



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Mark Linder

**SUBJECT:** SAN JOSE CONSERVATION CORPS  
MASTER AGREEMENT

**DATE:** August 8, 2007

Approved

Date

8/10/07

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

- (a) Approval of a master agreement with the San Jose Conservation Corps, Inc. (SJCC) to provide services for community improvement activities for an amount up to \$250,000 for the period of July 1, 2007 to June 30, 2008, with four (4) annual options to extend the agreement by one year.
- (b) City Council finding that the SJCC provides programs to at-risk youth with essential job training and development opportunities and that this unique service presents an unusual or unique situation that make applying the requirements for competitive procurement of a services agreement contrary to the public interest.
- (c) City Council clarification on whether the City's prevailing wage policy includes services provided by the SJCC.

## OUTCOME

Approval of the above action will continue the City's contract with SJCC for various community improvement and conservation activities and resolve whether the City's prevailing wage policy includes services provided by the SJCC.

## EXECUTIVE SUMMARY

On January 12, 1988, the City Council approved a master agreement with the SJCC to perform various community improvement and conservation activities. The master agreement was approved for a period of July 1, 2002 through June 30, 2003 with four (4) annual options to extend the agreement by one year. The current master agreement expired on June 30, 2007.

The Master Agreement enables utilizing crews from the SJCC to accomplish significant projects for a number of City departments. These projects include: neighborhood improvements, parks maintenance, tree planting, neighborhood beautification, graffiti abatement, housing rehabilitation, recycling at City buildings, bars, restaurants, schools and emergency response. In addition to fee-for-service projects, SJCC performs numerous free projects during the summer months in City parks and on City streets.

## ANALYSIS

Since it opened its doors to at-risk youth in 1988, the SJCC has enjoyed very productive years of service in the community and provides essential job training and development for youth. This year the staff recommends a master agreement for one year with four annual one-year extension options. This will allow continuity from year to year, but retains the City's options, in order to ensure that the SJCC's performance continues to meet or exceed expectations.

During the contract period, some notable achievements were accomplished by SJCC:

- Maintained an average enrollment of 268 Corps members throughout 2006-2007.
- Supported the recycle at work collection services.
- Performed basic park maintenance and clean up.
- Removed graffiti from public property.
- Removed debris from creeks.
- Removed litter and illegally dumped materials from trash hotspots.

The draft agreement will cover only service projects provided by the SJCC, and does not cover public works. To award service agreements directly to the SJCC without conducting a competitive process, Section 4.12.235 of the City's procurement ordinance requires City Council to determine that an unusual or unique situation exists regarding the SJCC, making competitive procurement of these services agreement contrary to the public interest. Section 4.12.235 states: 4.12.235 Unique Services Purchases: The Procurement Authority may initiate a procurement for unique professional or other services where the Procurement Authority determines that an unusual or unique situation exists that make the application of the requirements for competitive procurement of a services agreement contrary to the public interest. Any special procurement under this section shall be made with such competition as is practicable under the circumstance. A written determination of the basis for the procurement and for the selection of the particular contractor shall be included by the Procurement Authority in the Department files. **(Source: San Jose Municipal Code)**

Staff recommends that City Council make this finding because of the community benefits provided by Conservation Corps programs to provide at-risk youth with essential job training and development opportunities for youth.

In past Master Agreements, the SJCC has not been required to pay prevailing wages, in part due to statements made by the Conservation Corps that it is exempt from prevailing wage

HONORABLE MAYOR & CITY COUNCIL  
Subject: San Jose Conservation Corps Master Agreement  
Date: August 8, 2007

requirements. Indeed, there is a state law enacted in 2004 (Labor Code 1720.4) which applies to public works projects and which exempts members of the ***“California Conservation Corps or of Community Conservation Corps certified by the California Conservation Corps pursuant to Section 14507.5 of the Public Resources Code”*** from public works prevailing wage requirements. The San Jose Conservation Corps has been certified by the California Conservation Corps. The SJCC will be able to bid for public works projects by following the City’s Public Works bidding process.

