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# AGENDA REPORT

**TO:** DEANNA J. SANTANA  
CITY ADMINISTRATOR

**FROM:** Deborah Bames, Manager  
Contracts and Compliance

**SUBJECT:** Real-Time Local Employment  
Compliance Reporting and Monitoring

**DATE:** June 20, 2012

City Administrator  
Approval

Date

6/27/12

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

Staff recommends that the Council accept the informational report describing the City's real-time local employment compliance reporting and monitoring of prevailing wages and workforce characteristic data using the Labor Compliance Program Tracker (LCPtracker) system.

## OUTCOME

The City of Oakland uses a real-time web-based program, Labor Compliance Program Tracker (LCPtracker), to assess and determine compliance with prevailing wage laws, the 15% Oakland Apprenticeship and the 50% Local Employment Program. Benefits include:

- Construction workers are assured of being paid the correct prevailing wage rates while employed on city funded construction projects;
- Monitoring compliance is made faster and easier using an automated method of entering and reviewing data;
- Allows data entry in a standardized format and the level of accuracy in the data used is increased tremendously;
- Staff time required to analyze data is more efficiently utilized, since paper reporting from contractors is eliminated, and reports can be generated from data quickly and easily;
- Provides a complete audit trail for all affected parties.

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## EXECUTIVE SUMMARY

In its meeting on June 19, 2012, Council requested a report on the existing real-time, web-based monitoring system utilized by the City to conduct real time assessments of contractor's compliance with Prevailing Wage requirements and the City's resident hiring requirements applied through the 50% Local Employment and 15% Apprenticeship Programs. This report serves to describe the web-based system that the City currently utilizes to track and report the payment of prevailing wages and the employment of Oakland workers on City monitored projects.

The City of Oakland adopted specific policies to stimulate the hiring of Oakland residents on city funded or subsidized projects. In addition, businesses are encouraged to voluntarily accept such social equity policies when working in an Oakland neighborhood. The 50% Local Employment Program (LEP) and 15% Oakland Apprenticeship Program are vehicles to stimulate such employments.

Essentially, for any construction contract or development agreement with the City, these policies established goals for Oakland-resident employment on public works projects (as such projects are defined in this policy). Specifically, for work performed at the construction site, the LEP program established a goal of 50% of the work hours, which must be performed by Oakland residents on a craft-by-craft basis. In addition, a minimum of 50% of all new hires on the project (on a craft-by-craft basis) must be Oakland residents, and the first new hire must be an Oakland resident. A contractor or developer must achieve the goals or secure an exemption (by trade) from the City.

Apprenticeship is an essential pathway to a productive career in the construction trades. Therefore this policy recognizes that through the implementation of the 15% Oakland Apprenticeship. Such utilization policies on public works projects are important to the economic health and quality of life for Oaklanders. Under the new Oakland Army Base Jobs policy, the 15% was increased to 20%. The City's employment policies include additional incentives to both highlight and further encourage the use of Oakland apprentices. Utilization of Oakland apprentices also counts toward the 50% new hire goals and the 50% workforce hour goals.

In order for the City to provide 'real-time' compliance monitoring and enforcement with the City's Local Employment Program and 15% Apprenticeship Program resident hiring goals as well as satisfying prevailing wage requirements, the Contracts and Compliance division of the Office of the City Administrator utilizes the Labor Compliance Program Tracker (LCPTracker).

LCPTracker is web based labor compliance software for the reporting and monitoring of certified payroll data. The City requires contractors to submit certified payrolls within five (5) working days of the week ending date for each week.

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## ANALYSIS

The City of Oakland uses LCPtracker, a web-based software system designed to collect, verify and manage compliance with prevailing wages and Oakland resident employment as required by the City's 50% Local Employment and the 15% Oakland Apprenticeship Programs.

Certified payroll (labor) data is reported through this web-based system by prime and sub contractors. In turn, the data is validated according to local, state, or federal Davis-Bacon prevailing wage regulations.

Contractors are governed by state laws relative to the payment of prevailing wage rates. State prevailing wage rates apply to all public works contracts as set forth in Labor Code Sections 1720, 1720.2, 1720.3, 1720.4, and 1771. Workers employed on construction, alteration or demolition projects in California that use public funds are paid the prevailing wage, which is the basic hourly rate the majority of workers in a particular craft or classification earn. The California Department of Industrial Relations (Divisions of Labor Statistics and Research) annually determines prevailing wages.

Contractors and their subcontractors are required to submit weekly certified payroll reports for all crafts covered under the contract provisions. Reports must be submitted within five working days of the end of the pay period and must be submitted during the life of the project. The data is used to verify payment of prevailing wages and resident utilization. Failure to submit reports results in fines and penalties assessed against the prime contractor.

