



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
September 17, 2024

TOPIC: Labor Compliance and Community Workforce Agreement Professional Administration Services

AGENDA TITLE

Agreement with TSG Enterprises, Inc. DBA The Solis Group for Labor Compliance and Community Workforce Agreement Professional Administration Services (Non-General Fund) (RFP #24-084)

RECOMMENDED ACTION

Authorize the City Manager to execute an agreement with The Solis Group for Community Workforce Agreement professional administration services to provide professional services in overseeing and monitoring labor compliance requirements, for a three-year term beginning September 17, 2024 and expiring on September 16, 2027, with the provision for one, two-year extension, in an amount not to exceed \$2,000,000 (Agreement No. A-2024-XXX).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

The Public Works Agency (PWA)'s Engineering Services Division is responsible for the administration and oversight of all Capital Improvement Projects in the city. On June 19, 2024, PWA released Request for Proposal (RFP) No. 24-084 to select one firm to provide professional services in overseeing and monitoring labor compliance requirements for the City of Santa Ana PWA Engineering Division (Exhibit 1). These services are required to ensure that any and all Contractors adhere to the State of California Department of Industrial Relations (DIR) Labor Compliance, Prevailing Wage requirements and compliance with the City's Community Workforce Agreement (CWA). All workers performing any labor on construction projects must be in accordance with the California State Labor Code.

On June 6, 2023, the City Council approved the Community Workforce Agreement (CWA) with the Los Angeles / Orange Counties Building and Construction Trades Council and the Signatory Craft Councils and Unions. Generally, the CWA requires that a contractor on covered projects utilize a specified number of "skilled and trained workforce." This requirement is satisfied by hiring workers through a union hiring hall.

For these workers, the CWA requires the payment of prevailing wages, as well as certain pay and benefits, in addition to other conditions of employment.

Furthermore, the CWA applies to specific projects based on the contract amount. It applies to any “public works” contract over \$750,000 and any “specialty public works” contract over \$100,000. This definition typically applies to projects where the City is hiring a contractor to perform work on behalf of the City, such as the construction of public improvements. Additionally the CWA applies to affordable housing projects that receive City funds (e.g. Inclusionary Housing Funds).

To comply with these requirements, PWA is recommending the services of a professional firm specializing in labor compliance. The recommended consultant will assist in monitoring and ensuring contractor adherence to not only the CWA, but also to federal labor requirements, such as those under the Davis-Bacon Act and U.S. Department of Housing and Urban Development (HUD) Section 3 and Build America Buy America regulations, which mandate fair wages and opportunities for low-income workers and businesses and procurement of American made products. The Community Development Agency (CDA) will also use these services to monitor and ensure developer compliance to the CWA for affordable housing projects that receive Inclusionary Housing Funds. CDA will also use the agreement to monitor compliance with the skilled and trained workforce component under the Affordable Housing Opportunity and Creation Ordinance and may also use it for monitoring federal labor requirements for other affordable housing projects. Standard billing rates, as of 2024, are dependent on The Solis Group staff position assigned to each task and ranges from \$103 to \$220 per hour.

The RFP was advertised on the City’s online procurement management and publication system, PlanetBids, with electronic proposals due on July 3, 2024. Six responsive proposals were received and evaluated by a selection committee comprised of PWA staff and, based on criteria outlined in the RFP, the top consultant was selected. The following table summarizes the top three responding firms and their rankings:

Rank	Firm
1	The Solis Group
2	Cumming Construction Management, Inc.
3	Willdan Engineering

Based upon the scope of work and selection criteria outlined in RFP 24-084, staff recommends awarding the agreement with The Solis Group. The selected proposal demonstrated that the firm has the necessary capacity and expertise to complete the required services. The consultant’s rates are reasonable and within industry standard and the teams’ qualifications are appropriate.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with the action.

FISCAL IMPACT

Yearly expenditures to The Solis Group vary, as charges are funded by fees submitted by contractors for CWA compliance. For Public Works Agency, revenue is recognized in the 10117002-51708 CIP Construction Projects Permits revenue account, and is anticipated to fully offset expenditures. Funds are budgeted and available in the Public Works – Development Engineering account for Fiscal Year 2024-25. A proposed carry-over of unspent funds from Fiscal Year 2023-24 will be presented to the City Council in October for approval of carry-overs to FY 2024-25. Funds will be budgeted in future fiscal years for City Council consideration.

