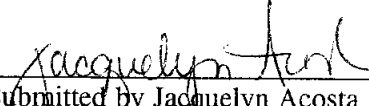


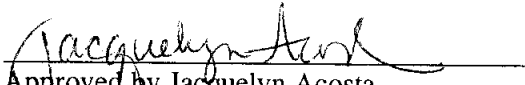


City of Carson Report to Mayor and City Council

February 4, 2014
New Business Discussion

SUBJECT: CONSIDER REPORT BY THE SOLIS GROUP ON THE CITY'S LOCAL HIRE EFFORTS


Submitted by Jacquelyn Acosta
Acting City Manager


Approved by Jacquelyn Acosta
Acting City Manager

I. SUMMARY

In order to evaluate the city's efforts to encourage local construction hiring, on January 15, 2012, the City Council authorized hiring the Solis Group. The contract with the Solis Group is ending, and their report is submitted for consideration.

II. RECOMMENDATION

TAKE the following actions:

1. RECEIVE and FILE the report.
2. PROVIDE direction to staff on how to encourage local hiring.

III. ALTERNATIVES

1. DETERMINE if the city will use an outside service or city staff to continue data collection and monitoring.
2. HIRE a consultant to assist in developing improved contract language for local hiring and create a structure to manage local hire.
3. TAKE another action as the Council deems appropriate.

IV. BACKGROUND

The City Council has had a policy for many years of encouraging local hiring on city projects. Implementing that policy has proven to be very challenging. There are varying regulations depending on the funding used. Federal funds, Housing Authority funds and the former Carson Redevelopment Agency each has a set of rules on how far the city can push to get developers and contractors to hire local sub-contractors and workers. For some projects, the city has used project labor agreements for this purpose.

Results for all of these efforts have been decidedly mixed. While some construction specialties have seen sizable numbers of local workers, others have seen few or none. The city has had some success in helping developers and contractors find local sub-contractors and workers through a registry the city maintains. As a project moves through its phases, the city hosts workshops

where those who have registered in a particular specialty are invited to meet with the firm doing the work.

In recognition of the difficulty in finding many construction specialties within the city, the Council expanded tracking to look at a 3-mile, 5-mile or 10-mile radius of Carson. The results are in the Solis Group report (Exhibit No. 1) for the Arbor Green Apartments, City View and PLA project of re-roofing several city buildings. The goal for each program is 30% local hiring. The results are summarized as follows:

Project	Number of Workers	Percentage Local
Arbor Green	36 of 491	7%
City View	11 of 105	11%

Project	Hours Worked	Percentage Local
Re-roofing	496 of 716	69%

It should be noted that even for the re-roofing project with the higher attainment, only 56 of the 496 hours worked by local hires were by those inside the three-mile radius.

Carson is not alone in struggling with local hiring. While larger communities and agencies have had significant success, Los Angeles and the Los Angeles Unified School District for example, many communities have been following Carson's efforts closely in hopes of finding a program they can replicate. The common thread among successful local hire programs seems to be that they are larger communities with a commensurately large labor pool and that they have staff dedicated to the full-time implementation and monitoring of the program.

V. FISCAL IMPACT

None at this time.

VI. EXHIBITS

1. Report from the Solis Group (pgs. 4-19)

Prepared by: Barry Waite, Business & Employment Development Manager

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council

Date_____ Action_____



City of Carson
Final Monthly Report Submittal
Local Hire Initiative – Employee Data Collection and
Project Labor Agreement (PLA) Coordination Services

January 28, 2014

Barry Waite, Business Development Manager
City of Carson
701 E. Carson Street
Carson, CA 90745

Subject: Local Hire Monitoring – Status Report

Dear Mr. Waite:

The Solis Group (TSG) is pleased to present our final monthly status report for Local Hire Monitoring on the three projects which we have been directed to monitor. It is our understanding that you wish TSG staff to be present at the City Council meeting on February 4th to present the findings in this report and to answer the Council's questions, if any.

As our contract comes to an end on February 11, 2014, I offer the following observations based on the limited monitoring conducted during the course of the past year, with regard to the City's local hiring program and possible enhancements.

