

Labor Compliance Program Proposal
For
The City of Stockton



Prepared By:

KUREY & ASSOCIATES
Labor Compliance Management

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KUREY & ASSOCIATES

Labor Compliance Management

December 12, 2019

City of Stockton, City Hall
Attention: Mr. Trevor Wilson & Ms. Raquel Chavarria
425 North El Dorado Street,
Stockton, CA 95202-1997

Subject: Labor Compliance Program Consulting Services

Dear Mr. Wilson & Ms. Chavarria:

Kurey & Associates (Kurey), a Department of Industrial Relations approved third party labor compliance program, is pleased to submit this proposal to provide Labor Compliance Field Investigation and Administrative Services for the **City of Stockton**. Our Team has the experience, the understanding, and the proven methodology necessary to serve your labor standards needs.

The **City of Stockton** is seeking the services of a qualified labor compliance provider to assist them with their labor compliance needs for **various projects throughout the City**. Specifically, the **City of Stockton** seeks a firm who can provide and implement a successful labor compliance investigation, monitoring and enforcement methodology; a successful model for conducting on-site visits and field interviews; and a proven methodology for administering a labor compliance program.

With more than 60 years of labor compliance and construction experience, Kurey has developed an industry-recognized expertise in providing labor standards and compliance services to public infrastructure owners. At the core of our Team's operational philosophy is the resolution of issues before they escalate, making labor standards monitoring and enforcing worry-free for the **City of Stockton**. We work closely with the Construction Managers, Project Managers and City representatives as an extension of the team to achieve a common goal: the successful completion of the project with minimal disruptions or delays.

The following is included in the proposal:

- Section 3.0.2: Minimum Experience Qualifications Summary
- Section 3.0.3: Management/ Method of Operation
- Section 3.0.4: References
- Section 3.0.5: Business Financial Statement
- Section 3.0.6: Corporate Structure/ Organization
- Section 3.0.7: Proposal Fee

KUREY & ASSOCIATES

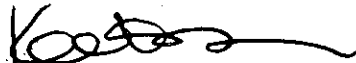
Labor Compliance Management

- Attachment A: Signed and notarized "Non-Collusive Affidavit" form
- Attachment B: Signed "Proponent's Agreement" form
- Attachment C: Affirmative Action and Equal Opportunity Letters

The primary contact for this proposal is:

Kate Kurey
Kurey & Associates
1264 Dupont Court
Manteca, CA 95336
Phone: (209) 946-9601
Fax: (209) 946-9621
katek@kureyandassociates.com

Best Regards,



Kate Kurey
Labor Consultant

3.0.2. Minimum Experience Qualification Summary

Brief Description of Qualifications and Experience:

Our company has contracted with various school districts, Cities, Counties College Districts and Water Districts to administer their labor compliance programs for Federal and State bond-funded projects where labor compliance was mandated. Since our establishment in 2004, we have collectively monitored over \$800 million worth of construction projects. Specifically, we reviewed language for construction contracts that explained the labor compliance program requirements, informed contractors of their prevailing wages and labor law obligations at the pre-bid meetings and conducted a pre-job conference for the general contractor and all subcontractors for the purposes of disseminating information regarding prevailing wage laws and regulations. We collected and reviewed certified payroll records and related documents to insure compliance with prevailing wage laws throughout the contract. Comparisons were made between certified payroll records and the Inspector's Daily Report and/or the contractor's daily reports to verify that all subcontractors and their employees were properly being reported. On site interviews were conducted with workers of the contractor and subcontractors to substantiate the information that had been submitted on certified payroll records. We prepared weekly/monthly reports on the status of each project and made recommendations regarding retention for delinquent and/ or inadequate certified payroll records.



Steps were also taken to verify that contractors and subcontractors were in compliance with apprenticeship laws. Each contractor and subcontractor was required to provide proof that they had sent The Public Works Contract Award Information, Form DAS 140, to the appropriate apprenticeship committee (s) prior to the start of their work. The status of apprentices listed on certified payroll records was verified via the DIR website and apprentice ratios to journeymen were checked at the conclusion of each contract. Contractors and subcontractors were also required to submit evidence that training fund contributions had been paid to either a trust fund or to the California Apprenticeship Council.

