



**October 2, 2015**

**The Honorable Members of the Board of Supervisors  
City and County of San Francisco  
1 Dr. Carlton Goodlett Place, Room 244  
San Francisco, CA 94102**

***Subject: Request for Approval – Prevailing Wage Ordinance for SF Access Employees***

**Honorable Members of the Board of Supervisors:**

The San Francisco Municipal Transportation Agency (SFMTA) requests that the San Francisco Board of Supervisors approve an uncodified ordinance authorizing the SFMTA, following the issuance of a competitive solicitation, to include provisions in the next contract it executes for brokerage services for the SF Paratransit Program that require payment of prevailing wages by the contractor and subcontractors for drivers, dispatchers and reservationists providing services for the SF Access Program, and transitional employment and retention for the prior contractor's employees performing such services.

**Background**

The SFMTA provides approximately 800,000 Paratransit trips per year to persons with disabilities in San Francisco. The SFMTA contracts with a paratransit broker (currently Transdev Services, Inc.) to provide these services. Under its contract with the SFMTA, the paratransit broker operates the SF Access program, which provides door-to-door, shared-ride van services for people who are unable to use Muni's accessible buses, trains, and streetcars some or all of the time due to their disability.

The current Paratransit Broker Contract with Transdev will expire on June 30, 2016. The SFMTA is preparing a request for proposals (RFP) for a new paratransit broker contract, and will seek authorization to issue it from the SFMTA Board of Directors in the near future. The SFMTA Board must approve issuance of the RFP because the value of the final contract will be over \$10 million and the therefore must also be approved by the Board of Supervisors. The turnover of experienced operations staff resulting from a potential change in contractors could jeopardize the quality, efficiency, safety and cost-effectiveness of SF Access Paratransit services.

The City and County of San Francisco has a prevailing wage ordinance that applies to some contracts with outside vendors; however, it does not currently apply to the contract with the vendor that operates the SF Access paratransit service. Following research of salaries and benefits from comparable paratransit systems and discussions with the SF Access employees, including drivers, bus aides, dispatchers, reservations and clerical staff the current paratransit Broker, Transdev,

developed a comprehensive wage and benefit package with the union representing the SF Access employees that features a progressive pay scale as well as increased salaries, additional paid time off, and increases to the employer contribution for health care. During these discussions, SF Access employees expressed a desire for assurance that any future contractor will provide SF Access paratransit employees with a comparable wage and benefits package. The SFMTA wishes to be pro-active regarding a possible transition in contractors and is requesting that the Board of Supervisors approve an uncodified ordinance to authorize the SFMTA to include a requirement that the contractor and/or subcontractors that provide SF Access services pay prevailing wages, and retain the prior contractor's drivers, dispatchers, and reservationists providing such services for at least six months. Such provisions are subject to compliance with all applicable federal, state and local laws and other requirements, including, but not limited to, State licensing requirements, federal drug and alcohol testing rules, and SFMTA-required background checks.

### **Description of Work**

This uncodified ordinance would ensure that the selected contractor provides a comparable wage and benefit package as SFMTA is committed to retaining the most experienced and skilled employees for the SF Paratransit program.

This uncodified ordinance exceeds the requirements of the California Labor Code. Under California Labor Code Section 1070, if a new contractor is awarded a contract from a public transit agency to provide transportation services, the new contractor is encouraged to retain these qualified employees of the existing contractor for at least 90 days by receiving a preference of 10 percent in the evaluation of its proposal. However, should the selected contractor choose to hire these employees, there is no requirement that this offer provide the same wages or benefits as their existing contractor. With this ordinance, we would require that all proposers offer an equivalent wage and benefit package to the current SF Access employees and retain them for at least six months.

### **Alternatives Considered**

The alternative would be to not include a prevailing wage and retention requirement in the Paratransit Broker RFP, which could result in current, experienced, employees not being hired by a new contractor and wages proposed by a new contractor that may not be comparable to current rates. If that were the case, it would have a detrimental effect on the ability of a new contractor to attract these experienced employees. Failure to include the requirements of the ordinance would have consequences for disabled customers using the Paratransit Services, most of whom are low income and dependent on SF Access service for regular transportation to life support services such as kidney dialysis, other medical appointments and to meet needs of daily living.

### **Funding Impact**

These wages will result in a \$564,414 increase in Fiscal Year 2017 (FY17) and \$960,841 increase in FY18 from the current budget. Please see the attached wage and benefits chart which outlines

the wage and monetary value of the benefits for FY17.

**SFMTA Board Action**

On September 15, 2015, the SFMTA Board of Directors approved a Resolution authorizing the Director of Transportation to urge the Board of Supervisors to approve an uncodified ordinance authorizing the SFMTA to include provisions that require payment of prevailing wages by the contractor and subcontractors for drivers, dispatchers and reservationists providing services for the San Francisco Access Program, and transitional employment and retention for the prior contractor's employees performing such service, in the next contract it executes for brokerage services for the San Francisco Paratransit Program.

**Recommendation**

The SFMTA urges the Board of Supervisors to approve an uncodified ordinance authorizing the SFMTA to include provisions that require payment of prevailing wages by the contractor and subcontractors for drivers, dispatchers and reservationists providing services for the SF Access Program, and transitional employment and retention for the prior contractor's employees performing such service, in the next contract it executes for brokerage services for the SF Paratransit Program

Sincerely,



**Edward D. Reiskin**  
**Director of Transportation**