FACTUAL OBSERVATIONS

- a. The Council has expressed its interest in creating/maintaining a local hiring program with the goal that 30% of all work done on City Public Works or City Housing Department projects be performed by 'local workers.'
- b. The Council modified its local hire definition in 2013 from 'city resident' to a three-tiered radii system, tracking local worker utilization in 3-mile, 5-mile, and 10-mile radii from the City.
- c. The results of the two Housing Authority projects analyzed in the subject monthly report indicate that the current program requirements are insufficient to ensure that a 30% goal is achieved; in fact, local hiring on Housing Authority projects is negligible.
- d. Local worker utilization on the City Public Works projects, operating under the requirements of the City's Project Labor Agreement (PLA) perform significantly better, but do not meet the 30% threshold in either the 3-mile, or combined 3- and 5-mile radii. The goal was significantly surpassed when considered from the 10-mile radius perspective.

SUBJECTIVE OBSERVATIONS AND RECOMMENDATIONS

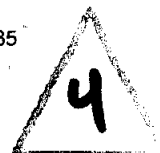
- a. While repeatedly promulgated by the City Council, the City's 'Local Worker Hiring Program' is not codified in a controlling program document. The City's objectives would be better served if a written Local Worker Hiring Program were developed and adopted



The Solis Group

HEADQUARTERS: 145 Vista Avenue, Suite 104 ♦ Pasadena, CA 91107 ♦ P: 626-685-6989 ♦ F: 626-685-6985

EXHIBIT NO 01





City of Carson
Final Monthly Report Submittal
Local Hire Initiative – Employee Data Collection and
Project Labor Agreement (PLA) Coordination Services

- by the Council for implementation on future City Public Works and City Housing Authority projects.
- b. No City department or staff member is assigned responsibility for ensuring the proper application of the local worker program on applicable projects; as such, the program and the City Council's objectives do not have an effective advocate at the staff level.
 - c. In the absence of a program document or staff-level advocate, the Council's objectives are not being uniformly pursued across the City's various departments. For example, 'Local Worker' is defined differently in various City documents provided to contractors, creating an inconsistency between contractor requirements identified at project kick off meetings and the Council's stated goals.
 - d. Enhanced contractual language should be considered for inclusion in future Housing Authority contracts to ensure that the City's objectives are fulfilled.

TSG appreciates the opportunity to have participated on the City's local hire initiative and will be happy to discuss the above considerations at your convenience.

Should you need further information, please contact me at (626) 685-6989, or by email at g Hamm@thesolisgroup.com.

Sincerely,

Gary A. Hamm
Senior Vice President

cc: Charlotte Callegari



The Solis Group

HEADQUARTERS: 145 Vista Avenue, Suite 104 ♦ Pasadena, CA 91107 ♦ P: 626-685-6989 ♦ F: 626-685-6985

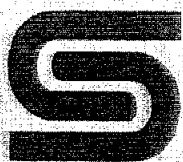




City of Carson Local Worker Monitoring and Reporting

MONTHLY STATUS REPORT

December 2013



Submitted By:

THE SOLÍS GROUP

145 Vista Avenue, Suite 104

Pasadena, CA 91107

(626) 685-6989 phone

(626) 685-6985 fax



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1

INTRODUCTION TO THE SOLIS GROUP'S SERVICES

The Solis Group (TSG) is responsible for the City of Carson's (City) local worker monitoring for various projects, as follows:

- ▶ **Arbor Green Apartments Project**
 - Monitor and report local worker utilization numbers until February 2014
 - Based on submitted contractor Monthly Worker Utilization Reports
- ▶ **City View Project**
 - Monitor and report local worker utilization numbers until February 2014
 - Based on submitted contractor Monthly Worker Utilization Reports
- ▶ **Project Labor Agreement (PLA) Re-Roofing at Various Sites Project**
 - Monitor and report local hiring numbers beginning in October 2013 and continuing until January 2014.
 - Based on submitted contractor Certified Payroll Records (CPRs)

(See Appendix i for a description of these projects)

Each month, TSG analyzes documents from all contractors performing work on these projects and determines local worker numbers for the City's three-mile, five-mile and ten-mile radius of local zip codes.

TSG is not responsible for resolving low worker utilization numbers for local workers on the Arbor Green Apartments and City View projects. TSG only monitors, analyzes and reports the monthly worker utilization reports received from the Developer.

