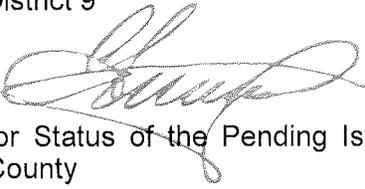


Memorandum



Date: June 3, 2013

To: Honorable Dennis C. Moss
County Commissioner, District 9

From: Carlos A. Gimenez
Mayor 

Subject: Response to Request for Status of the Pending Issue Regarding A1A Employment
Temps for Miami-Dade County

This memo is in response to the email from your office dated May 2, 2013 regarding A1A's contract employees. On March 18, 2013, the Internal Services Department (ISD) was notified that Deanna Service Enterprises, Inc. dba A1A Employment of Miami (A1A) had not paid its contract employees. There were 79 contract employees affected that were working for six County departments and the Clerk of Courts.

The County Attorney's Office (CAO) confirmed the vendor filed for bankruptcy. Therefore, the County was not able to pay the contract employees directly pending the bankruptcy proceedings. The bankruptcy case has since been dismissed, and the County intends to make payment to the contract employees directly for wages owed. In addition, the firm will be found in breach of their contract, terminated, and re-procurement charges will be pursued.

ISD and the Finance Department, working with the CAO, have developed a plan of action (see attached) and will work together closely to execute this plan in a timely manner and make the impacted employees whole with regards to payment for services rendered.

Should you have any questions, please contact Lester Sola at 305-375-2363, or me directly.

Attachment

c: Honorable Rebeca Sosa, Chairwoman
and Members, Board of County Commissioners
R.A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Hugo Benitez, Assistant County Attorney, County Attorney's Office
Lee Kraftchick, Assistant County Attorney, County Attorney's Office
Ileana Cruz, Assistant County Attorney, County Attorney's Office
Blanca Padron, Deputy Director, Finance Department
Lester Sola, Director, Internal Services Department
Miriam Singer, Assistant Director, Internal Services Department

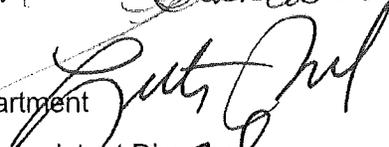
Memorandum



Date: May 14, 2013

To: Edward Marquez, Deputy Mayor 

Through: Blanca Padron, Deputy Director, Finance Department 

Through: Lester Sola, Director, Internal Services Department 

From: Miriam Singer, CPPO, Assistant Director, Internal Services Department 

Subject: Plan of Action to Resolve Payment of Wages Owed by Deanna Enterprises to Contract County Employees

Miami-Dade County contracts with temporary employment agencies to provide contract employees through County Contract No. 9432-4/16-1. Internal Services Department was notified that one vendor on the contract, Deanna Enterprises, Inc. dba A1A Employment of Miami (A1A), has not paid its contract employees assigned to the County. Seventy-nine contract employees, working for six County departments and the Clerk of Courts, were not paid by A1A. The County received a Notice of Assignment of Accounts and Instructions for Payment Pursuant to the Uniform Commercial Code from AmeriSource Funding, Inc., dated March 11, 2013, demanding that the County tender payments for A1A directly to AmeriSource as assignee of the A1A's accounts receivable.

A meeting was held with A1A representative on March 21, 2013 to discuss their financial situation, ability to pay their employees, and continuity of services to the County. At the meeting, the firm representatives advised they were unsure of when they would be able to pay their employees, and expressed their intent to discontinue providing services. Furthermore, it was discovered that A1A had filed for bankruptcy.

On March 22, 2013, A1A was advised that the County would obtain the services from alternate sources. Due to A1A's failure to pay the employees, the County placed a hold on payment of invoices owed to the vendor. The secondary vendor on the contract was asked to commence providing services effective March 25, 2013. The contract employees working for the County were provided with the secondary vendor's contact information for their consideration. Although this action ensured continuity of services for the County, the employees have still not been paid by A1A for prior work.

