

County of Los Angeles

### ECONOMIC DEVELOPMENT POLICY COMMITTEE MEETING

DATE: Thursday, May 19, 2022 TIME: 9:00 a.m.

THIS MEETING WILL CONTINUE TO BE CONDUCTED VIRTUALLY TO ENSURE THE SAFETY OF MEMBERS OF THE PUBLIC AND EMPLOYEES AS PERMITTED UNDER STATE LAW. TO PARTICIPATE IN THE MEETING CALL TELECONFERENCE NUMBER:

> tel:+1-323-776-6996, access code: 217 944 199# Link to Microsoft Teams meeting: Join Virtual Meeting Here

### AGENDA

Members of the Public may address the Economic Development Policy Committee on any agenda item by submitting awritten request prior to the meeting. Two (2) minutes are allowed per person in total for each item.

- 1. CALL TO ORDER
- 2. GENERAL PUBLIC COMMENT

### 3. PRESENTATION/DISCUSSION ITEM(S):

- A. Legislative Update 10 mins
  - Traci Kawaguchi, CEO Legislative Affairs and Intergovernmental Relations
- B. Contractor Development & Bonding Assistance Program 40 mins
  - Ingrid Merriwether, CIC, President and CEO, Merriwether and Williams
- C. Worker Protections: Minimum Wage Increase 25 mins
  - Rafael Carbajal, Director, Consumer and Business Affairs
  - Rose Basmadzhyan, Consumer and Business Affairs

### 4. PUBLIC COMMENT

- 5. STANDING ITEMS
  - A. Progress on American Rescue Plan Act Program Implementation and Outcomes
  - B. Economic Development Optimization: New Department Transition
  - C. Poverty Alleviation Initiative
- 6. ADJOURNMENT

#### Los Angeles County Economic Development Objectives:

- Attract, develop and retain businesses that provide quality jobs in high growth industries
- Increase employment opportunities by improving workforce development skills and employer partnerships
- Invest in infrastructure needs to improve and maintain competitiveness of LA County Region
- Coordinate across multiple County agencies to ensure that services to workers, businesses and entrepreneurs are coordinated and streamlined to facilitate a "no wrong door approach" to serving our constituents
- Work to balance jobs with housing

IF YOU WOULD LIKE TO EMAIL A COMMENT ON AN ITEM ON THE ECONOMIC DEVELOPMENT POLICY COMMITTEE AGENDA, PLEASE USE THE FOLLOWING EMAIL AND INCLUDE THE AGENDA NUMBER YOU ARE COMMENTING ON:

### DKELLEHER@CEO.LACOUNTY.GOV

# Contractor Development and Bonding Program







Program Presentation Thursday May 19,2022



# Introductions







Contractor Development and Bonding Program

May 19, 2022

# The Team







# ... Of Like Minds





# **Program Purpose & Mission**

- City of Los Angeles, LA Metro and LA County seek to more successfully engage small local, including diverse and women-owned contractors in your public construction contracting.
- Inherent bidding / contracting requirements and practices are less conducive for small firms and require innovative strategies and targeted support services to change the paradigm.
- Our Sponsor Agencies recognize there are a multitude of barriers, including systemic and institutional which impede contracting access, and inhibit opportunity and inclusion of smaller diverse contractors.
- Access to technical assistance, bonding and contract financing support and capacity development is an investment with multiplicative returns - an increased pool of enabled contractors who can compete, lowers contracting costs, and generates more equitable distribution of public funded contracting dollars to help grow local small and diverse businesses and the jobs they stimulate.

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# **Program Origins & History**

Program Launched with City of Los Angeles in February 2005

- Contractor Services include technical assistance and bonding support including bond guarantees (contract financing added fall 2021)
- □ \$240M in Bid Bonds Issued of which \$96.8M resulted in awarded contracts, supported by \$11.6M in City Backed Bond Guarantees. (Largest single program contract \$9.6M with <3% bond guarantee)
- \$7.1M in Gross Direct Cost Savings for City
- 1 Program Default (\$33K) in 15 Years and 214 program supported contracts



- Started as Pilot Program in January 2018, Formally Adopted in 2019
- \$13.9M in Bid/Final subcontractor Bonds Issued, \$13.9M in Contract Awards
- Provide Metro Policy and Practice Consulting to Expand Contract Access to Small and Diverse Contractors
- \$500K Contract Financing Assistance Program (CFAP) Loan– Global Electric



Pilot Program Start - October 2021







# **Program Goals**

- Remove the barriers which have prevented small and diverse contractors from bidding and engagement on project contracts with Sponsors
- Using an Aligned Risk Management strategy, increase contractors' capacity to successfully participate on Sponsor projects both as subcontractors and primes, while maximizing protection of Sponsor resources
- Assist Sponsor with synthesizing the Program with other initiatives aimed at increased utilization of small local contractors such as modification of contracting practices and qualification requirements



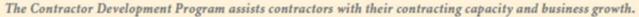


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# 2022 May 19, 3

### County of Los Angeles

### CONTRACTOR DEVELOPMENT AND BONDING PROGRAM



#### Assessment & Technical Assistance

- Enrollment in the Contractor Development and Bonding Program.
- Personal Account Manager to provide a professional assessment of your current capacity and growth needs.

.

- One-on-one consultation to develop a work plan aligned with your business needs and goals.
- Factlitated referrals to Program Partners and resources.
- Contracting opportunities and industry-related workshops and events sent via our LA Contractor Weekly bulletin.
- Referrals to specific project opportunities.

### Bonding, Contract Financing & Project Assistance

- Assistance with obtaining or increasing bonding capacity.
- Access to collateral support for bid, performance and payment bonds for qualified contractors.\*
- Assistance with project risk identification and mitigation.
- Access to project cash flow funding.
- · Contract review, project assessment and field support for Program-bonded or financed contracts.
- Accounting cost subsidy for CPA-prepared financial statements.

\*Ltmtted capacity

PROGRAM SPONSOR



Merriwether & Williams

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550 South Hope St., Suite 1835 | Los Angeles, CA 90071 Phone: 213.258.3000 | Fax: 213.258.3098 mwisinfo@imwis.com | www.imwis.com

THE FOUR PILLARS OF CONTRACTOR DEVELOPMENT EDUCATION, CONTRACT PRIME TRAINING & FINANCING CONTRACTOR CONTRACT & PROJECT PARTNERSHIPS SUPPORT ASSISTANCE

### **Education, Training & Contract Support**

- · Group Classes on public construction best practices led by industry experts.
- · Contract-specific support on County of Los Angeles Bond Program-supported contracts.
- Creation of individualized Contractor Profile to assist with business marketing.

### **Prime Contractor Partnerships**

- Strategic alliances with Program Prime contractors including matchmaking and referrals.
- Networking with public agency staff and peer contractors.