(See Appendix ii for more information concerning activities performed by TSG in support of the City's local worker monitoring and reporting)



LOCAL WORKER MONITORING AND REPORTING

1. Arbor Green Apartments Local Worker Numbers

Arbor Green Apartments - Percent Local Workers: The following table summarizes the percentage of local workers by month and as a running total for the months of September 2013 through December 2013. These months represent all of the data that has been received from the Developer to-date.* The table also shows the actual numbers used to calculate the local worker percentage. **The project wide goal is 30% local workers.**

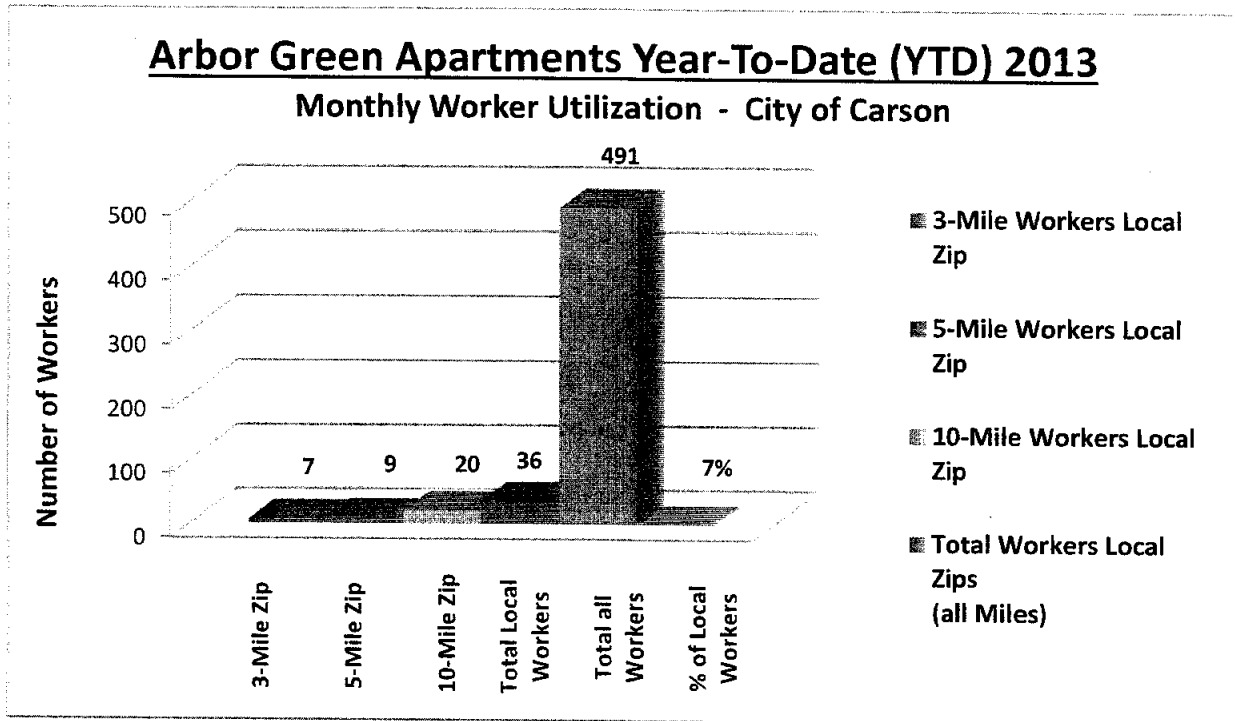
CITY OF CARSON MONTHLY LOCAL WORKER TRACKING REPORT ARBOR GREEN APARTMENTS Based on Local Workers by Month	
	September 2013
Total Workers	121
Non-Local Workers	109
Local Workers	12
% Local Workers	10%
	October 2013
Total Workers	91
Non-Local Workers	85
Local Workers	6
% Local Workers	7%
	November 2013
Total Workers	165
Non-Local Workers	159
Local Workers	6
% Local Workers	4%
	December 2013
Total Workers	114
Non-Local Workers	102
Local Workers	12
% Local Workers	11%
	Year To Date - Running Total
Total Workers	491
Non-Local Workers	455
Local Workers	36
% Local Workers	7%

*Although the Developers are required to submit monthly worker utilization reports every month, TSG has only received these reports through December 2013.

Criteria for determining local workers is contained in Appendix iii



Arbor Green Apartments: 3-5-10 Mile Radius Local Worker Breakdown: The following graph shows that to-date (September 2013 through December 2013), the three-mile zip codes account for seven (7) project workers, the five-mile zip codes account for nine (9) project workers and the 10-mile zip codes account for 20 project workers; culminating in 36 total local workers who worked on the project. This corresponds to 7% of all project workers who worked on the project.



