

# DRAFT

APPROVED AS TO FORM AND LEGALITY

  
CITY ATTORNEY

INTRODUCED BY COUNCILMEMBER DE LA FUENTE

ORDINANCE NO. \_\_\_\_\_ C.M.S.

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## Oakland Living Wage Ordinance

Whereas, the City of Oakland awards many contracts to private firms to provide services to the public and to City Government; and

Whereas, the City of Oakland provides financial assistance and funding to others for the purpose of economic development or job growth; and

Whereas, the City of Oakland has a limited amount of taxpayer resources to expend; and

Whereas, even in promising economic times, far too many working Oakland residents and their families live below or near the poverty line; and

Whereas, the use of taxpayer dollars to promote sustenance and creation of living wage jobs will increase consumer income, decrease levels of poverty, invigorate neighborhood businesses and reduce the need for taxpayer-funded social programs in other areas; and

Whereas, the City of Oakland's payment of prevailing wage rates for public works projects has been tremendously beneficial for working people in Oakland and their families, Oakland neighborhoods, and the area economy; and

Whereas, the experience in the City of Oakland indicates that the procurement by contract of services has all too often resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. Such minimal compensation tends to inhibit the quantity and quality of services rendered by such employees, to the City and to the public. Underpaying employees in this way fosters high turnover, absenteeism, and lackluster performance. Conversely, adequate compensation mitigates

these undesirable conditions and promotes increased productivity, efficiency and workplace stability; and

Whereas, the inadequate compensation typically paid today also fails to provide service employees with resources sufficient to afford life in the City of Oakland. It is unacceptable that contracting decisions involving the expenditure of City funds should foster conditions placing a burden on limited social services. The City, , has an interest in promoting an employment environment that protects such limited resources; and

Whereas, financial assistance recipients of the City are engaged in manufacturing or some other line of business that is an integral part of the City of Oakland economy and such entities often pay wages at or slightly above the minimum required by federal and state minimum wage laws. The City as a provider of subsidies to these entities has the same interest in requiring the payment of a higher minimum level of compensation to employees of financial assistance recipients as it does of service contractors; and

Whereas, when the City uses contractors or subsidizes businesses which do not provide health insurance to their employees, this often imposes the costs of their medical care on the County, State and Federal governments. The City has an interest in avoiding such impacts, which the City finds can only be done if the employer provides health insurance in a reasonable form. The City finds that an employer contribution for health benefits of at least \$1.25 per hour on average is necessary to provide employee health care sufficient to avoid imposing the public costs described above. The City also has an interest in ensuring that persons delivering City services are healthy, as lack of health care can affect performance and absenteeism. The City finds that employees are far likelier to be healthy if their employer provides reasonable health insurance to them and their dependents. In addition, one of the City's reasons for providing financial assistance is to promote the public health, an interest served by having employers receiving such assistance spend a reasonable portion of this money for health purposes.

Whereas, in requiring the payment of a higher minimum level of compensation, this chapter benefits these interests;

**BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF OAKLAND:**

The Municipal Code of Oakland is hereby amended by inserting a new Chapter \_\_, as follows:

## **Section 1. Title and Purpose**

### **(a) Oakland Living Wage Ordinance**

This Ordinance shall be known as the "Oakland Living Wage Ordinance." The purpose of this ordinance is to require that nothing less than a prescribed minimum level of compensation (a living wage) be paid to employees of service contractors of the City and employees of CFARs

## **Section 2. Definitions**

The following definitions shall apply throughout this ordinance:

(a) "Agency" means that subordinate or component entity or person of the City (such as a department, office, or agency) that is responsible for solicitation of proposals or bids and responsible for the administration of service contracts or financial assistance agreements.

(b) "City" means the City of Oakland and all City agencies, departments and offices.

(c) "City financial assistance recipient" (CFAR) means any person who receives from the City financial assistance as contrasted with generalized financial assistance such as through tax legislation, in an amount of \$100,000 or more in a 12 month period.

Categories of such assistance include, but are not limited to, grants, rent subsidies, bond financing, financial planning, tax increment financing, land writedowns, and tax credits. City staff assistance shall not be regarded as financial assistance for purposes of this article. The forgiveness of a loan shall be regarded as financial assistance, and a loan provided at below market interest rate shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. §§ 1274(d), 7872(f).

