



MICHAEL BEATON
DIRECTOR

County of Santa Cruz

GENERAL SERVICES DEPARTMENT

701 OCEAN STREET, SUITE 330, SANTA CRUZ, CA 95060-4073
(831) 454-2210 FAX: (831) 454-2710 TDD: 711

SUBJECT: Santa Cruz County Living Wage Ordinance for County Fiscal Year July 1, 2024 – June 30, 2025

The County of Santa Cruz is currently certifying all Living Wage applicable vendors for the 2024/2025 fiscal year commencing July 1, 2024. You will find enclosed all the appropriate information you will need to understand the Living Wage Ordinance and how your company must participate. All covered vendors, providing \$15,000.00 or more of service to the County, must complete a current Living Wage Compliance statement and return to me to keep on file in the General Services Department. For your convenience, a brief summary of this ordinance is attached. For complete information on this ordinance, visit the county Web site at <http://www.co.santa-cruz.ca.us/Departments/GeneralServices/Purchasing/CurrentLivingWageOrdinance.aspx>

On June 25, 2024, the Board of Supervisors approved an increase in the Living Wage rates from \$20.22 per hour to **\$20.73** per hour with benefits, and from \$22.06 per hour to **\$22.61** per hour without benefits. Please complete the enclosed Compliance Statement and return to me **within 5 business days** of this request. This will ensure prompt payment of any current outstanding invoices.

You may scan/email your completed form to GSDSupportingDocs@santacruzcountyca.gov.

There are three notices enclosed that must be posted in view of all your employees; one notice in English and one in Spanish explain the employees' Living Wage rights and the other explains the Complaint Process. Please make sure these postings occur to ensure compliance.

Thank you for your prompt attention to these matters. If you have any questions, please contact our office at 831-454-2210.

Sincerely,

Shauna M. Soldate
Senior Buyer
County of Santa Cruz
Enclosure: Santa Cruz County Living Wage Packet

Santa Cruz County Living Wage Packet

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FORM.**

Return Completed Living Wage Compliance Statement via DocuSign.

LIVING WAGE ORDINANCE - SUMMARY OF PROVISIONS

Requirement:

Effective July 1, 2024, private sector employers who contract or subcontract with the County to provide specified services for greater than \$15,000 cumulatively in one fiscal year must pay their employees working on a County contract a living wage of \$20.73/hr if they provide benefits, or \$22.61/hr if they do not provide benefits.

Living Wage:

\$20.73/hr with benefits; \$22.61/hr without benefits.

Benefits:

Include all of the following: 12 days compensated sick and vacation leave (combined) annually for full-time employees, prorated for part-time; payment of at least \$1.88/hr toward health insurance for the employee.

Covered contracts:

- Automotive repair and maintenance
- Equipment maintenance services
- Facility and building maintenance
- Furniture moving and installation/maintenance services
- Janitorial and custodial services
- Landscape maintenance services
- Laundry services
- Office and clerical services
- Pest control services
- Recreation services
- Security services
- Transportation and shuttle services
- Towing services
- Tree trimming and removal

Non-covered contracts:

- Commodities, goods and supplies
- Public works (construction projects)
- Public projects subject to prevailing wage requirements
- Professional services - including but not limited to architects, engineers, landscape architects, land surveyors, construction managers, scientists, physicians, attorneys, financial advisors, consultants
- Leases

Covered contractors:

Private sector employers with 6 or more employees who enter into an agreement or agreements with the County for the any of the services listed under “covered contracts” above with the **cumulative** amount in one fiscal year greater than \$15,000.

Covered employee:

Any employee of a covered contractor or subcontractor who is assigned to work on a Santa Cruz County contract; can be full-time, part-time, temporary, or seasonal.

Non-Covered Employees:

- Designated trainees in a bona fide time limited training program which enables the employee to move into a permanent position
- Positions that require student status as a condition of employment
- Volunteers
- Recipients of income support such as SSI who waive in writing their entitlement to a living wage
- Workers in licensed, sheltered workshops or supported employment
- Recipients of public funds in work experience, on the job training, summer employment of wage-based community service position as defined by the HRA or HSA Administrator
- Employees represented by a bargaining unit of labor union and for whom a collective bargaining agreement is in effect
- Employees 17 years old or younger

Exemptions:

- Contractors with 5 or fewer employees
- Board of Supervisors may grant an exemption based on economic hardship, or that the exemption is in the best interests of the County due to unusual circumstances such as declared natural disaster or sole source contract. Requires written statement from the employer supporting the request and describing alternative solutions pursued.

