City of Cloverdale
P.O. Box 217 • 124 North Cloverdale Blvd. • Cloverdale, CA 95425-0217

September 11, 2003

The Sonoma County Grand Jury
Attn: Foreperson J. R. Simpson
P.O. Box 5109
Santa Rosa, CA 95402

RE: Required Response to Recommendations Regarding Prevailing Wages

Dear Foreperson Simpson and members of the Grand Jury:

The City of Cloverdale acknowledges receipt of the Final Report of the 2002-2003 Sonoma County Civil Grand Jury. Every Sonoma County city has been asked to respond to Recommendation R1, which reads: Every public agency in Sonoma County shall actively monitor and review payroll records for accurate wage payment, and fully comply with the law by notifying the DIR whenever non-compliance is encountered.

The City of Cloverdale fully agrees with this recommendation. The City requires all contractors and sub-contractors subject to prevailing wage laws to submit weekly payroll records for review. Upon receipt of the records, City staff typically forward all information to representatives of the Foundation for Fair Contracting. This organization provides a review service at no cost to the City where they review all prevailing wage rates and associated fringe benefit costs. If there are any problems or discrepancies, they notify staff and work with staff to resolve the issue with the contractor in question.

Over the past eight years, we have had only a few problems and these have been resolved expeditiously. Any unresolved issues or violations would be reported to the Department of Industrial Relations, which has the ultimate authority to enforce the prevailing wage laws.

Thank you for the opportunity to comment on this program. As the DIR redesigns its wage enforcement protocol, it is recommended that a streamlined, standardized approach be taken to both educate and better enable cities with limited resources to fulfill their obligations. The City of Cloverdale appreciates your report and conclusions regarding the overall integrity of the public project bidding process.

Sincerely,

Michael Nixon
Mayor

Cc: Cloverdale City Council
August 13, 2003

The Honorable Mark Tansil
Presiding Judge of the Superior Court
Hall of Justice
600 Administration Drive
Santa Rosa, California 95403

and

Board of Supervisors
C/o Clerk of the Board
575 Administration Drive, Room 100A
Santa Rosa, California 95403

Dear Judge Tansil:

The Cotati City Council has received the Final Report of the Sonoma County Grand Jury for 2002-2003, and finds one item requiring a response from our city, in the section of the report dealing with prevailing wages. Cotati’s administration of the prevailing wage law is performed by our city engineer, Winzler and Kelly, and we have secured and transmit herewith a letter from Winzler and Kelly outlining procedures relating to this matter. In compliance with the provisions of Penal Code Section 933, the City of Cotati concurs in the Grand Jury’s findings and wishes to assure the Grand Jury that the City of Cotati has implemented the recommendation, routinely administering the prevailing wage laws as outlined in the Winzler and Kelly letter.

The Board of Supervisors is included as an addressee on this letter in response to Mike Chrystal’s letter of July 25.

Very truly yours,

[Signature]

Patricia S. Gilardi
Vice Mayor

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August 19, 2003

Mr. Jim Simpson, Foreman
2002-2003 Sonoma County Civil Grand Jury
P.O. Box 5109
Santa Rosa, CA 95402


Dear Foreman Simpson:

We have reviewed the 2002-2003 Grand Jury Final Report. As a public entity, California’s prevailing wage laws affect the way in which we conduct business. We therefore take a particular interest in your investigation and corresponding recommendation to public agencies relating to compliance with prevailing wage laws, and wanted to briefly respond to your report.

The City of Healdsburg performs a great deal of public works projects, and we are familiar with the requirements of California Labor Code and their application to prevailing wages on public works projects. In accordance with the law, the City of Healdsburg requires that contractors pay prevailing wages on all public works projects. In addition, the City takes an active role in monitoring compliance with the law by requiring our contractors to submit information to the City certifying that all payroll payments to workmen employed on our projects have met or exceeded the requirements of the law as determined by the Director of the Department of Industrial Relations (DIR). The City also takes an active role in enforcement of the law by investigating suspicious circumstances or complaints to the best of our ability, and withholding payments to the contractor until the situation is appropriately resolved. We also cooperate with other interested, outside parties who periodically request information related to prevailing wages on specific projects. When non-compliance with the law is encountered or suspected and cannot be disproven, we then notify the DIR.

