



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073
 (831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

SUSAN A. MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

November 28, 2001

Agenda: December 4, 2001

Board of Supervisors
 County of Santa Cruz
 701 Ocean Street
 Santa Cruz, California 95060

Living Wage Ordinance for Private For-Profit Vendors - First Reading

Dear Members of the Board:

On November 6th, your Board approved in concept, a proposed Living Wage ordinance pertaining to private, for-profit vendors. At that time, your Board directed the **CAO** to confer with the Living Wage Coalition to address a number of issues raised by the Coalition at the Board hearing and return to your Board on today's agenda with a proposed ordinance for first reading.

Your Board requested staff further address the following issues:

- to ensure that the proposed ordinance applies to Redevelopment Agency contracts;
- to include language in the proposed ordinance designating the CAO as the Compliance Officer;
- to develop a complaint process time line for inclusion in the ordinance;
- to consider "third tier" language which would require the County, as part of reviewing a potential contractor, to review and consider the employer's history of paying living wages and benefits and low workforce turnover;
- to address the issue of representation by a union and coverage by a collective bargaining agreement pertaining to employees of private, for-profit vendors subject to the ordinance; and
- to consider adding language concerning labor relations neutrality in the enforcement section of the ordinance.

During the Board discussion, Board members raised questions about the proposed exemption language in the ordinance and suggested that staff consider including guidelines in the ordinance for your Board to consider as part of granting an exemption. In addition, based on discussions with the Coalition, a number of additional issues have been raised that were not explicitly discussed by your Board.

In the intervening weeks, staff has met with the Coalition and have fashioned a draft ordinance which is supported by the Coalition and meets the objectives of your Board to establish a living wage program for private vendors that includes a simplified administrative approach that can be handled within our existing staffing resources.

What follows is a brief description of the remaining items and the proposed ordinance amendments that have been drafted in response to these concerns. A clean copy of the proposed ordinance is included as Attachment 1; a marked copy of the ordinance is also included as Attachment 2.

Contracts with the Redevelopment Agency and other related County entities

In response to your Board's concern that Redevelopment Agency contracts be covered by the ordinance, staff has proposed to amend the ordinance language to clarify that the ordinance applies to contracts with the RDA and other entities governed by the Board of Supervisors. It is worth noting that County Counsel has recommended that the Redevelopment Agency Board of Directors adopt a resolution in support of applying the ordinance to the Redevelopment Agency. That resolution will be submitted to the Board of Directors on the same Board agenda as the final reading of the proposed ordinance.

Staff has also discussed with the Coalition their suggestion that the ordinance contain specific language to cover a broad range of potential economic assistance activities such as grants, subsidies, cooperative agreements, loans and other contracts with the County or related County entities (such as the RDA). Staff noted that there are a wide range of potential contractual relationships and structures that could be effected by the Coalition's suggested approach. Staff believes that additional study should occur prior to expanding the ordinance and that these issues are better addressed in the context of your Board's consideration of future phases of program implementation.

Enforcement Issues

A number of suggestions have been made to improve the enforcement program and to identify an improved mechanism for employees to become more aware of the program requirements and the options available to complainants.

The enforcement section of the ordinance has been amended to respond to your Board's direction to designate the CAO as the Compliance Officer and to establish a Complaint Procedure for complainants to register a complaint about the enforcement of the ordinance. This Procedure establishes a process and time line for the CAO to initiate an investigation of a complainants' allegations and to notify the complainant of the findings of the investigation. (See draft Compliant Procedure, Attachment 3). The proposed ordinance language also specifies the options available to any employee claiming a violation of the ordinance. In addition, the notification section of the

ordinance has been amended to require contractors to post a copy of the ordinance and the approved Complaint Procedure in the workplace, and to provide this information to employees upon request.

Third Tier Review

The proposed ordinance has been amended to address third tier review issues by including language which requires contractors to submit information to the County concerning whether the contractor has been subject to any violation state and federal regulations over the past five years and how these violations have been addressed. In addition, the proposed language would allow the Board to consider as part of approval or denial of a contract, a range of issues associated with the employer's history as an employer (e.g. employee grievances and complaints, employee turnover, and wage and benefit levels), but the ordinance does not require contractors to provide this information unless specifically requested by the County.

