

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

**Subject:** Prevailing Wage Status Report

**Meeting Date:** February 10, 2017

**Agenda Number:** 7e

**INFORMATION/ACTION**

### **RECOMMENDATION(S):**

Accept Prevailing Wage Status Report

### **BACKGROUND:**

Since early 2015, the FORA Board has been wrestling with the application and enforcement of the Master Resolution prevailing wage requirements. Over the past year, the Board has heard complaints from individual workers, labor unions, and contractors about the program. In pursuit of clarity for all stakeholders, FORA met with the Department of Industrial Relations (DIR) to seek interpretation of SB854 and other recent changes in California Labor Laws as it may pertain to FORA. In order to assist the jurisdictions, the FORA Board elected to enhance its prevailing wage program by hiring a Prevailing Wage Coordinator.

The focus of the new position is to provide support and assistance to the jurisdictions. In this regard, the Prevailing Wage Coordinator began work on May 16, 2016. Since that time, she has worked to meet with the jurisdictions to obtain information about how best to provide support and craft a program to monitor and assist in meeting prevailing wage requirements on Fort Ord. As a part of the background and outreach, she has also made contact with labor representatives, representatives from the development community and labor compliance monitors. (Some of the issues articulated include lack of clarity in applying and complying with the prevailing wage rules, lack of residential prevailing rates for many of the trades, lack of access to certified payroll records, lack of staff to handle complaints, abuse of the workers (underpayment of wages, misclassification of workers, lack of timely access to records, payment of training fees for apprentices and the changing regulatory environment.

Since the Department of Industrial Relation's letter to Jane Haines of March 16, 2016, the DIR has begun to review information and prior decisions about the public works status of projects being built on Fort Ord. With this new interpretation by DIR that Fort Ord projects are considered a public work regulated by the state, a whole new set of obligations will kick in regarding obligations of jurisdictions (awarding agencies), developers, contractors, and subcontractors. It is anticipated that development and utilization of a uniform set of practices to gather data and monitor prevailing wage issues would be beneficial to implementing the original goals of the Base Reuse Plan and its Master Resolution.

Also, a series of webinars, FAQ pages, and/or trainings would be offered to implement an educational outreach on state prevailing wage requirements and the nuances presented by Fort Ord Reuse projects. As a final part of the program, statistical data and reports would be generated and provided to the Board (and jurisdictions) at quarterly intervals to provide information on the total number of workers working on Fort Ord and jurisdictions, the number of local workers, the resolution or flagging the number of complaints resolved through the

monitors and possibly, forecasting the need/demand for specialized local labor in future years as development continues.

**DISCUSSION:**

State regulators presented a training on November 1, 2016. Almost 50 people attended – a mix of union representatives, local contractor and representatives of the development community. The presentation was videotaped and FORA has posted the video of this presentation on its web page. From October 1, 2016-December 31, 2016, a range of hours of over 5,000 hours and over 127 workers. Approximately, 30% of the hours were performed by workers within the tri-county area: (Santa Cruz, Monterey and San Benito Counties). Additionally, CSUMB reports that approximately 21,024 man hours were reported on CSU projects during that time period. Two jurisdictions have registered to utilize the compliance software. To encourage usage of the product for Fort Ord purposes, we have broadened the scope to allow jurisdictions to utilize the software for all of their projects.

FORA has received inquiries about where to obtain certain prevailing wage information. In accordance with the protocol, FORA has passed certain inquiries on to the underlying jurisdiction and/or awarding body.

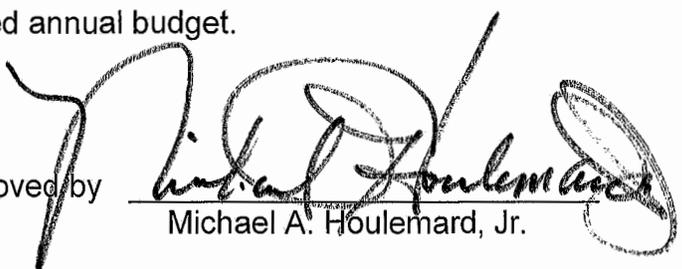
Finally, the Prevailing Wage Coordinator is providing information to FORA staff regarding bid requirements and other updated requirements of SB854 regarding FORA's upcoming public works projects.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

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

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