# **Program Contractor Services**

### Contractor Development Services

- One-on-one Technical Assistance including meetings ,and various communication with Contractors
- Creation of Assessments, Work Plans and Profiles
- Provide assistance to contractors with County certifications, registrations on County solicitation portals, and DIR registration
- Collaborate with Brokers, Surety Companies and CPA's on behalf of Contractors

### **Bond Transaction Services**

- Bond / Bond Guarantee Transactions
- Letters of Credit
- Contractor Status Reports & Principal Status Reports
- Risk Mitigation, including contract monitoring with Field Support Project oversight from initiation through close out
- Third Party Funds Administration

### Contract Financing Assistance Program (CFAP) Services

- Underwrite Loan Requests
- Supplemental Accounting/Bookkeeping Assistance
- Originate Loan Documents
- Service Loans Post Funding Approval
- Risk Mitigation, including contractor support and monitoring with Field Support Project oversight from initiation through close out

Contractor Development and Bonding Program







### Contractor Education & Training

- Program sponsored trainings on industry specific topics, including planning, day-of and post event follow up
- Semi-Annual Immersive Contractor Training Academy hosting a series of six (6) weekly sessions currently on : 1-Bidding & Estimating 2-Contract Award & Management

### **Program Outreach**

- Participate in Pre-Bid Meetings and Project Specific Outreach
- Various Workshops
- Co-Sponsor Elected Official Events
- Present at Prime Sponsored Events
- Trade association events
- Department specific events
- Industry related forums
- Training events



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Contractor Deven Bonding Program

May 19, 2022

Identify and Provide Technical Assistance and **Support Based on Individual Assessment** 

- Contractor Consultation and Assessment for Technical Assistance/ Bonding/Contract Financing and prequalification requirements
- □ Assess/Underwrite bonding/contract financing capacity, discern deficiency reduction and collateral support (bonding) to facilitate needed bonding/contract financing
- □ Facilitate Training Sessions for Contractors on industry specific topics (In depth multi-week coverage of specific topics such as "Bidding & Estimating" & "Contract Award & Management")
- □ Facilitate referrals and convene matchmaking opportunities with Prime Contractors
- □ Provide project specific technical consultation, i.e. contract assessment, specifications review, and field support as requested
- Provide contract support and monitoring as risk mitigation on all projects with collateral/contract financing support





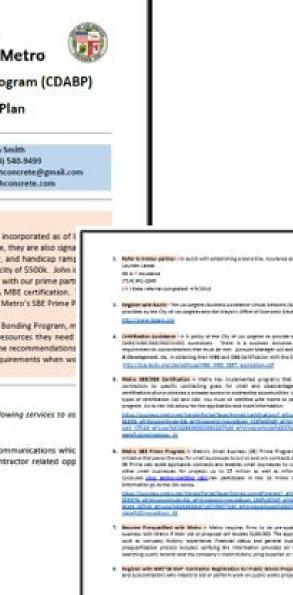
# It Starts with Individual **Assessments and Work** Plans...

Contractor De		t And Bonding Program (CDABP) tor Assessment	Contractor Development A	
Account Manager Name: Mich Phone Number: (213) 258-308 Email address: mysirante@in	•	Enrollee Name: John Smith Phone Namber (USN 123-1234 Email Address johnsmith@gmail.com Website: www.johnsmith.com	Account Manager Name: Michelle Quirante Phone Number: (213) 258-3088 Email address: mquirante@invvis.com	Enroliee Name: Joh Phone Number: (3) Email Address: Smi Website: www.Smi
owned by John Smith and the o concrete work such as, site-wo	company holds a C rk, curb, gutter, an apacity of \$500k.	and became incorporated as of fact year. The company is d licence, they are also signatory to a union. They specialize in d handicap ramps. They have done business with public works John Smith is looking to expand his business by eccessing larger reset.	Assessment Summary & Recommendations Smith Concrete Inc. has been in business for o	
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# Contractor Development and Bonding Program

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**KPA Construction:** A-General Engineering Contractor C-10 Electrical Contractor. Certifications: DBE, SBE (Metro), SLB (City of Los Angeles), State of California SBE (Micro) **CDABP Technical & Bonding Assistance:** 

- Enrolled in 2017
- Bonding Assistance to support \$3.692M Required Bond in Jan. 2020
- Awarded first Metro contract February 2020 Subcontract (Prime Skanska) Regional Connector Transit Corridor Design Build – \$3.692 million
- August 2020 Approved for Metro CDBP collateral assistance -\$250,000
- CDBP Implemented Third Party Funds Control on contract proceeds
- Awarded second Metro contract September 2021 Subcontract (Prime Skanska Traylor Shea) Westside Purple Line, Section 1 – \$911,900
- Contract Completion Support and Monitoring is On-going









# **Examples of One - On- One** Assistance

**SJN:** B–General Building Contractor, C-08 Concrete Contractor. Certifications: SBE (State of California), DBE (DOT), MBE (City of Los Angeles).

### **CDABP Technical Assistance, Bonding, and Contract Completion Support:**

- Contractor awarded \$5,091,101 subcontract and provided with 5% collateral support to secure required bond
- Held Project Kick-off Meeting with SJN and Prime and reviewed Job Start Checklist Template
- Reviewed Contract & Principal Status Reports with SJN and Prime to provide understanding of what data must be included in monthly reports used to analyze project progress.
- Established routine Monthly Check-in with SJN to discern progress and identify areas needing additional support to keep the project on track.
- Reviewed Billings & Payments with the contractor for completeness.
- SJN provided a Construction Schedule that was used to monitor the 3 week look ahead schedule.
- Visited Willowbrook/Rosa Parks Station Improvement Project and walked site with SJN's Superintendent to view progress, performed safety review, and provided suggestions to overcome obstacles impacting project timeline. All interaction documented on Site Visit Report with accompanying photos.
- Attended Change Order Request Review Meetings with SJN, Prime and the design team. Worked with SJN to properly package CORs.







# **Examples of One - On- One** Assistance

- **V.T.P. Inc.** Established in 1992 and holds a C-15 license specializing in Flooring and Floor Coverings. **CDABP Bonding Assistance & Contractor Monitoring to Completion:** Enrolled in 2018
- Awarded a 3yr \$2mm project with LAWA to install and maintain carpet and flooring for LAX and Van Nuys.
- Bond Assistance to support \$1M required bond.
- \$250K CDABP Bond Collateral support The challenge for this contractor was that although they're firm performed this contract for the previous 18 years a bond and had never been required. (multi-year bonds are particularly difficult for smaller firms). CDABP provided \$250K in bond guarantee enabling the firm to qualify for the required bond. The contractor has now successfully completed the 3-year term and has now graduated from the CDABP program. They are now approved for the required bond without collateral and have established bonding capacity.
- Risk mitigation included funds administration and contract support and monitoring to contract completion.







