

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

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|-----------------------|------------------------|---------------------------|
| Subject: | Prevailing Wage Report | |
| Meeting Date: | May 12 , 2017 | INFORMATION/ACTION |
| Agenda Number: | 7k | |

RECOMMENDATION(S):

Accept Prevailing Wage Status Report

DISCUSSION:

From January 1, 2017 – March 31, 2017, multiple construction workers were employed on Fort Ord projects. From reported information (CSU and County), approximately 85,049 man hours were utilized and approximately 1232 workers employed. Approximately 40% of those workers were from the tri-County area. (Santa Cruz, Monterey and San Benito County). It should be noted that three large projects in Marina are not included in these numbers. The estimated amount of man hours on the Seahaven and MCWD pipeline projects is estimated at 4855 man hours. These numbers do not include the amount of man hours on the Dunes housing project as they have not agreed to be in our Elation system and the City of Marina has not provided any reporting on projects within their jurisdictional area. Additionally, the estimated hours do not include the number of workers or the location of where those workers are from as this information is not easily distillable from the payroll records filed with the State.

Two jurisdictions have registered to utilize the Elation software, however, neither jurisdiction has begun to require projects to use the software and provide them with access. To encourage usage of the product for Fort Ord purposes, staff is recommending extending the pre-paid licensing period through the next fiscal year.

FORA has been made aware that the state is investigating several issues. One stems from a contract dispute on the Springhill Suites project. Another involves whether or not rehabilitation of the East Garrison chapel is a public works project. There remains confusion about the interpretation of the state laws and the master resolution provisions and how these respective provisions are enforced. Additionally, there have been at least five (5) Public Records Act requests seeking records related to projects being built on Fort Ord.

Related to the prevailing wage program are changes in state labor codes. Budget trailer bill 502 makes significant changes to prevailing wage monitoring and enforcement by the Department of Industrial Relations. In particular, contractor registrations may increase from \$1,000 to \$25,000 for new construction and \$15,000 for maintenance. Stop orders on public works projects could be issued for unregistered contractors and/or subcontractors. Additionally, new civil penalties could be imposed for infractions of the contractor registration program. The State Labor Commissioner would be given new authority to crack down on contractors, subcontractor and **public agencies** that fail to fulfill program requirements. Agencies who 1) utilize unregistered contractors or subcontractor on a project or 2) fail to notify DIR of a public works project subject to registration could be fined up to \$100 per day up to \$10,000 for each offense. Of major consequence to public agencies, a public agency who is found to have

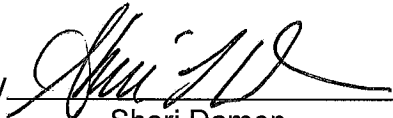
willfully violated the requirements of the program twice in one calendar year would be ineligible to receive state funding for *any project* for one year. The actual language of the bill can be found at the following link:

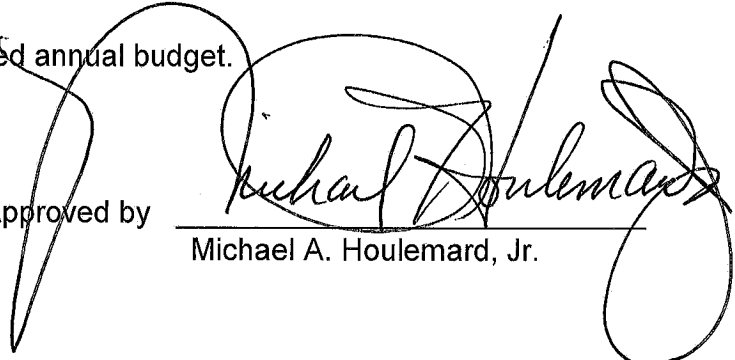
http://www.dof.ca.gov/Budget/Trailer_Bill_Language/documents/502PublicWorksEnforcement_001.pdf

FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved annual budget.

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Approved by 
Michael A. Houlemard, Jr.