Collective Bargaining

The proposed ordinance only exempts private for profit contractors where the employees are represented by a bargaining unit or labor union and for whom a collective bargaining labor agreement is in effect. For IHSS employees (both independent providers and **ADDUS** contractor employees) or any other private for profit health and human service providers, the proposed ordinance does not apply and therefore will not interfere with collective bargaining efforts.

Labor Neutrality

A new labor neutrality section has been added to the ordinance, modeled after the language included in the Santa Cruz City ordinance. This language is designed to ensure that contractors do not hinder collective bargaining efforts or retaliate against employees who are employed by contractors subject to the ordinance.

Criteria for the Board granting an exemption to the ordinance

Board members indicated that the ordinance provision allowing for the Board to grant an exemption to the Living Wage standard should include guidelines to assist your Board in making these determinations. Staff has proposed amended language to provide for more specific findings pertaining to economic hardship or necessary for the best interests of the County and due to unusual circumstances (e.g. following a declared natured disaster or where the County is required to award a contract for services to a sole source contractor). The proposed language is drawn from the City of Santa Cruz ordinance and is consistent with many ordinances surveyed by County staff.

Additional Issues

- Clarification of Benefits: The ordinance has been amended to specify that the living wage standard of \$11.00 per hour with benefits or \$12 per hour without benefits applies to employer sponsored benefits. This amendment clarifies what the intent of the ordinance has been from the beginning of your Board's discussion of this issue.

- Annual Adjustments to Living Wage Standards: The language has been clarified to provide for your Board, on an annual basis, to consider the annual cost of living increase as measured by the San Francisco-Oakland-SanJose area Consumer Price Index.
- Applicability to Non-Profit and Other Organizations: The ordinance has been amended to specify that your Board consider the applicability of this ordinance to non-profit organizations in April, 2002, rather than the Spring 2002, and that the applicability of the ordinance to for-profit health and human service agencies shall be addressed at a later date.
- Employee Retention: The Coalition has requested that the ordinance include an employee retention provision designed to protect employees against contractors who violate the provisions of this ordinance and whose contracts are terminated and result in employee layoffs. To this end, proposed language has been included in the ordinance which would require contractors who replace the terminated contractor to make a good faith effort to offer qualified former employees of the terminated contractor the right of first refusal for employment opportunities, if available.

Next Steps

On November 6th, your Board directed staff to continue to work with the Living Wage Coalition and the Human Care Alliance to consider development of an implementation program for non-profit organizations and private for-profit health and human service providers and to assess the initial implementation of the proposed ordinance. Following the initial implementation of this ordinance staff will convene a meeting with the Coalition and the Human Care Alliance focusing on implementation issues for for-profit vendors. These meetings will be followed up with meeting which also include the Human Care Alliance to address potential future application of the ordinance to non-profit organizations. Discussions with the Coalition and other interested parties concerning later phases of the program pertaining to private health and human service providers and economic assistance related activities will occur immediately after your Board has addressed the potential applicability of the living wage program to non-profit organizations.

Conclusion/Recommendation

Over the past month, staff has discussed the proposed ordinance with the Coalition and responded to comments made by your Board on November 6th. The proposal before your Board today incorporates many of the concerns raised by the Coalition and meets the objectives of your Board. The Coalition concurs with the Ordinance as presented (see attachment 4). Your Board's approval of this ordinance represents a significant step toward achieving your Board's direction to commence a phased implementation of a Living Wage program.

It is therefore RECOMMENDED that your Board take the following actions:

1. Approve the proposed ordinance (Attachment 1) for first reading and direct the Clerk of the Board, to schedule the ordinance for final reading on the December 11, 2001 agenda;

Board of Supervisors
Living Wage Ordinance - First Reading

Agenda: December 4, 2001
Page: 5

2. Adopt the proposed Complaint Procedure (Attachment 3) to establish a process for complainants to ensure whether contractors are in violation of a County contract subject to the proposed ordinance;
3. Direct staff to meet with the Coalition following the effective date of the ordinance, to discuss and review ordinance implementation issues; and
4. Direct staff to return to your Board on April 23, 2001 with a report on ordinance implementation issues, and following consultation with the Coalition and the Human Care Alliance, the potential applicability of the ordinance to non-profit agencies.

