

SYN. NO. _____

AGN. NO. _____

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

JUNE 27, 2006

On October 2, 2001, the Board of Supervisors instructed the Chief Administrative Office, with the assistance of County Counsel, the Internal Services Department (ISD) and other relevant departments, to draft a policy on Cost of Living Adjustments (COLAs) in Proposition A contracts, with specific attention to those contracts in which the Living Wage Ordinance (LWO), or an exemption to the LWO, is invoked.

On January 29, 2002, the Board approved a COLA policy for multi-year service contracts to provide greater consistency in the County's use of contract COLAs. The policy limits contract COLAs to the average wage increase received by County employees. However, the revised policy does not require contractors to pass along the approved COLAs to their employees.

Recently, the Auditor-Controller's Office conducted a review of three Department of Health Services (DHS) custodial service contracts with Pedus Building Services (Pedus) which included COLA provisions. Their review noted that in two cases, Pedus failed to bill the County for the COLA, thus depriving its employees of the increased wage to which they were entitled. In the third case (Olive View Medical Center), Pedus billed the County for the COLA but failed to pass it through to most of its employees.

MOTION

MOLINA _____

BURKE _____

YAROSLAVSKY _____

KNABE _____

ANTONOVICH _____

I, THEREFORE, MOVE that the Department of Health Services with the assistance of ISD and County Counsel be instructed to require Pedus to document how it actually used the funds it received under the COLA provisions of its contract at Olive View Medical Center (e.g. increased wages, supplies or other budget items); and, to the extent Pedus is unable to document this, that the departments be instructed to seek reimbursement from Pedus; and

I FURTHER MOVE that the Board of Supervisors direct the CAO to work with County Counsel and Internal Services Department to evaluate whether the County COLA contract provisions should be revised to ensure that contract COLAs are passed along to employees working on County contracts.