



Contract Compliance Monitoring Augmentation

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Presented by
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OBO Contract Compliance Responsibilities

The OBO Contract Compliance Division monitors most City contracts to ensure compliance with laws and regulations mandated by city, state, and federal guidelines and ordinances. The Division performs the following:

- Supplier Diversity Goal Compliance
 - Monitors utilization and payments to MWSBEs and DBEs on construction, professional services, and goods & services contracts with goals.
 - Commercially Useful Function Audits and Good Faith Efforts evaluations.
- Labor Standards Compliance
 - Monitors prevailing wage and fair labor standards laws on construction contracts.
 - Equal employment opportunity laws.
- Prompt Payment
- Monitors approximately 1,200 City contracts valued at more than \$9 Billion.

Contractual Engagement of Vendors



Complement and enhance OBO's internal contract compliance monitoring capabilities.

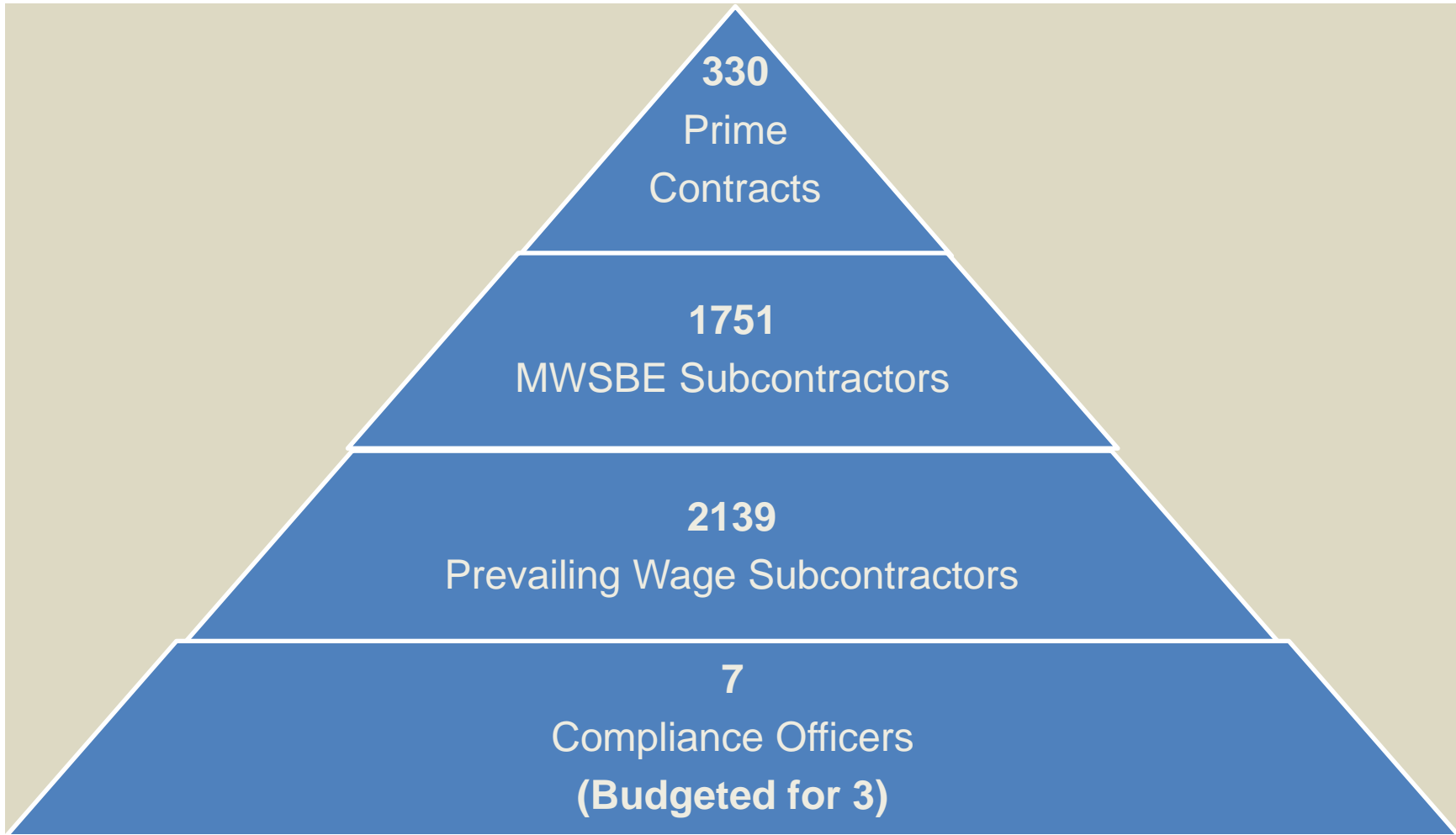
Scope of Work:

- Monitor construction contracts (**MPACT Strategic Consulting**)
 - MWSDBE, EEO, Davis Bacon/Prevailing Wage Monitoring, and Prompt Payment
- Monitor professional services and good & services contracts (**HillDay Industries, Inc.**)
 - MWSDBE, EEO and Prompt Payment Monitoring
- Identify Process Improvements and Efficiencies/ Share Best Practices (Both)
 - MWSDBE, EEO and Prompt Payment Monitoring

Plan:

- 1-30 days: Onboarding, including vendor training on internal SOPs and all relevant processes by OBO.
- 31-60 days: Compliance monitoring work begins, with an expectation of approximately 75-100 contracts being fully monitored monthly.
- 60-day mark & ongoing monthly reporting: Comprehensive reports of monitoring activities and observations/recommendations, including monthly meeting with Executive Team. Monthly monitoring and reporting requirements will be in place for the duration of the contract.
- Months 8-9: Wrap-up of monitoring contract.

Construction Contracts Assigned to MPACT

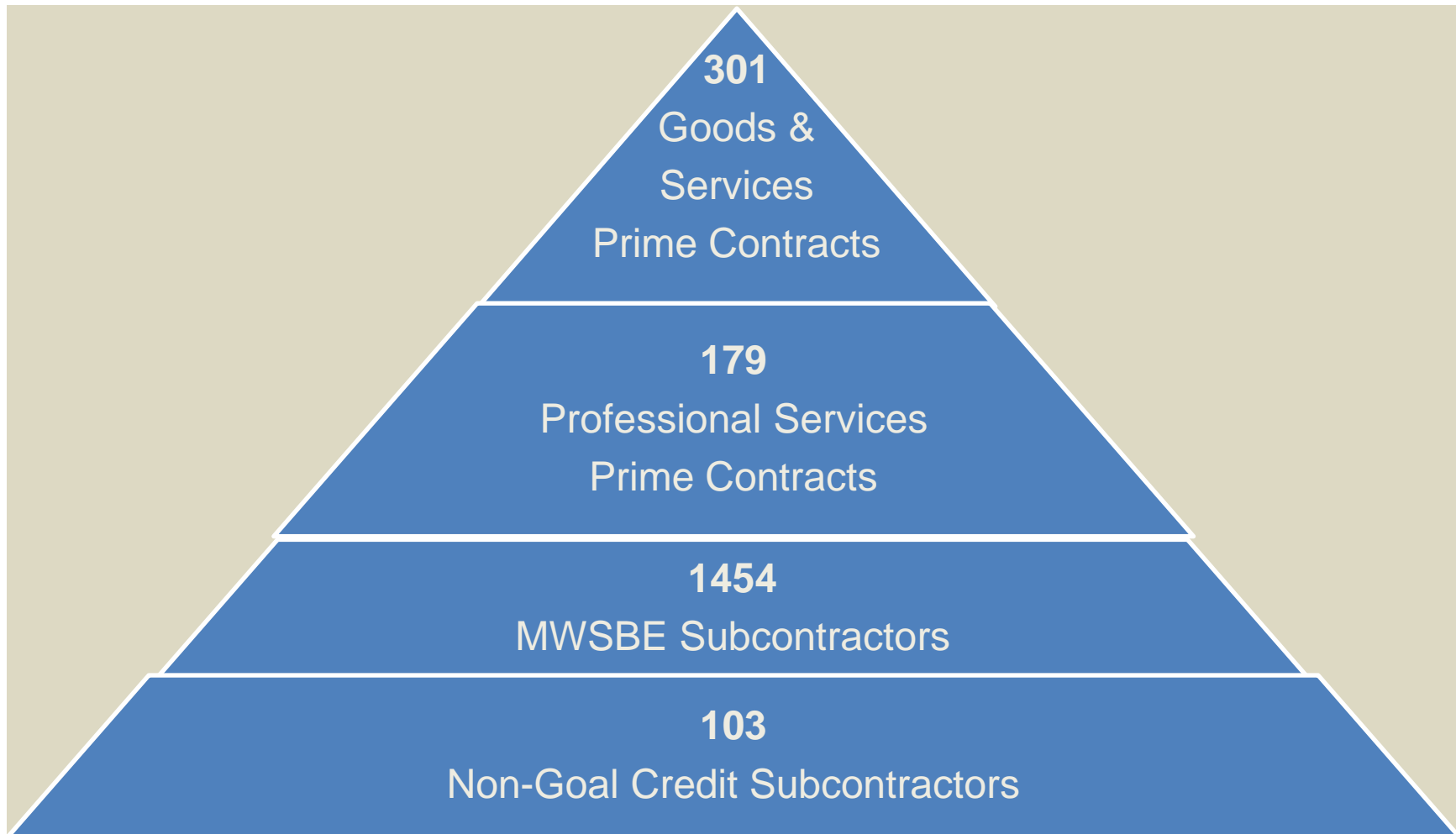


Compliance on Construction Contracts

Payroll Compliance Volume

- For construction contracts, 75% of monitoring activity and effort revolves around payroll compliance.
- This results from both the detailed nature of the investigation, and the volume of records to review, noting that payroll compliance grows weekly for the life of the project as long as workers are present.
- The two examples below reflect the number of payroll records for 2022 for a portion of the MPACT-assigned projects:
 - More than 34,000 payroll records for NEWPP
 - More than 6,500 payroll records for SRF/TxDOT

Contracts Assigned to HillDay



Vendor Observations



- OBO staff turnover has resulted in the lack of consistency in performance of core monitoring functions on a significant number of projects.
- Extensive assessment required to determine level of compliance needed on each project.
