

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	Prevailing Wage Status Report	
Meeting Date:	August 11, 2017	INFORMATION/ACTION
Agenda Number:	8h	

RECOMMENDATION:

Accept Prevailing Wage Status Report


DISCUSSION:

From April 1, 2017 – June 30, 2017, multiple construction workers were employed on Fort Ord projects. From reported information (CSU/County/Seahaven/Shops at Dunes), approximately 144,563.70 worker hours were utilized and approximately 1604 workers employed. An average of 55.97% of those workers were from the tri-County area. (Santa Cruz, Monterey and San Benito County). UCMBEST performed a variety of small painting, weed removal, and maintenance work at UC MBEST utilizing three local contractors. (Approx. \$35,000) These numbers do not include the amount of worker hours on the Dunes housing project or the Springhill Suites as they have not agreed to be in our Elation system nor have they provided any of the information some of the other contractors in Marina provided.

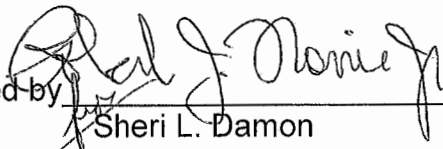
On or about May 1, 2017, the Department of Industrial Relations issued a Civil Wage and Penalty Assessment against Prosidring, Inc., a subcontractor of Shea Home Limited Partnership in the amount of \$1,826,297.64. The current status of this assessment is unknown. The date for appeal was July 1, 2017. The Department of Industrial Relations (DIR) is conducting an investigation related to the Springhill Suites project including but not limited to a contract dispute (Covenant), failure to pay appropriate wages, failure to contribute to the Apprentice Training Fund and an audit. The Department of Industrial Relations has also been requested to make a public works determination about the work being doing on the East Garrison chapel project.

At the July 2017 Board meeting, a Prevailing Wage Legislative Update was provided to the Board outlining the new changes in state law related to public works laws. In the climate of the new regulations that give DIR more enforcement power to require entities to comply with state public works laws, include the ability to issue stop work orders and assess greater penalties against jurisdictions/awarding bodies for not enforcing state public works laws. This could have substantial consequences for the region on multiple levels: a stop work order against a master developer for example, may effectively stop the employment of local labor until the dispute is resolved, it might also have deleterious impacts on smaller contractors making ongoing activity on the Fort Ord projects too risky to pursue and may even delay successful completion of housing or business enterprise. For awarding body jurisdictions, ongoing violations may result in loss of state monies going to a jurisdiction, such as transportation funds and/or CDBG funds. The financial penalties alone could bankrupt some smaller entities. Accordingly, Staff has requested that DIR provide additional training in September/October on the new laws and how they will relate to the FORA project.

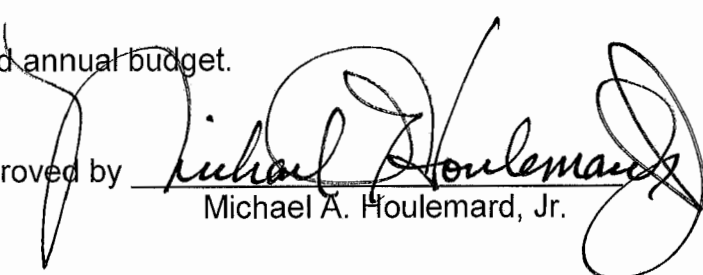
FISCAL IMPACT:

Reviewed by FORA Controller 
Staff time for this item is included in the approved annual budget.

Prepared by


Sheri L. Damon

Approved by


Michael A. Houlemard, Jr.