

VIA EMAIL – davidj@ci.salinas.ca.us

April 18, 2023

David Jacobs City of Salinas 200 Lincoln Ave. Salinas, CA 93901

RE: BID ADVISORY Low Bidder: Awarding Agency: Project: FFC Case No.:

NorCal Contractor City of Salinas Cesar Chavez Park Soccer Field 1113SJ

Dear Mr. Jacobs:

The Foundation for Fair Contracting (FFC) is a nonprofit organization which has been serving the public interest since 1985. The objective of the FFC is to monitor compliance with prevailing wage laws pertaining to the construction industry, including informing and educating industry stakeholders. Unbalanced bids raise questions in regard to performance and compliance with the rules and regulations for the payment of prevailing wages, and the safety and well-being of the workforce. It further opens the question of excessive future change orders, the fairness to and rights of other bidders in the bidding process, and the intent of the competitive bidding process in general.

In deference to all bidders and in order for the public interest to best be served, please enter this formal bid advisory against the above-noted contractor as a matter of public record. We respectfully request that NorCal Contractor (NorCal) bid be rejected for the following reasons:

ONGOING VIOLATIONS OF PREVAILING WAGE LAWS RESULTING IN WAGE <u>THEFT</u>

NorCal has numerous infractions/violations which have resulted in willful circumvention of the laws and regulations governing the payment of prevailing wages, including, but not limited to, violations resulting in wage theft and non-compliance with apprenticeship laws. NorCal has engaged in this pattern of unlawful activity on various public works prevailing wage projects. Civil Wage and Penalty Assessments have been issued to NorCal by the State of California, Division of Labor Standards Enforcement (DLSE), Labor Commissioner's office. We have provided supporting documentation for your review.

Furthermore, NorCal is currently under investigation by our offices and complaints have been submitted to the State of California, Division of Labor Standards Enforcement (DLSE), Labor Commissioner's office in connection with issues provided below. We have provided supporting documentation for your review.

- Misclassifications resulting in underpayments.
- Failure to comply with overtime requirements.

FOUNDATION FOR FAIR CONTRACTING 3807 Pasadena Avenue, Suite 150 – Sacramento, CA 95821 (916) 487-7871 – Fax (916) 487-0306 www.ffccalifornia.com

JOINT LABOR MANAGEMENT EFFORT *

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- Failure to comply with apprenticeship requirements.
- Failing to report all workers on certified payrolls.

<u>FAILURE TO COMPLY WITH BID SPECIFICATIONS/UNFAIR COMPETITIVE</u> <u>ADVANTAGE</u>

NorCal's bid is below the Engineer's Estimate and in excess of 23% lower than all other bidders on this project. A large bid variance commonly indicates a failure to account for the proper prevailing wage rate – including travel and subsistence. If awarded the project, this contractor would need to submit change orders to complete the project in accordance with the specifications and/or compromise prevailing wage laws/standards. This gives NorCal an unfair advantage in its bidding practices against its competitors and puts the City of Salinas into a precarious legal position.

• FAILURE TO COMPLY WITH WORKFORCE DEVELOPMENT AND FORMAL <u>APPRENTICESHIP PROGRAMS</u>

NorCal has not made a good faith effort to participate and invest in Local Workforce Development, nor have they participated in local hiring of workers in the community through formal and recognized pre-apprenticeship programs and formal apprenticeship programs for specific apprenticeable crafts. They have failed to request, employ, train, and pay the proper prevailing wages to apprentices.

Please contact our office with questions, comments, or clarifications.

Sincerely,

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Jesse Jimenez Executive Director

Case: 1113SJ

cc: City of Salinas – Mayor and Councilmembers

Kimbley Craig – Email: salinasmayor@ci.salinas.ca.us Carla Viviana González – Email: district1@ci.salinas.ca.us Tony Barrera – Email: district2@ci.salinas.ca.us Steve McShane – Email: district3@ci.salinas.ca.us Orlando Osornio – Email: district4@ci.salinas.ca.us Andrew Sandoval – Email: district5@ci.salinas.ca.us Anthony Rocha – Email: district6@ci.salinas.ca.us