A tenant or leaseholder of a CFAR who occupies property or uses equipment or property that is improved or developed as a result of the assistance awarded to the CFAR and who will employ at least twenty

employees for each working day in each of twenty or more calendar weeks in the twelve months after occupying or using said property, shall be considered a "City financial assistance recipient" for the purposes of this Ordinance and shall be covered for the same period as the CFAR of which they are a tenant or leaseholder.

(d) "Contractor" means any person that enters into a service contract with the City in an amount equal to or greater than \$25,000.

(e) "Employee" means any person who is employed (1) as a service employee of a contractor or subcontractor under the authority of one or more service contracts and who expends any of his or her time thereon, including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; health care employees; gardeners; waste management employees; and clerical employees; or (2) by a CFAR and who expends at least half of his or her time on the funded project/program or property which is the subject of city financial assistance, or (3) by a service contractor of a CFAR and who expends at least half of his or her time on the premises of the CFAR and is directly involved with the funded project/program or property which is the subject of city financial assistance. Any person who is a managerial, supervisory or confidential employee is not an employee for purposes of this definition.

(f) "Employer" means any person who is a City financial assistance recipient, contractor, or subcontractor .

(g) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(h) "Service contract" means (1) a contract let to a contractor by the City for the furnishing of services, to or for the City, except contracts where services are incidental to the delivery of products, equipment or commodities, and that involves an expenditure equal to or greater than twenty-five thousand dollars (\$25,000). or (2) a lease or license under which services contracts are let by the lessee or licensee. A contract for the purchase or lease of goods, products, equipment, supplies or other property is not a "service contract" for the purposes of this definition.

(i) "Subcontractor" means any person who enters into a contract with (1) a contractor to assist the contractor in performing a service contract or (2) a CFAR to assist the recipient in performing the work for

which the assistance is being given or to perform services on the property which is the subject of city financial assistance. Service contractors, of CFARs shall not be regarded as subcontractors except to the extent provided in subsection (3).

(j) "Trainee" means a person enrolled in a job training program which meets the City of Oakland job training standards.

### **Section 3. Payment of Minimum Compensation to Employees**

(a) Wages

Employers shall pay employees a wage to each employee of no less than the hourly rates set under the authority of this Ordinance. The initial rate shall be eight dollars (\$8.00) per hour worked with health benefits, as described in this Ordinance, or otherwise nine dollars and twenty five cents (\$9.25) per hour. Such rate shall be upwardly adjusted annually, no later than April 1 in proportion to the increase immediately preceding December 31 over the year earlier level of the Bay Region Consumer Price Index as published by the Bureau of Labor Statistics, U.S. Department of Labor, applied to \$9.25. The City shall publish a bulletin by April 1 of each year announcing the adjusted rates, which shall take effect upon such publication. Said bulletin will be distributed to all City agencies, departments and offices, City contractors and CFAR's upon publication. The contractor shall provide written notification of the rate adjustments to each of its employees and to its subcontractors, who shall provide written notices to each of their employees, if any, and make the necessary payroll adjustments by July 1.

(b) Compensated Days Off

Employers shall provide at least twelve (12) days off per year for sick leave, vacation, or personal necessity at the employee's request. Employees shall accrue one compensated day off per month of full time employment. Part-time employees shall accrue compensated days off in increments proportional to that accrued by full-time employees. The employees shall be eligible to use accrued days off after the first six months of employment or consistent with company policy, whichever is sooner. Paid holidays, consistent with established employer policy, may be counted toward provision of the required 12 compensated days off.

Employers shall also permit employees to take at least an additional ten (10) days a year of uncompensated time to be used for sick leave for the illness of the employee or a member of his or her immediate family where the employee has exhausted his or her compensated days off for that

year. This Ordinance does not mandate the accrual from year to year of uncompensated days off.

(c) Health Benefits

Health benefits required by this Ordinance shall consist of the payment of at least one dollar and twenty five cents (\$1.25) per hour towards the provision of health care benefits for employees and their dependents. Proof of the provision of such benefits must be submitted to the agency not later than 30 days after execution of the contract to qualify for the wage rate in Section 3 for employees with health benefits.