Contract language:

The following language is required in services contracts, RFP's and bid documents:

"This contract is subject to the provisions of Santa Cruz County Code Chapter 2.122, requiring payment of a living wage to covered employees. Noncompliance during the term of the contract will be considered a material breach and may result in termination of the contract or pursuit of other legal or administrative remedies."

Certification:

Contractor is required to certify that it is in compliance with the ordinance prior to commencement or execution of the contract.

Employee Notification:

Contractors are required to notify covered employees of the provisions of the living wage ordinance, must post the ordinance and Complaint Procedure in the workplace, and provide this information to the employee upon request.

Non-Covered (Answer to question 2a in the Living Wage Compliance Statement is Yes and Union/bargaining unit noted) or Exempt employees (Answer to question 1 in the Living Wage Compliance Statement is five or less employees total in the company) do not need to be notified of the provisions of the living wage ordinance, nor does the employer need to post the ordinance and Compliant Procedure in the workplace.

Monitoring:

- Same as prevailing wage requirements.
- CAO is Compliance Officer.
- Contractors/subs can't retaliate if employees make a complaint.
- Complaint process:
 - Complainant notifies Compliance Officer (CO).
 - CO has 3 business days to contact complainant to get more info.
 - CO forwards info to contracting department for investigation.

- Department has 30 days from date CO gets complaint to do investigation and make findings.
- Department notifies CO of findings.
- CO has 7 days to notify complainant of findings.

Third Tier Review:

- As part of contractor certification of compliance prior to contract commencement, vendor must include statement of any findings of violations within the past 5 years and how violations were addressed with the National Labor Relations Board, OSHA, California Labor Commission, EEO Commission and/or Dept. of Fair Employment and Housing.
- Board of Supervisors can decide to use this info as a basis of approving or not approving a contract for services.
- County is authorized to access and review the employer's records regarding turnover, wages paid, benefits, grievances, and references from entities engaged in prior contracts with the employer.

Employee Retention:

If a contract for covered services in excess of \$50,000 is terminated prior to its expiration, any new contract with a subsequent contractor for the same services must include this term:

“Contractor shall make best efforts to offer employment to qualified employees of the prior contractor for the performance of this contract. Such efforts shall not be required in regard to employees who are (1) exempt under the Fair Labor Standards Act, (2) family members of the prior contractor, (3) employed by the prior contractor for less than six months, or (4) convicted of a job-related or workplace crime. Upon request by the County, the Contractor shall demonstrate to the County that good faith efforts have been made to comply with this provision.”



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COUNTY OF SANTA CRUZ LIVING WAGE COMPLIANCE REQUIREMENTS

Contracts for certain services are subject to the County of Santa Cruz Living Wage Ordinance, which was adopted by the Board of Supervisors on December 11, 2001 and went into effect on January 11, 2002.

For covered contracts, the minimum compensation to be paid covered employees as of July 1, 2024 shall be:

- \$20.73/hr minimum, if benefits are provided.
- \$22.61/hr minimum, if benefits are not provided.

Benefits are defined as:

- Compensated sick leave/vacation leave - At least 12 days (combined) annually for full-time employees and prorated for employees working less than full-time.
- Health insurance benefits – The payment of at least \$1.88/hr by the employer toward the payment of a health insurance policy for the employee.

Contractors and subcontractors for covered services must notify employees of the requirement for a living wage, the current minimum living wage rates, the minimum vacation and sick leave that must be provided and the minimum amount paid toward health insurance to qualify for the lower minimum living wage. Contractors and subcontractors must post a copy of the Living Wage Ordinance and Complaint Procedure in the workplace, and provide this information to employees upon request.

The attached Compliance Statement must be completed and returned with your quotation/proposal. If the Compliance Statement is not received, your quotation/proposal shall be deemed non-responsive and you will not be able to contract with the County for services at this time. Additionally, the County may request any or all weekly certified payrolls and other records associated with the term of this contract. Any such request will be made in writing and will provide 10 days for response.

Questions regarding Living Wage requirements may be directed to:

Purchasing Division
County of Santa Cruz General Services Department
701 Ocean Street, Room 330
Santa Cruz, CA 95060
(831) 454-2210
GSDSupportingDocs@santacruzcountyca.gov



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COUNTY OF SANTA CRUZ LIVING WAGE COMPLAINT PROCEDURE

Role of Complaint Process and Compliance Officer:

To establish a process for complainants to ensure whether contractors are in violation of a County contract.

