

ANALYSIS

This ordinance amends Title 2 – Administration of the Los Angeles County Code by amending Sections 2.201.020, 2.201.040, 2.201.050 and 2.201.090 relating to the Living Wage Program for certain Proposition A and cafeteria services contracts by removing the health benefit requirement, two-tiered wage rate, the small business and non-profit business exemption expanding the program to include part-time employees, and providing a graduated living wage rate increase.

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By



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KB:pt

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ORDINANCE NO. _____

An ordinance amending Title 2 – Administration of the Los Angeles County Code by amending Sections 2.201.020, 2.201.040, 2.201.050 and 2.201.090 relating to the Living Wage Program for certain Proposition A and cafeteria services contracts.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 2.201.020 is hereby amended to read as follows:

2.201.020 Definitions.

The general definitions contained in Chapter 2.02 shall be applicable to this Chapter unless inconsistent with the following definitions:

A. "County" includes the County of Los Angeles, any County officer or body, any County department head, and any County employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.

B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full- or part-time services to an employer, some or all of which are provided to the County of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a County of Los Angeles owned or leased facility.

C. "Employer" means:

1. An individual or entity who has a contract with the County:
 - a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the County of Los Angeles, and is not

listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this eChapter as a "Proposition A contract," or

b. For cafeteria services, referred to in this eChapter as a "cafeteria services contract," and

c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or

2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the eCounty.

D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the eChief administrative Executive eOfficer, but in no event less than 35 hours worked per week.

E. "Part time" means less than 40 hours worked per week, unless a lesser number is a recognized industry standard and is approved as such by the Chief Executive Officer.

EF. "Proposition A contract" means a contract governed by Title 2, Section 2.121.250 et seq., of this code, entitled Contracting with Private Business.

SECTION 2. Section 2.201.040 is hereby amended to read as follows:

2.201.040 Payment of living wage.

A. Employers shall pay employees a living wage for their services provided to the County of no less than the hourly rates set under this Chapter or in Title 8 – Consumer Protection, Business and Wage Regulations, commencing with Section 8.100.010, whichever is higher. The rates shall be ~~\$9.64 per hour with health benefits, or \$11.84 per hour without health benefits.~~ as follows:

1. On March 1, 2016, and thereafter the rate shall be \$13.25 per hour;

2. On January 1, 2017, and thereafter the rate shall be \$14.25 per hour;

3. On January 1, 2018, and thereafter the rate shall be \$15.00 per hour;

4. On January 1, 2019, and thereafter the rate shall be \$ 15.79 per hour;

5. Beginning January 1, 2020, and thereafter the living wage rate shall increase annually based on the average Consumer Price Index for Urban Wage Earners and Clerical Works (CPI-W) for the Los Angeles metropolitan area (Los Angeles-Riverside-Orange County, CA), which is published by the Bureau of Labor Statistics of the United States Department of Labor.

B. ~~To qualify for the living wage rate with health benefits, an employer shall pay at least \$2.20 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a~~

~~cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.~~

~~CB. The bBoard of sSupervisors may, from time to time, adjust the amounts specified in subsections A and B of this sSection, above for future contracts. Any adjustments to the living wage rate specified in subsections A and B that are adopted by the bBoard of sSupervisors shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments, which become effective three months or more after the effective date of the ordinance that adjusts the living wage rate.~~

SECTION 3. Section 2.201.050 is hereby amended to read as follows:

2.201.050 Other provisions.

A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the eCounty the necessity to use non-full time employees based on staffing efficiency or the eCounty requirements of an individual job.

B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure

made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

C. Administration. The Chief Executive Officer and the Internal Services Department shall be responsible for the administration of this chapter. The Chief Executive Officer and the Internal Services Department may, with the advice of County Counsel, issue interpretations of the provisions of this chapter. The Chief Executive Officer in conjunction with the Internal Services Department shall issue written instructions on the implementation and ongoing administration of this Chapter. Such instructions may provide for the delegation of functions to other County departments.

D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and ~~amounts the employer paid for health benefits,~~ and provide other information deemed relevant to the enforcement of this Chapter by the County. Such reports shall be made at the times and in the manner set forth in instructions issued by the Chief Executive Officer in conjunction with the Internal Services Department. The Internal Services Department in conjunction with the Chief Executive Officer shall report annually to the Board of Supervisors on contractor compliance with the provisions of this Chapter.

E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria

services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage.

2.201.090 Exceptions.

A. Other Laws. This eChapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.

B. Collective Bargaining Agreements. Any provision of this eChapter shall be superseded by a collective bargaining agreement that expressly so provides.

~~C. This eChapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.~~

~~D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:~~

~~1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and~~

~~2. Has 205 or fewer employees during the contract period, including full time and part time employees; and~~

~~3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or~~

~~4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.~~

~~"Dominant in its field of operation" means having more than 20 employees, including full time and part time employees, and more than \$1,000,000.00 in annual gross revenues or \$2,500,000.00 in annual gross revenues if a technical or professional service.~~

~~"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.~~

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