Very truly yours,



SUSAN A. MAURIELLO
County Administrative Officer

SM:ES

cc: HRA
HSA
Parks Department
Probation Department
General Services Department
RDA
Living Wage Coalition
Human Care Alliance

ORDINANCE NO. _____

ORDINANCE ADDING CHAPTER _____ TO THE SANTA CRUZ COUNTY CODE RELATING TO A LIVING WAGE

The Board of Supervisors of the County of Santa Cruz ordains **as** follows:

SECTION 1

Title 2 of the Santa Cruz County Code is hereby amended by adding Chapter _____ thereto, said new chapter to read as follows:

Chapter _____

PAYMENT OF LIVING WAGE

Sections:

Section _____ **FINDINGS AND PURPOSE.** In enacting this Chapter the Board of Supervisors makes the following findings and articulates the following purposes for the promulgation of the living wage regulations set forth herein:

- 1. The health and welfare of all Santa Cruz County residents is benefitted and advances when Santa Cruz County workers are paid a living wage;
- 2. The County awards many contracts to private sector employers to provide services to the County in accordance with those contracts;
- 3. Many workers in Santa Cruz County and their families live at or below the poverty line. The payment of inadequate wages to those workers tends to negatively affect the quality of services provided to the County and its residents by fostering high turnover and instability in the workplace;
- 4. The payment of a living wage will increase the ability of low wage workers to attain sustenance, decrease the amount of poverty and reduce the amount of taxpayer funded services provided in the County of Santa Cruz;
- 5. Some employers who provide contract services to the County do not

provide health insurance benefits to their employees. This factor negatively affects worker performance and the quality of services delivered to the County and its residents, results in unwarranted employee absenteeism and negatively impacts local and State health programs. These problems can be favorably impacted if employers provide reasonable health insurance benefits to their employees; and

6. Living wage jobs will decrease poverty, increase consumer income and invigorate neighborhood businesses.

LIVING WAGE REQUIREMENT.

(a) Covered employees shall be paid a living wage.

(b) The “living wage” to be paid to employees pursuant to the requirements of this Chapter shall be a minimum hourly wage of \$11.00 with employer sponsored benefits or \$12.00 without employer sponsored benefits, until adjusted by further action of the Board of Supervisors annually after consideration of the annual cost of living increase as measured by the San Francisco-Oakland-San Jose area Consumer Price Index. Any adjustments made to the minimum hourly wage shall become effective the following July 1st.

(c) “Benefits” as used in this section means all of the following at a minimum, provided by employer: twelve days compensated sick and vacation leave (combined) annually for full-time employees, prorated for employees working less than full time; payment of at least \$1.00 per hour toward health insurance for the employee. No covered employer will fund wage increases required by this Chapter, or otherwise respond to the provisions of this ordinance, by reducing the health insurance, pension, vacation, or other non-wage benefits of any of its employees.

(d) Amendments to this Chapter concerning the definition of living wage shall apply to contracts entered into or extended following the effective date of such amendments.

Section _____ DEFINITIONS. The following words and phrases, whenever used in this Chapter, shall be given the following definitions:

A. “Contract for private sector services” shall refer to any contract for profit between the County and a private sector contractor for the following services:

Automotive repair and maintenance
Equipment maintenance service

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

“Contract for private sector services” does not refer to: contracts for commodities, goods, or supplies; contracts for public works; contracts for public projects subject to a prevailing wage requirements; contracts for professional services including but not limited to the services of architects, engineers, landscape architects, land surveyors, construction managers, scientists, physicians, attorneys, financial advisers, or consultants; nor leases.

B. “Contractor for private sector services” shall refer to any private sector contractor/employer who enters into a contract or contracts for private sector services with the County, with the cumulative compensation amount in one County fiscal year ~~equal to or~~ greater than \$15,000.

