



THE CITY OF SAN DIEGO

Living Wage Ordinance

“advances the interests of the City as a whole by creating jobs that keep workers and their families out of poverty”

– San Diego Municipal Code

Annual Report for Fiscal Year 2013



LWO Applicability

City of San Diego service contracts >\$25K annually

- Includes subcontracts
- Covers employees for hours worked on contract

LWO does not apply on:

- Purchase of goods
- Construction (except right-of-way maintenance)
- "Professional" services (legal, banking, financial, technical, engineering, medical, management, etc.)



Employer Requirements

- Pay fixed wages to covered employees:
 - \$11.47/hr + \$2.30/hr in health benefits
 - \$13.77/hr total (FY13)
 - Annual increase on July 1
- Provide days off: 10 paid + 10 additional unpaid per year
- Submit: *LWO Certification of Compliance*
- Post/Distribute: *LWO Notice to Employees*



Wage Rate History

	<u>Increase</u>	<u>Wage + Health Benefits</u>	<u>Full Cash</u>
FY 2014	1.6%	\$11.65 + \$2.34 /hr	\$13.99 /hr
FY 2013	3.0%	\$11.47 + \$2.30 /hr	\$13.77 /hr
FY 2012	1.3%	\$11.14 + \$2.23 /hr	\$13.37 /hr
FY 2011	0.0%	\$11.00 + \$2.20 /hr	\$13.20 /hr
FY 2010	3.9%	\$11.00 + \$2.20 /hr	\$13.20 /hr
FY 2009	2.3%	\$10.58 + \$2.12 /hr	\$12.70 /hr
FY 2008	3.4%	\$10.34 + \$2.07 /hr	\$12.41 /hr
FY 2007	N/A	\$10.00 + \$2.00 /hr	\$12.00 /hr