Criteria for determining local workers is contained in Appendix iii

2. City View Local Worker Numbers

City View - Percent Local Workers: The following table summarizes the percentage of local workers by month and as a running total for the months of May 2013 through November 2013. These months represent all of the data that has been received from the Developer to-date.* The table also shows the actual numbers used to calculate the local worker percentage. **The project wide goal is 30% local workers.**

CITY OF CARSON MONTHLY LOCAL WORKER TRACKING REPORT CITY VIEW Based on Local Workers by Month	
	May 2013
Total Workers	23
Non-Local Workers	20
Local Workers	3
% Local Workers	13%
	June 2013
Total Workers	21
Non-Local Workers	18
Local Workers	3
% Local Workers	14%
	July 2013
Total Workers	7
Non-Local Workers	6
Local Workers	1
% Local Workers	14%
	August 2013
Total Workers	14
Non-Local Workers	14
Local Workers	0
% Local Workers	0%

Table is continued on the next page for the months of September 2013 through November 2013



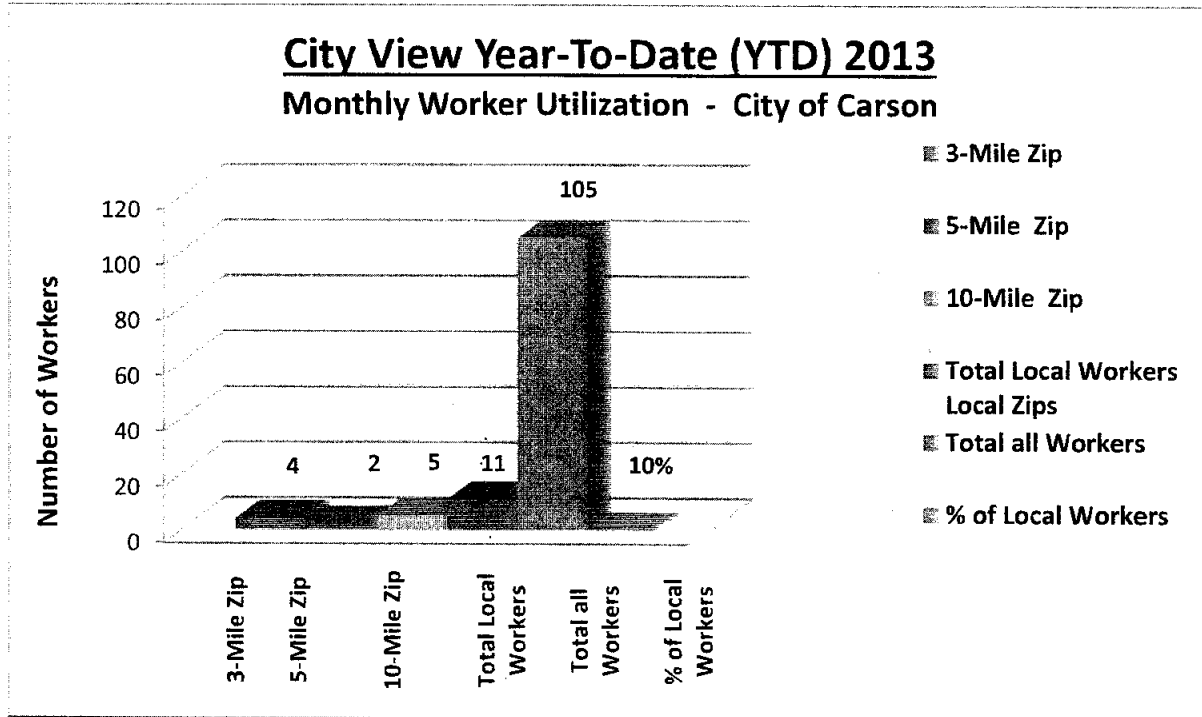
CITY OF CARSON MONTHLY LOCAL WORKER TRACKING REPORT CITY VIEW Based on Local Workers by Month	
	September 2013
Total Workers	9
Non-Local Workers	8
Local Workers	1
% Local Workers	11%
	October 2013
Total Workers	9
Non-Local Workers	8
Local Workers	1
% Local Workers	11%
	November 2013
Total Workers	22
Non-Local Workers	20
Local Workers	2
% Local Workers	9%
	December 2013
Total Workers	
Non-Local Workers	
Local Workers	
% Local Workers	
	Year to Date - Running Total
Total Workers	105
Non-Local Workers	94
Local Workers	11
% Local Workers	10%

**Although the Developers are required to submit monthly worker utilization reports every month, TSG has only received these reports through November 2013.*

Criteria for determining local workers is contained in Appendix iii



City View: 3-5-10 Mile Radius Local Worker Breakdown: The following graph shows that to-date (May 2013 through November 2013), the three-mile zip codes account for four (4) project workers, the five-mile zip codes account for two (2) project workers and the 10-mile zip codes account for five (5) project workers; culminating in 11 total local workers who worked on the project. This corresponds to 10% of all project workers who worked on the project.



