



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 4/26/2011

Report Type: Consent

Title: Supplemental Agreement: Labor Compliance Field Investigation & Administrative Services

Report ID: 2011-00358

Location: Citywide

Recommendation: Adopt a Resolution authorizing the City Manager to execute Supplemental Agreement No. 1 to City Agreement No. 2010-0299 with Diversified Contract Management Group for an amount not to exceed \$162,227, increasing the agreement's total not to exceed amount to \$391,257.

Contact: Bill Busath, Interim Engineering Manager, (916) 808-1424; Brett Grant, Supervising Engineer, (916) 808-1413 - Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Cip Engineering

Dept ID: 14001321

Attachments:

- 1- Description/Analysis
- 2 - Background
- 3 - Resolution
- 4 - Unexecuted Agreement Cover
- 5 - Exhibit A - Agreement

City Attorney Review

Approved as to Form
Joe Robinson
4/14/2011 9:10:10 AM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Russell Fehr
4/8/2011 1:37:07 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 4/13/2011 11:20:44 AM

Assistant City Manager: John Dangberg - 4/13/2011 6:37:05 PM

Eileen Teichert, City Attorney

Shirley Concolino, City Clerk
William H. Edgar, Interim City Manager

Russell Fehr, City Treasurer



Description/Analysis

Issue: Supplemental Agreement No. 1 with DCM Group will provide the contract authority to continue with labor compliance field investigation and monitoring services for various capital improvement projects.

The City's approved Labor Compliance Program requires specific labor compliance field investigation, monitoring, and administrative services for City construction projects subject to state or federal prevailing wage laws and apprenticeship standards. Activities include: field interviews with employees, review of certified payroll and apprenticeship documents, investigation of prevailing wage violation complaints, responses to public requests for information, and technical support to staff, management, and contractors.

Policy Considerations: The proposed action is consistent with the City's strategic goal to achieve sustainability by implementing strategies to improve overall operational efficiency and customer service without expending additional City resources.

Environmental Considerations: Continuing administrative activities of this nature are not considered a "project" under the California Environmental Quality Act (CEQA), and do not require CEQA review (CEQA Guidelines § 15378 (b)(2) and (b)(5)).

Sustainability: none

Commission/Committee Action: None

Rationale for Recommendation: The City's approved Labor Compliance Program requires specific labor compliance field investigation, monitoring, and administrative services for City construction projects subject to state or federal prevailing wage laws and apprenticeship standards.

Because of the specialty nature of this work, the City has contracted for these services. The Department of Utilities advertised for these services in a request for proposals (RFP) in January 2010, and DCM was chosen as the top-ranked firm by the selection committee. The RFP provided for a one year term, with an option for the City to extend the agreement for an additional year. On April 27, 2010, the City Council approved a Professional Services Agreement with DCM that funded one year of services, in an amount not to exceed \$229,029.49.

Financial Considerations: The proposed Supplemental Agreement provides for funding and extending the agreement term to April 27, 2012, for an amount not to exceed \$162,227. The services performed by DCM Group, Inc. will be reimbursed through the applicable capital improvement projects for which the services are performed. The Agreement may be used to provide services for more than one Department.

Emerging Small Business Development (ESBD): DCM Group is a City-certified SBE prime consultant and is also certified as a minority and women-owned business. Additionally, DCM Group is a Caltrans certified DBE prime consultant.



Background

Various state and federal statutes, regulations and procedures require specific labor compliance field investigation, monitoring and administrative services for City construction projects subject to state or federal prevailing wage laws and apprenticeship standards. Activities include, but are not limited to: field interviews with employees at the project job site, review of certified payroll and apprenticeship documents, investigation of prevailing wage violation complaints, processing and reconciliation of contractor pay applications, facilitating the project closeout process and provision of technical assistance and administrative support to staff, management and contractors related to labor compliance.

In 2010, to facilitate staff efforts in meeting these regulatory mandates, the Department of Utilities advertised a Request for Proposals (RFP) for professional services to conduct labor compliance field investigation and administrative services. The following six firms submitted proposals in accordance with the RFP requirements:

- 3Qc Inc.
- Affordable Designs
- Diversified Contract Management Group Inc. (DCM,Group)
- GCAP Services, Inc
- PB Inc.
- The Solis Group

A selection panel of City staff from the Department of Utilities, Engineering Services Division, the Department of Transportation Engineering Services Division, the Department of General Services, and the Department of Parks and Recreation evaluated and ranked the proposals based on experience, qualifications, and proposed work plan for the project. The highest ranked proposal was submitted by the DCM Group. On April 27, 2010, the City Council approved a Professional Services Agreement with DCM.