Complaint Process:

1. Complainant notifies the Compliance Officer to register complaint.

Compliance Officer
County Administrative Office
Room 520
701 Ocean Street
Santa Cruz, CA 95060
831-454-2100
FAX: 831-454-3420

2. Within three business days, Compliance Officer contacts complainant for further information.
3. Compliance Officer forwards information to contracting department for follow up investigation and findings to determine whether the contractor is in violation of the ordinance.
4. Contracting department completes investigation and makes findings within 30 days following receipt of complaint by the Compliance Officer.
5. Immediately following the conclusion of the investigation, contracting department notifies Compliance Officer of the investigative findings.
6. Within 7 days, the Compliance Officer notifies complainant of findings.

COUNTY OF SANTA CRUZ



LIVING WAGE ORDINANCE EMPLOYEE NOTIFICATION

Employees working for this firm are subject to the County of Santa Cruz Living Wage Ordinance that was implemented on January 11, 2002. The Ordinance requires that all company employees who either work or live within Santa Cruz County and hired by contractors or subcontractors to work on county contracts are to be paid a living wage when the total value of the company's service contracts with the County exceeds \$15,000 in a fiscal year.

The minimum compensation to employees shall be:

1. If benefits are provided, a wage of not less than \$20.73 per hour, effective July 1, 2024.
2. If benefits are not provided, a wage of not less than \$22.61 per hour, effective July 1, 2024.

Benefits are defined as follows:

1. A combined twelve days compensated sick and vacation leave annually for full time employees, and pro-rated leave for employees working less than full time.
2. Payment of at least \$1.88 per hour toward health insurance for the employee.

Please direct questions regarding this ordinance to the County of Santa Cruz, Purchasing Division (831) 454-2210, 701 Ocean Street, Room 330, Santa Cruz, CA 95060.

The Purchasing Division of General Services monitors Living Wage Ordinance compliance. Complaints concerning contractors' compliance should be made to the Compliance Officer.

EL CONDADO DE SANTA CRUZ



AVISO PARA LOS EMPLEADOS ORDENANZA COSTO DE VIDA (LIVING WAGE ORDINANCE)

Los empleados que trabajan para esta empresa están sujetos a la Ordenanza de Sueldo Digno (Living Wage Ordinance), la cual fue implementada el 11 de Enero del 2002. La Ordenanza requiere que todos los empleados de una empresa que trabajan o vivir dentro del Condado de Santa Cruz y contratado por contratistas o subcontratistas para trabajar de Contratos del Condado, deben de ganar un “Costo de Vida” cuando el valor total de los servicios de la empresa los contratos con el Condado excede \$15,000 en un año fiscal.

La compensación mínima por hora para los empleados debe de ser:

1. Si se proveen beneficios médicos, un sueldo de \$20.73/hora, efectivo el primero de Julio, 2024.
2. Si no se proveen beneficios médicos, un sueldo de \$22.61/hora, efectivo el primero de Julio, 2024.

Beneficios se definen como sigue:

1. Una combinación de doce días pagados por año por vacaciones o enfermedad para los empleados que trabajan tiempo completo, y una combinación de tiempo proporcionado para los empleados que trabajan menos de tiempo completo.
2. Un pago mínimo de \$1.88 por hora, para los beneficios médicos para el/la empleado/a.

Si usted tiene preguntas sobre esta ordenanza, por favor, llame el División de Purchasing de la Departamento de Servicios General (831) 454-2210, 701 Ocean Street, Room 330, Santa Cruz, CA 95060.

La Oficina de Administración del Condado (County Administrative Office) controla la conformidad de la Ordenanza de Sueldos Dignos. Quejas sobre la falta de conformidad de la empresa deben de ser dirigidas al Compliance Officer.

Living Wage Ordinance Exemption Criteria Private For Profit Sector

Introduction:

The County Living Wage Ordinance empowers the Board of Supervisors, or their designee, to grant exemptions to the ordinance. Section 2.122.040 addresses exemptions. The ordinance categorically exempts contractors with five or fewer employees. Additionally, exemptions may be granted for additional grounds upon the making of a finding and determination either that compliance with the living wage will cause economic hardship, or that the exemption is necessary for the best interests of the County and is due to unusual circumstances or where the County is required to award a contract for services to a sole source contractor for services.

Exemption requests may be triggered when the proposed contract for services is for a service covered by the Living Wage Ordinance and when the value of the contract exceeds \$15,000, or the cumulative compensation to a contractor exceeds \$15,000 in a fiscal year.

