



COUNTY OF SAN DIEGO
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CLERK OF THE BOARD
OF SUPERVISORS

COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

21

DATE: July 13, 2021
TO: Board of Supervisors

SUBJECT: ESTABLISHING FAIR EMPLOYMENT STANDARDS ON COUNTY CONSTRUCTION PROJECTS AND COUNTY-OWNED LEASED PROPERTY (DISTRICTS: ALL)

OVERVIEW

Creating good jobs for working families is a regional responsibility and requires a regional – not a piecemeal – response. San Diego County can and must establish a framework to ensure that all County construction projects, and all projects and operations on County-owned leased land, support good jobs and fair wages for the region’s workers.

With major projects and leases coming before the Board of Supervisors, such as at Gillespie Field, Otay Mesa, and Palomar Airport, it is imperative that we act with urgency to establish fair working standards to protect our region’s workers.

Lessees of valuable pieces of publicly-owned property and companies that build projects with taxpayer dollars have paid low wages in the past, forcing workers to rely on the social safety net instead of fair pay for their labor. San Diego County needs a comprehensive ordinance to strengthen our local workforce, invest in San Diego families, and help grow our economy for now and the future.

That is why we are proposing to set baseline employment standards for County construction projects and for activities, enterprises, and operations on County-owned leased property.

This Board Letter also directs the Chief Administrative Officer to return to the Board with a policy requiring the prequalification of prospective bidders and proposers on County public works projects, in alignment with the model prequalification questionnaire developed by the State Department of Industrial Relations. The goal being to ensure bidders on publicly-funded projects are consistently held to appropriate wage and safety standards.

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**RECOMMENDATION(S)
SUPERVISOR TERRA LAWSON-REMER AND CHAIR NATHAN FLETCHER**

1. Direct the Chief Administrative Officer to return to the Board within 90 days with the following:
 - a. A draft Working Families Ordinance for consideration by the Board of Supervisors that will amend the County Administrative Code as outlined in this Board Letter and the attached Draft Ordinance; and
 - b. A prequalification policy and any proposed amendments to existing policies to require prospective bidders and proposers on public works projects to prequalify prior to submitting a bid or proposal, as specified in the Background section of this Board Letter.
 - c. Estimated impact of the implementation of the Working Families Ordinance on County construction projects and County-owned leased property.

2. Direct the Chief Administrative Officer to update the relevant contracting and leasing processes and templates for County construction projects and County-owned leased property to implement the intent of the Working Families Ordinance through binding contractual obligations with counterparties.

FISCAL IMPACT

There is no direct fiscal impact as a result of today's requested action. Funding for construction contracts is budgeted by departments for specific project requests. It is expected that there will likely be costs associated with implementing the Working Families Ordinance to be determined upon implementation.

BUSINESS IMPACT STATEMENT

Implementing the Working Families Ordinance supports good jobs and fair wages for the region's workers and supports the County of San Diego's goal of economic prosperity for working families.

Implementing the Working Families Ordinance will likely have a business impact for construction firms, potentially increasing overhead costs and reducing competition in procurement.

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EQUITY IMPACT STATEMENT

For decades, pay and benefits for many, especially those in underserved communities, have not kept up with the cost of living, housing, or providing for a family. Incomes have stagnated for middle- and working-class San Diegans even while housing and other costs have skyrocketed. Amending our County policies and ordinances to protect working families will allow the County to do our part to help ensure that no worker employed on a County-related project is left behind. This initiative will improve pay and working conditions in the industries and sectors that rely most heavily on labor from women and people of color, including construction and services.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Inadequate pay and poor working conditions have a significant adverse impact on the ability of working families to obtain housing and provide for their families. Poverty, unemployment, and income inequality threaten the County of San Diego's economic prosperity, stability, and competitiveness. According to a study by the Center on Policy Initiatives, four of the ten largest industries in San Diego County do not pay enough for the average individual in that industry to make ends meet, with median wages of less than \$30,000 per year.

The County of San Diego seeks to address these barriers to self-sufficiency by ensuring that individuals working on County projects or at County-owned property are paid wages that allow them to adequately provide for themselves and their families, and by taking steps to create quality employment opportunities for area residents. Providing workers in San Diego County more opportunity to obtain quality jobs will generate shared prosperity and inclusive growth, and enable workers to invest back in the regional economy.

This Board Letter directs the Chief Administrative Officer to return to the Board with a Working Families Ordinance that governs all County construction projects with contracts for over 500,000 dollars and any operations/enterprises on County-owned leased property or single craft projects over 25,000 dollars. We request that the ordinance be drafted based on the attached Draft Ordinance that was prepared with County Counsel's review. No significant legal issues were noted, as the County would be requiring the conditions as set forth in the ordinance in the County's proprietary capacity as a contracting party. Higher or more rigorous standards may be applicable for specific types of projects, enterprises, or operations.

This Board Letter also directs the Chief Administrative Officer to return to the Board with a prequalification policy to require prospective bidders and proposers on public works contracts to submit to a prequalifying process prior to submitting a bid or proposal, in alignment with the model questionnaire developed by the State Department of Industrial Relations.

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Finally, this Board Letter asks the Chief Administrative Officer to provide estimated impacts of enacting this Working Families Ordinance.

Strengthening the economic vitality of working families in San Diego should be a priority for us all. The creation of this ordinance represents a critical first step in ensuring that workers are paid adequately.

We urge your support on this proposal.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action establishing baseline standards on County Projects supports the Sustainable Environment/Thriving Strategic Initiative in San Diego by ensuring a vibrant region with planning, development, infrastructure and investment in workers and families that strengthen the local economy.

Respectfully submitted,



TERRA LAWSON-REMER
Supervisor, 3rd District



CHAIR NATHAN FLETCHER
Supervisor, 4th District

ATTACHMENT(S)

Attachment A: DRAFT ORDINANCE: "AN ORDINANCE AMENDING THE COUNTY CODE OF ADMINISTRATIVE ORDINANCES RELATING TO EMPLOYMENT ON COUNTY CONSTRUCTION PROJECTS AND PROPERTY"

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

Continued Item from 03/03/2021 (08): Gillespie Field – New 50-year ground lease with SGCLMC-WLD Investment Company, L.P. (District: 2) – Approved by BOS (5-0) – Directed the Chief Administrative Office to notify lessee that a workforce ordinance is currently under development by the Fiscal subcommittee of the Board of Supervisor and if enacted by a majority of the board, will be applicable to this the Gillespie Field lease as well.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Supervisorial Districts Three and Four

OTHER CONCURRENCE(S): N/A

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