**Section 4. Duration of Requirements**

For CFAR's, assistance given in an amount equal to or greater than one hundred thousand dollars (\$100,000) in any twelve-month period shall require compliance with this Ordinance for the life of the project or five years in the case of assistance given to purchase real property, tangible property or construct facilities, including but not limited to materials, equipment, fixtures, merchandise, machinery or the like.

A Service Contractor and subcontractor shall be required to comply with this Ordinance for the term of the contract.

**Section 5. Notifying Employees of their Potential Right to the Federal Earned Income Credit**

Employers shall inform employees making less than twelve dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit ("EIC") under §32 of the Internal Revenue Code of 1954, 26 U.S.C. §32, and shall make available to employees forms informing them about the EIC and forms required to secure advance EIC payments from the employer. These forms shall be provided to the eligible employees in English, Spanish and other languages spoken by a significant number of the employees within 30 days of employment under the terms of this Ordinance and as required by the Internal Revenue Code.

**Section 6. Contract Review Process and City Reporting and Record Keeping**

(a) The City Manager shall promulgate rules and regulations for the preparation of bid specifications, contracts and preparation for contract negotiations.

(b) The City Manager shall submit periodic reports to the City Council which shall include the following information at minimum:

(1) A listing and the status of all RFP's and RFQ's, service contracts and lease agreements executed and financial assistance awarded, to which this Ordinance applies including the term, dollar amount and the service performed or assistance provided;

(2) A description of every instance where an exemption or waiver was granted by action of the City Council

(c) The City Manager shall develop an administrative procedure and appeal process for determining compliance with this Ordinance.

(1) Regarding the appeal process, it shall be available to every bidder/proposer who has been deemed noncompliant with this Ordinance, or who disputes the determination of applicability of this Ordinance to its business operation which will be involved in the proposed contract. A contract shall not be executed until there is resolution of the relevant appeal.

(2) Appeals shall be filed with the City Manager within seven calendar days of the date of the notice of the City's written determination of noncompliance and reasons therefor, or written determination of the applicability of this Ordinance.

(3) The City Manager shall maintain records pertaining to all complaints, hearings, determinations and findings, and shall submit a regular report on compliance with this Ordinance no less than annually to the City Council. Special reports and recommendations on significant issues of interest to the Council will be submitted as deemed appropriate.

## **Section 7. Noncompliance Review and Appeal**

Contractors, subcontractors and CFAR's who fail to submit documents, declarations or information required to demonstrate compliance with this Ordinance shall be deemed nonresponsive and subject to disqualification.

## **Section 8. Waivers**

(a) A CFAR who contends it is unable to pay all or part of the living wage must provide a detailed explanation in writing to the City Manager who may recommend a waiver to the City Council. The explanation must set forth the reasons for its inability to comply with the provisions of this ordinance, including a complete cost accounting for the proposed work to be performed with the financial assistance sought, including wages and benefits to be paid all employees, as well as an itemization of the wage and benefits paid to the five highest paid individuals employed by the CFAR. The CFAR must also demonstrate that the waiver will further the interests of the City in creating training positions which will enable employees to advance into permanent living wage jobs or better and will not be used to replace or displace existing positions or employees or to lower the wages of current employees.

(b) The City Council will grant a waiver only upon a finding and determination that the CFAR has demonstrated economic hardship and that waiver will further the interests of the City in providing training positions which will enable employees to advance into permanent living wage jobs or better. However, no waiver will be granted if the effect of the waiver is to replace or displace existing positions or employees or to lower the wages of current employees.

(c) Waivers from the Ordinance are disfavored, and will be granted only where the balance of competing interests weighs clearly in favor of granting the waiver. If waivers are to be granted, partial waivers are favored over blanket waivers. Moreover, any waiver shall be granted for no more than one year. At the end of the year the CFAR may reapply for a new waiver which may be granted subject to the same criteria for granting the initial waiver.

(d) The City Council reserves the right to waive the requirements of this ordinance upon a finding and determination of the City Council that waiver is in the best interests of the City, e.g. when the City has declared an emergency due to natural disasters and needs immediate services.

## **Section 9. Exemptions**

(a) A recipient shall be exempted from application of this article if (1) it employs fewer than five employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, or (2) it obtains a waiver as provided herein.