C. “Subcontractor” shall refer to any subcontractor who enters into a subcontract with a contractor for private sector services.

D. “Covered Employee” shall refer to any employee of a contractor for private sector services, or to any employee of a subcontractor who lives or works in Santa Cruz County. In the foregoing context, “covered employees” are persons hired by contractors or subcontractors to work on a full-time, part-time, temporary, seasonal, or regular basis for wages or salary.

“Covered Employee” shall not include persons who are: in positions that are designated for “trainees” that are part of an employer’s bona fide time-limited training program, which training program enables the employee to advance into a permanent position; in positions of employment that require student status as a prerequisite to being employed in that position; volunteers; recipients of income support such as but not limited to Supplemental Security Income who would become ineligible for such benefits by virtue of receiving a living wage ~~as~~ described herein, who waive in writing their entitlement to a living wage; or workers in licensed, sheltered workshops or

supported employment; recipients of public funds who have been placed in a work experience, on the job training position, summer employment position, or wage-based community service position as defined by the Human Resources Agency Administrator or Health Services Agency Administrator .

“Covered Employee” shall not include those employees who are represented by a bargaining unit or labor union pursuant to rights conferred by state or federal law and for whom a collective bargaining labor agreement is in effect governing their terms and conditions of employment.

E. “County” shall refer to the County of Santa Cruz including all County departments related County entities governed by the Board of Supervisors, such as the Redevelopment Agency, excluding the Public Authority.

_____ EXEMPTIONS.

(a) Exempted from the requirements of this Chapter are contractors with five or fewer employees.

(b) The Board of Supervisors in its sole discretion, or its designee, may grant an exemption for additional grounds upon making a finding and determination either that compliance with the living wage will cause economic hardship, or that the exemption is necessary for the best interests of the County and is due to unusual circumstances (e.g., following a declared natural disaster) or where the County is required to award a contract for services to a sole source contractor for services. For all exemption requests, the exemption applicant must provide a written statement that includes complete details in support of the request for exemption and describe alternative solutions pursued. Exemptions will apply only to the contract for which they are granted.

_____ NONPROFIT AND OTHER AGENCIES. Applicability of this Chapter to nonprofit agencies will be considered by the Board of Supervisors in April 2002 and for-profit health and human service agencies shall be addressed at a later phase.

_____ ASSIGNEES/SUCCESSORS IN INTEREST. The living wage requirement imposed by this Chapter shall be binding upon the assignees and successors in interest of any contractor or subcontractor to which this Chapter applies.

_____ CONTRACT PROVISION. County departments and officers shall place in contracts for services and related requests for proposals or bid documents language in substantially the following form: “This contract is subject to the provisions of Santa Cruz County Code Chapter -----, 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 BY CONTRACTOR. Prior to commencement of the contract’s term or execution by County, Contractor will certify to the satisfaction of the County that its employees are paid a living wage as provided by this Chapter.

_____ APPLICATION OF CHAPTER. The living wage requirement imposed by this Chapter shall apply to all contracts for services and related subcontracts made or entered into, or extended, on or after the effective date of the ordinance enacting this Chapter.

_____ NOTIFICATION OF EMPLOYEES. Contractors for services and subcontractors shall notify all employees subject to the provisions of this chapter of the requirement to pay a living wage, the current minimum living wage rates, the minimum vacation leave and sick leave that must be provided and the minimum amount paid toward health insurance to qualify for the lower minimum living wage. Contractors for services and subcontractors shall post a copy of this Chapter and the approved Complaint Procedure, in the workplace, and provide this information to employees upon request.

_____ MONITORING AND ENFORCEMENT. Monitoring of compliance with the requirements of this Chapter shall occur under the same monitoring program as applicable to the County’s prevailing wage requirements. An annual report shall be provided to the Board of Supervisors or its designee concerning the status of the program.

The County Administrative Officer shall be the Compliance Officer for the purpose of enforcing the provisions of this Chapter. Complaints concerning contractors’ compliance with this Chapter shall be made to the Compliance Officer, who shall follow the complaint procedure established by the Board of Supervisors.