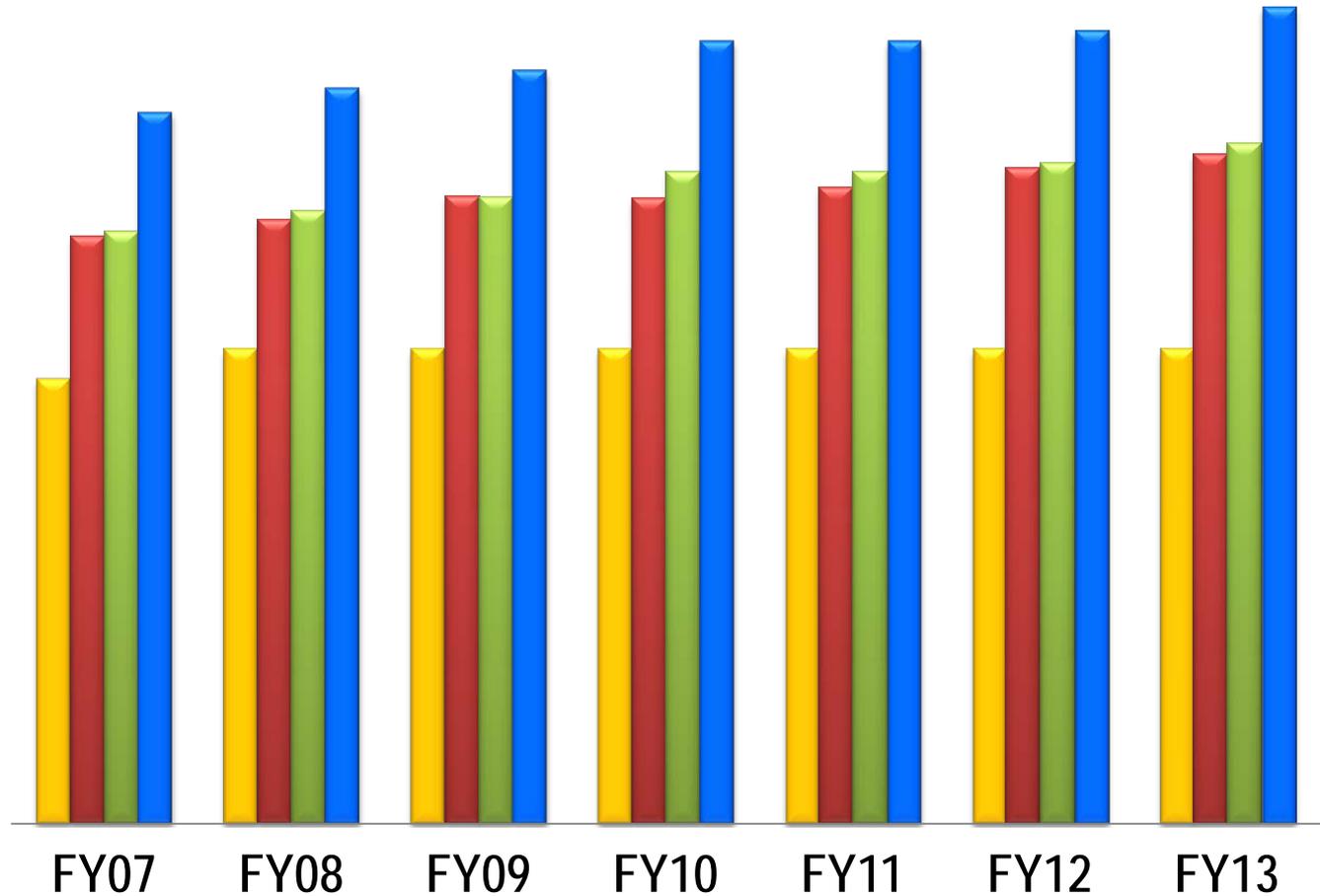
Annual Earnings

	SD Living Wage		CA Minimum Wage	
	<u>Hour</u>	<u>Year</u>	<u>Hour</u>	<u>Year</u>
FY 2014	\$13.99	\$29,099	\$8.00	\$16,640
FY 2013	\$13.77	\$28,642	\$8.00	\$16,640
FY 2012	\$13.37	\$27,810	\$8.00	\$16,640
FY 2011	\$13.20	\$27,458	\$8.00	\$16,640
FY 2010	\$13.20	\$27,458	\$8.00	\$16,640
FY 2009	\$12.70	\$26,416	\$8.00	\$16,640
FY 2008	\$12.41	\$25,813	\$8.00	\$16,640
FY 2007	\$12.00	\$24,980	\$7.50	\$15,600