This document describes the process for applying for exemptions, general guidelines and the specific criteria necessary to document the grounds upon which an exemption request is being sought. This criteria will be used by County staff to review exemption requests and to make recommendations on the exemption requests to the Board of Supervisors. The Board of Supervisors, or their designee, has the discretion to determine whether an exemption on specific grounds may be granted.

Process For Applying For An Exemption:

For all exemption requests, the exemption applicant (company) shall provide a written statement that includes complete details in support of the exemption request and which addresses the specific exemption criteria listed below. The statement must also describe alternative approaches sought in order to achieve compliance with the Ordinance. An exemption, if granted by the County Board of Supervisors, shall apply only to the contract for which it is granted and is not permanent.

The exemption applicant's request shall be accompanied by a supporting statement from the County Department proposing to utilize the services, documenting the need for an exemption based upon the specific exemption criteria listed below and any alternative solutions the Department has explored with the applicant in attempting to address Living Wage compliance issues.

The Department, if other than the Department of General Services, will forward a copy of the exemption applicant's request and the original letter of support to the General Services Department for review. General Services will forward a copy of the request to the Coalition For A Living Wage for its review and comments, if any.

General Services will evaluate the exemption request, seek clarification from the provider and the Department, as appropriate, and make recommendations to the Board of Supervisors.

The Board of Supervisors, or its designee, has sole authority to make the final decision on the exemption request.

General Guidelines:

In a competitive procurement for services, only those proposers who certify full compliance with the Living Wage Ordinance, or who have submitted an application for an exemption using the criteria in this process will be considered. In a competitive procurement situation, compliance with the Living Wage Ordinance, or an approved exemption, is necessary for an award. However, an exemption to the Living Wage Ordinance cannot be used to provide a competitive advantage to a particular proposer (i.e., cost for services of a non-compliant proposer is less than a compliant proposer).

An exemption applies only to the specific contract for which the exemption is granted, and is not permanent. If granted, all exemptions shall be time limited for up to six months within a fiscal year. One extension may be requested by the County Department utilizing the service along with a complete justification supporting the extension request. This extension period, if granted, will be for a maximum of six months within the same fiscal year that the original exemption was granted and will not extend past the end of the fiscal year. The contract term will run concurrently with any exemption and/or extension period but will not extend beyond it. The Board of Supervisors, or its designee, shall approve all extensions. During the exemption and any extension period, the County will work with the provider to develop a plan to bring the provider into compliance, and/or seek an alternate provider who is in compliance with the Living Wage Ordinance, or recommend that the service be provided by County staff where appropriate and applicable.

Exemption Criteria:

The County Living Wage Ordinance defines the following areas as grounds to be considered in the granting of an exemption: **Economic Hardship**; or **Unusual Circumstances**; or **Sole Source Justification** as defined below.

Specific criteria to be considered under each of these areas are as follows:

1. Economic Hardship:

- * Business Failure. Economic hardship can be demonstrated by a determination that compliance with the Living Wage Ordinance will result in failure of the business to meet its financial obligations and force it to go out of business.

OR

- * Compliance with the Ordinance would result in at least a 33% decrease in sales for the Company; and
- * There is a net loss of jobs in the County for County residents as a result of compliance with the Ordinance.

Economic Hardship (continued)

Source Documents (all required)

- * Company: A current audited financial statement that clearly shows the impact and extent of the net cost of the implementation of the Ordinance on the provider.
- * Company: Employee compensation schedules showing date of hire, hourly wages, health benefits, retirement benefits, bonuses, and other forms of compensation.
- * Company: An analysis by the Company which shows a direct correlation between decreased sales brought about by the implementation of the Ordinance and resulting layoffs of provider's personnel.
- * County: An analysis showing a net loss of jobs in the County for County residents as a result of compliance with the Ordinance.

2. Unusual Circumstances: Unusual circumstances can be demonstrated if an officially declared disaster has occurred, or if there is a documented, immediate health and safety threat to the public or County employees. Under these conditions, it is clearly in the best interests of the County to consider exemptions that meet the following criteria.

Health & Safety Criteria:

- * An officially declared disaster in accordance with County Procedures has occurred within the County. In such a disaster, General Services is delegated the authority by the Board to grant exemptions under this criteria.
- * Instances where the immediate health and safety of County employees and/or the public is at risk and where immediate attention is necessary to address public safety liability issues faced by the County. In such instances, General Services is delegated the authority by the Board to grant exemptions under this criteria.

General Services will report back to the Board in all circumstances where an exemption is granted due to a declared disaster or conditions where an immediate response was necessary to address public safety and liability issues. These exemptions will only apply to the specific disaster or emergency condition.

