

MOTION BY SUPERVISORS JANICE HAHN AND  
HILDA L. SOLIS

December 12, 2017

**Proposition A and Living Wage Compliance**

On April 18, 2017, the Board of Supervisors approved a motion directing the Chief Executive Officer (CEO), Auditor-Controller (A-C), County Counsel (CoCo), and affected County departments to report back on the following items:

- 1) Work with the affected County departments with Proposition A (Prop A) contracts to identify those remaining contracts with Living Wage Program rates below \$14.25 per hour; and
- 2) Review the current contracts covered by the Living Wage Program to determine the level of cost-savings and whether cost savings have been achieved entire through lower labor costs or whether other efficiencies play a significant factor; and
- 3) Review all the new or amended Prop A contracts approved by the Board during the last 12 months to evaluate the level of savings achieved for each of the contracts and how savings were achieved (for example, through lower labor costs or other efficiencies). For the contracts identified with minimal savings, the affected County

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**MOTION**

SOLIS	_____
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BARGER	_____
KUEHL	_____

departments should review the cost, policies, and mechanics of potentially having the services performed by County employees. In addition, the CEO should review the potential impact to County employees, labor unions, recruitment, and position classifications.

The CEO has since submitted a status report that responded to Part 1 of the motion. It found that 46 contracts had not yet been updated to the Living Wage rate, which is currently \$14.25 per hour. This means that 181 people employed under these contracts are paid below the current Living Wage rate. Some are paid hourly rates as low as \$10.50 with no benefits.

These Prop A contracts are scheduled to be brought into compliance with the Living Wage ordinance as they become renewed, extended, or amended. However, some of the projected qualifying event dates are as late as the year 2020. These contract employees deserve to be paid living wages now.

**WE, THEREFORE MOVE** that the Board of Supervisors:

1. Direct Chief Executive Officer, County Counsel, and Auditor-Controller to work with the affected County departments to amend the identified Prop A contracts to comply with the revised Living Wage ordinance so that contract employees are paid living wages within 120 days; and
2. Delegate authority to department heads to negotiate, finalize, and execute contract amendments to increase contract sums by the amount that is solely attributable to increased contract labor costs necessary to ensure compliance with the Living Wage ordinance.

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