Earnings Comparison

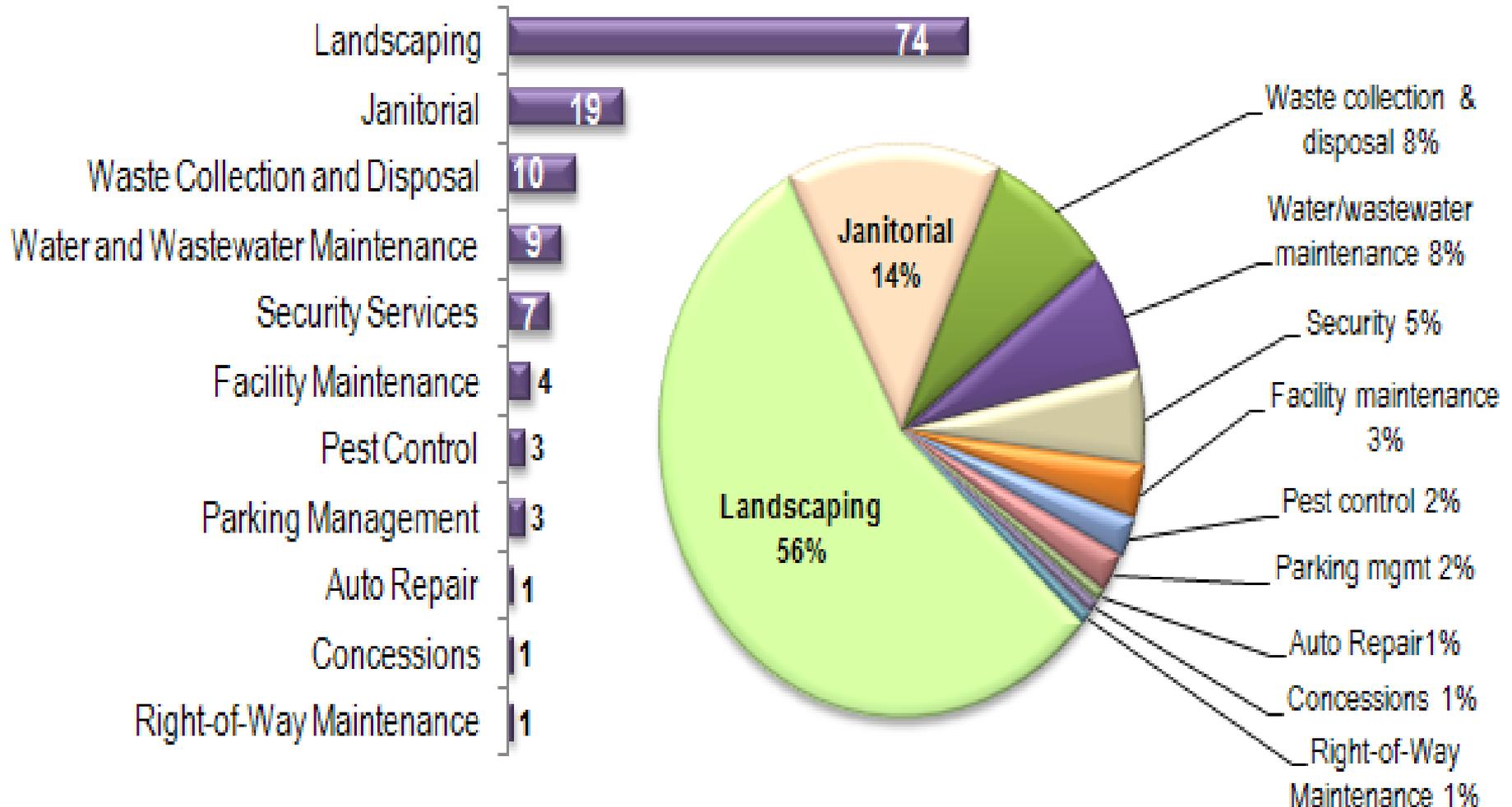
- State of CA Minimum Wage
- US Census Bureau Poverty Threshold
- Living Wage with health benefits
- Living Wage paid full cash