# **Awarded Contracts Without Collateral Support**

JL Moody Construction & Development: B – General Building Contractor, C-61 Limited Specialty Construction, D-50 Suspended

City of LA Sidewalk Repair Package #11 \$66,510.63

- Established Bond Line of \$250K without collateral
- Assessment, Work-Plan, Contractor Profile
- Training Academy Graduate (Bidding & Estimating, Contract Award & Management)
- **SOQ Preparation Workshop**
- **SOQ** Review
- SOQ Qualified 🛛 Sidewalk Repair Contract Awarded

Global Electric: C-07 Low Voltage Systems, C-10 Electrical Contractor. Certifications: SBE (METRO), MBE (City of Los Angeles), DBE (DOT)

METRO Westside Purple Line, Section 1 Fiber Optics Project \$2.6M, 2nd Contract Collateral Not Required

- Provided Bond Collateral for \$3.1M contract
- Contractor secured additional \$2.6M contract without collateral
- Subcontract is with Program Prime Partner
- Approved for CFAP Funding of \$500K











# It Starts with Individual **Assessments and Work Plans...**

## **Sample Contractor Profile**

### Access General Contracting, Inc.



Certifications SBE, WBE, MBE, DBE, 8(a) License No: 992223 Class: A **3 Years in Business** 

Bond Limit: \$750K

Notable Projects:

Los Nietos School District Excavation, Grading & concrete \$221K

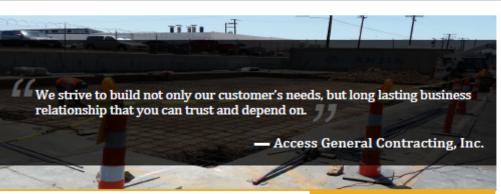
Goya Foods, City of Industry Excavation, Grading & Concrete \$272K

Ok Produce, Fresno CA Excavation, Grading & Concrete \$114K



Contact: Elizabeth Tene, President 13736 Golden West St. Ste. E Westminster, CA 92683 CA, 91706 (714) 373-0066 olizabeth Website www.aco

DIR Registration No: 100006718



Access General Contracting, Inc. Started in 2012 by Albert Tene who came from a General Engineering Contracting background, with keen expertise in highway and infrastructure construction. In 2013, the company incorporated, by 2014 Elizabeth Tene, who brought a business and financial management background. Access General Contracting is now fully owned by a brother and a sister team, and a women and minority

With Background in road building, ADA upgrades & Improvements, Commercial and Industrial upgrades & improvements, Access General Contracting has you covered. Our well-season team of professionals deliver every time, from providing value engineering to on time and on budget completion of your project, our team has the right solution for all your exterior construction needs.

owned company.

From Service to Solutions Services: Roads, Parking Lots, Concrete work, ADA Complaint Parking/Walks, Asphalt Grading & Paving, Seal Coating, Striping, Structures, Footings, Drainage, Utilities, and Retaining & Masonry walls. Out typical value of Projects have been between \$1,500.00 -1,000,000.00. The geographical area we served is Orange County,

Our company works on any job that you may require our assistance No job is too small nor too big. You will get quality work at affordable prices.

Southern California, Nevada and Arizona

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concrete
Asphalt Grading & Paving
Striping
Footings
Drainage
Retaining & Masonry Walls

Our Services Include

Roads and Parking Lots

#### Core Values

lonesty and Integrity Professionalism and Excellence **Value and Respect for our Clients** Teamwork Safety Fast turnaround time on all jobs Maintain affordable and competitive prices

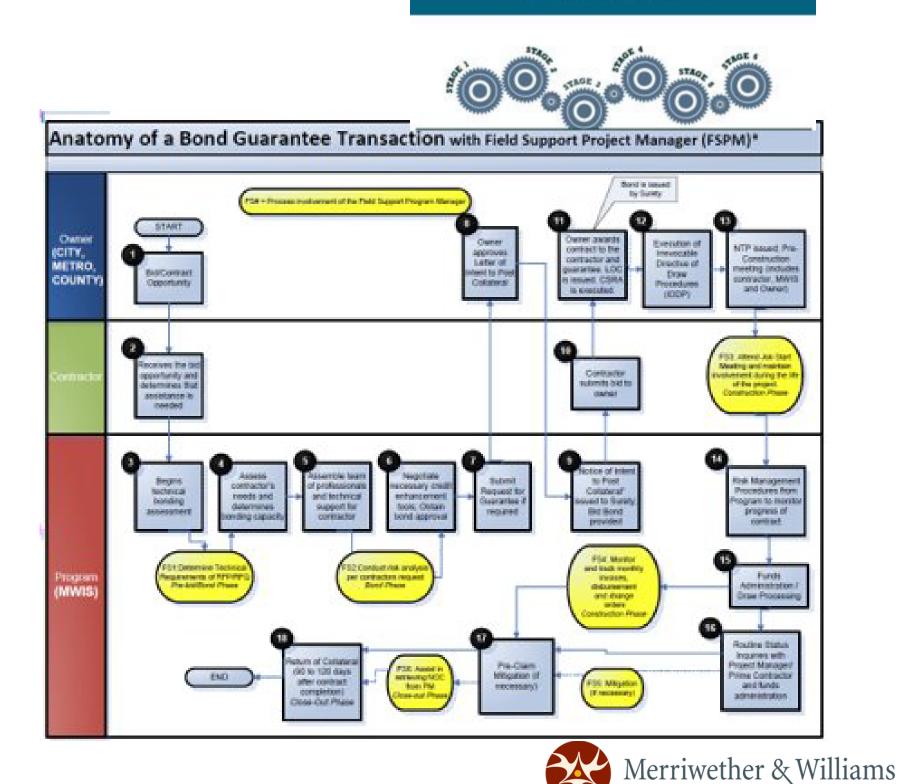
### NAICS Codes:

237310 - Highway, Street & Bridge 238910 - Site Preparation Contracto 238110 - Poured Concrete Foundati 238990 - Specialty Trade Contracto 237110 - Water & Sewer Line 236210 - Industrial Building Construction



# **Program Bond Request**

- □ Assess Contractor / Project
- Discern best approach to secure bond
- Underwrite Collateral If Required
- Process Collateral Documents
- Execute Funds Administration
  - Execute Irrevocable Directive of Draw directing contract proceeds to Program Third Party Funds Administrator (TPFA)
  - TPFA processes and distributes all progress payments for project duration
- Ongoing Contractor Support and Monitoring to Completion
  - Review Project Status Updates
  - Assist contractor and Address and deficiencies or concerns
- Manage Collateral to Return



May 19, 2022



### THE PROCESS

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# Program & Data Results From Bond Transactions