Any employee claiming violation of the Chapter may report such acts to the County and may bring an action in the appropriate Court of the State of California or other appropriate administrative agency, against an employer to enforce his or her rights. Nothing in this Chapter shall preclude an employee from seeking any or all forms of relief and damages.

Contractors or subcontractors shall not discharge, reduce the compensation of, discriminate or otherwise retaliate against or intimidate any person for making a complaint to the County concerning noncompliance with obligations under this Chapter. Contractors for services, and subcontractors shall also comply with federal, state and all other applicable law proscribing retaliation for union organizing.

_____ THIRD TIER REVIEW

Prior to commencement of the contract's term or execution by County, Contractor and/or Subcontractor will certify to the satisfaction of the County that its employees are paid a living wage as provided by this Chapter. Contractors and Sub-Contractors must include a statement of findings of any violations found against the Contractor and/or Subcontractor over the past five years and how these violations were addressed, with the National Employees Relations Board, the Occupational Safety and Health Agency, the California Labor Commission, the Equal Employment Opportunity Commission and/or the Department of Fair Employment and Housing.

Prior to final approval of contracts procured pursuant to Section **2.37.040** in the County Code, pertaining to Board of Supervisors approval of services agreements, the County would consider the history of the proposer as **an** employer and the working conditions of the employer's employees **as** deemed appropriate by the Board of Supervisors. The County shall be authorized to access and review the employer's employee turnover, wages paid, benefits and employee grievances or complaints and consider references from entities engaged in prior contracts with the Contractor or Subcontractor. Any proprietary information, or personnel and employee information, shall be kept confidential. This information would be taken into account **as** part of consideration of the contract and may be used by the Board **as** the basis for contract denial.

_____ LABOR RELATION NEUTRALITY. Contractors for services and subcontractors shall not hinder or further collective bargaining organization or other collective bargaining activities by or on behalf of an employer's employees. However, this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure made pursuant to obligations incurred under a bona fide collective bargaining agreement.

_____ EMPLOYEE RETENTION In the event that any contract for services for **an** amount greater than \$50,000 is terminated by County prior to its expiration, any new contract with a subsequent contractor for those same services shall include the following 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 Labor Standards Act, (2) family members of prior contractor, (3) employed by 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.

SEVERABILITY. If any section, subdivision, paragraph, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such a decision shall not affect the validity of the remaining portion of the ordinance. The Board of Supervisors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance irrespective of the unconstitutionality or invalidity of any section, subdivision, subsection, paragraph, sentence, clause or phrase of this ordinance.

SECTION II

This ordinance shall take effect on the **3** 1st day after the date of final passage.

PASSED AND ADOPTED this ____ day of _____, 2001, by the Board of Supervisors of the County of Santa Cruz by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Tony Campos
Chairman of the Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:



Dana McRae
County Counsel

DISTRIBUTION: County Counsel
Human Resources Agency

**Marked Copy of Ordinance
changes from November 6,2001 Board agenda, item no. 64**

ORDINANCE NO. _____

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COUNTY CODE RELATING TO A LIVING WAGE**

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SECTION 1

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_____ thereto, said new chapter to read as follows:

Chapter _____

PAYMENT OF LIVING WAGE

Sections:

Section _____ **FINDINGS AND PURPOSE.** In enacting this Chapter the Board of Supervisors makes the following findings and articulates the following purposes for the promulgation of the living wage regulations set forth herein:

1. The health and welfare of all Santa Cruz County residents is benefitted and advances when Santa Cruz County workers are paid a living wage;
2. The County awards many contracts to private sector employers to provide services to the County in accordance with those contracts;
3. Many workers in Santa Cruz County and their families live at or below the poverty line. The payment of inadequate wages to those workers tends to negatively affect the quality of services provided to the County and its residents by fostering high turnover and instability in the workplace;
4. The payment of a living wage will increase the ability of low wage workers to attain sustenance, decrease the amount of poverty and reduce the amount of taxpayer

funded services provided in the County of Santa Cruz;

5. Some employers who provide contract services to the County do not provide health insurance benefits to their employees. This factor negatively affects worker performance and the quality of services delivered to the County and its residents, results in unwarranted employee absenteeism and negatively impacts local and State health programs. These problems can be favorably impacted if employers provide reasonable health insurance benefits to their employees; and

6. Living wage jobs will decrease poverty, increase consumer income and invigorate neighborhood businesses.

LIVING WAGE REQUIREMENT.