Number of Contracts

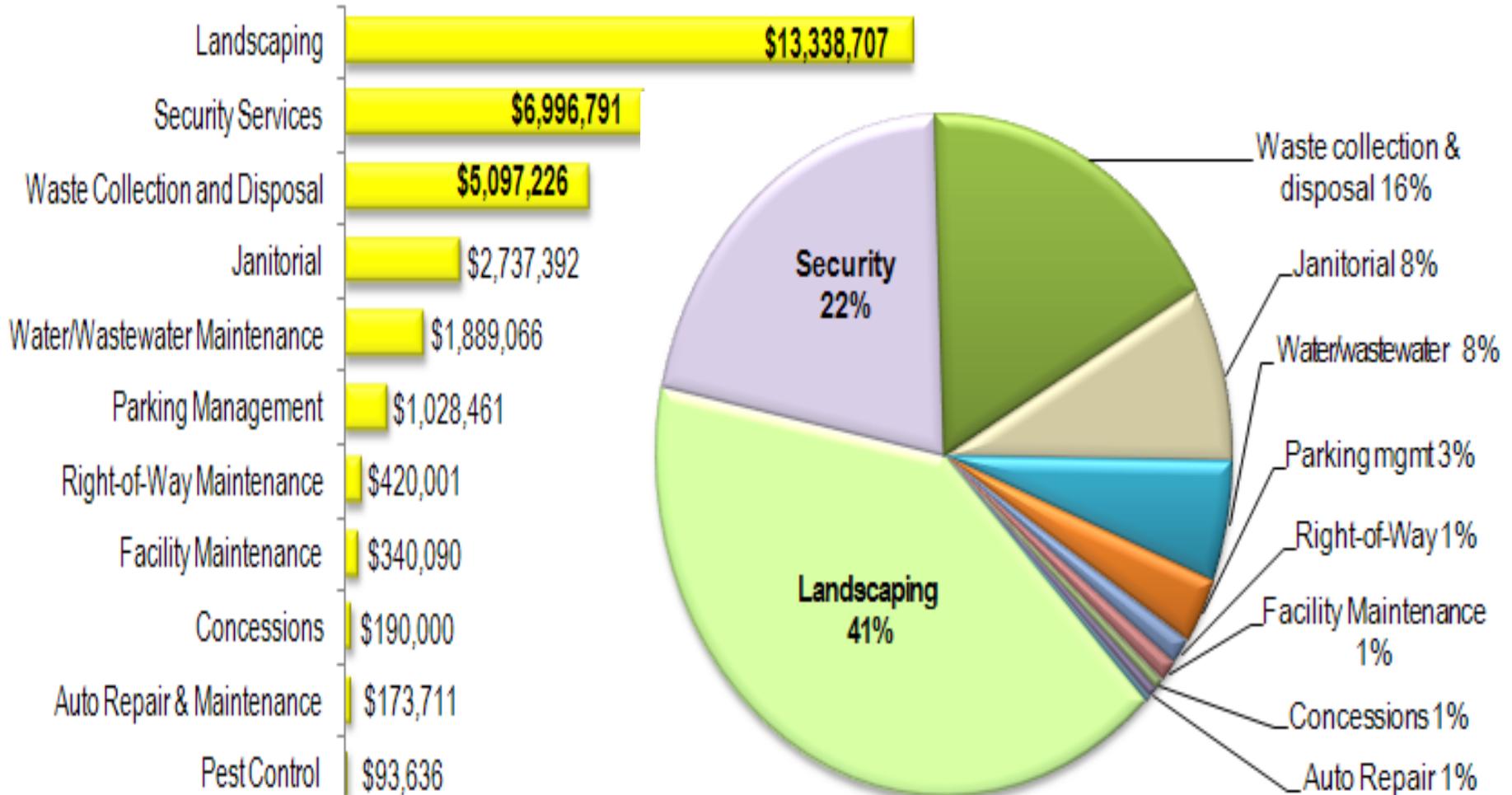
2013 Fiscal Year = 133 Contracts





Value of Contracts

