

**STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: BRUCE BUCKINGHAM, COMMUNITY DEVELOPMENT DIRECTOR  
JANET REESE, PLANNER II**

**SUBJECT: AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH A CONSULTANT  
FOR PROFESSIONAL SERVICES FOR GENERAL ADMINISTRATION AND  
LABOR COMPLIANCE SERVICES RELATED TO THE COMMUNITY  
DEVELOPMENT BLOCK GRANT PROGRAM**

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**BACKGROUND**

In January 2013, the State Department of Housing and Community Development (HCD) released a Notice of Funding Availability for the Community Block Grant (CDBG) Program. In March 2013, the Council directed that an application be submitted. In September 2013, the City was notified that the CDBG application was funded. The application was funded as follows:

<b>Activity Title</b>	<b>Description</b>	<b>Award</b>
Water/Sewer Improvements	Water line improvements at various locations throughout the City.	\$1,291,990
Activity Delivery - Water/Sewer Improvements		\$103,359
Acquisition & Rehabilitation	Acquisition of vacant land for a multi-family development for low-income households	\$172,266
Activity Delivery - Acquisition & Rehabilitation		\$13,781
Planning Only	Housing Element Update and Economic Development Strategy	\$93,023
General Program Administration		\$125,581
<b>Total</b>		<b>\$1,800,000</b>

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**APPROVED FOR FORWARDING**

  
\_\_\_\_\_  
**ROBERT PERRAULT  
CITY MANAGER**

**Please Review for the Possibility of a  
Potential Conflict of Interest:**

- None Identified by Staff     Bright  
 Peterson                             Marshall  
 Lee                                         Nicolls

Meeting Date: April 21, 2014

Agenda Item No. 7

In January, a Request for Proposals (RFP) was released requesting general administration services for the CDBG Program and labor compliance services. Proposals were received in February. Staff has reviewed the proposals and is recommending that the City Council authorize the award of the contract to Adams Ashby Group (reference Attachment 1). Adams Ashby Group has previously provided services to the City and assisted staff with the preparation of the CDBG application that resulted in the \$1,800,000 grant.

## **DISCUSSION**

In January, staff requested proposals from consultants to assist staff in administering the CDBG Program and to provide labor compliance services associated with the public improvement project. These services are an eligible CDBG cost and the total funding available for grant administration services is \$242,721 for all three activities.

A total of six proposals were received from the following firms (proposals available for review at the Community Development Department):

Adams Ashby Group, Sacramento  
Contractor Compliance and Monitoring, Inc, San Mateo  
Labor Compliance and Monitoring Pro, Walnut Creek  
PMC, San Luis Obispo  
R.L. Hastings & Associates, LLC, Placerville  
The Labor Compliance Managers, San Jose

Staff reviewed the proposals and determined that Adams Ashby Group is the most qualified firm to provide CDBG grant administration and labor compliance services. Staff has negotiated the actual contract amount based on the proposal from Adams Ashby Group. Adams Ashby has estimated the administration costs would range between \$75,600 and \$95,200, based on the range of hours that would be spent over 18 months to complete all three activities. The labor compliance services associated with the water line improvements is estimated to cost an additional \$32,000. Therefore, staff is recommending that the City Council award Adams Ashby Group a time and materials contract for an amount not to exceed \$127,200 and authorize the City Manager to execute such contract on behalf of the City.

## **ALTERNATIVES**

The Council has the following alternatives to consider:

1. Adopt the Resolution authorizing the City to enter into a Professional Services Agreement with Adams Ashby Group; or
2. Provide alternate direction to staff.

## **RECOMMENDATION**

It is recommended that the City Council: 1) adopt the Resolution authorizing the City to enter into a Professional Services Agreement with Adams Ashby Group for administration of the Community Development Block Grant Program and Labor Compliance Services for the public improvement (water line improvements) project; and 2) authorize the City Manager to execute the agreement on behalf of the City.

**FISCAL IMPACT**

The total amount allocated by the grant for administration and activity delivery is \$242,721. The not to exceed contract for \$127,200 is significantly less than the maximum allocation. The remaining balance of \$115,521 will cover reimbursement of staff time and eligible activity delivery costs associated with the project. There are no General Fund monies associated with the CDBG funding.

**PUBLIC NOTIFICATION**

The agenda was posted in accordance with the Brown Act.