# Program Bond Transaction Results

### **ADMINISTERED PROGRAMS**







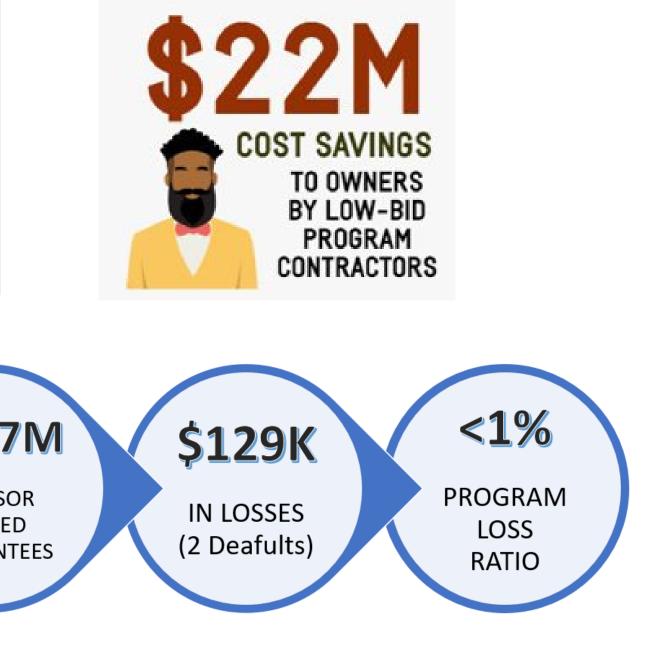


BACKED GUARANTEES

May 19, 2022

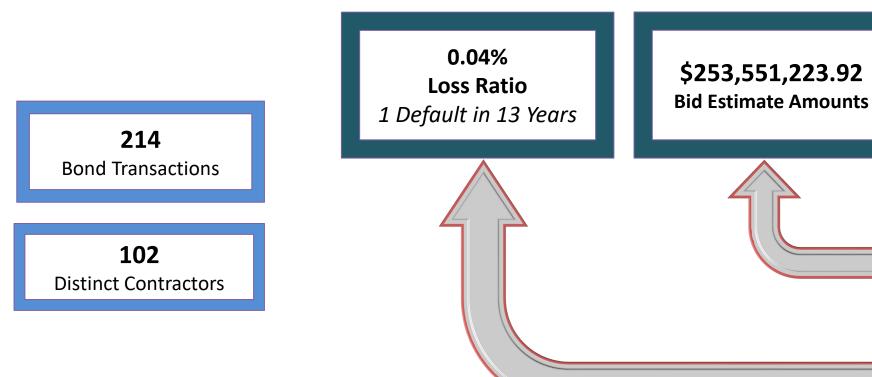
Contractor Development and Bonding Program







# **Program Data & The Power** of Leverage



	Totals Per Dept	Percentage
Public Works	\$ 77,034,614.14	30.38%
LAWA	\$ 85,376,340.50	33.67%
RNLA/LAHD	\$ 19,929,898.63	7.86%
LADWP	\$ 24,242,846.70	9.56%
Port	\$ 13,674,676.65	5.39%
Rec & Parks	\$ 16,741,201.00	6.60%
Gen Services	\$ 970,108.00	0.38%
Comm. Dev.	\$ 1,269,915.00	0.50%
LADOT	\$ 1,225,432.00	0.48%
METRO	\$ 13,086,191.00	5.16%
Totals	\$ 253,551,223.62	100.00%

□ Collateral guarantee limits are 40% of the bond/contract amount to a maximum of \$250,000.

Data from City & Metro Programs









\$112,604,008.61 \$7,150,786.90 **Final Contract Awards Cost Savings** 44% of Bid Value Pursued \$12,840,471.08 **Credit Enhancements** Issued \$28,764,195.56 Credit Enhancements Approved

\$121,528.52 Average Collateral Amount

16.74% Average Collateral Percentage





# Bond Transaction Activity Collateral Analysis

City of Los Angeles					Collateral Threshold: 40% to Max of \$250,000							Line of Credit: \$4,000,000						Loss Reserve Fund: N/A			
	Contract/Bond	Amo	ount Range To	# of Projects in Range		<u>allest</u> Contract vithin Range	1000	rgest Contract vithin Range	100.00	<u>erage</u> Contract within Range	lo	west Collateral Issued	Lar	<u>gest</u> Collateral Issued	Col	<u>Average</u> lateral issued	% Low	% ні	Average % in Band		
\$		\$	500,000.00	61	\$	10,000.00	\$	475,000.00	\$	191,818.00	\$	9,332.00	\$	182,668.00	\$	69,460.28	4.57%	40.00%	31.779		
\$	500,001.00	\$	2,000,000.00	25	s	505,000.00	\$	1,992,400.00	\$	1,054,747.71	\$	50,000.00	\$	250,000.00	\$	184,432.12	5.29%	40.00%	18.989		
s	2,000,001.00	\$	5,000,000.00	5	s	2,122,336.00	\$	3,613,698.00	\$	2,932,239.00	\$	250,000.00	\$	250,000.00	\$	250,000.00	6.92%	11.78%	8.319		
\$	5,000,001.00	\$	10,000,000.00	1	s	5,476,186.00	\$	5,476,186.00	s	5,476,186.00	s	250,000.00	\$	250,000.00	\$	250,000.00	4.57%	4.57%	4.57%		

City & County of San Francisco					Collateral Threshold: 40% to Max of \$750,000						Line of Credit: <b>\$8,000,000</b>						Loss Reserve Fund: \$2,000,000			
	Contract/Bond Amount Range		- Projects in		ojects in Smallest Contract within Bange		Largest Contract within Range		<u>Average</u> Contract within Range		Lowest Collateral Issued		<u>Largest</u> Collateral Issued		<u>Average</u> Collateral Issued		% Low	жні	Average % in Band	
\$		\$	500,000.00	68	\$	33,000.00	\$	500,000.00	\$	261,807.25	\$	5,000.00	\$	200,000.00	\$	93,464.97	10.00%	40.00%	34.67%	
s	500,001.00	\$	2,000,000.00	45	\$	512,737.00	\$	1,924,761.00	s	979,598.98	\$	59,978.00	\$	588,765.00	\$	259,155.30	9.35%	40.00%	28.31%	
s	2,000,001.00	s	5,000,000.00	7	s	2,286,000.00	\$	4,900,000.00	s	3,104,777.86	s	180,000.00	\$	750,000.00	s	430,325.00	3.67%	29.83%	14.98%	
\$	5,000,001.00	\$	10,000,000.00	1	s	5,363,000.00	\$	5,363,000.00	\$	5,363,000.00	\$	750,000.00	\$	750,000.00	\$	750,000.00	13.98%	13.98%	13.98%	
\$	10,000,001.00	\$	15,000,000.00	1	\$	14,056,597.83	\$	14,056,597.83	\$	14,056,597.83	\$	750,000.00	\$	750,000.00	\$	750,000.00	5.34%	5.34%	5.34%	