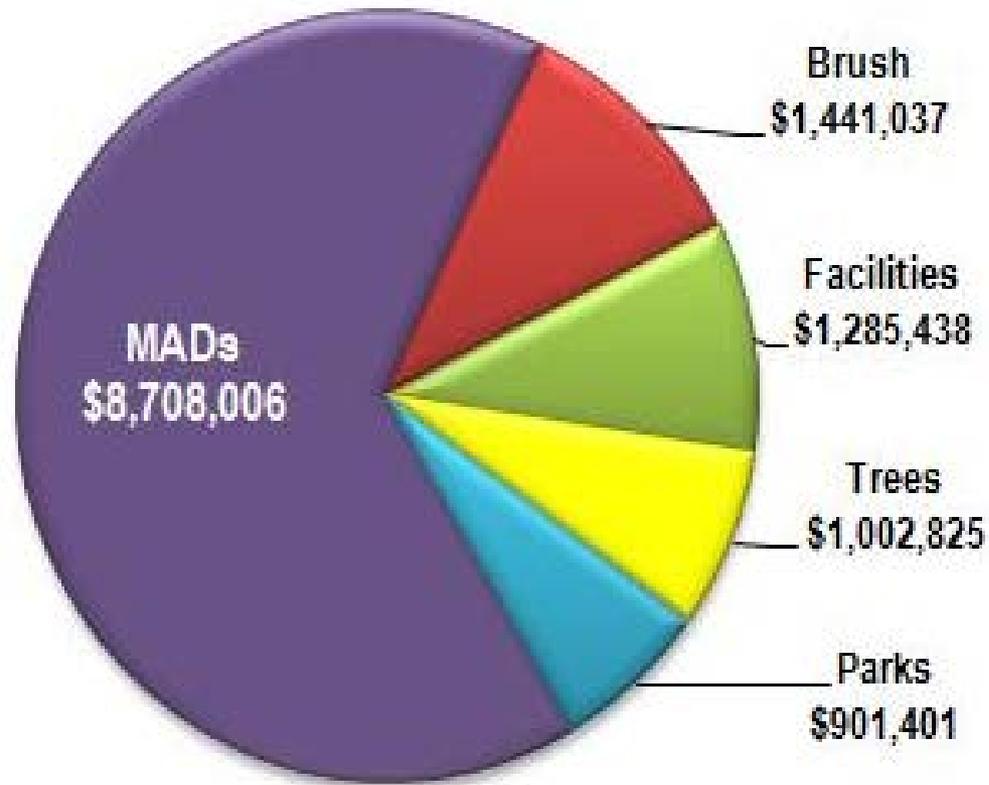
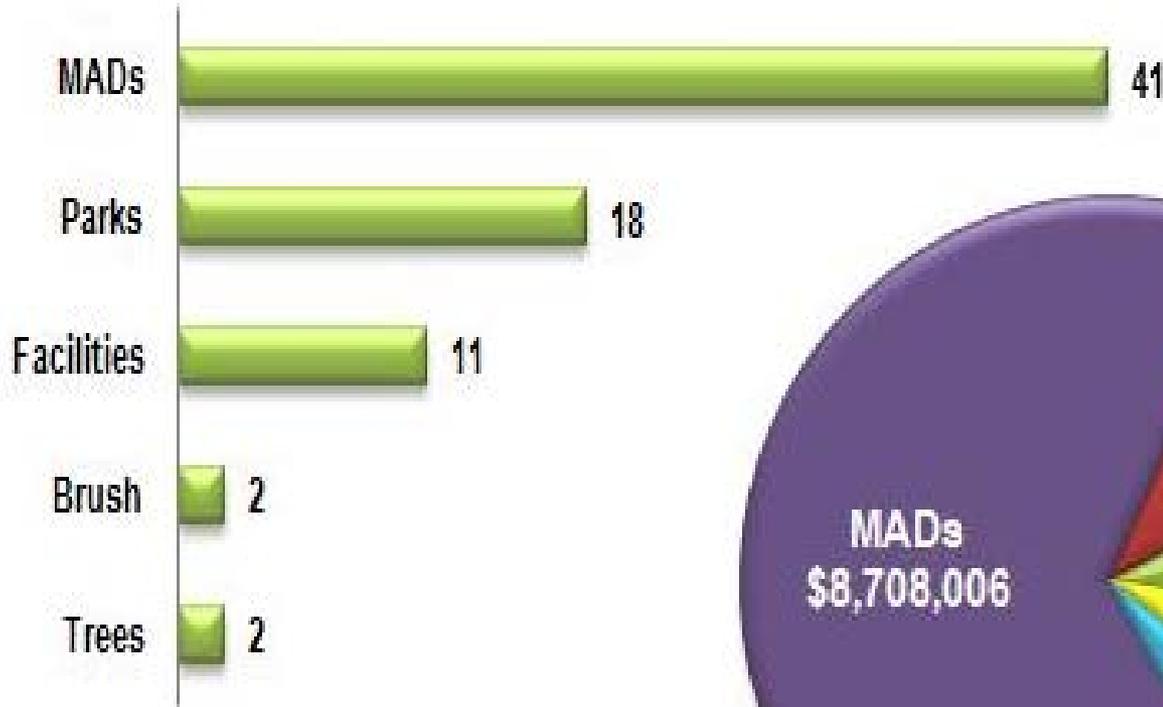
2013 Fiscal Year = \$32,961,041