Other Unusual Circumstance Criteria - Coordination With Other Governmental Entities:

- * The specific contract under consideration is part of a joint acquisition of services in conjunction with other Federal, State or local governmental entities.

Unusual Circumstances (continued)

Source Documents

- * County: Disaster declaration; or
- * County: An analysis of the circumstances which require immediate response to address public safety and liability issues.
- * County: An analysis of the circumstances leading to and/or justifying a joint acquisition of services by governmental agencies, why it is in the best interests of the County to do so and why it is not feasible to comply with the County's Living Wage Ordinance.

3. Sole Source: Under this criteria, an exemption request must demonstrate that a sole source justification exists. It is considered to be in the best interests of the County to grant an exemption if a sole source finding and determination can be justified as described below.

Sole Source Criteria: An exemption request may be based on one or more of the following criteria. The more criteria that are met, the stronger the case will be for an exemption.

- * The Company has extraordinary capabilities and experience that are critical to the specific provision of services to the County that makes the Company clearly unique compared to other providers in the field.
- * A determination that no other comparable, qualified Living Wage compliant company can provide the services.
- * The Company has a substantial investment in infrastructure that would need to be duplicated at the County's expense by another provider entering the field.
- * The need for the service is to be provided within a critical time frame and the provider clearly demonstrates the ability to meet that time frame.
- * There exists patents, copyrights or warranties in connection with the service which is critical to the delivery of the service.

Source Documents

- * County and Company: A complete justification of sole source which addresses the applicable criteria under which the justification is sought, such as, the unique and extraordinary qualifications of the Company, critical time frame needed, an analysis documenting unique infrastructure investment by the provider, the existence of any patents or copyrights related to the service, continuity of service, impacts of not granting the exemption, and a fiscal analysis which indicates that the provider will provide the service at an appropriate cost.
- * County Purchasing (General Services): Sole source review and recommendation.

**COUNTY OF SANTA CRUZ
LIVING WAGE COMPLIANCE STATEMENT – FISCAL YEAR 2024-2025**

Only qualified employees covered under the Living Wage Ordinance 2.122 are allowed to work for County contracts and purchase orders. Vendors must familiarize themselves with this ordinance as located at <http://www.co.santa-cruz.ca.us> Business/vendor registration/Living Wage. Vendors must certify their intent to comply each year and return this completed form to: County of Santa Cruz: General Services Department – 701 Ocean St. Santa Cruz, CA 95060 or by email at GSDSupportingDocs@santacruzcounty.us.

Company Name: _____

Address: _____
Street City State Zip

Proposed Service: _____

1. Number of employees: _____ **Note: If five or less, skip questions 2-9, sign below and return.**

2. Of those employees, are they covered by a collective bargaining agreement? Yes: _____ No: _____

2a. If yes, please indicate the name(s) of the union and/or bargaining unit and then sign and return:

2.b If no, are your covered employees receiving a pay rate that meets or exceeds the County of Santa Cruz Living Wage requirements (\$20.73/hr with benefits or \$22.61/hr without benefits)?

Yes: _____ No: _____

3. Are medical benefits provided to your covered employees who are assigned to any County contract?

Yes: _____ No: _____

If yes, enter the name and address of the program, plan or fund below.

4. Are your covered full-time employees receiving a minimum of twelve days compensated leave annually (sick and vacation leave combined)? Yes: _____ No: _____

4a. If No, does covered employee pay meet or exceed \$22.61/hr? Yes: _____ No: _____

5. Will any subcontractors perform work on this contract? Yes: _____ No: _____

If yes, please complete and submit a copy of this form for each subcontractor working on County contract.

6. Within the last five years, have you had any violations with the National Labor Relations Board, Occupational Safety and Health Agency, California Labor Commission, Equal Employment Opportunity Commission, and/or the Department of Fair Employment and Housing?

Yes: _____ No: _____

6a. If yes, attach a statement describing the findings of violations and how they were addressed.

You may be required to provide information regarding employee turnover, wages paid, benefits and employee grievances or complaints.

6b. If this ever applies, will you provide this information within 10 days of request? Yes: _____ No: _____

7. For each County contract, you may be required to provide certified payroll records after the contract is completed to include the following information for each employee assigned to the work: employee name, contact phone number, job classification, hire date, employer benefit contribution, and hourly wage.

Do you agree to provide this information within 10 days of request? Yes: _____ No: _____

I certify, under penalty of perjury, that the above information is true and correct.

Name (please print) Title Phone Number Fax Number

Signature Date

Email address