(b) An employee who is a trainee in a job training program which meets the City of Oakland job training standards shall be exempt for the period of training as specified under the City approved training standards; or,

(c) An employee who is 21 years of age or younger, employed by a non-profit corporation for after school or summer employment or as a trainee for a period not longer than 90 days, shall be exempt.

## **Section 10. RFP, Contract and Financial Assistance Agreement Language**

All RFP's, City contracts and financial assistance agreements subject to this Ordinance shall contain the following two paragraphs or substantially equivalent language:

(a) This contract is subject to the Living Wage Ordinance, of the Oakland Municipal Code. The Ordinance requires that, unless specific exemptions apply or a waiver is granted, all employers (as defined) under service contracts and recipients of City financial assistance, (as defined) shall provide payment of a minimum wage to employees (as defined) of \$8.00 per hour with health benefits of at least \$1.25 per hour or otherwise \$9.25 per hour. Such rate shall be adjusted annually pursuant to the terms of the Oakland Living Wage Ordinance, of the Oakland Municipal Code.

(b) Under the provisions of the Living Wage Ordinance, the City shall have the authority, under appropriate circumstances, to terminate this contract and to seek other remedies as set forth therein, for violations of the Ordinance.

## **Section 11. Obligations of Contractors and Financial Assistance Recipients**

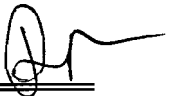
(a) All proposed contractors and CFAR's subject to the provisions of this Ordinance shall submit a completed Declaration of Compliance form, signed by an authorized representative, along with each proposal. The completed Declaration of Compliance form shall be made a part of the executed contract.

(b) Contractors and CFAR's shall require their subcontractors and tenants/leaseholders to comply with the provisions of this Ordinance. Language indicating the subcontractor's or tenants/leaseholders agreement

**DRAFT**

**REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND**

**RESOLUTION No. \_\_\_\_\_ C.M.S.**



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**A RESOLUTION ADOPTING THE CITY OF OAKLAND'S LIVING  
WAGE POLICY AS REDEVELOPMENT AGENCY POLICY**

WHEREAS, the City of Oakland is adopting an ordinance, known as the "Oakland Living Wage Ordinance," requiring among other things that nothing less than a prescribed minimum level of compensation be paid to employees of service contractors of the City and employees of City financial assistance recipients; and

WHEREAS, Health and Safety Code section 33071 declares that a fundamental purpose of redevelopment is to expand employment opportunities for jobless, underemployed, and low income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens; and

WHEREAS, adoption of a living wage policy by the Redevelopment Agency will promote several economic development goals, including increasing consumer income, decreasing poverty, and invigorating neighborhood businesses, and is consistent with the purposes of redevelopment set forth in the Community Redevelopment Law; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby adopts the City's living wage policy as Agency policy, as such City policy is set forth in the Oakland Living Wage Ordinance (the "Ordinance"), including any subsequent amendments to said Ordinance and any implementing regulations adopted by the City Manager; and be it further

RESOLVED: That the Agency living wage policy shall apply to service contractors of the Agency and recipients of Agency financial assistance, as well as other parties, as set forth in the Ordinance; and be it further

RESOLVED: That categories of Agency financial assistance covered by the policy shall include, but not be limited to, grants, land writedowns, rent subsidies, bond financing, tax increment financing, loan forgiveness, and the provision of on-site improvements by the Agency, to the extent such assistance meets the thresholds and conditions set forth in the Ordinance; and be it further

5-5-2018  
3-24-98

RESOLVED: That loans provided by the Agency shall be considered financial assistance if the loan is provided at below-market rates or terms, and the below-market subsidy attached to such loan is valued at \$100,000 or more; and be it further

RESOLVED: That the effective date of this policy shall be July 1, 1998, and shall be contingent on City adoption of the Ordinance.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 1998

**PASSED BY THE FOLLOWING VOTE:**

AYES- BRUNNER, CHANG, DE LA-FUENTE, MILEY, NADEL, REID, RUSSO, SPEES, AND  
CHAIRPERSON HARRIS

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

CEDA FLOYD  
Secretary of the Redevelopment Agency  
of the City of Oakland

5-5.2-09  
3-24-99

to comply shall be included in the contract between the contractor and subcontractor or any agreement between a CFAR and tenants/leaseholders. A copy of such subcontracts or other such agreements shall be submitted to the City.

