid Conference, Contractor Eligibility, and Certifications and Pre-Construction Conference

LCCSC will perform the following duties:

1. LCCSC shall assist in the preparation of the bid advertisement and will attend the Pre- Bid Conference and provide labor standards compliance information and shall be made available by telephone or e-mail for further consultation as requested. LCCSC proposes to provide information packets to the contractor and all subcontractors as needed.
2. LCCSC shall research all bidding General Contractors to ensure they are registered with the DIR and are eligible to perform construction activities on public works projects in California. LCCSC shall ensure the awarding agency has complied with the DIR requirement to register their public works project and have received a DIR project number. Following the bid openings and the project award, LCCSC shall verify the General Contractor and sub-contractor's eligibility through the State Contractors Licensing Board and the State of California and the Federal debarment lists.
3. LCCSC shall attend the Pre-Construction Conference and provide a labor standards compliance handout of the Department of Industrial Relations informational pertaining to public works projects. LCCSC shall be made available for further consultation by telephone or email and labor standards compliance training as requested. LCCSC recommends that a pre-construction training session concerning labor standards provision, administration, apprenticeship requirements and enforcement be conducted.
4. LCCSC shall make available to the contractors and sub-contractors the required forms, documentation and contract language requirements and will provide access to the LCCSC website to obtain the forms, documentation, and contract language requirements.

C. Monitoring of Certified Payroll Reports, On Site Employee Interviews, and Progress Payment Review Assistance.

1. **Payroll Reviews:** LCCSC shall review certified payroll reports and ensure compliance with state and federal regulations. Submitted payrolls shall be reviewed promptly for compliance with applicable labor standards. The SB 854 requirement to submit Electronic Certified Payroll Reports online to the DIR will be monitored to ensure submission. LCCSC will ensure the state and federal statement of compliances are signed and attached to all certified payroll reports and shall review fringe benefits, deductions, and computations verifying that all required information is provided. Comments and correction notices pertaining to the submitted subcontractor documentation shall be forwarded to the Prime Contractor promptly.
2. **On-Site Employee Reviews:** LCCSC will conduct on-site interviews with various employees of the contractor/sub-contractors to include at least ten percent (10%) of the workers in all job classifications. The interviews will be compared against applicable payrolls for compliance with wage decisions. The on-site interviews will be scheduled to minimize the inconvenience for the Contractor and employee.
3. **Request for Information:** LCCSC shall inform **The Holt Group Inc** in writing, immediately upon receipt of a Request for Information (RFI) from an individual or individuals requesting copies of any forms or documents. LCCSC shall respond accordingly to all RFI's received on behalf of **The Holt Group Inc**, the Prime Contractor, and all subcontractors.
4. **Progress Payment Review Assistance:** LCCSC shall assist **The Holt Group Inc** and Prime Contractor with the review of the Contractors Payment Request to ensure compliance with labor standards. Once each month LCCSC will perform a complete review of all labor compliance files and will prepare an End of the Month Report (EOM) and forward it to **The Holt Group Inc** and Prime Contractor informing of the status of the labor compliance files. When contractors are delinquent or tardy in providing labor compliance documentation, it will be noted and LCCSC will inform the Prime Contractor's accounting department, so they may withhold progress payment as needed.

D. Correction of Violations

In the event that non-compliance of labor standards results in underpayment to employees, LCCSC will take immediate action limited to the following:

1. **Notification:** LCCSC shall immediately notify **The Holt Group Inc** and the prime contractor of wage adjustments and requirements and shall notify the contractor in violation to immediately provide restitution and revisions to the certified payroll reports.
2. **Withhold Funds:** LCCSC shall recommend, if applicable, that **The Holt Group Inc** and the Prime Contractor withhold sufficient funds from the subcontractor to provide restitution to under paid workers or to effectuate compliance and shall obtain full compliance from the subcontractor for any noncompliance issue.

E. Reports

LCCSC shall promptly prepare the required reports and forward said reports to **The Holt Group Inc** and Prime Contractor to ensure that the City of Calexico has ample time to comply with the reporting requirements of the Federal agencies.

F. Labor Compliance Files

1. LCCSC shall protect and maintain the labor compliance files in a locked secure cabinet for the duration of the project.
2. Upon completion of all construction activities and the labor compliance auditing requirements, LCCSC will provide to **The Holt Group Inc** all original and additional copies of the Labor Standards Compliance documentation including but not limited to the certified payroll reports, fringe benefits statements, contracts, daily sign in sheets, contractor's license documentation, etc. **The Holt Group Inc** shall provide these documents to the County of Imperial to keep and store for 5 years as required by law.
3. LCCSC shall make the labor standards compliance files available for inspection and review upon request by **The Holt Group Inc**, the City of Calexico, or to any State or Federal agency that has jurisdiction over this public works project and after construction activities have ceased. Upon request, LCCSC shall assist with any audit or review.

FEE SCHEDULE FOR SERVICES

Our 2024 Fee Schedule for Labor Standards Compliance Services is included in this Proposal. Our Fee Schedule shall be updated each calendar year. The updated Hourly Rate Structure for Labor Standards Compliance Services shall be subject to review and approval by **The Holt Group Inc** prior to implementation on this project.

VI. FEE SCHEDULE

I. SCHEDULE AND COMPENSATION

LCCSC shall provide Labor Compliance Services as outlined within the contents of this proposal. In the event additional services are required beyond this contract, the hourly rate schedule is attached.

II. PROPOSED ESTIMATED COSTS

Understanding that the estimated start of construction is approximately April 2024, and the construction is scheduled for six (6) months. There are preliminary services before the start of construction and post completion services. LCCSC shall provide **The Holt Group Inc** with the Labor Standards Compliance Services requirements with a not to exceed amount of **\$18,000.00**

LCCSC's services shall be invoiced for nine (9) monthly installments of \$2,000 at the end of each month beginning with the notice to proceed. Additional fees may be required in the event that delays are caused by a contractor or subcontractor's noncompliance with labor standards and wage rate decisions. Incidental fees i.e.: Mileage, copies, postage, etc. shall be invoiced in addition to the hourly rate compensation.

Cost: \$ 18,000.00

In the event the construction time exceeds the six (6) months or delays are caused by a contractor or subcontractor's noncompliance with labor standards and wage rate decisions causing the labor compliance monitoring to exceed the estimated nine (9) months of monitoring, the monthly **rate will adjust to hourly** and the **"not to exceed" amount will no longer apply**

Effective January 1, 2024, through December 31, 2024

Labor Standards Services	
Senior Labor Compliance Officer	\$90.00/hour

Prepared by Crystal Ransdell, March 6, 2024

Crystal Ransdell

Labor Compliance Consultants of Southern California
PO Box 15937, San Diego, CA 92175