(a) Covered employees shall be paid a living wage.

(b) The “living wage” to be paid to employees pursuant to the requirements of this Chapter shall be a minimum hourly wage of \$11.00 with **employer sponsored** benefits or \$12.00 without **employer sponsored** benefits, until adjusted by further action of the Board of Supervisors **annually** after consideration of the annual cost of living increase as measured by the San Francisco-Oakland-San Jose area Consumer Price Index. Any adjustments made to the minimum hourly wage shall become effective the following July 1st.

(c) “Benefits” as used in this section means all of the following at a minimum, provided by employer: twelve days compensated sick and vacation leave (combined) annually for full-time employees, prorated for employees working less than full time; payment of at least \$1.00 per hour toward health insurance for the employee. No covered employer will fund wage increases required by this Chapter, or otherwise respond to the provisions of this ordinance, by reducing the health insurance, pension, vacation, or other non-wage benefits of any of its employees.

(d) Amendments to this Chapter concerning the definition of living wage shall apply to contracts entered into or extended following the effective date of such amendments.

Section _____ DEFINITIONS. The following words and phrases, whenever used in this Chapter, shall be given the following definitions:

A. “Contract for private sector services” shall refer to any contract for

profit between the County and a private sector contractor for the following services:

- Automotive repair and maintenance
- Equipment maintenance service
- 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

“Contract for private sector services” does not refer to: contracts for commodities, goods, or supplies; contracts for public works; contracts for public projects subject to a prevailing wage requirements; contracts for professional services including but not limited to the services of architects, engineers, landscape architects, land surveyors, construction managers, scientists, physicians, attorneys, financial advisers, or consultants; nor leases.

B. “Contractor for private sector services” shall refer to any private sector contractor/employer who enters into a contract or contracts for private sector services with the County, with the cumulative compensation amount in one County fiscal year ~~equal to or~~ greater than \$15,000.

C. “Subcontractor” shall refer to any subcontractor who enters into a subcontract with a contractor for private sector services.

D. “Covered Employee” shall refer to any employee of a contractor for private sector services, or to any employee of a subcontractor who lives or works in Santa Cruz County. In the foregoing context, “covered employees” are persons hired by contractors or subcontractors to work on a full-time, part-time, temporary, seasonal, or regular basis for wages or salary.

“Covered Employee” shall not include persons who are: in positions that are designated for “trainees” that are part of an employer’s bona fide time-limited training program, which training program enables the employee to advance into a permanent position; in positions of employment that require student status as a

prerequisite to being employed in that position; volunteers; recipients of income support such as but not limited to Supplemental Security Income who would become ineligible for such benefits by virtue of receiving a living wage as described herein, who waive in writing their entitlement to a living wage; or workers in licensed, sheltered workshops or supported employment; recipients of public funds who have been placed in a work experience, on the job training position, summer employment position, or wage-based community service position ~~as~~ defined by the Human Resources Agency Administrator or Health Services Agency Administrator .

“Covered Employee” shall not include those employees who are represented by a bargaining unit or labor union pursuant to rights conferred by state or federal law and ~~or~~ for whom a collective bargaining labor agreement is in effect governing their terms and conditions of employment.

E. “County” shall refer to the County of Santa Cruz including all County departments related County entities governed by the Board of Supervisors, such as the Redevelopment Agency, excluding the Public Authority.

EXEMPTIONS.

(a) Exempted from the requirements of this Chapter are contractors with five or fewer employees.

(b) The Board of Supervisors in its sole discretion, or its designee, may grant an exemption for additional grounds ~~on a~~ upon making ~~a finding of good cause~~ and determination either that compliance with the living wage will cause economic hardship, or that the exemption is necessary for the best interests of the County and is due to unusual circumstances (e.g., following ~~a~~ declared natural disaster) or where the County is required to award a contract for services to a sole source contractor for services. For all exemption requests, the exemption applicant must provide a written statement that includes complete details in support ~~of~~ the request for exemption and describe alternative solutions pursued. Exemptions will apply only to the contract for which they are granted.

