



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 8, 2013

TO: Honorable Councilmember Sherri Lightner and Members of the City Council

FROM: Mayor Bob Filner 

SUBJECT: Prevailing wage (Docketed for May 15, 2013 at Rules Committee)

Requiring the payment of prevailing wages on the City's public works municipal affair projects can result in the following benefits: local construction careers, stimulation of marketplace competition; ensuring that contractors compete on an even playing field; providing a better value to taxpayers by ensuring the project will be adequately built by skilled labor force; and preventing the waste of public funds by minimizing expenditures arising from poor quality workmanship.

I therefore recommend that the City Council adopt an ordinance that applies the prevailing wage laws of the State of California to the City of San Diego, which are similar to the laws in a majority of other California Charter cities, including the City of Los Angeles. The proposed ordinance would add the "Prevailing Wage Provisions" to the Public Works Contracts division of the San Diego Municipal Code. Attached is a copy of the City of Los Angeles Administrative Code which should serve as a model for the City San Diego's proposed ordinance. In addition, Resolution R-298185 would need to be rescinded to be consistent with the proposed ordinance in the application of state prevailing wages to City public works projects.

This action will not affect contracts that are required to pay state or federal prevailing wages due to their funding sources or other regulatory requirements, and those projects that are not municipal affairs.

BF/mb

Attachments:

- (1) Los Angeles Administrative Code, Section 10.7
- (2) Resolution R-298185

ATTACHMENT 1

City of Los Angeles, Administrative Code, Division 10, Chapter 1.

Sec. 10.7. "Prevailing Wage" Provisions.

The provisions of that certain Act of the Legislature of the State of California entitled, "An act to provide for the payment of not less than the general prevailing rate of wages on public works, and not less than the general prevailing rate of wages for legal holiday and overtime work on public works, provided for the ascertainment of such general prevailing rate by the public body awarding the contract and its insertion in the contract and call for bids for the contract, providing for the keeping of records of the wages paid all workers engaged in public work and the inspection of such records by the proper public officials, providing for a forfeiture for each calendar day, or portion thereof, any worker is paid less than the said rate and for a stipulation to this effect in the contract, and providing other penalties for violation of the provisions thereof" (approved May 25, 1931, Statutes, 1931, Chapter 397), as amended or as hereafter shall be amended, are hereby accepted and made applicable to the City of Los Angeles, its departments, boards, officers, agents and employees notwithstanding the exemption of said City therefrom created by Section 5 of Article XI of the Constitution of the State of California with respect to municipal affairs.

SECTION HISTORY

Based on Charter Sec. 425.

Amended by: Ord. No. 154,252, Eff. 9-11-80; First unnumbered para. repealed, Ord. No. 158,965, Eff. 6-30-84.

ATTACHMENT 2

(R-2003-1505) REV. 1

RESOLUTION NUMBER R-298185

ADOPTED ON JULY 14, 2003

A RESOLUTION RESCINDING RESOLUTION NO. R-251555;
AND AUTHORIZING THE ADVERTISEMENT OF CERTAIN
PUBLIC WORKS MUNICIPAL AFFAIR PROJECTS AS
SUBJECT TO STATE PREVAILING WAGE REQUIREMENTS.

WHEREAS, City of San Diego Council Resolution No. R-251555 provides that a prevailing wage specification will be included in City contracts only when required by federal or state grants, and on jobs of state concern; and

WHEREAS, the Council of the City of San Diego has discretion to require that prevailing wages be paid on the City's public works municipal affair projects when it finds that to do so would be consistent with the City Charter's competitive bidding requirements; and

WHEREAS, on June 4, 2003, the Rules Committee of the Council heard and considered public testimony and documentation regarding the payment of prevailing wages on the City's public works municipal affair projects, and voted 5-0 to require prevailing wages on the City's sewer and water public works projects with an estimated value of over ten million dollars, including the prevailing wage estimate, provided that the necessary findings can be made; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the Council generally finds and determines that requiring the payment of prevailing wages on the City's public works municipal affair projects with an estimated value of over ten million dollars, including prevailing wages, can result in the following benefits: stimulation of marketplace competition; ensuring that contractors compete on an even playing field; providing a cost benefit to the public by ensuring the project will be adequately built by a

skilled labor force; preventing the waste of public funds; minimizing the chance of further expenditure of funds for premature reparations due to use of unskilled labor; and that the public benefit from requiring prevailing wages on such projects can outweigh any potential increase in costs.

2. That Council Resolution No. R-251555 is hereby rescinded.

3. That the City Manager or designee is directed to advertise and include a specification requiring compliance with the State's prevailing wage laws on all City public works municipal affair water and/or sewer fund projects, including design-build projects, when the engineer's estimate for the construction of the project exceeds ten million dollars [Water and/or Sewer Fund Projects].

4. That, on a project-by-project basis, the City Council will determine, based on the evidence in the record, whether a Water and/or Sewer Fund Project will be awarded subject to the State's prevailing wage requirements.

5. That all other City public works projects shall include a prevailing wage specification only on jobs of state concern and/or when required by federal or state grants.

6. That the City Manager is directed to identify provisions of the State Prevailing Wage Laws and Procedures which the City would apply to its municipal affair Water and/or Sewer Fund projects with an estimated value in excess of ten million dollars and set that forth in an administrative regulation.

APPROVED: CASEY GWINN, City Attorney

By

Lori W. Girard
Deputy City Attorney

LWG:lc
06/20/03
8/11/03 REV. 1
Aud.Cert: N/A
Or.Dept: Rules
R-2003-1505