

LIVING WAGE ORDINANCE

Frequently Asked Questions

What is the City of Santa Monica's Living Wage Ordinance?

The Living Wage Ordinance establishes a Minimum Wage rate to be paid to employees of contactors providing services to the City of Santa Monica for work performed for the City of Santa Monica. The provisions of the ordinance apply only to contracts in the amount of Fifty-Four Thousand Two Hundred Dollars (\$54,200) or more. The Minimum Wage shall be adjusted annually on July 1 by the January to January change in the Consumer Price Index for Urban Wage Earners and Clerical Workers 1967=100 for Los Angeles-Riverside-Orange County California.

Does the Living Wage Ordinance Specify Any other Employee Benefits?

There is no provision for adjustment of living wage for benefits. The minimum living wage is the wage rate paid Employees inclusive of benefits.

Who is covered by the Santa Monica Living Wage Ordinance?

All Contractors executing contracts with the City to perform services valued at \$54,200 or more except those not covered by the ordinance.

Who is not covered by the Santa Monica Living Wage Ordinance?

The provisions of the ordinance do not apply to government agencies, City grantees, and other non-profit corporations. In addition, provisions of ordinance are superseded by collective bargaining agreements.

What types of services does the City contract for which will be likely be subject to the Living Wage Ordinance?

It is anticipated that the Living Wage Ordinance will apply to contract for a myriad of services at the City; such as, parking operations, janitorial services, landscape services, security guards, temporary agency employee services, and parking citation processing.

What Employees of Contractors will be Eligible for a Minimum Wage?

Any person who (1) does not actually work as a manager, supervisor, or confidential

employee and who is not required to possess an occupational license; and (2) expends any of his or her time in the performance of work related to the service contract for the City. Employee only receives living wage rate during hours specifically worked on City of Santa Monica.

How will a Contractor be notified of the Living Wage Ordinance requirements?

Contract documents and bid and proposal packets will include notification certification to contractors of living wage requirements. As part of contract execution, contractor will prepare and return the Certification Form to the Department.

What if a current contract includes a provision for renewal?

The Ordinance will apply to contract renewal terms. If the contractor certifies that they will meet the requirements of the Living Wage Ordinance under the terms of the original contract (no change in price or scope of work), the City may choose to renew the contract. If the contractor is not willing to comply with the requirements of the Living Wage Ordinance, the contract will be terminated at the end of the original contract term.

If I expect to negotiate a contract for services totaling less than \$54,200, do I need to survey City staff to make sure other contracts are not outstanding with the same contractor?

Once vendor has hit the living wage threshold, all contracts for like services must be paid at living wage. If a contract is being modified from an amount that does not impose the living wage rule to an amount where the ordinance does apply, the contractor will need to certify compliance with living wage for the additional work that takes the total over \$54,200.

How will Compliance with Living Wage Rules be monitored?

Contractors will be asked to certify compliance and be subject to audit.

Is there a process to waive the requirements if a contractor can show hardship?

No, there is no provision for any waiver process.

What if the application of the Living Wage ordinance increases the cost of services to the City? Will budgets be increase?

Additional costs of complying with a living wage ordinance are expected to be borne by the

contractor. If there is an identifiable increase in the cost of services, department staff should discuss increase with Finance Department Budget staff.

Does the Living Wage Ordinance apply to City employees?

No, but Council did pass a Salary Resolution on February 8, 2005, to adopt salary levels for as-needed employees consistent with the Living Wage Ordinance.

Does Living Wage apply to delivery services performed in conjunction with the purchase of goods?

No, delivery services included in the cost of goods would not be a service covered by the Living Wage Ordinance.

If there is a Prevailing Wage and Living Wage which one gets paid?

The higher of the two.