The original agreement contained a typographic error in the provision specifying the agreement term, in that it specified a term of approximately 2 months rather than the one year term specified in the RFP. The approved agreement amount covered 12 months of service.

The RFP also included an option for a one year extension at the City's discretion. The proposed Supplemental Agreement corrects the above typographic error and provides DCM Group the contract authority to continue providing labor compliance field investigation and monitoring services for capital improvement projects for an additional year, to April 27, 2012.



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RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING SUPPLEMENTAL AGREEMENT NO. 1 TO AGREEMENT NO. 2010-0299 FOR LABOR COMPLIANCE FIELD INVESTIGATION AND ADMINISTRATIVE SERVICES

BACKGROUND.

- A. The City's approved Labor Compliance Program requires specific labor compliance field investigation, monitoring, and administrative services for City construction projects subject to state or federal prevailing wage laws and apprenticeship standards. Because of the specialty nature of this work, the City has contracted for these services.
- B. The City advertised for these services in a request for proposals (RFP) in January 2010, and Diversified Contract Management Group was chosen as the top-ranked firm by the selection committee. The RFP provided for a one year term, with an option for the City to extend the agreement for an additional year. On April 27, 2010, the City Council approved a Professional Services Agreement with Diversified Contract Management Group (Agreement No. 2010-0299) that funded one year of these services, in an amount not to exceed \$229,029.49.
- C. Supplemental Agreement No. 1 to Agreement No. 2010-0299 will provide the contract authority to continue with Diversified Contract Management Group's labor compliance field investigation, monitoring and administrative services for various capital improvement projects for an additional year, to April 27, 2012, for an amount not to exceed \$162,227.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to execute Supplemental Agreement No. 1 to City Agreement No. 2010-0299 with Diversified Contract Management Group for an amount not to exceed \$162,227, increasing the agreement's total not to exceed amount to \$391,257.
- Section 2. Exhibit A is made part of this Resolution.

Exhibit A – Supplemental Agreement No. 1



Unexecuted Contract/Agreements

- The Unexecuted Contract/Agreement is signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.

- The Unexecuted Contract/Agreement (Public Project) is NOT signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.

- The Unexecuted Contract is NOT included as an exhibit to the Resolution because the Agreement(s) is with other another governmental agency and it is not feasible to obtain the other agency's signature prior to Council action (be they denominated Agreements, MOUs, MOAs, etc.); however, the City Attorney approves the forwarding of the report to Council even though the signed agreement is not in hand yet.

- The Unexecuted Contract is NOT included as an exhibit to the resolution because, due to special circumstances, and the City Attorney confirms in writing that it is okay to proceed with Council action even though the signed agreement is not in hand yet.

All unexecuted contracts/agreements which are signed by the other parties are in the Office of the City Clerk before agenda publication.



SUPPLEMENTAL AGREEMENT

Project Title and Job Number: Labor Compliance Field Investigation & Administrative Services 433061-14000-6011 14001321

Date: April 26, 2011

Purchase Order #: 0000010277

Supplemental Agreement No.: 1

The City of Sacramento ("City") and **Diversified Contract Management (DCM) Group, Inc.** ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number 2010-0299, including any and all prior supplemental agreements modifying the agreement (said agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The Time of Performance specified in Section 5 of Exhibit A of the Agreement contained a typographic error that specified an Agreement term of approximately two months, rather than the intended one year term extending through April 27, 2011. This supplemental agreement corrects that error and extends the term for a period of one additional year, by amending Section 5 of Exhibit A to read in its entirety as follows:

5. Time of Performance. The services described herein shall be provided during the period from April 27, 2010 to April 27, 2012.

2. In consideration of the additional and/or revised services described in Section 1 above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses is **increased** by \$162,227 to provide funding for an additional 12 months of services, and said maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$ 229,029.49</u>
Net change by previous supplemental agreements:	<u>\$ 0.00</u>
Not-to-exceed amount prior to this supplemental agreement:	<u>\$ 229,029.49</u>
Increased by this supplemental agreement:	<u>\$ 162,227.00</u>
New not-to-exceed amount including all supplemental agreements:	<u>\$ 391,256.87</u>

3. Contractor agrees that the amount of increase in the not-to-exceed amount specified in section 2 above, shall constitute full compensation for the additional and/or revised services specified in Section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.

4. Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have duly authorized by Contractor to sign this supplemental agreement and bind Contractor to the terms thereof.

5. Except as specifically revised herein, all terms and conditions of the agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

Approval Recommended by:

Project Manager

Approved as to Form By:

City Attorney

Approved By:

Contractor

Approved By:

Attested to By:

City of Sacramento

City Clerk