We appreciate your report, its recommendations, and the important guidance it provides. Although we feel that we are fully compliant with the applicable prevailing wage laws, we are reviewing our internal policies and procedures in light of your report to see if there are other meaningful steps that we can take to further insure that the “level playing field” which the law intended to create is achieved for the benefit of the public.

Please feel free to contact me if you have any questions regarding this matter as it relates to the City of Healdsburg.

Sincerely,

[Signature]

Chet Wystepka
City Manager

Cc: City Council, Board of Supervisors
August 26, 2003

The Sonoma County Grand Jury  
Attn: Foreperson J.R. Simpson  
P.O. Box 5109  
Santa Rosa, CA

RE: Required Response to Recommendations Regarding Prevailing Wages

Dear Foreperson Simpson and Members of the Grand Jury:

The City of Petaluma acknowledges receipt of the Final Report of the 2002-2003 Sonoma County Civil Grand Jury. Every Sonoma County city has been asked to respond to Recommendation R1, which reads: "Every public agency in Sonoma County shall actively monitor and review payroll records for accurate wage payment, and fully comply with the law by notifying the DIR whenever non-compliance is encountered."

The City of Petaluma is familiar with the requirements of the California Labor Code. In accordance with the law, contractors are required to pay prevailing wages on all City of Petaluma public works projects, pay all applicable penalties and back wages in the event of any violations of the prevailing wage law, and shall maintain and make available for inspection all payroll records. The City cooperates with any interested parties who periodically request information related to prevailing wages on specific projects, and fully complies with the law by notifying the California Department of Industrial Relations (DIR) if noncompliance is encountered.

As the DIR redesigns its wage enforcement protocol, it is recommended that a streamlined, standardized approach be taken to both educate and better enable cities with limited resources to fulfill their obligations. The City of Petaluma appreciates your report and your conclusions regarding the overall integrity of the public project bidding process.

Sincerely,

Michael A. Bierman
City Manager

cc: Sonoma County Board of Supervisors  
Sonoma County Cities  
Petaluma City Council
July 29, 2003

City of Rohnert Park
6750 Commerce Blvd.
Rohnert Park, CA 94928

Attn: Lois Wakser

RE: Prevailing Wage Payments

Dear Lois:

The process that Winzler & Kelly follows when it has been determined that prevailing wages should be paid to our employees is as follows:

1. We identify the county in which the work is being done to determine the correct wage schedule to be used.
2. We identify the type of job the individual is to perform (i.e. inspection, survey).
3. We check their current hourly wage and benefit schedule and compare it to the prevailing wage and benefit schedule.
4. We adjust their wage to reflect the greater of the two schedules.
5. We offer our clients the opportunity to receive certified payroll records for each pay period.

Please contact me if any further information is needed.

Thank you.

Sincerely,

WINZLER & KELLY

Bonnie L. Burrell
Administrative Services Manager
August 15, 2003

The Sonoma County Grand Jury
P.O. Box 5109
Santa Rosa, CA 95402

RE: 2002-03 Sonoma County Grand Jury Final Report
Prevailing Wages

This is the response of the City of Rohnert Park to the 2002-03 Sonoma County Grand Jury Final Report recommendation regarding the enforcement of Prevailing Wage contract provisions.

Recommendation R1:

"Every public agency in Sonoma County shall actively monitor and review payroll records for accurate wage payment, and fully comply with the law by notifying the DIR whenever non-compliance is encountered."

The City of Rohnert Park actively monitors and reviews payroll records and requires contractors and subcontractors to fully comply with prevailing wage regulations and laws.