Other duties include: issuing a "Notice to Proceed" to the contractor and property owner, receive, review and maintain certified payroll records and related documents to assure compliance with prevailing wage laws, attempt to identify potential labor compliance claim issues before they arise and investigate violations and complaints of underpayment, verify registration of apprentices in the craft or trade being performed, require proof of payment of training fund contributions from contractor(s), conduct job site inspections and interview workers, provided monthly reports to Developer/ City staff of the status of each project, recommend retention for delinquent and/or inadequate certified payroll records when needed, assist the property owner, contractor, and subcontractor(s) with the completion of required labor compliance documentation, review and sign off on invoices submitted by contractor assuring that all correct documentation has been received, prepare project files with all correspondence and prevailing wage documents for City archives.

Team Background

Kate Kurey, President / Project Manager, Kurey & Associates

Specific Responsibilities:

- Review contract language and specifications concerning prevailing wage requirements
- Attend pre-bid meeting
- Provide contractor with prevailing wage decisions.
- Conduct pre-job conference for general contractor and all subcontractors for the purposes of disseminating information regarding prevailing wage laws and Davis Bacon regulations.
- Provide staff training on State and Federal labor and prevailing wage laws.
- Oversee the function of receiving, reviewing and maintaining certified payroll records and related documents to assure compliance with prevailing wage laws throughout the contract.
- Assist in providing monthly reports on the status of each project and recommend retention for delinquent and/ or inadequate certified payroll records.
- Conduct an investigation into any complaint filed by a third party.
- Notify contractor/ subcontractor of any wage or apprenticeship violation with a demand for corrections.
- Follow up with contractor until issue is resolved.
- Prepare investigative report on prevailing wage violations.
- Review all pay requests and notify all parties of status.
- Prepare Request for Forfeiture and represent City in appeal process.
- Provide all ARRA consulting services-if needed.

Ms. Kurey has extensive labor compliance experience. Since 2001, she has served as a labor compliance technician for the Manteca Unified School District, a Public Works Payroll Technician trained under Michael Kurey, Labor Law Consultant with Employers' Advocate, Inc., a Labor Compliance Coordinator for Mascon, Inc., and served as a LCP analyst for clients such as *Brentwood Union School District, Bryon Union School District, Chowchilla Elementary School District, City of Ceres, City of Lathrop, City of Riverbank, City of Stockton, Corolla Engineering Firm, County of San Joaquin, Denair Unified School District, Escalon Unified School District, Farmington Water Company, Gerber Union School District, Keyes Community Water District, Keyes Union School District, Linden Unified School District, Lodi Unified School District, Los Banos Unified School District, Manteca Unified School District, Oakdale Joint Unified School District.*

Ms. Kurey's training includes: U.S. Department of Labor, Wage and Hour Division Prevailing Wage Conference, Las Vegas 2011, California Department of Health/ EPA Region 9 ARRA Training, Foundation for Fair Contracting, Department of Industrial Relations, Department of Labor, The Fresno City College Training Institute (Endorsed by the DLSE), The U.S. Department of Labor Workshop, The Underground Economy, Conference in Palm Springs and Sacramento, Associated Builders Construction Seminar (ABC), Construction Employers' Association Seminar and Personal training conducted by former Senior Deputy Labor Commissioner Michael Kurey.

Melody Matthews, Office Administrator, Kurey & Associates

Ms. Melody Matthews is the newest addition to the Kurey & Associates team. Her responsibilities include the office management duties for public and private sector clients that involve renovation and new construction. These duties include but are not limited to:

Specific Responsibilities:

1. Correspond with clients and contractors.
2. Assist in preparing for the pre-job conference for general contractor and all subcontractors for the purposes of disseminating information regarding prevailing wage laws and regulations.
3. All project set up including files and data entry.
4. Receive certified payroll records and related documents to enter into database for the review process.
5. Prepare all documents for third party requests for information.
6. Verify Contractor State License certification.
7. Closeout and archive all project documentation at the completion of work.

