CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117862

AN ORDINANCE relating to City contracting; increasing an appropriation in the Department of Finance and Administrative Services 2013 Adopted Budget; creating two new full-time positions to monitor and enforce wage and labor conditions, including wage-theft violations; requiring a report summarizing the work performed; and ratifying and confirming certain prior acts in connection thereto; all by a three-fourths vote of the City Council.

WHEREAS, the Department of Finance and Administrative Services has the authority to monitor and enforce wage, labor, and social equity requirements for City-funded construction projects; and

WHEREAS, since 2005, FAS has actively monitored construction projects funded by the Office of Housing (OH), by conducting compliance reviews, on-site inspections, restitution efforts, and related activities; and

WHEREAS, since this program was established, FAS has discovered numerous violations by builders; and

WHEREAS, existing City staffing for these monitoring and enforcement functions currently amounts to less than 1 full time employee (.75 FTE); and

WHEREAS, with increasing numbers of violations occurring in recent years, FAS has found it requires additional resources to adequately conduct compliance reviews, on-site inspections, restitution efforts, and related activities for City-funded housing projects; and

WHEREAS, existing resources do not allow for active monitoring of other City-funded public works projects, outside of housing construction; and

WHEREAS, some contractors on City-funded projects have urged that additional staffing is needed to support their efforts to ensure compliance with the law; and

WHEREAS, individuals affected by wage and labor violations are often among the most vulnerable in our city; and

WHEREAS, greater compliance with wage and labor laws levels the playing field in the labor market, thereby benefiting all workers as well as the businesses that already comply with these laws; and

WHEREAS, the Mayor and Council wish to enhance monitoring, and enforcement activities to discourage violations of the City's social equity mandates that are within FAS's purview; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred in 2013, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time the 2013 Budget was adopted, the appropriation for the following item in the 2013 Budget is increased as follows:

Fund Name and Number	Department	Budget Control Level*	2013 Appropriation
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	City Purchasing and Contracting Services (A4540)	$216,000

Section 2. The following new positions are created in the Department of Finance and Administrative Services:

Department	Position Title	Position Status	Number
Department of Finance and Administrative Services	Contract Analyst, Senior;	Full-time	2

The Director of Finance and Administrative Services is authorized to fill these positions subject to civil service and personnel rules and laws.

Section 3. By September 1, 2014, The Director of Finance and Administrative Services shall provide a report to the Council Government, Performance, and Finance Committee, or its successor committee, that summarizes the work performed by the existing position and the two new full-time positions authorized in this ordinance responsible for monitoring and enforcing wage and labor conditions at City funded public works and housing projects. The report shall cover the work conducted from August 1, 2013 to July 15, 2014.

Section 4. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 5. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by a three-fourths vote of all the members of the City Council the ____ day of _____, 2013, and signed by me in open session in authentication of its passage this _____ day of _____, 2013.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2013.

_____

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2013.

Monica Martinez Simmons, City Clerk

(Seal)

Form revised: December 12, 2012

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services	Nancy Locke 684-8903	Jennifer Devore, 5-1328

Legislation Title: AN ORDINANCE relating to City contracting; increasing an appropriation in the Department of Finance and Administrative Services 2013 Adopted Budget; creating two new full-time positions to monitor and enforce wage and labor conditions, including wage-theft violations; and ratifying and confirming certain prior acts in connection thereto; all by a three-fourths vote of the City Council.

Summary of the Legislation:
To respond to the large increase in worker pay and wage-theft-related activities, the attached legislation increases appropriation authority in the Department of Finance and Administrative Services' 2013 Adopted Budget, and creates two new full-time positions to expand monitoring and enforcement of wage and labor conditions on construction work monitored by the Department. Permanent funding for the enhanced program will be included the Mayor's 2014 Proposed Budget.

Background:
In 2005, the City was made aware of unfair worker pay practices on construction projects funded by the Office of Housing (OH), and responded by placing an enforcement officer within the Department of Finance and Administrative Services' predecessor, the Department of Executive Administration, which was responsible for social equity contract compliance on City contracts. Original funding provided a .75 FTE to monitor drywall workers for OH funded projects. Since the time the original monitoring program was created in 2005, wage-theft and pay violations on construction jobs have continued to be discovered, including violations identified for trades outside the drywall industry. While FAS staff continues to find violations that require recovery, restitution to workers, and consideration of criminal actions, resources for monitoring and enforcement are inadequate at current funding and FTE levels to properly protect all City-funded construction work. The attached proposed Council Bill is proposed in order to ameliorate that problem.

Please check one of the following:

____ **This legislation does not have any financial implications.**

_x___ **This legislatio n has financial implications.**

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2013 Appropriation	2014 Anticipated Appropriation
Finance and Administrative Services Fund (50300)	Department of Finance and Administrative Services	City Purchasing and Contracting Services (A4540)	$216,000	$288,000

Appropriations Notes: Permanent funding for this program will be included in the Mayor's 2014 Proposed Budget.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous orfuture legislation or budget actions, please provide details in the Notes section below the table.)

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
TOTAL			**0**	**0**

Revenue/Reimbursement Notes:

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

(

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
Contract Analyst, Senior; Department of Finance and Administrative Services	**N/A**	Finance and Administrative Services Fund (50300)	**FT**	**2.0**	**2.0**	**2.0**	**2.0**

** 2014 positions and FTE are total 2014 position changes resulting from this legislation, not incremental changes. Therefore, under 2014, please be sure to include any continuing positions from 2013.*

Position Notes:

Do positions sunset in the future? NO

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
TOTAL				

** See budget book to obtain the appropriate Budget Control Level for your department.*

Spending/Cash Flow Notes:

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**
Yes. This legislation will provide long-term protections for construction workers in Seattle, particularly those who are most vulnerable to exploitive wage-theft and labor violations.

b) **What is the financial cost of not implementing the legislation?**
None

c) **Does this legislation affect any departments besides the originating department?**
Office of Housing

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** None

e) **Is a public hearing required for this legislation?**
No

f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No

g) **Does this legislation affect a piece of property?**
No

h) **Other Issues:**

List attachments to the fiscal note below:

City of Seattle
Office of the Mayor

July 16, 2013

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that increases appropriation authority in the Department of Finance and Administrative Services' (FAS') 2013 Adopted Budget and creates two new positions to enhance monitoring and enforcement capacity to address wage theft, labor violations, and social equity requirements on City-funded construction projects. Permanent funding for the function will be included in the Mayor's 2014 Proposed Budget.

FAS has found numerous wage, labor, and social equity violations on City-funded housing construction projects since first beginning its monitoring efforts in 2005. With the number of violations increasing in recent years, FAS' existing .75 FTE allocated to this work is unable to keep up with the demand. The two additional positions created by this Bill will allow FAS to better monitor and enforce rules on City-funded housing projects as well as significantly increase its active monitoring and enforcement of other City-funded construction projects.

Passage of this legislation will help to ensure fair and equitable treatment of laborers who work on City projects. Should you have questions, please contact Nancy Locke at 206-684-8903.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
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