The City’s invitation for bids includes a prevailing wage rate statement. The City maintains a record of current prevailing wage rates for inspection by potential bidders. City agreements for public works projects contain verbiage requiring that contractors or subcontractors comply with the Labor Code and pay prevailing wages. In some instances, members of City staff manage public works projects. To assure compliance with prevailing wages, City staff conduct surprise inspections to make sure that contractors and subcontractors pay prevailing wages.

The City contracts with Winzler & Kelly for engineering services including project management. Winzler & Kelly:

- Identifies the types of jobs to be performed for a given project;
- Determines which wage schedules apply to specific positions;
- Compares records of current hourly wages with prevailing wages; and
- Provides the City with certified payroll records.

Fortunately, neither City staff nor Winzler & Kelly have identified any
non-compliance with prevailing wage laws and regulations regarding a City of Rohnert Park project. Should a violation of prevailing wage regulations and laws be discovered, the Department of Industrial Relations would be notified as appropriate.

Sincerely,

Armando Flores,
Mayor

c. Sonoma County Board of Supervisors
   Carl Leivo, City Manager
   Toni Bertolero, City Engineer
   Brad Rosachi, Public Works Supervisor
September 16, 2003

Sonoma County Grand Jury
P.O. Box 5109
Santa Rosa, CA 95402


Dear Members of the Grand Jury:

In the Final Report of the 2002-2003 Sonoma County Civil Grand Jury, every Sonoma County city has been asked to respond to Recommendation R1, which reads: "Every public agency in Sonoma County shall actively monitor and review payroll records for accurate wage payment, and fully comply with the law by notifying the DIR whenever non-compliance is encountered."

Every City of Santa Rosa public works contract requires compliance with the California Labor Code’s Prevailing Wage Provisions and includes the attached language as a specific provision of the contract. In addition, prevailing wage rate schedules are incorporated in the bid documents and the contractors are required to pay prevailing wage. As required by the Labor Code, payroll records from contractors must be available for inspection by employees, labor organizations and other contractors upon request. Although this has not been a significant issue, the City cooperates with any interested party who requests information related to prevailing wages on specific projects, and fully complies with the law by notifying the California Department of Industrial Relations (DIR) if noncompliance is encountered.

Should the DIR redesign its wage enforcement protocol, as recommended in the Final Report, then it is suggested that a more streamlined, standardized approach be taken to both educate and better enable cities with limited resources to fulfill their obligations under the Labor Code. The City of Santa Rosa appreciates your report and your conclusions regarding the overall integrity of the public project bidding process.

Sincerely,

JEFF KOLIN
City Manager

JK/GDS:rca
Enclosure

c: Sonoma County Board of Supervisors
   Santa Rosa City Council
   Sonoma County Cities
   Brian Farrell, City Attorney

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SECTION 7. LEGAL RELATIONS AND RESPONSIBILITY

7-1.01A Prevaling Wage Provision

Pursuant to Labor Code §S1770 et seq., each laborer or mechanic of Contractor or any subcontractor engaged in work on the project under this contract shall be paid not less than the hourly wage rate of per diem wages set forth in the prevailing wage rate schedule published by the Director of Industrial Relations, regardless of any contractual relationship which may be alleged to exist between Contractor or any subcontractor and such laborers and mechanics. A copy of the schedule of prevailing wage rates is attached to these special provisions or can be obtained online at www.dir.ca.gov.

Any laborer or mechanic employed to perform work on the project under this contract, which work is not covered by any of the foregoing classifications, shall be paid not less than the prevailing rate of per diem wages specified herein for the classification which most nearly corresponds to the work to be performed by him.

The foregoing specified prevailing wage rates are minimum rates only, and the Contractor may pay any wage rate in excess of the applicable rate contained in this contract.