**ATTACHMENTS**

1. Resolution Authorizing the City to Enter into an Agreement with Adams Ashby Group
2. Adams Ashby Group Scope of Services

## RESOLUTION NO. 14-\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH  
AUTHORIZING THE CITY TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT  
WITH ADAMS ASHBY GROUP TO ADMINISTER AND PROVIDE LABOR COMPLIANCE  
SERVICES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

**WHEREAS**, the City applied for and was awarded a Community Development Block Grant (CDBG) from the State Housing and Community Development Department for the following activities:

Activity Title	Description	Award
Water/Sewer Improvements	Water line improvements at various locations throughout the City.	\$1,291,990
Activity Delivery - Water/Sewer Improvements		\$103,359
Acquisition and Rehabilitation	Acquisition of vacant land for a multi-family development for low-income households	\$172,266
Activity Delivery - Acquisition and Rehabilitation		\$13,781
Planning Only	Housing Element Update and Economic Development Strategy	\$93,023
General Program Administration		\$125,581
<b>Total</b>		<b>\$1,800,000</b>

; and

**WHEREAS**, consistent with the State's Request for Proposal procurement process, City staff requested proposals for a consultant to provide general administration and labor compliance services, and has reviewed and evaluated the proposals received and determined that Adams Ashby Group is the most qualified consultant to provide the requested services.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Grover Beach does hereby:

1. Authorizes the City to enter into a Professional Services Agreement with Adams Ashby Group to provide general administration and labor compliance services for the CDBG program;
2. Authorizes the City Manager to sign the Agreement on behalf of the City.

Upon motion by \_\_\_\_\_, second by \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:	Council Members –
NOES:	Council Members –
ABSENT:	Council Members –
ABSTAIN:	Council Members –

the foregoing Resolution was **PASSED, APPROVED**, and **ADOPTED** at a regular meeting of the City Council of the City of Grover Beach, California, this 21<sup>st</sup> day of April, 2014.

**DRAFT**  
\_\_\_\_\_  
DEBBIE PETERSON, MAYOR

Attest:

\_\_\_\_\_  
DONNA L. McMAHON, CITY CLERK

FEB  
2014

CITY OF GROVER BEACH  
CDBG ADMINISTRATION,  
IMPLEMENTATION & LABOR COMPLIANCE



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## Scope of Work

Understanding of the project: Based on the RFP and conversations with City staff, the main objective is to provide the City with administration and implementation services for your recently awarded CDBG grant for water line improvements, project acquisition (possibly) and planning studies. The services provided by AAG will be in partnership with City staff and we will work closely with your staff to develop processes to ensure the grant is administered efficiently. Adams Ashby Group submits this proposal to complete all elements of the Request for Proposal - a full service proposal is submitted to the City of Grover Beach. Below we have outlined the key administration tasks from the RFP that we will provide to the City.

### **Administration / Administrative Tasks**

Once the contract is executed the City will be responsible for complying with many conditions that the grant contract will require. Following these requirements strictly, will ensure your projects perform efficiently and within state/federal regulations. Projects and programs that are found to be out of compliance run the risk of not being eligible to reapply for grant funds in future years or even having to return funds to the State that may have already been spent. Below is a brief summary of the major tasks we would propose for administering your most recent CDBG grant.

#### ***Conduct all required public meetings and hearings***

Most granting agencies require public hearings and meetings are held throughout the term of a grant agreement. These meetings are imperative to providing outreach to the community in the process of implementing state and federal funds. Our staff will ensure all notices are provided to staff for publishing prior to deadlines and we will be available to attend and lead hearings based on the needs of the City. Our team provides draft City Council memorandums and draft resolutions (when required) to assist in keeping your workload to a minimum. Additionally, we will update the public information binder to ensure that the required citizen participation (federal overlay) is met during the course of the project.

50-100  
Hrs

#### ***Grant Award - Contract special conditions***

Once the City has received an executed contract, our staff will ensure that all special conditions are met to ensure compliance and funds are available in a timely manner. Each agency requires its own specific conditions to be met dependent on the program or project, and we are well versed in the requirements of CDBG. Our team has experience in completing these setups, which may include but not be limited to: environmental compliance, project timelines, updated cost estimates, relocation plans, program guidelines, program income compliance, procurement and more. Additionally, we will stay in close contact with your state representative to ensure strong communication is maintained throughout project/program setup. CDBG has recently published a new special conditions checklist that states which factors the City will need to address before expending any grant funds – AAG will guide your staff through this checklist to ensure we can get approval fast and efficiently.