Criteria for determining local workers is contained in Appendix iii



3. PLA Project – Re-Roofing at Various Sites Local Hire Numbers
Prime Contractor: Midwest Roofing & Solar

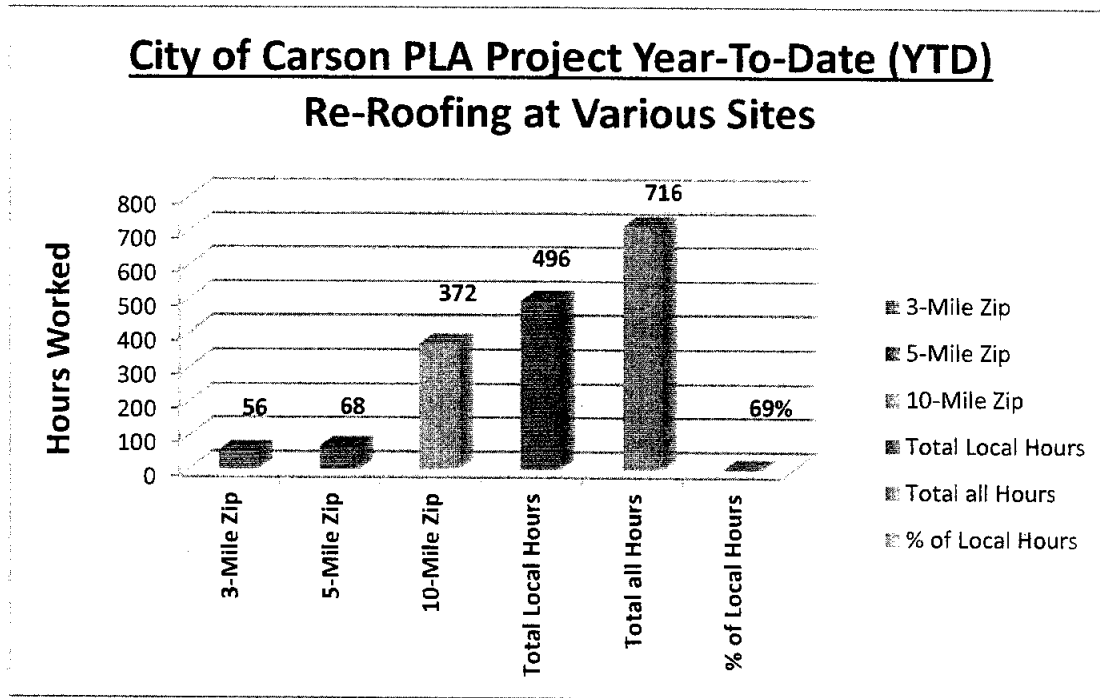
Re-Roofing - Percent Local Worker Hours: The following table summarizes the percentage of local hours by month and as a running total for all months (October 2013 through December 2013*). The table also shows the actual numbers used to calculate the local hours percentage. The project wide goal is 30% local workers.

CITY OF CARSON LOCAL HIRE TRACKING REPORT PLA PROJECT - RE-ROOFING at VARIOUS SITES Based on Hours Worked by Month	
	October 2013
Total Hrs	716
Non-Local Total Hrs	220
Local Hrs	496
% Local Hire	69%
	November 2013
Total Hrs	0
Non-Local Total Hrs	0
Local Hrs	0
% Local Hire	0%
	December 2013
Total Hrs	0
Non-Local Total Hrs	0
Local Hrs	0
% Local Hire	0%
	Year To Date - Running Total
Total Hrs	716
Non-Local Total Hrs	220
Local Hrs	496
% Local Hire	69%

**November 2013 and December 2013 were non-performance working months*

Criteria for determining local workers is contained in Appendix iii

Re-Roofing: 3-5-10 Mile Radius Local Worker Hours Breakdown: The following graph shows that to-date (October 2013 through December 2013), the three-mile zip codes account for 56 total project hours worked, the five-mile zip codes account for 68 total project hours worked and the 10-mile zip codes account for 372 total project hours worked; culminating in 496 total local hours worked on the project that corresponds to 69% of all project hours worked.