 - Documentation missing
 - Incomplete processes
- Contractors require more one-on-one guidance to comply with requirements.
- Outdated contact information for contractors on file.
- Performing visits to construction sites prove challenging because mobile nature made it difficult to ascertain location (ex: pothole projects; sewer rehab/construction).
- Automate completion of required forms and provide clear guidance on information needed in order to comply.

Improvements Implemented



- HillDay Industries, Inc. streamlined and automated the compliance monitoring process by implementing three (3) technology solutions resulting in monitoring consistency.
 - Compliance Audits, Deviations, Commercially Useful Function Audits
- MPACT provided a primer to OBO staff on prevailing wage compliance monitoring.
- Both vendors held group and 1-1 training sessions for contractors to reinforce compliance requirements.
- Revived regular communication with Primes and subcontractors, slowly shifting the culture of level of engagement and reinforcing the City's expectations.
- Underway: Level-set contractor familiarity with rules – develop online videos accessible to the community 24/7.

Next Steps



- While the City continues to address staff levels, extend engagement with vendors for one year.
- Extension will:
 - Ensure continuity of quality of monitoring services mitigating risk for loss of state and federal funds, protection of workers and maximize engagement of M/W/S/DBEs.
 - Ensure all contracts are brought into compliance.
 - Maintain the increased level of engagement with the contracting community.
 - Provide time to identify and implement additional process improvements and best practices to establish effective monitoring processes for internal compliance staff.



Thank You & Questions

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