100-150  
Hrs

#### ***Procurement***

Should the City require additional subcontractors, the Adams Ashby Group possesses the necessary resources to fulfill this task for the City. We are aware of the stringent procurement

30-50 Hrs

processes that are involved with any state and federal funds, and realize the importance of obtaining competitive bids for various projects. We have experience in a variety of procurement fields and will assist with the request for proposal, solicitations, advertisements, and any other procurement issue the City may require assistance.

The project will require plans and specification to be submitted for bid. Our team will work with your engineering staff to ensure the bid specifications include all the required language to meet the CDBG requirements, including contract language, section 3 requirements, prevailing wage requirements and more.

**Program Reporting**

A variety of reports will be required for your new CDBG grant. The reporting timelines are established on a quarterly, semi-annual and annual basis. Our firm will send out a reminder 15 days prior to the end of the reporting period to ensure late reports do not result. Review of the reports, completing of the reports, or a shared approach will be reviewed as part of our relationship- this will ensure the training process will occur if staff is not yet ready to complete this part of the grant program process. Understanding reports is critical in ensuring a complete management process as much of the data required is collected ongoing throughout the program cycle. These reports will include draw down requests, summary of expenditures, Financial Accomplishment Reports, Grantee Performance Reports, Section 3, and more.

75-100 Hrs

**Maintain all Fiscal Records**

The City has the end responsibility of ensuring records and fiscal records are maintained and accurate. Adams Ashby Group will provide staff with a records system that will allow staff to manage these records. Additionally, we will keep a complete secondary set of records to ensure information is available upon request by the funding agency. Fiscal records will be requested and audited on a quarterly basis to ensure all financial data is accurate and recorded. We will additionally provide training and capacity building as needed.

75-100 Hrs

**Communication**

With any grant program or project, it is critical to have strong coordination and clear communication between City staff and state/federal agencies. As your consultant, we will ensure that all parties involved will be clear of project logistics, tasks, responsibilities, and timelines. This high degree of coordination will allow City staff to stay abreast of all programs/projects, without devoting all of their time to such tasks.

300 Hrs

Additionally, our team has developed strong relationships with many state and federal agencies throughout our professional careers. Having this background, will provide the City with an expertise of the intricacies of each program allowing for smoother projects and a bridge for communication should unforeseeable issues arise.

**Oversee Equal Opportunity compliance**

Each program requires compliance with equal opportunity laws to ensure discrimination has not occurred during the operation of a program. Adams Ashby Group will review all documents, advertising, and collect required data to adequately document compliance with the requirements.

35-45 Hrs

**Preparation of program records / Public Information Binder**

Each funding source requires a document/recordkeeping system with specific files and forms to be available upon monitoring. CDBG refers to this as a "public information binder". It is critical these files are set up and managed from the beginning process – application through final close out. Maintenance of this system will ensure a smooth monitoring with the State or Federal agency. Additionally, the Federal Regulations require grant programs to be a public process. This includes the establishment and maintenance of a public information binder that is available to the public during regular office hours. Our team will work with staff to establish this binder for each program as required by the funding agency. As each program moves forward it is our goal to assist as necessary with the process and we will perform inspection of all required files to ensure consistency and accuracy.

70-80 Hrs

Adams Ashby Group

Upon grant expiration, we will also meet with your staff to review the grant closeout process and what the ongoing responsibilities of the City will be even though the grant is being closed out. Such programs as CDBG require efficient record keeping for many years after the grant, as well as other requirements that will ensure your projects are maintained and serviced properly. Our firm will work with your staff and your current CDBG manual to make certain that each role is identified and CDBG expectations are being satisfied.

**Monitoring Preparation**

Adams Ashby Group has gone through many monitoring visits with clients that have utilized CDBG funding. We administer your grant with a high attention to detail as if each and every project will be monitored. Prior to monitoring visits, we will conduct our own file review while utilizing the same checklists that your CDBG representative will use on their site visit. Our intention is to have your staff and project files as up to date as possible to ensure there are no findings. One of our more recent monitoring visits was for the City of Firebaugh where the visit resulted in "no findings" and the CDBG representative had the following to say about the testament to our service in preparing them for the monitoring – **"the Adams Ashby Group provides excellent service and takes care of you in ways you are not aware – they do a great job."**

80-100 Hrs

**Attending meetings conducted by HCD**

Adams Ashby Group attends all meetings and trainings provided by HCD and HUD to ensure we are up to date on all requirements and regulations changes that may occur during the course of a program. Additionally, Lorie Adams was recently selected to reside on the CDBG Advisory Committee which will allow us to remain current on possible changes and provide input related to clients needs.