Pursuant to Labor Code §1775, the Contractor as a penalty to the owner shall forfeit fifty dollars ($50.00) for each calendar day, or portion thereof for each worker paid less than the prevailing rate established by the Department of Industrial Relations for such work or craft in which such worker is employed. The difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which the worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

NOTE: An error on the part of an awarding body does not relieve the Contractor from responsibility for payment of the prevailing rate of per diem wages and penalties pursuant to Labor Code §§1770-1775.
August 19, 2003

The Sonoma County Grand Jury
P. O. Box 5109
Santa Rosa, CA 95402

Re: 2002-03 Sonoma County Grand Jury Final Report
Prevailing Wages

This is in response to the recommendations contained in the 2002-03 Sonoma County Grand Jury Final Report with regard to the responsibility for enforcement of the Prevailing Wage laws by the State Department of Industrial Relations (DIR) and Cities and other public agencies in Sonoma County who are “awarding bodies” for public works contracts governed by these laws. The City is required to respond to Recommendation R1 which reads “Every public agency in Sonoma County shall actively monitor and review payroll records for accurate wage payment, and fully comply with the law by notifying the DIR whenever non-compliance is encountered.”

The City of Sebastopol concurs with those who believe that “monitoring wage payment...is an integral part of prudent project management” and this has been our standard practice. The City requires and reviews weekly payroll submittals for all construction projects. Fortunately, no instances of non-compliance have come to our attention.

As noted in the Grand Jury Report, monitoring labor compliance can constitute a significant administrative burden to the awarding bodies, depending on the number of active contracts in construction. This is particularly true for agencies such as ours, whose staffing is very limited. If the DIR were to work with the public agencies on ways to improve their general understanding and to re-design and streamline the wage enforcement protocols, it is more likely that local agencies would fulfill their obligations and it would make our job much easier. In particular, a required, standardized form for contractor reporting of payroll information would be very useful.

Respectfully submitted,

Craig Litwin, Mayor

Cc: Dave Brennan City Manager
    Susan Kelly, Engineering Director
    Paul Klassen, Coastland Engineering, Acting City Engineer
    Rich Emig, Superintendent of Public Works
August 7, 2003

Honorable Mark Tansil
Judge of the Superior Court
Hall of Justice
600 Administration Drive
Santa Rosa, CA 95403

Dear Judge Tansil:

The City Council of the City of Sonoma has reviewed the Grand Jury report in open session on August 6, 2003. This shall serve as their response as required by California Penal Code 933.

Sonoma is required to respond to the issue of Prevailing Wages, specifically Recommendation R1 which reads “Every public agency in Sonoma County shall actively monitor and review payroll records for accurate wage payment, and fully comply with the law by notifying the DIR whenever non-compliance is encountered.”

The City recognizes it’s responsibility to comply with the prevailing wage laws and the requirements therein. To that end, the City maintains prevailing wage guidelines and policies which have been updated in accordance with the signage of SB 975 by the Governor and in accordance with existing Labor code law. The City Engineer in cooperation with the Development Services Director is responsible for tracking and maintaining compliance with the prevailing wage laws.

Sincerely,

Carol E. Giovanatto
Acting City Manager
August 20, 2003

Judge Mark Tansil
Judge of the Superior Court
Hall of Justice
600 Administration Drive
Santa Rosa, California 95403

Re: Response to Recommendation R-1, 2002-03 Sonoma County Grand Jury Final Report Regarding Prevailing Wages

This letter is in response to the recommendations contained in the 2002-03 Sonoma County Grand Jury Final Report with regard to the responsibility for enforcement of the Prevailing Wage laws by public agencies in Sonoma County that are “awarding bodies” for public works contracts. The Town of Windsor is required to respond to Recommendation R1: “Every public agency in Sonoma County shall actively monitor and review payroll records for accurate wage payment, and fully comply with the law by notifying the DIR whenever non-compliance is encountered.”

The Town of Windsor understands its responsibility to enforce prevailing wage laws and has done so as a standard practice. The Town requires and reviews weekly payroll submittals for all construction projects. Any discrepancies are questioned and reported to the California Department of Industrial Relations.

Monitoring labor compliance in construction contracts has become a significant administrative burden to towns and cities such as Windsor. This burden is particularly true for small agencies such as ours with limited staff. However, the Town of Windsor makes every effort to monitor and review payroll records and report non-compliance when encountered.

Respectfully submitted,

Steve Scott
Mayor

c: Board of Supervisors