

## AGENDA REPORT

**Resolution:** Authorization for the Executive Director to Enter into an Agreement with Elation Systems, Inc. for the Web-Based Labor Compliance/Workforce Tracking System and Living Wage Compliance System **(SRD)**

**MEETING DATE:** 1/26/2017

**AMOUNT:** Not to Exceed \$246,000 (for a three-year contract with two one-year renewal options)

**PARTIES INVOLVED:** Elation Systems, Inc.  
Rick Shi, President

**SUBMITTED BY:** Amy Tharpe, Director of Social Responsibility

**APPROVED BY:** J. Christopher Lytle, Executive Director

**ACTION TYPE:** Resolution

### **EXECUTIVE SUMMARY**

The Social Responsibility Division requests that the Board adopt a resolution authorizing the Executive Director to enter into an agreement with Elation Systems, Inc. to provide the Web-Based Compliance/Workforce Tracking and Living Wage Compliance System for three (3) years, along with two one-year renewal options, for a total amount not to exceed \$246,000 over five years.

### **BACKGROUND**

Since 2006, the Social Responsibility Division (SRD) has utilized a Web Accessed Monitoring System (WAMS) for the purpose of monitoring payments of prevailing wages to all personnel working on Port public works contracts, including tenant projects, under state and federal regulations.

In 2010, MyLCM Solutions, a wholly owned subsidiary of Hill International Inc. was the successful awardee of a Port Request for Proposals (RFP). On May 22, 2014, the Board approved an agreement with the current vendor, MyLCM Solutions, for the continued maintenance and license fee of the web accessed monitoring system through July 14, 2016. On June 23, 2016, SRD returned to the Board and obtained approval to extend this contract for an additional year (through July 14, 2017) while SRD staff pursued an RFP process.

## **ANALYSIS**

SRD has utilized a web accessed monitoring system since 2006. On October 14, 2016, a RFP was let which was advertised in the local paper, placed on the Port's website, directly sent to 21 companies (known to provide this type of service) and sent to 9 local Chamber of Commerce branches. 45 entities downloaded the RFP from the Port's website, and four submissions were received (including one from the current vendor) by the November 29, 2016 proposal due date. Of the four submissions, the top three firms were invited to an interview process which included a demonstration to a panel including staff from IT, SRD, and one external agency.

Elation Systems, Inc., was ranked number one and the recommended choice by the panel based upon the firm's ability to provide the most comprehensive web based solution that best addressed the Port's compliance and reporting needs coupled with the most reasonable price packaging (for the next five years). Not only were the other two shortlisted firms' pricing higher, but both needed to refine and develop their system to meet Port's needs. The Elation solution is ready to go live immediately with minimal changes, if any, to meet the Port's services.

The three shortlisted firms were ranked as follows:

<u>Firm and Location</u>	<u>Port Certified</u>	<u>Rank</u>
Elation Systems, Inc. Pleasanton, California	Yes (LBA)	1
Anovo Systems, LLC. Oakland, California	Yes (LIA/SBE)	2
MyLCM Solutions - A Hill International Company Anaheim, California	No	3

The Elations Systems web-based compliance management system addresses the following scope of services for the Port:

- For the purpose of the Federal and State prevailing wage Labor Compliance Programs and the Port's Maritime and Aviation Project Labor Agreement (MAPLA), it will collect, maintain, and analyze payroll and labor data for all contractors (and tiered subcontractors) working on Port construction public works projects. The proposed system would be implemented and supported in accordance with Federal and State compliance requirements and Port policies. In addition, the system will provide reporting and administrative capabilities that effectively identify, track and alert discrepancies in payroll reporting. Overall, the system will provide comprehensive workforce reporting and tracking.
- For the Living Wage program (the City Charter section 728), and Port Ordinances requiring specific Port service contractors to pay their non-exempt employees a Living Wage rate (or possibly minimum wage), the system will capture the weekly

and quarterly payroll reports required to monitor the wages paid to the employees. It will also provide analytical reports on compliance with living wage and other City Charter and Port Ordinances.

- Each concessionaire at the Oakland International Airport is obligated to participate in the Airport Concessions Labor Pool Program. This Program requires all Concessionaires to offer employment to qualified, displaced badged concession employees by seniority and by job classification, prior to offering employment to other potential employees. This system will provide the Port with a web based solution to track and report on these displaced employees.
- For other Port programs/policies, such as the Port Non-Discrimination and Small Local Business Utilization Policy and Federal Disadvantaged Business Programs, the web-based solution will collect, maintain, analyze, and report payroll data to ensure compliance with said programs. The system will also produce reports to show local, DBE and ACDBE attainment and utilization levels.

### **BUDGET & STAFFING**

The total contract cost will be \$150,000 for three (3) years and \$48,000 per year for the two one-year renewal options, for the total contract authority not to exceed \$246,000. The current approved FY2017 operating budget includes \$50,000 for the first year of the contract. The subsequent annual payments will be budgeted as part of SRD's budget plan moving forward, and paid within budget parameters.

The contract authorization has no impact on staffing.

### **MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

### **STRATEGIC PLAN**

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan

- Goal C: Objective 1: Comply with all federal, state, local and Port workforce mandates.

### **LIVING WAGE**

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this agreement as the service providers does not employ 21 or more employees working on Port-related work. However, service providers will be required to certify that should living wage obligations become applicable, service providers shall comply with the Living Wage Regulations.

## **ENVIRONMENTAL**

This action to enter into an agreement with Elation Systems, Inc. for the Web-Based Compliance/Workforce Tracking System and Living Wage Compliance System was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), and the Port CEQA Guidelines. The general rule in Section 15061(b)(3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that purchasing computer software data collection and reporting services will result in a physical change in the environment, and therefore this action is not subject to CEQA and no further environmental review is required.

## **GENERAL PLAN**

This action for agreement does not change the functions of the SRD Contract Compliance department. It enhances its operations.

## **OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)**

The Owner Controlled Insurance Program (OCIP) and Professional Liability Insurance Program (PLIP) do not apply to the matters addressed by this Agenda Report as they are not capital improvement construction or design projects.

## **OPTIONS**

1. Approve and authorize the Executive Director to enter into an agreement with Elation Systems, Inc. to provide Web-Based Compliance/Workforce Tracking System and Living Wage Compliance System for three (3) years, along with two one-year renewal options, for a total amount not to exceed 246,000 over five years. This is the recommended option.
2. Do not authorize an agreement with Elation Systems, Inc. This option would leave the Port SRD Contract Compliance department without a tool to efficiently monitor and comply with state and federal prevailing wage regulations and the living wage and labor pool program when the current contract for a web accessed monitoring system expires on July 14, 2017.

## **RECOMMENDATION**

Staff recommends that the Board approve and authorize the Executive Director to enter into an agreement with Elation Systems, Inc., for three (3) years, along with two one-year renewal options, for a total amount not to exceed \$246,000 over five years.