Landscaping Contracts

74 contracts; \$13,338,707

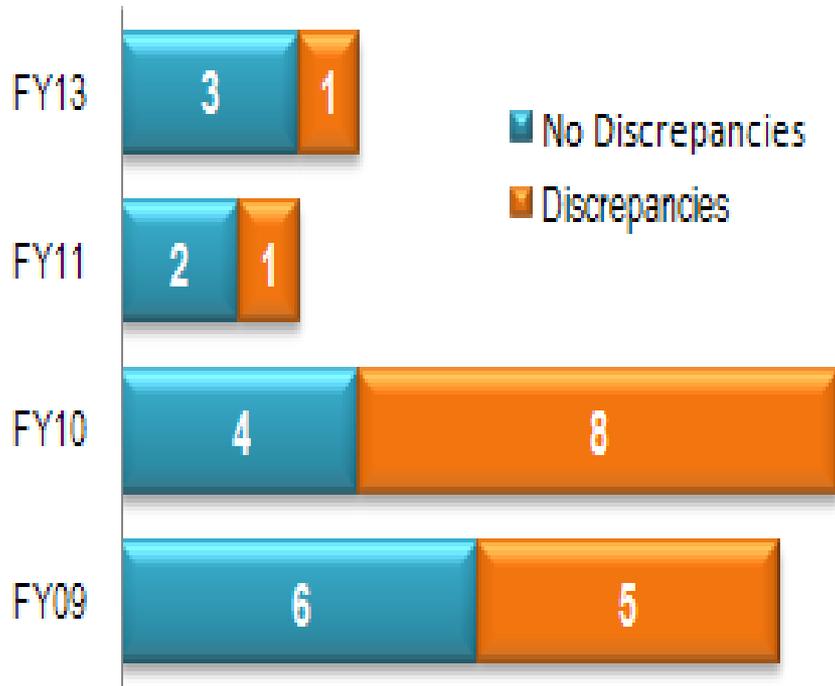




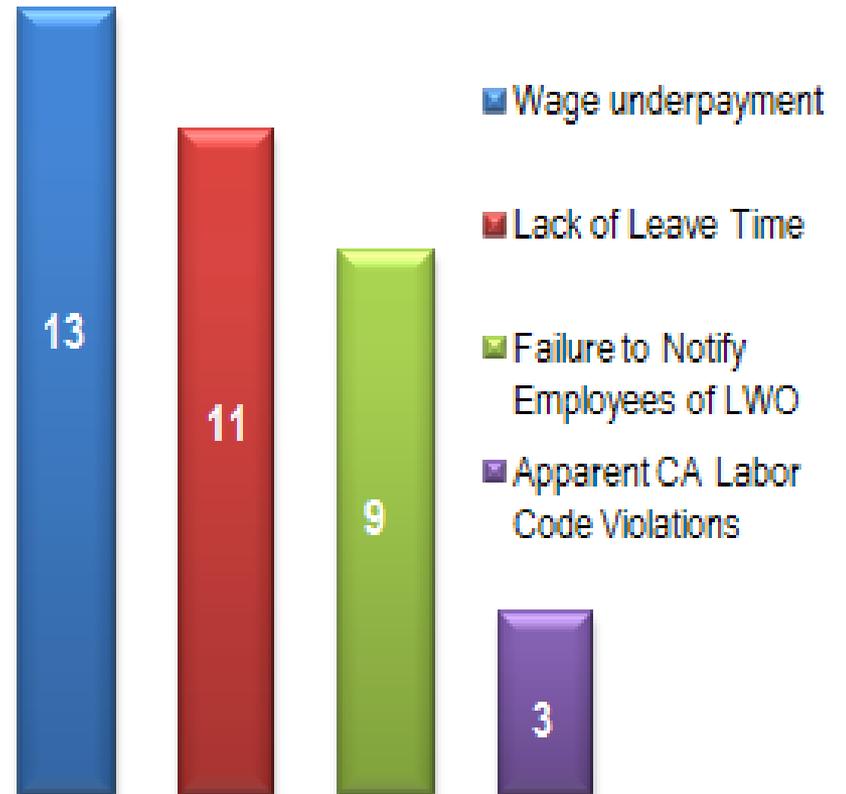
Compliance Reviews

30 Reviews; discrepancies in 50%

Number of Discrepancies



Types of Discrepancies





Review Discrepancies

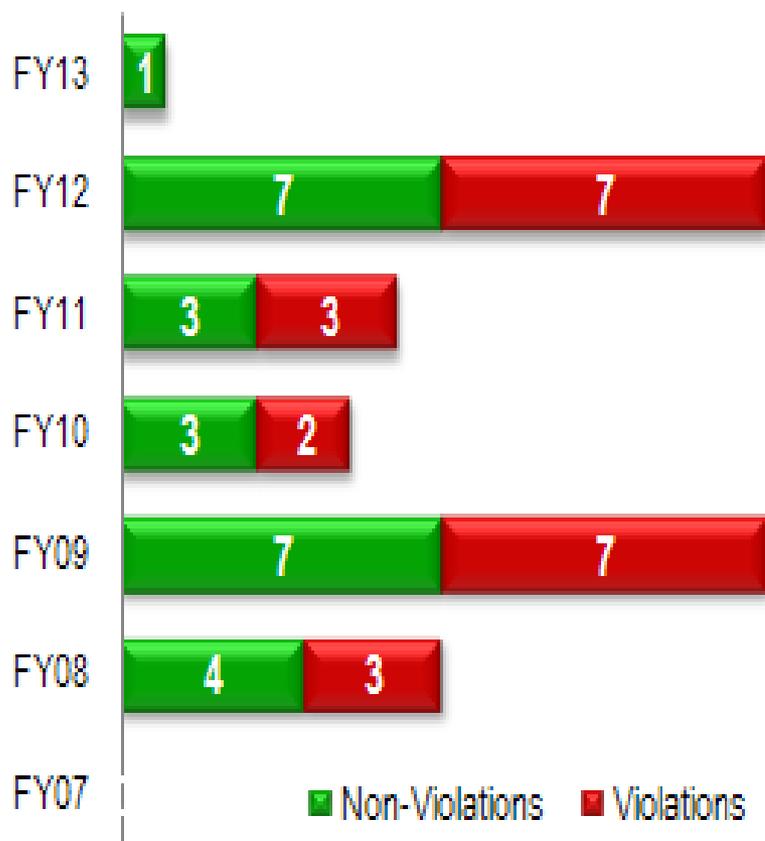
<u>Municipal Code</u>	<u>Requirement</u>	<u>Number of Violations</u>	<u>Percent of Reviews</u>
§22.4220(a)	Pay covered employees specified wage and benefits	13	43%
§22.4225(b)	Notify covered employees of LWO requirements	9	30%
§22.4220(c)	Provide minimum 10 compensated leave days per year	11	37%
Other	CA Labor Code	3	10%