As in a previous occasion, the County wanted to make the affected employees whole from monies due to A1A. Due to the pendency of the bankruptcy proceedings, the County Attorney's Office (CAO) advised that the County should not pay the A1A employees without seeking the permission of the Bankruptcy Court since the County wanted to use monies due to A1A for their service. The CAO has now advised that the bankruptcy case was dismissed, and the County may proceed to resolve this issue. The dismissal of the bankruptcy case does not change any rights of AmeriSource to A1A's accounts receivable.

Two claims have been filed with the CAO by counsel representing affected temporary agency employees. The following plan of action is therefore recommended for your consideration:

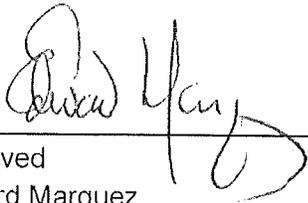
1. ISD will send a formal written notice to the vendor requesting cooperation in providing certain contract employee information (addresses, hours worked but not paid, pay rates, amount owed, etc.) and advising the vendor of the following:
 - a. That their contract with the County has been terminated for breach;
 - b. That the County will use any balances owed under the contract and common law right of offset to redress the contractor's breach and pay the wages due the employees for work performed for the County for which employees were not paid and assess re-procurement charges;
 - c. That the vendor has violated the County's Living Wage provisions (for the employee positions covered by this legislation);
 - d. The County intends to remit payment directly to the contract employees for the payroll amounts owed to them by the vendor from monies due to AIA; and
 - e. After deduction of the amount the County has paid to the contract employees (including any applicable payroll deductions such as FICA and MICA), the County will pay the vendor the remaining balance, if any, of the amount it owed the vendor for services rendered.

Note: Employee information provided by the vendor will be cross-referenced with timesheets provided by the County departments as well as the amount owed as reported by the employees, to ensure accurate payment of amounts owed to each employee.

2. Regulatory and Economic Resources, Small Business Development (RER/SBD) will handle any communication to the vendor regarding its rights and obligations under the Living Wage legislation (as applicable) and any proceedings pursuant to such legislation.
3. Finance will compile all outstanding invoices to determine which time periods were invoiced by the vendor.
4. Departments will submit copies of the contract employee timesheets to ISD for the period of non-payment. ISD will work with Finance to determine how much is owed to the vendor for any time periods not invoiced. This amount, together with the amount properly invoiced, will determine the total amount owed to the vendor.
5. ISD's HR Division will contact each employee to advise of the County's intent to make payment directly to them and to obtain payment information (copy of license, copy of social security card, completion of W-4 Form, etc.) to place the employee into the County payroll system. RER/SBD will also work closely with the CAO to review an affidavit (one version for Living Wage positions and another for those that are not Living Wage positions) for completion by the employee. These affidavits are required to ensure that employees are paid what they are due and to protect the County from any future actions or requests for payment from the employee for the same work.
6. Finance has access to two established Trust Funds that may be used to transfer the amounts owed to the employees for services provided by: 1) employees covered by Living Wage; and 2) all other employees.

7. Upon completion of the above, HR will prepare vouchers for the employees to be paid by Finance from the appropriate Trust Fund for the verified amount owed to the employees.
8. Once all payments have been made to the employees, Finance will release any remaining amount owed to the vendor as full and just compensation for their services.

ISD, Finance and CAO will work closely together to execute this plan in a timely manner and make the impacted employees whole with regards to payment for services rendered. Your consideration and expedited approval of this plan is greatly appreciated.



Approved
Edward Marquez
Deputy Mayor

5/24/13

Date

- c: Hugo Benitez, Assistant County Attorney
Lee Kraftchick, Assistant County Attorney
Ileana Cruz, Assistant County Attorney
Miriam Singer, Assistant Director, ISD
Mario Goderich, Assistant Director, RER
Arleene Cuellar, Acting Assistant Director, ISD
Veronica Clark, Assistant to the Director, RER