NONPROFIT AND OTHER AGENCIES. Applicability of this Chapter to nonprofit agencies will be considered by the Board of Supervisors in ~~Spring~~ April **2002** and for-profit health and human service agencies shall be addressed at a later phase.

ASSIGNEES/SUCCESSORS IN INTEREST. The living wage requirement imposed by this Chapter shall be binding upon the assignees and successors

in interest of any contractor or subcontractor to which this Chapter applies.

CONTRACT PROVISION. County departments and officers shall place in contracts for services and related requests for proposals or bid documents language in substantially the following form: “This contract is subject to the provisions of Santa Cruz County Code Chapter -----, 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 BY CONTRACTOR. Prior to commencement of the contract’s term or execution by County, Contractor will certify to the satisfaction of the County that its employees are paid a living wage as provided by this Chapter.

APPLICATION OF CHAPTER. The living wage requirement imposed by this Chapter shall apply to all contracts for services and related subcontracts made or entered into, or extended, on or after the effective date of the ordinance enacting this Chapter.

NOTIFICATION OF EMPLOYEES. Contractors for services and subcontractors shall notify all employees subject to the provisions of this chapter of the requirement to pay a living wage, the current minimum living wage rates, the minimum vacation leave and sick leave that must be provided and the minimum amount paid toward health insurance to qualify for the lower minimum living wage rate, ~~and the contracting department.~~ Contractors for services and subcontractors shall **post make** a copy of this Chapter and **the approved Complaint Procedure**, ~~available to employees~~ in the workplace, **and provide this information to employees upon request.**

MONITORING AND ENFORCEMENT. Monitoring of compliance with the requirements of this Chapter shall occur under the same monitoring program as applicable to the County’s prevailing wage requirements. An annual report shall be provided to the Board of Supervisors or its designee concerning the status of the program.

The County Administrative Officer shall be the Compliance Officer for the purpose of enforcing the provisions of this Chapter. Complaints concerning contractors’ compliance with this Chapter shall be made to the **Compliance Officer, who shall follow the complaint procedure established by the Board of Supervisors.** ~~administrator of the contracting County department or office which administers the subject contract.~~

Any employee claiming violation of the Chapter may report such acts to the

County and may bring an action in the appropriate Court of the State of California or other appropriate administrative agency, against an employer to enforce his or her rights. Nothing in this Chapter shall preclude an employee from seeking any or all forms of relief and damages.

Contractors or subcontractors shall not discharge, reduce the compensation of, discriminate or otherwise retaliate against or intimidate any person for making a complaint to the County concerning noncompliance with obligations under this Chapter. Contractors for services, and subcontractors shall also comply with federal, state and all other applicable law proscribing retaliation for union organizing.

_____ THIRD TIER REVIEW

Prior to commencement of the contract's term or execution by County, Contractor and/or Subcontractor will certify to the satisfaction of the County that its employees are paid a living wage as provided by this Chapter. Contractors and Sub-Contractors must include a statement of findings of any violations found against the Contractor and/or Subcontractor over the past five years and how these violations were addressed, with the National Employees Relations Board, the Occupational Safety and Health Agency, the California Labor Commission, the Equal Employment Opportunity Commission and/or the Department of Fair Employment and Housing.

Prior to final approval of contracts procured pursuant to Section **2.37.040** in the County Code, pertaining to Board of Supervisors approval of services agreements, the County would consider the history of the proposer as an employer and the working conditions of the employer's employees as deemed appropriate by the Board of Supervisors. The County shall be authorized to access and review the employer's employee turnover, wages paid, benefits and employee grievances or complaints and consider references from entities engaged in prior contracts with the Contractor or Subcontractor. Any proprietary information, or personnel and employee information, shall be kept confidential. This information would be taken into account as part of consideration of the contract and may be used by the Board as the basis for contract denial.

