

City of Hesperia

STAFF REPORT



DATE: December 19, 2017

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Michael Blay, Director of Development Services
David R. Burkett, Project Construction Manager

SUBJECT: Award a Professional Services Agreement for Labor Compliance Services

RECOMMENDED ACTION

It is recommended that the City Council award a three-year, on-call Professional Services Agreement (PSA) to LDM Associates, Inc. in an amount not to exceed \$75,000 for Professional Labor Compliance Services for various Community Development Block Grant (CDBG) capital projects that are identified in the annual Capital Improvement Program (CIP) Budget each fiscal year and authorize the City Manager to execute said agreement.

BACKGROUND

The Council has directed staff to pursue a vigorous road improvement program utilizing CDBG funds received on an annual basis through the U.S. Department of Housing and Urban Development (HUD). The use of CDBG funds trigger compliance requirements with Davis-Bacon and Related Acts and requires prevailing wage monitoring. In addition, expenditure of CDBG funds requires a unique expertise related to the rules, laws, and regulations applicable to HUD and their reporting requirements. City staff does not have the expertise or time to monitor and enforce the burdensome labor compliance laws promulgated for CDBG funded projects.

Each fiscal year the City Council and Board of Directors of the Hesperia Water District adopt the Capital Improvement Program (CIP) Budget that includes roadway projects funded with CDBG allocations via HUD. A condition of these allocations is that each project shall comply with the state and federal labor compliance laws.

ISSUES/ANALYSIS

LDM Associates, Inc. (LDM) has been providing assistance to the City over the past several years with the labor compliance laws required on CDBG funded projects. Staff has been very satisfied with the professional consulting services provided by LDM on these projects. They have provided labor compliance services on the Fir Street & Rodeo Street Improvements Project, the ADA Improvements - Year 1 & 2 Project, and the FY 2016-17 CDBG Street Improvement Project.

Due to the extensive knowledge and experience of LDM as it relates to compliance with federal laws on CDBG funded projects and their familiarity with Hesperia processes, staff would like to continue utilizing the services of LDM. However it is estimated that the use of LDM on the next CDBG project would cause their contract to exceed the statutory limit of \$50,000 as stipulated in the Municipal Code.

Normally at this point staff would develop a Request for Proposals and select a consultant to provide these services utilizing a Qualifications Based Selection process. However, for the reasons stated above, staff is requesting that the Council authorize the award of a new sole source contract to LDM in accordance with Municipal Code § 3.08. The new contract amount would not exceed \$75,000 and would be an on-call Professional Services Agreement covering a three-year period. Staff would solicit a fee proposal from LDM for each proposed CDBG project in order to control costs and ensure Quality Assurance & Quality Control of their labor compliance services.

FISCAL IMPACT

The funding for the labor compliance services provided by LDM on each individual CDBG funded project will be provided within the total budget for each project.

ALTERNATIVE(S)

1. Provide alternative direction to staff

ATTACHMENT(S)

1. None