This web-based system allows staff to review and analyze data in "real-time." Real-time processing essentially is data processing that appears to take place, or actually takes place, instantaneously upon data entry or receipt of a command. The City has the capacity to review and analyze data in "real-time" and reduces the staff hours needed to manually review hundreds of certified payroll records for any given project. This reduction is achieved by the contractor entering all of their information into an online certified payroll reporting form. When data is entered into the system by the contractor, staff can determine immediately whether the contractor is in compliance with state prevailing wage laws.

To demonstrate the type of data inputted by contractors, *Attachment A-1 and A-2* show a copy of an "Employee Set Up" screen. The contractor enters the employees' name, apprentice information, classification wages, fringes/ contributions, deductions, payments and check number. The web-based, real time system flags any pay rate error or omission discrepancies the contractor may have on his/her payroll report. The contractor is notified immediately of any apparent violations.

Rates are adjusted periodically and the City must stay abreast of the most current wages rates. The LCPtracker software is maintained and periodically upgraded to reflect the most up-to-date prevailing wage rates.

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Moreover, the system automatically notifies all parties involved of any violation. In the process of inputting certified payroll data, contractors cannot certify and submit to Compliance, a payroll report until the wages are accurate and apparent violations have been corrected.

An example of a summary report is shown as **Attachment B-Oakland Hours**. This report shows one contractor on one project specific to one classification "Carpenter and Related Trades". The summary report provides total employee hours, Oakland hours, apprentice hours, journeymen hours, Oakland apprentice and journeymen hours for the payroll period 05/13/2012 to 04/27/2012. This report is one of several used to monitor employment during the life of the project and to assess final compliance at project close out.

LCPtracker captures the following workforce data:

<ul style="list-style-type: none"><li>• Name and Address</li><li>• Social Security Number</li><li>• Craft</li></ul>	<ul style="list-style-type: none"><li>• Classification (journey level or apprentice)</li><li>• Date of Hire</li><li>• Gender and Ethnicity</li><li>• Wage &amp; benefits</li></ul>
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The system includes a sorting capacity so that workforce data may be further separated out to include sorts by:

- city of residence
- ethnicity
- gender
- craft classification (journey level or apprentice)
- zip codes

**Attachment C** provides a list of the types of data sorts (reports) LCPtracker is able to provide staff for each project. Reports can be classified according to the requirements unique to each funding source (i.e. local, state or federal). Other reports such as Payroll Summary Reports; Penalty Reports; Apprentice Reports; Hours Reported by Contractor; and Hours Reported by Trade are used to assess compliance

### **SUSTAINABLE OPPORTUNITIES**

There are no economic, environmental or social equity opportunities resulting from this information report.

For questions regarding this report, please contact Deborah Lusk-Barnes, Manager, Contracts and Compliance, at (510) 238-6270.

Respectfully submitted,



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Attachments:

- Attachment A – Employee Set Up Screen
- Attachment B – Apprentice Work Hours by City
- Attachment C – List of Reports Available through LCP Tracker (General and Specific)

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### Employee Set Up (California)

To Add Employee, simply enter the information and . To Edit Employee, select an existing employee from the drop down list, make the changes and .

XYZ-CLIENT (TRAINING-ITS INC)

Projects Payroll Records 2. Notices 3. Certification Reports Documents Set Up

Add / Edit Employee Add Mode

Select an employee  
 Select an employee to add ...  \* = Shows required field

**Employee Information**

First Name \* Last Name \* Demarcy Gender  Female  Male Status ACTIVE

\* Address 1 \* City \* State \* ZIP Code

\* SSN (000-00-0000) Employee ID

Exemptions Driver's License Worker's Comp. Code Electrician License

Date Hired Date Fingerprinted Hiring Source  Independent Contractor

HUD Section 3 Housing Last day at Sec. 3 Housing

**Default Classification**

[Click here if you have questions about crafts. Link to the CA DIR website.](#)

\* Project Locality (County)

\* Craft

Classification

**Apprentice Information**

Apprentice ID Apprentice Rate Percent Apprentice Period Level Apprentice Training Program

Apprentice Approved Date Apprentice Approved Date Apprentice Expire Date

Apprentice Registration Date

**Default Hourly Paid Finges (As paid to Fund on behalf of employee)**

Vac / Hol / Dues	Health & Well.	Pension	Training	All Other
0	0	0	0	0

Vac-Hol Dues included in Gross Pay  Some or all fringe benefits paid to employee

**Pre-Tax Voluntary Employee Contributions and Other**

Pension	Medical	Rate in lieu of Finges
0	0	0

Voluntary Contributions Included in Gross Pay

## Set Up

You use the SET UP function in LCPtracker to:

- Enter employees into the LCP database.
- Manage Employee information as needed to change employee craft and classifications.
- Define subcontractors you may have and assign them to a project.
- Maintain accurate information about your company and current main contact.
- Define and maintain password information.
- Set the eSignature information.