30-40 Hrs

**Misc. Tasks/Future Grant App**

100-125 Hrs

**Administration and Implementation based on an 18 month grant.**

**TOTALS – Low end range = \$75,600**

**High end range = \$95,200**

**Labor Compliance - \$32,000**

## Labor Compliance Scope of Work by Task

Task*		Quality Control Team Member Responsibilities	Time Allocation per Team Member
<b>Step 1: Applicability</b>			
1.1	Determination level of requirement: subject to Davis Bacon Wages/State Prevailing Wage	Principal	8 hours
1.2	Advise State Representative of Labor Compliance Officer contact information	Principal	3 hours
1.3	Establish file and insert Start Construction Checklist	CD Assistant Principal	8 hours 2 hours
1.4	Secure Wage Rate Determination	Principal	2 hours
<b>Step 2: Bid Process</b>			
2.1	Prepare Bid Documents and submit to agency for inclusion in bid package	Principal	12 hours
2.2	Obtain documentation of Advertise for Bids	Principal	.5 hours
2.3	Calendar date of pre-bid conference and attend	Principal	32 hours
2.4	Discuss wage classifications and if additional classification requests will be required	Principal	8 hours
2.5	Obtain 10 day update prior to bid opening	Principal	1 hours
2.6	Open & Award Bids (negotiated bid)		
2.7	Obtain Authority to Use Grant Funds for file (as required)	Principal	.5 hours
<b>Step 3: Verification of Contractors and Subcontractors</b>			
3.1	Run EPLS and California license verification on all sub and general – prepare contractor file	CD Assistant	8 hours
3.2	Review insurance coverage	Principal	10 hours
<b>Step 4: Notice of Award/Pre-Construction</b>			
4.1	Obtain contract copy for file/including sub contracts determine % of contract	Principal CD Assistant	12 hours 5 hours
4.2	Issue Notice of Award to required	Principal	1 hours
4.3	Calendar Pre-Construction Conference and advise required state representatives	Principal	1 hours
4.4	Prepare agenda and Labor Compliance Handbook for General and all Subs (via LCP Tracker)	CD Assistant Principal	16 hours 10 hours
4.5	Attend Pre-Construction meeting (payroll staff)	Principal	24 hours

Task (Continued)		Quality Control Team Member Responsibilities	Time Allocation per Team Member
<b>Step 5: Construction</b>			
5.1	Obtain Notice to Proceed - Begin Payroll #1	Principal	1 hours
5.2	Notify State Representative of Start of Construction	Principal	1 hours
<b>Step 6: Begin Labor Compliance Monitoring</b>			
6.1	Review Contractor Work Schedule and discuss with project manager - develop payroll schedule	Principal	4 hours
6.2	Conduct Construction Site Visits/employee interviews*	Principal	39 hours
6.3	Collect and Review Weekly Payrolls*	Principal	40 hours
6.4	Attend project meetings on-site to address any issues with Labor Compliance*	Principal	20 hours
6.5	Conduct Employee Interviews - mailing and investigative*	CD Assistant	12 hours
6.6	Compare Payroll Forms to Interviews/project reports*	CD Assistant Principal	16 hours 24 hours
6.7	Submit payroll review reports for corrections to General Contractor*	Principal	28 hours
6.8	Follow-up on payments to workers*	CD Assistant	16 hours
6.9	Report violations to City*	Principal	8 hours
6.10	Report any violations to HCD*	Principal	8 hours
6.11	Violation research (anticipated)*	Principal	10 hours
<b>Step 7: Monthly Labor Compliance Certification</b>			
7.1	Provide required reports to State Representative	Principal	16 hours
7.2	Complete Final Wage Compliance Report/Certifications	Principal	8 hours
<b>Totals</b>			
<b>Principal.....</b>			<b>334 hours.... \$26,720.00</b>
<b>Community Development Assistant.....</b>			<b>81 hours ..... \$5,265.00</b>

The above tasks/hours are estimates based on previous experiences in the implementation of similar public works CDBG funded project. The actual work provided may vary based on the bid and award of the project and if the scope is changed during construction. The above estimate assumes 1 general contractor and 6-10 subcontractors. At no time will the charges exceed the allowable costs under the grant unless approved prior to expenditure of funds.