Fiscal Year	Accounting Unit	Fund Description	Accounting Unit, Account Description	Amount
2024-25	10117605-62340	Pub Wks – Admin & Planning	Pub-Wks-Development Engineering, Contract Services-PWA-CIP Construction Permits	\$300,000
2024-25	41718820-62300 (Proj.16-7751)	CDA Inclusionary Housing Fee	Inclusionary Housing Fee, Contract Services-Professional	\$25,000
2024-25	13018780-62300 (Proj. 23-7300)	Home Program Federal Grant	Federal Grant Home Program, Contract Services-Professional	\$25,000
2024-25	14018760-62300	Housing Authority-Voucher ADM	Housing Authority-Vouchers ADM, Contract Services-Professional	\$25,000
2025-26	10117605-62340	Pub Wks – Admin & Planning	Pub-Wks-Development Engineering, Contract Services-PWA-CIP Construction Permits	\$325,000
2025-26	41718820-62300 (Proj.16-7751)	CDA Inclusionary Housing Fee	Inclusionary Housing Fee, Contract Services-Professional	\$25,000
2025-26	13018780-62300 (Proj. 23-7300)	Home Program Federal Grant	Federal Grant Home Program, Contract Services-Professional	\$25,000

Fiscal Year	Accounting Unit	Fund Description	Accounting Unit, Account Description	Amount
2025-26	14018760-62300	Housing Authority-Voucher ADM	Housing Authority-Vouchers ADM, Contract Services-Professional	\$25,000
2026-27	10117605-62340	Pub Wks – Admin & Planning	Pub-Wks-Development Engineering, Contract Services-PWA-CIP Construction Permits	\$325,000
2026-27	41718820-62300 (Proj.16-7751)	CDA Inclusionary Housing Fee	Inclusionary Housing Fee, Contract Services-Professional	\$25,000
2026-27	13018780-62300 (Proj. 23-7300)	Home Program Federal Grant	Federal Grant Home Program, Contract Services-Professional	\$25,000
2026-27	14018760-62300	Housing Authority-Voucher ADM	Housing Authority-Vouchers ADM, Contract Services-Professional	\$25,000
Optional 2-year Extension				
2027-28	10117605-62340	Pub Wks – Admin & Planning	Pub-Wks-Development Engineering, Contract Services-PWA-CIP Construction Permits	\$325,000
2027-28	41718820-62300 (Proj.16-7751)	CDA Inclusionary Housing Fee	Inclusionary Housing Fee, Contract Services-Professional	\$25,000
2027-28	13018780-62300 (Proj. 23-7300)	Home Program Federal Grant	Federal Grant Home Program, Contract Services-Professional	\$25,000
2027-28	14018760-62300	Housing Authority-Voucher ADM	Housing Authority-Vouchers ADM, Contract Services-Professional	\$25,000
2028-29	10117605-62340	Pub Wks – Admin & Planning	Pub-Wks-Development Engineering, Contract Services-PWA-CIP Construction Permits	\$350,000

Fiscal Year	Accounting Unit	Fund Description	Accounting Unit, Account Description	Amount
2028-29	41718820-62300 (Proj.16-7751)	CDA Inclusionary Housing Fee	Inclusionary Housing Fee, Contract Services- Professional	\$25,000
2028-29	13018780-62300 (Proj. 23-7300)	Home Program Federal Grant	Federal Grant Home Program, Contract Services-Professional	\$25,000
2028-29	14018760-62300	Housing Authority- Voucher ADM	Housing Authority- Vouchers ADM, Contract Services-Professional	\$25,000
Total				\$2,000,000

EXHIBIT(S)

1. RFP #24-084: Labor Compliance & Community Workforce Agreement Professional Administrative Services
2. Agreement with The Solis Group

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency
 Michael Garcia, Executive Director – Community Development Agency

Approved By: Alvaro Nuñez, City Manager