BILL DUNN, Construction Site Inspector/Site Interviews, Kurey & Associates

Mr. Dunn serves as a primary site inspector for Kurey & Associates. Mr. Dunn has worked as a Carpenter, Contractor and a Deputy Sheriff in San Joaquin County. Mr. Dunn's' 30 years combined experience in the construction industry and law enforcement provide him with the credentials and background that are essential in order to conduct job site interviews and verify proper employment practices.

Specific Responsibilities:

- Attend pre-construction meeting to obtain the construction site work schedule.
- Provide weekly site visitations (as needed) to active Public Works Projects.
- Inspect all Contractors' trailer for required postings including the appropriate prevailing wage determination, copy of the Labor Compliance Approval Letter and manual, and our labor compliance program contact information.
- Administer worker interviews and documents all findings on the employee questionnaire form.
- Obtain a list of contractors and subcontractors working during the site visitation.
- Report back to the Local Contract Administrator all reports and findings on a weekly basis.
- Assist as a witness in a hearing proceeding.

3.0.3 Management / Method of Operation

Pre Job Responsibilities for Scheduled Construction Projects

1. Kurey & Associates (Kurey) will review all pertinent documentation and verify that statutory requirements for a labor compliance program are achieved. Specifically, staff will confirm that the call for bids, instructions to bidders and the contract contain appropriate labor compliance language including the contractor's obligation to comply certified payroll, prevailing wage and apprenticeship requirements.
2. Kurey will facilitate pre-bid and/or pre-construction meetings where an explanation of labor law requirements will be provided to contractors and subcontractors. Attendees will receive a labor law checklist, a copy of the Labor Compliance Program, prevailing wage determinations and required forms for the public works project. The meeting will provide an opportunity for contractors and subcontractors to learn about the correct application of wage determinations, the submission of certified payroll records and the proper employment of apprentices. Kurey will also discuss the role of a labor compliance program with reference to the collection and review of documents and records, on-site inspections and the investigative process when violations are detected. At the conclusion of each meeting, signed labor law checklist will be collected and retained in file.
3. Kurey will provide the required postings to the contractor which includes a copy of the wage determinations provided by the Department of Industrial Relations, Department of Labor, HUD 4010 form, Notice of Labor Compliance Program sign and all labor posters.
4. Per the request of the City, KUREY will issue a "Notice to Proceed" letter to the property owner and general contractor.

During Construction

1. Kurey will request and collect certified payroll records in accordance with the provisions included in Section 1776 of the California Labor Code and Title 29CFR Parts 1,3,5,6, and 7, Davis Bacon Act. This statute and related regulations call for all contractors to submit certified payroll records weekly that reflect the proper payment of prevailing wages to workers on the public works project, a Statement of Compliance and a "Statement of Employer Payments" that identify fringe benefit payments to a third party plan. A two-step resolution process is implemented when a contractor's non compliance with the above requirements is detected. First, a telephone call is made to the contractor regarding the untimely submission of records. Contractors who fail to respond will then receive a written request with a filing deadline.
2. Kurey will randomly audit certified payroll documents for the correct payment of prevailing wages. The audit process includes a review of information from other data sources such as verification letters from a contractor's third party plan or trust fund and apprenticeship programs or the California Apprenticeship Council. Information on the certified payroll is compared with data obtained through field interviews, daily inspection logs and engineers' diaries in order to verify the correct reporting of hours worked and the proper payment of prevailing wages. Procedures also call for the confirmation of a contractor's current and active license status and worker's compensation coverage.

