

LIVING WAGE ORDINANCE - SUMMARY OF PROVISIONS

Requirement:

Effective July 1, 2016, private sector employers who contract or subcontract with the County to provide specified services for greater than \$15,000 cumulatively in one fiscal year must pay their employees working on a County contract a living wage of \$15.73/hr if they provide benefits, or \$17.15/hr if they do not provide benefits.

Living Wage:

\$15.73/hr with benefits; \$17.15/hr without benefits.

Benefits:

All of the following - 12 days compensated sick and vacation leave (combined) annually for full-time employees, prorated for part-time; payment of at least \$1.00/hr toward health insurance for the employee.

Covered contracts:

- Automotive repair and maintenance
- Equipment maintenance services
- Facility and building maintenance
- Furniture moving and installation/maintenance services
- Janitorial and custodial services
- Landscaping services
- Laundry services
- Office and clerical services
- Pest control services
- Recreation services
- Security services
- Transportation and shuttle services
- Towing services
- Tree trimming and removal

Non-covered contracts:

- Commodities, goods and supplies
- Public works (construction projects)
- Public projects subject to prevailing wage requirements
- Professional services - including but not limited to architects, engineers, landscape architects, land surveyors, construction managers, scientists, physicians, attorneys, financial advisors, consultants
- Leases

Covered contractors:

Private sector employers with 6 or more employees who enter into a contract or contracts with the County for the any of the services listed under "covered contracts" above with the **cumulative** amount in one fiscal year greater than \$15,000.

Covered employee:

Any employee of a covered contractor or subcontractor who is assigned to work on a Santa Cruz County contract; can be full-time, part-time, temporary, or seasonal.

Non-Covered Employees:

- Designated trainees in a bona fide time limited training program which enables the employee to move into a permanent position
- Positions that require student status as a condition of employment
- Volunteers
- Recipients of income support such as SSI who waive in writing their entitlement to a living wage
- Workers in licensed, sheltered workshops or supported employment
- Recipients of public funds in work experience, on the job training, summer employment of wage-based community service position as defined by the HRA or HSA Administrator
- Employees represented by a bargaining unit of labor union and for whom a collective bargaining agreement is in effect
- Employees 17 years old or younger

Exemptions:

- Contractors with 5 or fewer employees
- Board of Supervisors may grant an exemption based on economic hardship, or that the exemption is in the best interests of the County due to unusual circumstances such as declared natural disaster or sole source contract. Requires written statement from the employer supporting the request and describing alternative solutions pursued.

Contract language:

The following language is required in services contracts, RFP's and bid documents:

"This contract is subject to the provisions of Santa Cruz County Code Chapter 2.122, requiring payment of a living wage to covered employees. Noncompliance during the term of the contract will be considered a material breach and may result in termination of the contract or pursuit of other legal or administrative remedies."

Certification:

Contractor is required to certify that it is in compliance with the ordinance prior to commencement or execution of the contract.

Employee Notification:

Contractors are required to notify employees of the provisions of the living wage ordinance, must post the ordinance and Complaint Procedure in the workplace, and provide this information to the employee upon request.

Monitoring:

- Same as prevailing wage requirements.
- CAO is Compliance Officer.
- Contractors/subs can't retaliate for employees making complaint.
- Complaint process:
 - Complainant notifies Compliance Officer (CO).
 - CO has 3 business days to contact complainant to get more info.
 - CO forwards info to contracting department for investigation.
 - Department has 30 days from date CO gets complaint to do investigation and make findings.
 - Department notifies CO of findings.
 - CO has 7 days to notify complainant of findings.

Third Tier Review:

- As part of contractor certification of compliance prior to contract commencement, vendor must include statement of any findings of violations within the past 5 years and how violations were addressed with the National Labor Relations Board, OSHA, California Labor Commission, EEO Commission and/or Dept. of Fair Employment and Housing.
- Board of Supervisors can decide to use this info as a basis of approving or not approving a contract for services.
- County is authorized to access and review the employer's records regarding turnover, wages paid, benefits, grievances, and references from entities engaged in prior contracts with the employer.

Employee Retention:

If a contract for covered services in excess of \$50,000 is terminated prior to its expiration, any new contract with a subsequent contractor for the same services must include this term:

“Contractor shall make best efforts to offer employment to qualified employees of the prior contractor for the performance of this contract. Such efforts shall not be required in regard to employees who are (1) exempt under the Fair Labors Standards Act, (2) family members of the prior contractor, (3) employed by the prior contractor for less than six months, or (4) convicted of a job-related or workplace crime. Upon request by the County, the Contractor shall demonstrate to the County that good faith efforts have been made to comply with this provision.”