Regardless of the state law exemption for public works projects, this contract relates to services, including maintenance services. The City’s prevailing wage policy requires the payment of prevailing wages for maintenance projects of City owned property for contracts that exceed \$1000. The Administration requests that City Council clarify that the City’s prevailing wage policy does not include services provided by the San Jose Conservation Corp as the persons providing the services are at-risk youth trainees who are learning the skills required for regular employment.

Prevailing wage for a skilled general laborer is \$23.89 an hour plus \$12.46 per hour for fringe benefits. A San Jose Conservation Corps trainee will earn between \$7.50 and \$10.00 an hour. One of the primary goals of the Conservation Corps is to graduate trainees into the higher paying vocations.

### **EVALUATION AND FOLLOW-UP**

The City Manager shall be the City office responsible for coordinating projects undertaken pursuant to this Agreement and shall render overall supervision of the progress and performance of this Agreement by City. All services performed by the San Jose Conservation Corps shall be under the overall direction of the City Manager. The City Manager shall follow the contracting authority levels currently in place under the Municipal Code, thereby allowing the City Manager to approve service agreements up to \$250,000 in cost to the City, provided that the funds have been appropriated and are available. The San Jose Conservation Corps Executive Director shall have overall responsibility for the progress of this Agreement.

The contract requires that the San Jose Conservation Corps keep the City Manager informed on all phases of a project. Until a project has been completed, the San Jose Conservation Corps shall make progress reports when milestone dates are achieved or upon special request by the City Manager in such detail and at such times as may be reasonably requested as to the actual progress of the project. The City reserves the right to sample, inspect, and test materials throughout the duration of the work, and to reject any materials, which are found to be unsatisfactory at the time of use.

### **POLICY ALTERNATIVES**

***Alternative #1: The City could contract for these services from other vendors using regular contracting procedures***

**Pros:** The City would follow regular contracting procedures and the vendor would have trained employees providing the work

**Cons:** The City would end a successful partnership with the San Jose Conservation Corps. This partnership has given at-risk San Jose youth an opportunity to learn important job skills. In addition, the cost for these services would increase.

**Reason for not recommending:** The San Jose Conservation Corps provides a valuable service for our community by offering job training opportunities to at-risk youth. To end this partnership would reduce the training opportunities for at-risk youth.

*Alternative #2: The City could require the San Jose Conservation Corps to pay prevailing wages.*

**Pros:** Conservation Corps trainees would receive prevailing wages, which are higher than the current trainee wages.

**Cons:** Conservation Corps trainees would be paid at the same rate as trained, skilled laborers. The Conservation Corps would only be able to pay prevailing wages by increasing the amount they receive from the City.

**Reason for not recommending:** The San Jose Conservation Corps staff who are providing these services are at risk youth in a job training program not professional laborers

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting).**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Not Applicable.

HONORABLE MAYOR & CITY COUNCIL  
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### **COORDINATION**

The Conservation Corps Master Agreement has been coordinated with the Department of Environmental Services, City Attorney's Office, and the Department of Parks, Recreation and Neighborhood Services.

### **FISCAL/POLICY ALIGNMENT**

The City's Economic Development Strategy, approved by the City Council in November 2003, includes Strategic Initiative #9 "Prepare Residents to Participate in the Region's Economic Opportunity for K-12 to Life Long Learning". The Master Agreement with the San Jose Conservation Corps provides opportunities for at-risk youth to learn important job and life skills that will enable them to participate in and contribute to the region's economy.

The opportunities for at-risk youth represented in this Master Agreement also align with the vision of the Mayor's Gang Prevention Task Force which is: "Safe and healthy youth connected to their families, schools, communities, and their futures".

### **FISCAL IMPACT**

The San Jose Conservation Corps is reimbursed by the City for labor and materials it uses for its community projects in the City of San Jose on a per project basis. The budget for each project is contained in the non-personal/equipment appropriations for the department initiating the project. If the City decided to contract with regular vendors or required the Conservation Corps to pay its trainees prevailing wage, the costs would increase and would exceed the amounts budgeted.



Mark Linder  
Deputy City Manager

For more information regarding this council report, please contact Deputy City Manager Mark Linder at (408) 535-8180.