3. Kurey will audit certified payroll records on a monthly basis for completeness and accuracy including the following categories: listing of all workers and their craft or classification, calculation of wages paid for straight time and overtime hours, payment of fringe benefits, documentation of nonstandard deductions, apprenticeship employment and training fund contributions. Kurey will corroborate payments shown on certified payroll records for at least one worker per month per project. This system has proven effective in the early detection of most violations. The audit process allows for a zero tolerance of prevailing wage violations and is designed to ensure that prevailing wage issues are identified and addressed quickly.
4. The audit process includes the reporting of all wage underpayments on an excel Public Works Audit Worksheet. The worksheet lists each employee, unpaid wages, date(s) of violation, and an explanation for the underpayment.
5. When minor errors are detected, Kurey will request that the contractor provide corrected certified payroll reports with a reasonable deadline for the submission of supplemental data.
6. Kurey will conduct employee interviews at the job site or at alternate venues to verify the correct payment of prevailing wages. Kurey meets or exceeds the minimum number of interviews required by the California Code of Regulations, Department of Labor and HUD. On the day of each interview, Kurey will check for posting of required notices including sign-in log, prevailing wage determinations and daily listing of subcontractors. All site interviews are logged into an interview database.
7. Kurey will check and verify the certification of all apprentices employed on a public works project. Apprentice to journeymen ratios will be checked for compliance with established standards and minimum requirements and confirmation of training fund contributions will be made.
8. Kurey will interview City and/or contractor staff as necessary regarding any investigation assigned to the consultant.

Investigation of Underpayment of Wages/ Receipt of a Prevailing Wage Complaint

1. Within 15 days after the receipt of a prevailing wage complaint, Kurey will send written acknowledgement to the complaining party and affected contractor that the complaint has been received and identify the name of the team member that is assigned the case. A copy of this correspondence will be sent to City staff.
2. Kurey will prepare first notice of wage investigation to the contractor and/or applicable subcontractor(s). Upon the identification of an apparent contractor underpayment, Kurey will initiate a formal investigation. This investigation will include interviews with the affected workers, an audit of certified payroll records, trustee reports and all other relevant documents. If the audit identifies a wage violation, all wage discrepancies will be documented and a Restitution Demand Letter will be sent to the contractor.

3. Kurey will prepare a report for the City of Stockton staff recommending a course of action with respect to the investigation. If alleged violations are verified, an analysis and finding will be provided as to whether or not the contractor willfully intended to violate prevailing wage or apprenticeship laws.
4. Kurey will notify the complaining party in writing of the resolution of the complaint within 10 days after the complaint has been resolved by the Labor Compliance Program. A copy of this correspondence will be sent to City Staff.

Distribution of Forfeited Sums

1. Prior to making payments to the contractor, Kurey will recommend to the City the amount to withhold and retain to satisfy the Notice of Withholding.
2. Kurey will assist the City and contractor in facilitating the supplemental payments to all affected workers included in the investigation. Wage claims shall be satisfied prior to the amount being applied to penalties.

Administrative Services

1. Kurey will sign off on all monthly project progress payments ensuring completeness and accuracy of certified payroll and verification of supporting documentation.
2. Kurey will maintain the City of Stockton labor compliance files and records in accordance with established City records retention policies.
3. Kurey will process documents for project completion in accordance with City Code, State and/or Federal law.
4. Kurey will attend all meetings related to its labor compliance responsibilities at the request of the City of Stockton staff.
5. Kurey will provide Reports and Maintain Project Files. Bi-monthly Activity Report submitted to the City of Stockton will include a summary of the significant labor compliance issues and a project-by-project description of prevailing wage issues including project status, wage violations, penalties and liquidated damages assessed and restitution paid.
6. Kurey will provide assistance to City staff for reporting related to HUD, HOME, ARRA and all other funding sources.

Public Records Request- Third Party

1. Kurey will process requests for public records in accordance with City policy and the California Public Records Act. Upon receipt of a request, Kurey will invoice the requesting party for the amount allowed pursuant to the California Code of Regulations. Once payment is received from the third party, Kurey will forward the records pursuant to the California Labor Code Section 1776 (e).

REFERENCES 3.0.4.