(c) Contractors, subcontractors and CFAR's shall maintain a listing of the name, address, date of hire, occupation classification, rate of pay and benefits paid for each of its employees, if any, and submit a copy of the list to the City by March 31, June 30, September 30, and December 31 of each year the contract is in effect. Failure to provide this list within five days of the due date will result in a penalty of \$500 per day. Contractors, subcontractors and CFAR's shall maintain payrolls for all employees and basic records relating thereto and shall preserve them for a period of three years after termination of their contracts.

(d) Contractors, subcontractors and CFAR's shall give written notification to each current and new employee, at time of hire, of his or her rights to receive the benefits under the provisions of this Ordinance. The notification shall be provided in English, Spanish and other languages spoken by a significant number of the employees, and shall be posted prominently in communal areas at the work site. A copy of said notification shall be forwarded to the City which must include the following:

(1) Minimum compensation - The initial rates of \$8.00 with health benefits or \$9.25 without health benefits will be adjusted annually to correspond to adjustments, if any. The Living Wage shall be upwardly adjusted each year no later than April 1 in proportion to the increase at the immediately preceding December 31 over the year earlier level of the Bay Region Consumer Price Index as published by the Bureau of Labor Statistics, U.S. Department of Labor, applied to \$9.25.

(2) Health benefits - Proof of the provision of such benefits shall be submitted to the City not later than 30 days after execution of the contract to qualify for the wage rate in Section 3. Health benefits shall be provided to part-time employees as well as full-time employees.

(3) Twelve compensated days off per year for sick leave, vacation or personal necessity at the employee's request, and ten uncompensated days off per year for sick leave which shall be made available to all covered employees as provided in this Ordinance. Employees shall accrue one compensated day off per month of full time employment. Part-time employees shall accrue compensated days off in

increments proportional to that accrued by full-time employees. The employees shall be eligible to use accrued days off after the first six months of employment or consistent with company policy, whichever is sooner. Paid holidays, consistent with established employer policy, may be counted toward provision of the required 12 compensated days off. Ten uncompensated days off shall be made available, as needed, for personal or immediate family illness after the employee has exhausted his or her accrued compensated days off for that year. This Ordinance does not mandate the accrual from year to year of uncompensated days off.

(4) Federal Earned Income Credit (EIC) - Forms to inform employees earning less than \$12 per hour of their possible right to EIC and forms to secure advance EIC payments from the employer shall be provided to the eligible employees in English, Spanish and other languages spoken by a significant number of the employees within 30 days of employment under the subject agreement.

(5) Notice that the employers are required to file a Declaration of Compliance form as part of the contract with the City and that the City will make said declarations available for public inspection and copying during its regular business hours.

(e) Contractors, CFAR's and subcontractors shall permit access to work sites and relevant payroll records for authorized City representatives for the purpose of monitoring compliance with this Ordinance, investigating employee complaints of non-compliance and evaluating the operation and effects of this Ordinance, including the production for inspection and copying of its payroll records for any or all of its employees for the term of the contract or for five years whichever period of compliance is applicable.

## **Section 12. Retaliation and Discrimination Barred**

Contractors, subcontractors and CFAR's shall not discharge, reduce the compensation of or otherwise discriminate against any employee for making a complaint to the City, participating in any of its proceedings, using any civil remedies to enforce his or her rights, or otherwise asserting his or her rights under this Ordinance. Contractors, subcontractors and CFAR's shall also be in compliance with federal law proscribing retaliation for union organizing.

## **Section 13. Monitoring, Investigation and Compliance**

The provisions of this Ordinance will augment the City's' normal and customary procedure for administering its contracts. The City shall administer the requirements of this Ordinance as follows:

(a) The City Manager shall develop rules and regulations to review contract documents to insure that relevant language and information are included in City RFP's, agreements and other relevant documents.

(b) The City Manager shall develop rules and regulations for the monitoring of the operations of the contractors, subcontractors and financial assistance recipients to insure compliance including the review, investigation and resolution of specific concerns or complaints about the employment practices of a contractor, subcontractor or CFAR relative to this Ordinance. In such cases, the City will attempt to resolve the problem within 30 days.