# **Program Data**

### Sample Transactions Generating Cost Savings

### **CITY & METRO**

Construction Firm	Date of Request	Department	Bid Estimate or Bond Amount	Credit Enhance Approved	Bid Result	Final Contract or Bond Amount	Credit Enhance Issued	Awarded Contract Price	2nd Bidder Price	Difference	BID SPREAD %	
		· · · · · · · · · · · · · · · · · · ·			T-							
Cornerstone Demolition Corp	Jun-18	DWP	\$ 9,194,400.00	\$ 250,000.00	Awarded	\$ 9,194,400.00	\$ 250,000.00	\$ 9,194,400.00	\$ 9,936,287.50	\$ 741,887.50	8.07%	
JED Construction Inc	May-21	HACLA	\$ 3,262,500.00	\$ 250,000.00	Awarded	\$ 3,262,500.00	\$ 250,000.00	\$ 3,262,500.00	\$ 4,210,841.00	\$ 948,341.00	29.07%	
Metro Services Group	Jan-13	LAWA	\$ 3,259,000.00	\$ 250,000.00	Awarded	\$ 3,259,000.00	\$ 250,000.00	\$ 3,259,000.00	\$ 3,796,709.45	\$ 537,709.45	16.50%	
Executive-Suite Services	Jun-16	LADWP	\$ 2,314,741.70	not required	Awarded	\$ 2,314,741.70	not required	\$ 2,314,741.70	\$ 4,183,431.75	\$ 1,868,690.05	80.73%	
VTP Inc	Oct-18	LAWA	\$ 2,100,000.00	\$ 250,000.00	Awarded	\$ 2,100,000.00	\$ 250,000.00	\$ 2,100,000.00	\$ 2,788,933.70	\$ 688,933.70	32.81%	
Carter Industrial Automation	Feb-09	Pub. Wks	\$ 1,400,000.00	\$ 250,000.00	Awarded	\$ 1,400,000.00	\$ 250,000.00	\$ 1,400,000.00	\$ 1,600,000.00	\$ 200,000.00	14.29%	
Christian Bros. HVAC	Nov-05	Pub. Wks	\$ 1,289,000.00	\$ 250,000.00	Awarded	\$ 1,289,000.00	waived	\$ 1,289,000.00	\$ 1,295,000.00	\$ 6,000.00	0.47%	
Consolidated Commercial Contractors	Feb-08	Comm. Dev.	\$ 1,269,915.00	\$ 250,000.00	Awarded	\$ 1,269,915.00	\$ 250,000.00	\$ 1,269,915.00	\$ 1,600,000.00	\$ 330,085.00	25.99%	
Unified Nutrimeals, Inc.	May-11	Rec & Parks	\$ 1,050,500.00	\$ 105,050.00	awarded	\$ 1,050,500.00	\$ 105,050.00	\$ 1,050,500.00	\$ 1,102,064.00	\$ 51,564.00	4.91%	
Ornelas Electrical Construction	Feb-08	Pub.Wks	\$ 1,000,000.00	\$ 200,000.00	Awarded	\$ 1,000,000.00	\$ 200,000.00	\$ 1,000,000.00	\$ 1,100,000.00	\$ 100,000.00	10.00%	
Christian Bros. HVAC	Aug-05	Pub. Wks	\$ 818,000.00	\$ 250,000.00	Awarded	\$ 818,000.00	waived	\$ 818,000.00	\$ 885,000.00	\$ 67,000.00	8.19%	
Unified Nutrimeals, Inc.	Jun-10	Rec & Parks	\$ 850,000.00	\$ 85,000.00	Awarded	\$ 775,000.00	\$ 85,000.00	\$ 775,000.00	\$ 796,000.00	\$ 21,000.00	2.71%	
Green Garden Inc	May-20	PW - Bureau of St. Svcs	\$ 706,022.40	\$ 250,000.00	Awarded	\$ 706,022.40	\$ 250,000.00	\$ 706,022.40	\$ 742,646.00	\$ 36,623.60	5.19%	
All In One Electric	Ju1-08	Pub. Wks	\$ 685,000.00	\$ 102,750.00	Awarded	\$ 685,000.00	\$ 102,750.00			\$ 112,652.00	16.45%	
All In One Electric	Jan-09	Pub. Wks	\$ 575,000.00	\$ 80,558.00	Awarded	\$ 475,000.00	\$ 71,250.00			\$ 25,000.00	5.26%	
Christian Bros. HVAC	Jun-05	Pub. Wks	\$ 456,720.00	\$ 182,688.00	Awarded	\$ 456,720.00	\$ 182,688.00			\$ 266,280.00	58.30%	
Tobo Construction, Inc.	Dec-08	Rec & Parks	\$ 389,000.00	\$ 155,600.00	Awarded	\$ 389,000.00	\$ 155,600.00			\$ 22,955.00	5.90%	
Tobo Construction	Aug-08	Rec & Parks	\$ 425,000.00	\$ 170,000.00	Awarded	\$ 389,000.00	\$ 155,600.00	\$ 389,000.00	\$ 411,955.00		5.90%	
Thrifty Tree Services	Apr-07	Pub. Wks	\$ 325,000.00	\$ 130,000.00	Awarded	\$ 325,000.00	\$ 130,000.00	\$ 325,000.00	\$ 340,254.18	\$ 15,254.18	4.69%	
Thrifty Tree Services	Aug-08	Pub. Wks	\$ 265,298.55	\$ 106,119.42	Awarded	\$ 265,298.00	\$ 106,119.00			\$ 157.00	0.06%	
Thrifty Tree Services	Apr-07	Pub. Wks	\$ 240,000.00	\$ 96,000.00	Awarded	\$ 240,000.00	\$ 96,000.00	\$ 240,000.00	\$ 251,275.00	\$ 11,275.00	4.70%	
Primetech	Jun-09	LADWP	\$ 242,000.00	\$ 96,800.00	Awarded	\$ 221,000.00		\$ 221,000.00	\$ 313,075.00	\$ 92,075.00	41.66%	
Trimming Land	Aug-08	Pub.Wks	\$ 212,510.00	not required	Awarded	\$ 212,510.00		\$ 212,510.00	\$ 228,515.50	\$ 16,005.50	7.53%	
Trimming Land	Aug-08	Pub.Wks	\$ 163,335.00	not required	Awarded	\$ 163,335.60		\$ 163,335.60	\$ 169,877.52	\$ 6,541.92	4.01%	
SoCal Tree Care	May-10	Rec & Parks	\$ 145,125.00	\$ 35,031.00	Awarded	\$ 145,125.00	\$ 35,031.00	\$ 145,125.00	\$ 170,280.00	\$ 25,155.00	17.33%	
General Auction Co.	Sep-09	LADWP	\$ 110,100.00	\$ 60,000.00	Awarded	\$ 110,100.00	\$ 44,040.00	\$ 110,100.00	\$ 116,980.00	\$ 6,880.00	6.25%	
Primetech	Aug-08	LADWP	\$ 175,400.00	\$ 70,160.00	Awarded	\$ 90,000.00	\$ 36,000.00	\$ 90,000.00	\$ 296,050.00	\$ 206,050.00	228.94%	
Rojas Construction, Inc	Mar-11	Port	\$ 26,896.00	\$ 10,758.00	awarded	\$ 26,896.00	\$ 10,758.00	\$ 26,896.00	\$ 35,316.00	\$ 8,420.00	31.31%	