Name of Client: Dublin Unified School District
Name of contact: Patty Benavidez , Facilities Department
Kurey Contact: Kate Kurey

Address and phone: 7471 Larkdale Avenue
Dublin, CA
Phone: (925) 828-2551

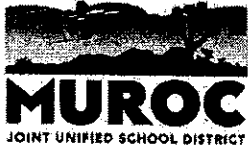
Kurey has been under contract with the DUSD since 2011 to assist with labor compliance services for the Facilities and maintenance Department. We have monitored various projects for DUSD which include several new high schools, several new gymnasiums, modernization and maintenance projects.



Name of Client: Fremont Unified School District
Name of contact: Art Hand , FB2 Solutions (Project Manager)
Kurey Contact: Kate Kurey

Address and phone: 4210 Technology Drive
Fremont, CA 94538
Phone: (510) 657-2350

Kurey has been under contract with the FUSD since 2018 to assist with labor compliance services for the Fremont Unified New Elementary School.



Name of Client: Muroc Joint Unified School District

Name of contact: Trevor Walker

Kurey Contact: Kate Kurey

Address and phone: 17100 Foothill avenue
North Edwards, CA 93523
Phone: (760) 769-4821

Kurey has been under contract with the MJUSD since 2018 to assist with labor compliance services for various projects including \$60 million dollar High School.



Name of Client: Apple Valley Unified School District

Name of contact: Mike Woods (Project Manager)

Kurey Contact: Kate Kurey

Address and phone: 8163 Rochester Avenue, Suite 101
Rancho Cucamonga, CA 91730
Phone: (909) 532-5208

Kurey has been under contract with the AVUSD since 2018 to assist with labor compliance services for various projects including several modernization projects.



Name of Client: Livermore Valley Joint Unified School District

Name of contact: Kim McNeely

Kurey Contact: Kate Kurey

Address and phone: 685 East Joack London Boulevard

Livermore, CA 94551

Phone: (925) 960-2921

Kurey & Associates has been working with LVJUSD since early 2018. Kurey has monitored various projects for prevailing wage compliance.

3.0.6 Corporate Structure / Organization

A. Kurey & Associates Personnel/ History

Kate Kurey is the Principal in Charge and devotes 100% of her time to all projects. Kate and the Kurey & Associates staff have been providing labor compliance services for the City of Stockton since 2006. During our time with the City, we have built working relationships with City Staff, provided training for numerous contractors that work within the City and are accustomed to City standards and procedures.

Kurey & Associates has been in business since 2004. Since then, we have monitored over \$800,000,000 in construction projects for various Cities, Counties, School Districts, Water Districts and renewable fuel companies.

B. Specific Procedures and Protocol for Handling and Disclosure of Payroll and Other Records

Kurey and Associates will be responsible for responding to all request for certified payroll records and other public records.

1. The identity of workers, their addresses and social security numbers will be marked or obliterated to prevent disclosure for all third party requests.
2. Certified payroll records provided to joint labor-management committees established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's name and social security number.
3. The cost for processing certified payroll records would be in accordance with CCR Section 16402.

Request for other public records related to public works contracts will be processed in accordance with the California Public Records Act pursuant to California Government Code, Title 1, Division 7, Chapter 3.5., Sections 6250 Et, Sec.

C. Orientation and Training

The business plan of Kurey and Associates in relationship to the responsibilities of a labor compliance program is designed in a manner consistent with the practice of DLSE/ HUD, as set forth in Division 2 and 3 of the labor code. Training is an integral part of our plan.

1. All employees will experience an extensive orientation that covers every aspect of the labor compliance program.
2. Training will include a review of all public works laws beginning with Labor Code Section 1720.
3. Training will include a review of the California Code of Regulations beginning with Section 16000.
4. Training will also include the review of all Federal Wage Regulations.

5. Employees will receive training in Investigative Techniques, Elements of Violations, Rules of Evidence and Report Writing.
6. Attendance of DIR/ HUD Seminars regarding public works will be mandated.

E. Legal Support

Larry Kay, Esq.
7801 Folsom Blvd., Ste 350
Sacramento, CA 94826
Contact: Larry Kay, (916) 381-7868