_____ LABOR RELATION NEUTRALITY. Contractors for services and subcontractors shall not hinder or further collective bargaining organization or other collective bargaining activities by or on behalf of an employer's employees. However, this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure made pursuant to obligations incurred under a bona fide collective bargaining agreement.

_____ EMPLOYEE RETENTION In the event that any contract for services for an amount greater than **\$50,000** is terminated by County prior to its

expiration, any new contract with a subsequent contractor for those same services shall include the following 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 Labor Standards Act, (2) family members of prior contractor, (3) employed by 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.

SEVERABILITY. If any section, subdivision, paragraph, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such a decision shall not affect the validity of the remaining portion of the ordinance. The Board of Supervisors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance irrespective of the unconstitutionality or invalidity of any section, subdivision, subsection, paragraph, sentence, clause or phrase of this ordinance.

SECTION II

This ordinance shall take effect on the 31st day after the date of final passage.

PASSED AND ADOPTED this ____ day of _____, 2001, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tony Campos
Chairman of the Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

Jane M. Scott
Assistant County Counsel

DISTRIBUTION: County Counsel
Human Resources Agency

Attachment 3**DRAFT COMPLAINT PROCEDURE**Role of Complaint Process and Compliance Officer:

To establish a process for complainants to ensure whether contractors are in violation of a County contract.

Proposed Process:

1. Complainant notifies the Compliance Officer to register complaint
2. Within three business days, Compliance Officer contacts complainant for further information.
3. Compliance Officer forwards information to contracting department for follow up investigation and findings to determine whether the contractor is in violation of the ordinance.
4. Contracting department completes investigation and makes findings within 30 days following receipt of complaint by the Compliance Officer.
5. Immediately following the conclusion of the investigation, contracting department notifies Compliance Officer of the investigative findings.
6. Within 7 days ,the Compliance Officer notifies complainant of findings.

Erik Schapiro

From: nora hochman[nhoch@juno.com]
Sent: Wednesday, November 28, 2001 2:32 PM
To: cao040@co.santa-cruz.ca.us
Subject: LIVING WAGE ORDINANCE

0366

Dear Erik,

The Santa Cruz County Coalition for a Living Wage concurs with the proposed Living Wage Ordinance scheduled for first reading on December 4, 2031. Thank you for your efforts in finalizing language and details pertaining to the ordinance.

Sincerely,

Nora Hochman, Chair
Coalition for a Living Wage

November 15,2001

Tony Campos, Chair
 Members of the Board of Supervisors
 701 Ocean Street, Fifth Floor
 Santa Cruz, CA 95060

RE: WAGES FOR HOME HEALTHCARE WORKERS

Dear Tony and Members of the Board of Supervisors,

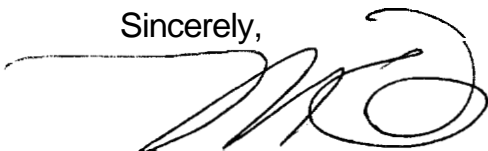
The last five years that my mother lived, she was a 'Special Duty Nurse' caring for patients who were terminally ill and wanted to stay at home. As a Registered Nurse (RN) in Tulsa Oklahoma she earned a little over \$25 per hour, and this was in the 1970's.

The Home Healthcare workers may not be RN's, but they deserve a wage that is in keeping to their skills, training and contribution they make to our community. They provide a vital and rewarding service and warrant a wage that allows them to live in dignity in this county.

I fully support a minimum salary of \$9.50. I further recommend you go to \$10.00 per hour for this work classification. Possibly, if the Board had not spent over one million dollars fighting and losing to the timber industry, you would have even more money to provide a solid base salary for all employees working for county government.

I fully support a "living wage" for all county employees consistent with their education and training as well as salary comparisons consistent with those jurisdictions whose cost-of-living are close to that of Santa Cruz County.

Sincerely,



Mike Schmidt
 Santa Cruz City Resident

Cc: SEIU Local 25

"Change is in the air and it sure is refreshing!"

P.O. Box 1178
 Santa Cruz, CA 95061-1178
 (831) 469-4382

www.voteschmidt.com