

AGENDA REPORT

Resolution: Approve and Authorize the Executive Director to Amend the Agreement with Elation Systems, Inc. to Provide System Enhancements to the Living Wage Module, Add an Additional One Year Option Term, and Increase the Not to Exceed Amount by \$63,000 for the Web-Based Labor Compliance/Workforce Tracking System and Living Wage Compliance System **(SRD)**

MEETING DATE: 5/9/2019

AMOUNT: Not to Exceed \$63,000 (\$15,000 for system enhancements to the living wage module and \$48,000 for an additional one-year option term)

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 amend the agreement with Elation Systems, Inc. to provide system enhancements to the living wage module and add an additional one-year option to the term of the existing Web-Based Labor Compliance/Workforce Tracking System and Living Wage Compliance System, for a total additional amount not to exceed \$63,000.

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 October 2016, a Request for Proposals (RFP) was let where Elation Systems (ES) was the staff recommended awardee. On February 23, 2017, the Board approved an agreement with ES for the provision of a Web Based Labor Compliance/Workforce Tracking System and

Living Wage Compliance System for a period of two years and a one-year renewal option for a total amount not to exceed \$148,000. The one-year renewal option period will begin May 22, 2019 and end May 21, 2020.

ANALYSIS

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 collects, maintains, and analyzes payroll and labor data for all contractors (and tiered subcontractors) working on Port construction public works projects. The system implements and supports in accordance with Federal and State compliance requirements and Port policies. In addition, the system provides reporting and administrative capabilities that effectively identify, track and alert discrepancies in payroll reporting. Overall, the system provides 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 captures the weekly and quarterly payroll reports required to monitor the wages paid to the employees. It also provides 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 provides 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 collects, maintains, analyzes, and reports payroll data to ensure compliance with said programs. The system also produces reports to show local, DBE and ACDBE attainment and utilization levels.

SRD compliance staff has enjoyed the use of ES provided system since May 2017. The living wage compliance module was a new component which was designed and developed for the purpose of collecting living wage records and monitoring compliance from Port tenants, consultants and OAK concessionaires (users). However, after utilizing the new living wage module, staff has received users' feedback that system refinement and enhancements are needed. The system is planned to accommodate the new OAK concessionaires allowing for seamless transmission of living wage records into the system. Also, Port staff has identified a greater need for data collection and daily tracking, and

reporting in real time. The development and design of the living wage compliance module enhancements will require time and expenditure.

Staff is requesting an amended agreement to increase expenditure on this contract so that the living wage module can fully address users' concerns and function, and augment staff monitoring and reporting requirements. For users and staff to fully enjoy the benefits of the system enhancements and return on investment, staff recommends an addition of an additional one-year option term to the agreement to become effective May 22, 2020 and ending May 21, 2021.

BUDGET & STAFFING

The living wage module enhancement will be a not to exceed amount of \$15,000 and the extension of the agreement for an additional one-year term will be \$48,000, for a total cost of \$63,000.

There is no budget impact as the cost of the living wage module enhancement will be absorbed in the adopted FY 2018-2019 SRD budget. The subsequent one-year cost of \$48,000 will be included in SRD's budget plan moving forward.

The system enhancements and agreement extension 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.

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. There are no sustainability opportunities

related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities.

ENVIRONMENTAL

CEQA Determination: This action to amend and extend the 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). 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 enhancing computer software data collection and reporting services will result in a significant effect on the environment, and therefore this action is not subject to CEQA. No further environmental review is required.

GENERAL PLAN

This project is for professional services and will not directly include any alteration of property.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

The Owner Controlled Insurance Program (OCIP) does not apply to the matters addressed by this Agenda Report as they are not capital improvement construction projects.

OPTIONS

1. Approve and authorize the Executive Director to amend the agreement with Elation Systems, Inc., to provide living wage module enhancements and add an additional one-year option term to the Web-Based Labor Compliance/Workforce Tracking System and Living Wage Compliance System, for a total amount not to exceed \$63,000, as further described in the Agenda Report. This is the recommended action.
2. Do not authorize the living wage module enhancements and additional one-year option term with Elation Systems, Inc. This option could compromise the monitoring and compliance with the Port's Living Wage Program due to the vendor's inability to use the existing software and staff's inability to adequately capture and analyze their data.

RECOMMENDATION

Staff recommends that the Board approve and authorize the Executive Director to amend the agreement with Elation Systems, Inc. to provide system enhancements to the living wage module and add an additional one-year option term for the Web-Based Compliance/Workforce Tracking System and Living Wage Compliance System, for a total additional amount of \$63,000, as further described in the Agenda Report.