(c) Where a violation of any provision of this Ordinance has been determined, the contractor will be given a written notice by the City per the rules and regulations promulgated by the City Manager. Should the violation continue and/or no resolution is imminent, the City, shall pursue all available legal remedies, including but not limited to any or all of the following penalties and relief:

(1) Suspension and/or termination of the contract, subcontract or financial assistance agreement for cause;

(2) Payback of any or all of the contract or financial assistance awarded by the City of Oakland;

(3) Deem the contractor or CFAR ineligible for future City contracts and/or financial assistance until all penalties and restitution have been paid in full;

(4) A fine payable to the City of Oakland in the sum of \$500 for each week for each employee found not to have been paid in accordance with this Ordinance;

(5) Wage restitution for each affected employee.

(e) The City Attorney shall promulgate procedures for legal enforcement of the requirements of this Ordinance.

#### **Section 14. Employee Complaint Process**

An employee who alleges violation of any provision of this Ordinance may report such acts to the City and, at the employee's discretion, exhaust available employer internal remedies. The complaint to the City shall be handled as follows:

(1) The employee shall submit to the City a completed complaint form and copies of all documents supporting the allegation. The City shall provide the complaint forms in English and Spanish.

(2) The City shall notify the agency and the employer of the complaint and seek resolution within five days from receipt of the complaint form. If resolution is not accomplished, the City shall initiate an investigation and seek legal remedies, if appropriate.

(3) An employee claiming retaliation (such as, termination, reduction in wages or benefits or adverse changes in working conditions) for alleging non-compliance with this Ordinance may report the alleged retaliation in the same manner as the initial complaint.

(4) The complainant's or witness' identity will not be divulged to the employer without the individual employee's written consent.

## **Section 15. Private Right of Action**

(a) An employee claiming violation of this article may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against an employer and may be awarded:

(1) For failure to pay the living wage, back pay for each day during which the violation continued.

(2) For any violation of this Ordinance, including retaliation for exercising rights provided hereunder, the Court may award any appropriate remedy at law or equity, including but not limited to reinstatement, compensatory damages and punitive damages.

(b) The Court shall award reasonable attorney's fees and costs to an employee who prevails in any such enforcement action.

(c) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

(d) No remedy set forth in this Ordinance is intended to be exclusive or a prerequisite for asserting a claim for relief to enforce any rights hereunder in a court of law. This Ordinance shall not be construed to limit an employee's right to bring a common law cause of action for wrongful termination.

## **Section 16. Collective Bargaining Agreement Supersession**

All of the provisions of this Ordinance, or any part hereof, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms. Unilateral implementation of terms and conditions of employment by either party to a collective bargaining relationship shall not constitute, or be permitted, as a waiver of all or any part of the provisions of this Ordinance.

## **Section 17. Expenditures Covered By This Article**

This Ordinance shall apply to the expenditure whether through aid to financial assistance recipients, service contracts let by its financial assistance recipients of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this Ordinance is consonant with the laws authorizing the City to expend such other funds.

## **Section 18. Ordinance Applicable to New Contracts and City Financial Assistance**

The provisions of this Ordinance shall apply to (a) a contract entered into and financial assistance provided after the effective date of this Ordinance; (b) a contract amendment consummated after the effective date of this Ordinance which itself meets the financial threshold requirement of this Ordinance and (c) supplemental financial assistance provided for after the effective date of this Ordinance which itself meets the requirements of this Ordinance.

## **Section 19. Implementing Regulations**

All implementing rules, regulations, and procedures promulgated by the City Manager or his designee shall be presented to the City Council for approval within sixty (60) days of adoption of this Ordinance.



**Section 20. Severability**

In the event any provision of this ordinance shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

**Section 21. Effective Date**

The law shall be effective from the date of July 1, 1998.

## **CITY OF OAKLAND**

### **DECLARATION OF COMPLIANCE Living Wage Ordinance**

The Oakland Municipal Code Chapter XX provides that all employers (except where specifically exempted) under contracts for the furnishing of services to or for the City and that involve an expenditure equal to or greater than \$25,000 and certain recipients of City financial assistance that involve receipt of financial assistance equal to or greater than \$100,000 shall comply with all provisions of this Ordinance.