Criteria for determining local workers is contained in Appendix iii

4. PLA Project - Re-Roofing Project Site Interviews

TSG cross-referenced the site interviews conducted against the Certified Payroll Reports (CPRs) submitted by the contractor. TSG did not identify any issues requiring an audit or investigation. All workers on-site reported being paid at the proper prevailing wage rate.



Appendix i

Description of Projects

► **Arbor Green Apartments**

- Located at 21227 – 21237 South Figueroa Street, Carson, CA 90745. Arbor Green Apartments will be a 40-unit, three-story affordable family development consisting of one-, two- and three-bedroom units. All units will be offered to families earning well below the area's median income. TSG will monitor and report local worker utilization numbers for this project until February 2014.

► **City View**

- Located at 616 East Carson Street, Carson CA 90745. City View is a development of a mixed-use project on 9.5 acre Agency-owned parcel located adjacent to Ralph's Center. The proposed development will include approximately 152 market-rate, for sale, residential units and 14,000 square feet of ground floor retail space. Fifteen percent (or 23 units) would be sold to moderate-income households. The Agency will sell the property to the developer at fair market value. TSG will monitor and report local worker utilization numbers for this project until February 2014.

► **Re-Roofing at Various Sites**

- This project is under the City's Project Labor Agreement (PLA) and the construction is being performed at Carriage Crest Park, Dominguez Park and the City Main Yard Office Building. TSG will monitor and report local hiring numbers for this project beginning in October 2013 and continue until January 2014.



Appendix ii

Responsibilities in Support of the City's Local Worker Monitoring and Reporting

1. The Solis Group Responsibilities:

The Solis Group (TSG) is responsible for local worker utilization monitoring and reporting for the City of Carson's (City) Arbor Green Apartments project, City View project and the Project Labor Agreement (PLA) Re-Roofing at Various Sites project. Each month, TSG conducts document intake and reviews and analyzes these documents from all contractors performing work on the above-mentioned projects, which include, but are not limited to, Monthly Utilization Reports and other pertinent contractor documents in order to determine local worker numbers for the City's three-mile, five-mile and ten-mile radius of local zip codes. Below is a summary of activities performed by TSG in support of the City's local worker monitoring and reporting. These services include, but are not limited to, the following scope items:

TSG Local Worker Monitoring and Reporting Responsibilities

- ▶ Collect complete contractor and subcontractor listings for each project
- ▶ Collect required documentation from all project contractors to determine local hiring numbers for each project and contractor
- ▶ Conduct random interviews with project workers on a quarterly basis and cross-check interview information against the contractor's documents
- ▶ Monitor contractor's use of local workers

TSG is not responsible to resolve low worker utilization numbers for local workers on the Arbor Green Apartments and City View projects. TSG only monitors, analyzes and reports the monthly worker utilization reports received from the Developer.

2. Developer Responsibilities:

▶ Employment of Local Residents

The Developer shall make best faith efforts to cause all solicitations for full or part-time employment relating to the construction of the project to be listed with the Carson Career Center (CCC) or the South Bay Workforce Investment Board. The Developer shall contact the CCC to schedule a preconstruction meeting to discuss the requirements of the Local Hire Program and monthly reporting requirements for the evaluation of the project compliance in regards to the Local Hire Program. The Developer will also include in each contract with any contractor or subcontractor undertaking work on the project the requirements of the Local Hire Program.

Appendix iii

Criteria for Determining Local Workers

To determine local hours and percentages of local workers working on the project, TSG analyzed all submitted contractor worker utilization reports or CPRs (depending on the project, as noted in the introduction on page 3) and compared the zip codes for all workers working on the project to determine if a worker is considered a local worker. In order to be considered a local worker, a worker must reside in one of the following 63 City of Carson local zip codes – see table below. The zip codes are separated by the distance from the City, relating to a three-mile radius of zip codes, a five-mile radius and a 10-mile radius. All other workers residing outside of the following zip codes are considered non-local workers and are analyzed as such.

City of Carson Local Zip Codes: Three-Mile Radius							
90501	90502	90745	90746	90747	90801		

City of Carson Local Zip Codes: Five-Mile Radius							
90220	90221	90247	90248	90504	90710	90717	90732
90744	90806	90807					

City of Carson Local Zip Codes: Ten-Mile Radius							
90001	90002	90003	90044	90047	90059	90061	90222
90242	90245	90249	90250	90254	90260	90261	90262
90266	90274	90275	90277	90278	90280	90303	90304
90305	90503	90505	90506	90706	90712	90713	90723
90731	90755	90802	90803	90804	90805	90808	90813
90814	90815	90822	90831	90840	90846		