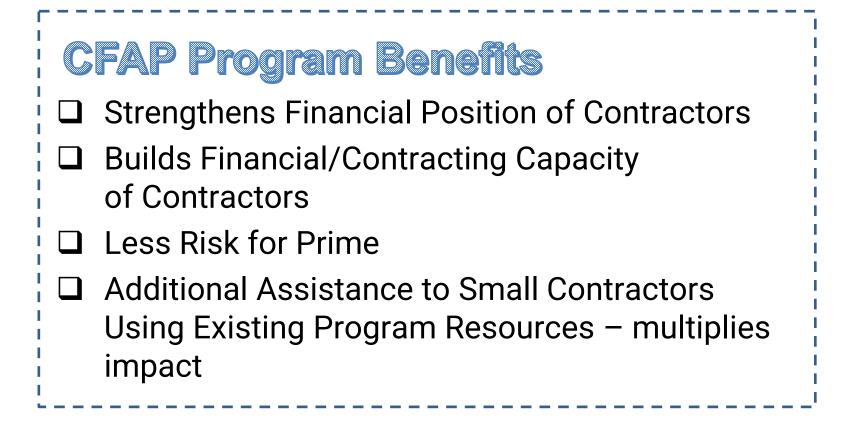




# Contract Financing Assistance Pilot Program



- Financing tool targeted for contractors to collateralize their contracts for contract funding
- CFAP loan funds are released on an "as needed" basis and tied to project specific cash flow projections
- Funds come directly from CDFI partners and are administered by Merriwether & Williams and TPFA
- Max of \$250k (case by case up to 500k), interest rate at 6.25% + 1% origination fee







Contractor Development and Bonding Program

May 19, 2022

# **Contract Financing** Assistance Pilot Program

\$165K



AVERAGE LOAN SIZE

\$1M WORKING CAPITAL SUPPORT PROVIDED **TO XBEs** 



CREDIT TO DATE







\*1 Year Average Loan Term





Contractor Development and Bonding Program

May 19, 2022

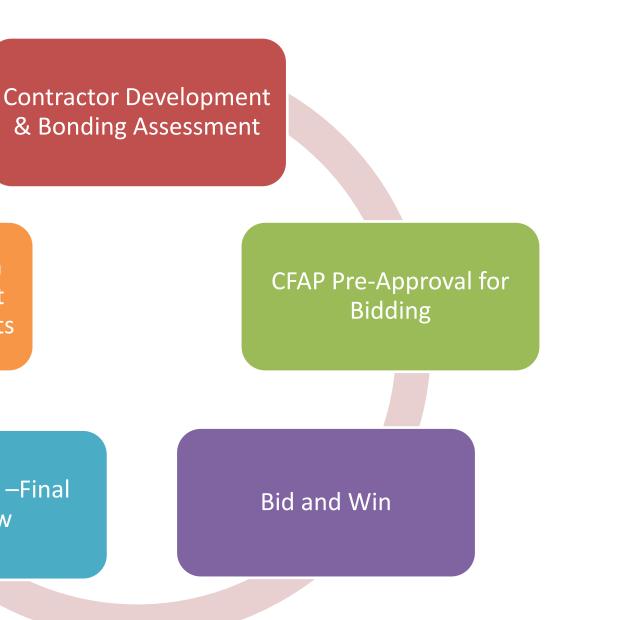
# Contract Financing Assistance Pilot Program

Process Flow For CFAP

Loan Funding through \*TPFA and Repayment from Progress Payments

> Final Approval – Final Cash Flow







# **CFAP Training**

- **D** 2-Day Training for Contractors **Bidding Projects that will require** funding to mobilize and pay workers during lifecycle of project.
- Loan Application Process Flow: Onboarding, Pre-approval/Cash Flow Preliminary, Bid & Win, Final Approval -Final Cash Flow & Loan Funding
- Key Things To Know
- □ How to develop a project Cash **Flow Projection**
- Work In Progress
- **Financial Statements**
- Application Checklist



DOCC Finance Corporation





Of Like Minds

### **Contractor Financing Assistance Program CFAP**

Contract Based Financing For The Small Contractor Contracting with the City of Los Angeles



# Program Training & Education









# **Innovation Through** Collaboration

### LAWA

- Convening Forums and Focus Groups
- Small Business Inclusion Policy Consulting (RFP/RFQ **DEI Evaluation Scoring), Led** to Increase of Small/Diverse Contractor Spend of \$80M on APM project
- Project Specific CDABP Contractor Alignment – APM Project
- LAWA BuildLAX Academy









May 19, 2022

Contractor Development and Bonding Program



**Bonding & Contract Finance Assistance Programs** 

34 Firms



Capacity



\$39M in Contracts

### BuildLAX Academy - Cohort 1

13 Firms Pre-Qualified



95% Women/Minority Owned





4 Firms-**New LAWA** Contracts 



# **Innovation Through** Collaboration

- Public Works Community Level Contracting Program
  - Sidewalk Repair
  - Mobile Fleet Washing
  - **Bus Stop Lighting**
  - Solar
  - Landscape Median Island

### **Community Level Contracting**

**CREATING OPPORTUNITIES FOR SMALL BUSINESSES TO WORK** DIRECTLY WITH THE CITY AS PRIME CONTRACTORS







NUMBER OF CONTRACTORS APPROVED TO PROVIDE ON-CALL SIDEWALK REPAIR 



CONTRACTORS PROVIDED WITH CDABP TECHNICAL ASSSISTANCE TO GET **ON BENCH** 









NEWLY ESTABLISHED **BOND LINE** 

# **Sample Monthly Trainings**

- Accessing Bonding
- **Joint Ventures**
- Safety & Risk Management
- OSHA 10 and OSHA 30 Certification
- Successful Prime Connections
- Green Building & Sustainability
- Prevailing Wage and Labor Agreements
- PLAs and Labor Compliance
- **Contract Financing**
- **Prequalification Assistance**
- **Certification Assistance**

Contractor Development and Bonding Program





# 2021 MONTHLY **WORKSHOPS**

### What We Offer

Industry Experts

 Construction Industry Info • Networking Opportunities

### **Registration**

Space is limited

 Firms will be chose on a first come, first serve basis

 All workshops will be conducted virtually

 Registration is required to attend all workshops





# **Sample Academies**

- Understanding Your **Construction Contract**
- **Funds Administration**
- **Project Funds** & Cash Management
- **Financial Reporting Cash Flow Projections**
- **Bidding & Estimating**
- Project & **Construction Management**
- **Prequalification Assistance**
- **Contract Review**

### **2021** Construction Training Academy

### **Bidding & Estimating** (Spring & Summer)

### **Power-Up Marketing** Series

### **OSHA 30-Hour Training**

### **Contract Award &** Management



Contractor Development and Bonding Program









CONTRACTOR DEVELOPMENT AND BONDING PROGRAM





### About the 2021 **Construction Training** Academy

Our Construction Training Academy is designed to address the challenges emerging small business contractors face in the industry. MBEs, WBEs, DVBEs, SBEs, and LBEs pursuing public sectors contracts are encouraged to attend.