The contractor or CFAR further agrees:

(a) To pay employees a wage no less than the minimum initial compensation of \$8.00 per hour with health benefits, as described, or otherwise \$9.25 per hour, and to provide for the annual increase pursuant to Section 3;

(b) To provide at least twelve compensated days off per year for sick leave, vacation or personal necessity at the employee's request, and at least ten additional days per year of uncompensated time off pursuant to Section 3;

(c) To inform employees making less than \$12 per hour of their possible right to the federal Earned Income Credit (EIC) and make available the forms required to secure advance EIC payments from the employer pursuant to Section 5;

(d) To permit access to work sites for authorized City representatives to review the operation, payroll and related documents, and to provide certified copies of the relevant records upon request by the City; and,

(e) Not to retaliate against any employee claiming non-compliance with the provisions of this Ordinance and to comply with federal law prohibiting retaliation for union organizing.

The undersigned authorized representative hereby obligates the proposer to the above stated conditions under penalty of perjury.

Company Name	Signature of Officer or Authorized Representative	
Company Address and Phone Number	Type or Print Name and Title	
Date	Bid Number	Type of Service

FOR CITY USE ONLY		
Determination: Bidder is Not Exempt_____	Bidder is Exempt_____	Date_
Department_____		Representative_

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 19\_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES- BRUNNER, CHANG, DE LA FUENTE, MILEY, NADEL, REID, RUSSO, SPEES, AND  
 NOES- PRESIDENT HARRIS  
 ABSENT-  
 ABSTENTION-

ATTEST: \_\_\_\_\_

**CEDA FLOYD**  
 City Clerk and Clerk of the Council  
 of the City of Oakland, California

5-51  
 2-21-98

## JURISDICTIONS THAT HAVE PASSED LIVING WAGE ORDINANCES

Baltimore, MD  
Minneapolis, MN  
Milwaukee, WI  
Portland, OR  
Los Angeles, CA  
San Jose, CA  
Jersey City, NJ  
Des Moines, Iowa  
Boston, MA  
New York City, NY  
St. Paul, MN  
Duluth, MN  
New Haven, CT  
Gary, IN  
Santa Clara County, CA

Item 5  
3-24-98

## **A Living Wage Ordinance...**

**Increases the standard of living of impacted individuals, but may not impact economically disadvantaged individuals or communities.**

- The UCLA study provides detailed analysis that points out that most of the low-wage workers that would be covered by the Los Angeles ordinance are not living in poverty households because they are not the sole or even principal wage earner for their household.

- **A Living Wage Ordinance...**

**Involves administrative costs to cities at varying levels to monitor and enforce the ordinance.**

<b><u>City</u></b>	<b><u>Administrative Costs</u></b>
<b>Baltimore</b>	<b>\$84,000</b>
<b>Los Angeles</b>	<b>\$600,000 (estimated)</b>
<b>Boston</b>	<b>NA</b>

## **A Living Wage Ordinance...**

### **May impact welfare recipients.**

- A study by the California Budget Project indicated that in Alameda County, the ratio of unemployed, AFDC & GA recipients per job was somewhere between 5 and 9 job seekers per job.
- Another study by the Preamble Center for Public Policy which covered several Midwestern states indicated that there will be 22 former welfare recipients for every job which meets the federal poverty guideline for a family of four.

## **A Living Wage Ordinance...**

**Has not necessarily deterred businesses from initiating contracts with cities, nor did it create increased costs to the City of Baltimore as a result of bidding price increases.**



## Baltimore's Contract Costs Before and After a Living Wage Ordinance

	<u>Pre-Living Wage '94</u>		<u>Post-Living Wage '95</u>		
			Cost	Cost	
	<u>Cost (\$)</u>	<u>Bids</u>	<u>(current \$)</u>	<u>(constant \$)</u>	<u>Bids</u>
<b>Total Costs</b>	<b>19,326,066</b>		<b>19,368,308</b>	<b>18,860,330</b>	
<b>Total Number of Bids</b>		<b>93</b>			<b>76</b>

- The Baltimore study shows a decline in bidding price costs from 1994 to 1995 after factoring in inflation.

# **Oakland Living Wage Campaign**

## **Testimony Before the Oakland City Council**

**March 24, 1998**

Brother Owen Marron, Central Labor Council of Alameda County

Opening

Carlos Reynoso, Monte Vista Fine Foods

Business Perspective

Rev. T. C. Wilson, African-American Economic Justice Project

Faith Perspective

Shirley Burnell, Oakland ACORN

Closing