To Set Up the initial contractor Set Up features click on the **Set Up** TAB button and you will have the following options:

The screenshot shows the 'Setup Main Menu' in the LCPtracker software. At the top, there is a navigation bar with tabs for 'Projects', '1. Payroll Records', '2. Notices', '3. Certification', 'Reports', 'eDocuments', and 'Set Up'. Below the navigation bar, the 'Setup Main Menu' is displayed with the following options:

- Add/Edit Employee
- Subcontractor Setup
- Change Password
- Edit eSignature
- Company Information
- Copy Employees
- Add / Remove County Match
- Add / Remove Craft Match
- Add / Remove Project Match
- Add / Edit Craft Name
- Add / Edit Work Order

### Add/Edit Employee

#### Employee Set Up

Two types of employee Set Ups are used depending on the prevailing wage database source.

If the prevailing wage database is the State of California prevailing wage data then use the (California) choices below. Also, if you are using one of the UPLOAD features to enter data, employee Set Up can be an automatic process.

Non-CA Administrators have what LCP calls the "Federal" database

LCPtracker Program

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OAKLAND Hours  
One Contractor Across One Project

From 05/13/2011 to 04/27/2012

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Project / Contractor	Total Employee Hours	OAKLAND Hours	Apprentice Hours	JourneyMan Hours	OAKLAND Apprentice Hours	OAKLAND Apprentice/JourneyMan Ratio
<b>Jefferson Oaks Project 4 Phases I and II</b>						
<del>XXXXXXXXXXXXXXXXXXXX</del>						
CARPENTER AND RELATED TRADES	32.00	32.00	32.00	0.00	32.00	0.00
DRYWALL INSTALLER / LATHER (CARPENTER)	2,628.00	2,215.00	844.50	1,783.50	844.50	0.47
PAINTER	1,143.00	690.00	0.00	1,143.00	0.00	0.00
SubTotal	3,803.00	2,937.00	876.50	2,926.50	876.50	0.47
Total	3,803.00	2,937.00	876.50	2,926.50	878.50	0.47
Percentage		77.23%			23.05%	

\* Apprentice/Journeyman Ratio is calculated as (Apprentice Hrs / Journeyman Hrs) \* 100

















### Reports (all users)

(A) (BEST) STATEMENT OF COMPLIANCE - STATE

Projects | 1. Payroll Records | 2. Notices | 3. Certification | Reports

Reports

Certified Payroll Reports 

 <a href="#">Certified Payroll Report</a>	 <a href="#">Late CPR Summary Report</a>
<a href="#">- Certified Payroll Report Draft</a>	 <a href="#">E-Document Report -2</a>
 <a href="#">Certified Payroll Summary Report</a>	 <a href="#">Missing eDocuments</a>
 <a href="#">Employee List Report</a>	 <a href="#">New Hire</a>
 <a href="#">Hours Worked by City</a>	 <a href="#">FHWA Recovery Act 1589 Report</a>
 <a href="#">Workforce Utilization Summary Report</a>	 <a href="#">FHWA 1391 Report</a>
 <a href="#">Contractor Assignments Report</a>	
 <a href="#">E-Document Report -1</a>	

The screenshot above shows the reports that are available for contractors to create.

**NOTE**

1. Many reports will open in the same browser window so click the back arrow button on your internet browser to enter back into your database.
2. When a report is generated it opens in PDF format than you can then save to your computer, email, etc.,

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CITY OF OAKLAND

<a href="#">Projects</a>	<a href="#">Certifications</a>	<a href="#">Violations</a>	<a href="#">Reports</a>	<a href="#">Admin</a>	<a href="#">eDocuments</a>	<a href="#">Set Up</a>
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Admin Reports

Apprentice Reports

[Apprentice / Trainee List Report](#)  
[Apprentice Hours Report by City](#)  
[Apprentice Hours Report by Contractor](#)  
[Apprentice Hours Report by Trade](#)  
[Apprentice Info Report](#)  
[Training Reimbursement Report](#)

Compliance Reports

Custom Reports

List Reports

[Contractors List Report](#)  
[Employee List Report](#)  
[Project Summary Report](#)  
[Unassigned Employee List - PBC](#)  
[Unassigned Employee List pavracords - PBC](#)

Management Reports

Special Reports

Specialty Reports, ARRA, HUD, Transit

[Active Project List Report](#)  
[ARRA General Report](#)  
[FHWA 1391 Report](#)  
[FHWA 1392 Report](#)  
[FHWA Recover Act Reports 1587 and 1589](#)  
[HUD 4710 Report](#)  
[HUD 60002 Summary Report](#)  
[Liquidated Damages Report](#)  
[New Hire Report](#)

Workforce Reports

[Community Hours Report](#)  
[EEC Weekly Report](#)  
[Employee Utilization Report](#)  
[Employment by ZIP Code](#)  
[Goal Report](#)  
[Project Labor Summary Report](#)  
[Utilization Summary Report - Hours by City](#)  
[Workforce Utilization Summary Report](#)

Attachment  
C-2