



Date: March 1, 2019

To: Patrick H. West, City Manager *T.H.W.*

From: *CB* Craig A. Beck, Director of Public Works

For: Mayor and Members of the City Council

Subject: **CJ Concrete Construction, Inc.**

At its October 23, 2018 meeting, the City Council approved a seventh amendment to Contract 32487 with CJ Concrete Construction, Inc. (CJ Construction), of Santa Fe Springs, CA, for concrete repairs and related improvements. During the meeting, the City Council received public comments from Nicholas Santos, a representative from the Center for Labor Compliance, who voiced concerns regarding labor compliance claims against CJ Construction. The City Council approved the amendment, but also requested that staff review these claims and report back findings. Staff met with Nicholas Santos, who provided the City with various documents related to the following claims against CJ Construction, which took place in other jurisdictions:

- La Palma, CA: A claim was made against CJ Construction for violations of the California Labor Code relating to the apprenticeship standards.
 - o Outcome: A penalty of \$1,020 was paid by CJ Construction. (RESOLVED)
- La Mirada, CA: A claim was made against CJ Construction for violations of the California Labor Code relating to the apprenticeship standards.
 - o Outcome: A penalty of \$1,020 was paid by CJ Construction. (RESOLVED)
- Santa Fe Springs, CA: Litigation was brought against CJ Construction for non-payment of prevailing wage, overtime, and minimum wage.
 - o Outcome: Closed through Settlement. (RESOLVED)
- Costa Mesa, CA: Complaints were made regarding non-payment of prevailing wage for three projects. The projects took place between 2014-2015. Discussions are still ongoing.

Staff has reviewed the work performed by CJ Construction in Long Beach and have noted that certified payroll records were submitted for all projects and found no inconsistencies with California Labor Compliance laws.

Given the amount of time it took to complete the review, the seventh amendment to Contract 32487 was not executed. Concurrently, staff was working on a RFP for services related to construction of concrete. On December 18, 2018, the City Council approved a contract with CJ Construction and Kalban Inc., for construction of curb ramps and other concrete related improvements.

CJ Concrete Construction, Inc.
March 1, 2019
Page 2

To meet Citywide needs to address sidewalk repairs and to ensure the City complies with requirements of the ADA accessibility class action lawsuit settlement agreement, staff divided the work and sought on-call contracts for curb ramps and sidewalks separately. This method will best ensure that the City meets its obligations for completion of curb ramps and sidewalk repairs identified by the ADA settlement agreement. Bids were received and on March 12, 2019, staff will be recommending the City Council support the addition of on-call contracts with Bitech Construction Co., Inc., Kalban Inc., and CJ Construction.

If you have questions, please contact me at (562) 570-6771.

CC: CHARLES PARKIN, CITY ATTORNEY
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MONIQUE DE LA GARZA, CITY CLERK (REF. FILE #18-0962)