### **Contact Us:**

www.imwis.com 213.258.3000 mwisinfo@imwis.com 550 S.Hope St., 1835 Los Angeles, CA 90017

🎔 f in



Contractor Development and Bonding Program

May 19, 2022

# **Contractor Development & Technical Assistance**

# TRAINING ACADEMY GTATG Since 2015

329

FIRMS ENROLLED

109 CONTRACTS AWARDED

241 FIRMS

GRADUATED

\$32.9M AMOUNT

AWARDED























P

HENSEL PHELPS Plan, Build, Manage,

Turner











31









# **Online Training Videos**



**COVID-19** Construction Safety Webinar



The Business Recovery Series: Profit Model to ...



The Cash Management



**CDABP: Construction** Contract Review: In The ...



The Business Recovery Series: A Layman's Guide t...



Profit Model to Business Model Workshop



MWIS - How to Manage & Track Change Orders



Navigating City Contracting Opportunities with ...





Workshop presented by Joh ...



Navigating Metro Contracting Opportunities ...



The Three C's of Accounting Workshop presented by the ...

# **Merriwether & Williams Insurance Services** YouTube



# Prime Partnership Program and Outreach & Communication









# **Prime Partnership** Program

### **Objective**

To engage the Prime community as full participants and benefactors of CDABP - enabling greater subcontractor utilization of CDABP supported contractors.

- Educate Primes on unique small subcontractor risk mitigation with CDABP including bonding/contract funding support
- Align Prime subcontracting needs with prequalified CDABP contractors
- Collaborate on strategies to reduce small contractor obstacles and small contractor support and provide input on small contractor conducive practices
- Engage Prime participation in CDABP trainings







## **CDABP Communication & Program Outreach**

#### The Objective:

- **Overall Communication Strategy to Promote CDABP** 
  - □ LA County Region Wide
- Reach and Promote to All Stakeholders
  - Small Contractors
  - Prime and Hiring Contractors
  - CBO's
  - Sponsor Stakeholders / Elected Officials
- **Outreach Mediums** 
  - Events, Pre-Bids, Trainings, Council **District / Supervisor District** Workshops, Social Media
  - □ Website, Contractor Weekly, Digital **Newsletters**











# CDABP Communication & Outreach

#### **Target LA Region - Small, Diverse, and Veteran Contractor Community**

- Outreach & Inform
  - □ Program Benefits and Resources
  - □ Host and Produce Workshops/Seminars
- Strategic Communications Program Marketing
  - Diverse Constituencies, Diverse Databases
  - □ Collateral Materials, Social Media
- □ Stakeholder Engagement, Partnership and Collaboration
  - □ Elected Officials Board of Supervisors & City Councilmembers
  - Prime Contractors
  - Regional Business Organizations
  - □ Other Resource Providers
  - Project and Trade Specific Outreach
- **Team Experience** 
  - □ Public Affairs Professionals with Local Government Experience
  - DVBE Construction Supplier with over 30 years of Experience



n ncilmembers

Experience xperience



Merriwether & Williams INSURANCE SERVICES ... Of Like Minds

# Program Tracking and Reporting





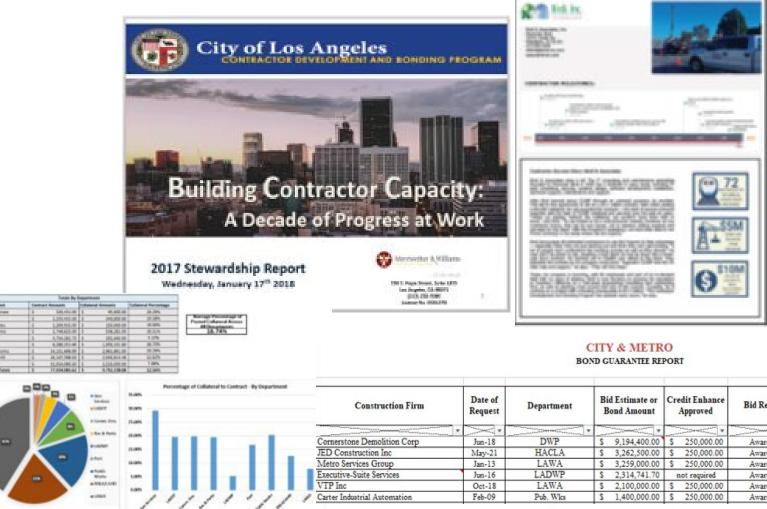




# Contractor Development and Bonding Program

## **Program Tracking &** Reporting

- □ Use Sponsor oriented MIS data tool to capture all contractor specific activity
- □ Ability to customize what's tracked and reported





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d Result	Final Contract or Bond Amount	Credit Enhance Issued	Awarded Contract Price	2nd Bidder Price	Difference	BID SPREAD %
T.				**************************************		2000
Awarded	\$ 9,194,400.00	\$ 250,000.00	\$ 9,194,400.00	\$ 9,936,287.50	\$ 741,887.50	8.07%
Awarded	\$ 3,262,500.00	\$ 250,000.00	\$ 3,262,500.00	\$ 4,210,841.00	\$ 948,341.00	29.07%
Awarded	\$ 3,259,000.00	\$ 250,000.00	\$ 3,259,000.00	\$ 3,796,709.45	\$ 537,709.45	16.50%
Awarded	\$ 2,314,741.70	not required	\$ 2,314,741.70	\$ 4,183,431.75	\$ 1,868,690.05	80.73%
Awarded	\$ 2,100,000.00	\$ 250,000.00	\$ 2,100,000.00	\$ 2,788,933.70	\$ 688,933.70	32.81%
Awarded	\$ 1,400,000.00	\$ 250,000.00	\$ 1,400,000.00	\$ 1,600,000.00	\$ 200,000.00	14.29%



# ontractor Development and Contractor of Bonding Program

- Do all construction contracting opportunities with the County emanate from the County's Departments of Public Works and Parks & Recreation?
- □ What other special initiatives are the various County departments considering to make construction contracting opportunities more accessible for XBEs?
- Does DCBA interface with Public Works and/or ISD to achieve polices and practices for maximum utilization of XBEs in County solicitations?
- □ How can we go about getting the County's CDABP services promoted in:
  - County RFP/RFB/IFB Construction Solicitation Documents
  - Department Websites (PW, ISD, DCBA, LAEDC)
  - □ Are there other "Outlets" for CDABP promotion?