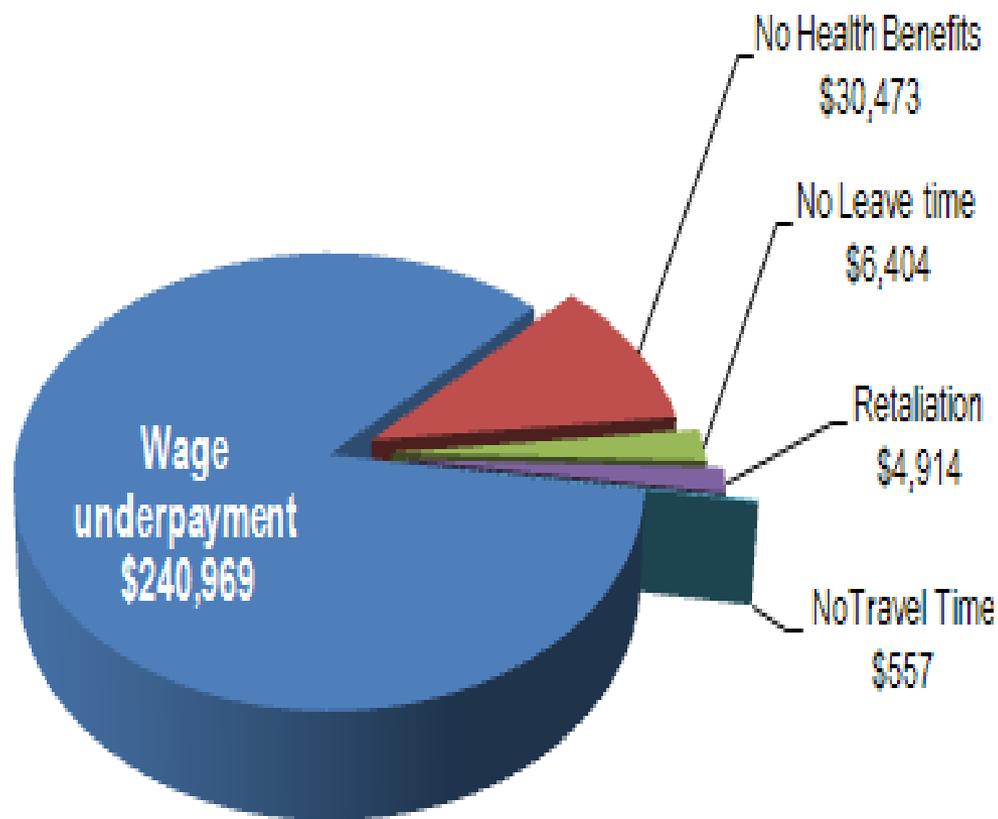
Employee Complaints

47 Complaints; violations in 48.9%

Number of Complaints



Backpay = \$283,318





Contractor Responses

SDMC §22.4225(d)

	<u>Number</u>	<u>Percent</u>
Employers submitted Contractor Compliance Rpt	58	100%
Number of LWO covered employees	2,070	19%
Covered employers offering health benefits	31	53%
LWO employees receiving health benefits	656	31%
Employers said LWO improved quality of service	43	59%
Employers said LWO reduced absences/ turnover	43	59%



Summary

- **Communicate LWO requirements**
 - contractors, workers, Departments, City Facility operators
 - website, brochures, English and Spanish
 - annual wage adjustment
- **Assist contractors to meet obligations**
- **Retain accurate contract data**
- **Investigate Complaints and conduct Compliance Reviews**
 - recovered more than \$320K
 - referred cases to County DA Fraud Investigators
 - resulted in debarment and termination of contracts

Living Wage Ordinance



Dennis Gakunga
Nora Nugent
Lucy Hernandez

Purchasing & Contracting Director
Living Wage Manager
Living Wage Senior Compliance Officer

Purchasing & Contracting Department • 202 C Street, MS 9A • San Diego, CA 92101
Phone 619/236-6682 Fax 619/533-3240