- □ Can we request Department Leadership to present at key CDABP Outreach Events.
- □ Can your CDABP be promoted through your internal/external communication portals and publications such as the County Newsletter
- □ How can CDABP be best promoted to your database of contractors?
- □ How will the ARDI initiative intersect with construction contracting?
- □ Are there other resource partners, consultants, programs (i.e., SoCalREN) for CDABP collaboration?
- Can CDABP be presented at construction related pre-bids this is a key source for new contractor enrollment?









# Contractor Development and Bonding Program

May 19, 2022

# Thank You for Your Time







### L.A Regional Contractor Development and Bonding Program



550 South Hope Street, Suite 1835 Los Angeles, CA 90071 (213) 258-3000 mwisinfo@imwis.com



## Worker Protections: Minimum Wage Increase



#### BACKGROUND

- Minimum Wage Ordinance adopted in October 2015 (Chapter 8.101 of the Los Angeles County Code)
- DCBA designated as the enforcement agency in **November 2015**
- Ordinance effective on July 1, 2016
- The County's Minimum Wage Ordinance applies to employees who perform two or more hours of work in a particular week in the unincorporated areas of the County
- DCBA enforces the City of Santa Monica's Minimum Wage Ordinance



#### **Enhancing Worker Protections**

In response to the Covid-19 Pandemic, the Board adopted additional protections for workers:

- Public Health Anti-Retaliation Ordinance
- Hero Pay Ordinance
- Employee Paid Leave for Expanded Covid-19 Vaccine Access Ordinance
- Prevention of Human Trafficking Ordinance



#### MINIMUM WAGE INCREASE

Since July 2016, the minimum wage rates for the county were based on scheduled increases.

Beginning 2022, the CEO was tasked with publishing the new County minimum wage rate based on the **Consumer Price Index.** 

#### What is the County's minimum wage rate for July 2022?

July 1, 2022, both the County's and Santa Monica's minimum wage rate will be **\$15.96** for both small and large employers.





SUPPLEMENTAL COUNTY OF LOS ANGELES MINIMUM WAGE POSTER



MUST BE POSTED ANNUALLY POST WHERE EMPLOYEES CAN READ EASILY – VIOLATORS SUBJECT TO FINES. EMPLOYERS MUST ALSO POST THE ORIGINAL REQUIRED WORKPLACE POSTER.

**OFFICIAL NOTICE** 

County of Los Angeles Minimum Wage \$15,96 per

Rate Effective Dates: July 1, 2022-June 30, 2023

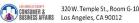
This ordinance applies to employees who perform at least two hours of work in a particular week within unincorporated areas of Los Angeles County. Employers are required to pay the minimum wage set forth above for all hours worked, regardless of immigration or work status. Los Angeles County Code Chapter 8.100.

This poster must be displayed in a conspicuous and accessible place at job sites, in English, Spanish, and the primary language used by the employer to communicate with employees regarding employees' work functions, if other than English or Spanish.

\* Beginning January 1, 2023, County's Chief Executive Officer (CEO) will determine the adjusted rates of the minimum wage based on the Consumer Price Index, which will become effective on July 1, 2023.

> FOR MORE INFORMATION, PLEASE CONTACT THE DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS:

(800) 593-8222 • wagehelp@dcba.lacounty.gov • www.dcba.lacounty.gov





#### MINIMUM WAGE INCREASE

#### What is the City of Los Angeles minimum wage rate for July 2022?

July 1, 2022, the minimum wage rate for City of Los Angeles (City) is **\$16.04** for both small and large employers.

#### Why is there a difference between the County's and City's minimum wage rates?

County's ordinance language requires publication of the County's minimum wage rate in January of each year

The City's ordinance requires publication of the City's minimum wage rate in February of each year

County can only consider available CPI - County's determination was made by calculating CPI rates between January 2021 to November 2021.

December CPI rate was not considered because the rate became available in mid January of 2022.



#### OUTREACH EFFORTS

Getting the Word Out:

- Strengthening information flow through workshops in collaboration with communitybased organizations and partner agencies aimed to connect workers to information and potential opportunities
- Boots on the ground strategy: One on One visits to businesses in the unincorporated Los Angeles County
- Hyperlocal and Ethnic Media
- Online Strategies: Webinars in different languages, social media, online videos
- Physical Ads: Bus shelters, inside public transit, billboards in certain areas.



#### LOOKING INTO THE FUTURE

#### • Office of Labor Equity (OLE)

Expanding and Centralizing Worker Protection

**Expanding Protection through Policies** 

Shifting from Reactive to Proactive Enforcement

Industries of Interest:

1. Private Households

2. Food Services

3. Personal and Laundry Services

Collaborating with Community Based Organizations in creating safe space for reporting workplace violations

Through this expansion, OLE intends to work towards reducing workers and their families from experiencing wage theft and pay inequities, increasing worker and employer awareness of worker protection resources, advocating for worker protection and ensuring workers suffering from wage theft have access to free of cost and comprehensive government services.



#### COLLABORATION

- Community Based Organizations
  - 1. CHIRLA May Day Event
  - 2. Collaboration with Pilipino Worker Center for Townhall end of May and Future
    - Collaboration for Hyperlocal Media Event
- Intergovernmental Agencies
  - 1. Treasurer Tax Collector (TTC), Department of Public Health (DPH), Los Angeles County Sheriff (LASD),
    - and County Counsel to ensure compliance with worker protection policies adopted by the County.
  - 2. TTC and DPH to ensure dissemination of worker protection information to businesses each agency interfaces
  - 3. Collaboration with Department of Homeland Security (DHS) to elevate anti-human trafficking messaging
  - 4. Collaborating with TTC to make recommendations for licensing massage establishments
- Consulates
- Small Business Administration (SBA): Series of webinars both in English and Spanish on a monthly basis to veteran
  owned businesses on worker protection requirements in the County of Los Angeles
- WDACS: Collaborated in putting together career/resource fair for Afghan Community. Also working with Office of Small Businesses to share information to LA County businesses



#### HIGHLIGHTS

- Wage Enforcement Program (WEP) was able to assist **over 2,000** workers working in the unincorporated areas of the County and the City of Santa Monica receive wages owed to them by their employers
- Since 2016 over \$2.2 million dollars were collected in back wages and fines collectively
- Between 2021-2022 WEP collected over \$885,000 in back wages and fines collectively for 518 affected employees.
- In 2021 DCBA Worker Protection investigated a grocery store in the unincorporated Pasadena for Hero Pay violations and was able to collect over **\$130,000** in back wages and fines collectively for **75** affected employees
- Investigators tasked with enforcing the Public Health Anti-Retaliation Ordinance investigated a case against a
  construction company in Van Nuys and cited the business for retaliating against an employee for voicing her concerns
  over lack of PPE. The employer was issued a \$3,000 citation and paid immediately





Contact Us

Rose Basmadzhyan Wage Enforcement Program and Worker Protection Email: <u>rbasmadzhyan@dcba.lacounty.gov</u>

Website: www.dcba.lacounty.gov

General Inquiries: 1-800-593-8222 wagehelp@dcba.lacounty.gov



