File No. \_\_\_\_\_ / (6089)

Committee Item No. \_\_\_\_4 Board Item No. \_\_\_\_

Date \_\_\_\_\_

# **COMMITTEE/BOARD OF SUPERVISORS**

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 28, 2016

**Board of Supervisors Meeting** 

## Cmte Board

		Motion Resolution Ordinance Legislative Digest Budget and Legislative Analyst Report Youth Commission Report Introduction Form Department/Agency Cover Letter and/or Report MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics Commission Award Letter Application Public Correspondence	
	<b>२</b>	(Use back side if additional space is needed)	
			_
Compl	eted I	<b>Date</b> September 23, 2016	

Completed by:_	Linda Wong	Date	September 23, 2016
Completed by:_	Linda Wong	Date	

## FILE NO. 160891

ORDINANCE " ).

[Administrative, Police Codes - Prevailing Wage for Security Guard Services]

Ordinance amending the Administrative Code to require prevailing wages in City contracts for security guard services and that prevailing wages be paid for security guard services at certain events on City property; and amending the Police Code to make a technical clarification regarding worker retention requirements for security guards.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in <u>single-underline italics Times New Roman font</u>. Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>. Board amendment additions are in <u>double-underlined Arial font</u>. Board amendment deletions are in <u>strikethrough Arial font</u>. Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Administrative Code is hereby amended by revising Section 21C.7 and adding Section 21C.11, to read as follows:

SEC. 21C.7. STANDARD PROVISIONS GOVERNING THE PREVAILING RATE OF WAGES, WORKER RETENTION, AND USE OF EMPLOYEES FOR WORK UNDER CITY CONTRACTS FOR CERTAIN SERVICES.

(b) Definitions. For purposes of this Section 21C, the following definitions shall apply to the terms used herein.

"Covered Contract" shall mean an agreement between the City and a Contractor for the following services: "Motor Bus Services" as defined in Section 21C.1, subject to the

Supervisor Kim BOARD OF SUPERVISORS provisions of Section 21C.1; "Janitorial Services" as defined in Section 21C.2; "Public Off-Street Parking Lots, Garages, or Storage Facilities for Automobiles" as defined in Section 21C.3; "Theatrical Services" as defined in Section 21C.4; "Solid Waste Generated By The City In Course of City Operations" as defined in Section 21C.5; "Moving Services" as defined in Section 21C.6; "Trade Show and Special Event Work" as defined in Section 21C.8; *and* "Broadcast Services" as defined in Section 21C.9; *and "Security Guard Services" as defined in Section 21C.11.* 

# <u>SEC. 21C.11. PREVAILING RATE OF WAGES FOR SECURITY GUARD SERVICES IN</u> <u>CITY CONTRACTS AND FOR EVENTS ON CITY PROPERTY.</u>

(a) **Definitions.** For purposes of this Section 21C.11, the following definitions shall apply: "Event" means any organized gathering of people, including but not limited to a live

performance, dance, convention, conference, parade, or exposition on City property.

"Security Guard Services" means services to protect persons or property or prevent theft. performed by nonsupervisory employees who are licensed by the California Bureau of Security and Investigative Services (BSIS) or a successor agency to provide security guard or proprietary security guard service, including but not limited to men and women serving as security guards, watchmen, patrolmen, and security officers.

(b) City Contracts.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

(1) Prevailing Wage Requirement. Every Contract issued by the City must require that any individual performing Security Guard Services thereunder at any facility or on any property owned or leased by the City be paid not less than the Prevailing Rate of Wages, including fringe benefits or the matching equivalents thereof, paid in private employment for similar work in the area in which the Contract is being performed. All Contracts subject to this Section 21C.11 shall include a provision in which the Contractor agrees to comply with, and to require Subcontractors to comply with, the obligations imposed by this Section.

Supervisor Kim BOARD OF SUPERVISORS

(2) **Exclusions.** For purposes of this subsection (b), "Contract" shall mean an agreement to be performed at the expense of the City or to be paid out of moneys deposited in the City 3 treasury or out of trust moneys under the control of or collected by the City, but shall not include the following: (A) Contracts issued by the San Francisco Airport Commission or to be performed at any facility owned, leased, or otherwise under the jurisdiction of the San Francisco 7 Airport Commission. (B) Contracts for a cumulative amount of \$10,000 or less per Security Guard 8 9 Services provider in each fiscal year. Contracts may not be split for purposes of evading the 10 requirements of this Section. 11 (c) Events on City Property. (1) Prevailing Wage Requirement. Every Contract, Lease, Franchise, Permit, or 12 13 Agreement awarded, let, issued, or granted by the City for the use of property owned by the City must 14 require that any individual engaged in Security Guard Services for an Event on City property be paid not less than the Prevailing Rate of Wages, including fringe benefits or the matching equivalents 15 16 thereof, paid in private employment for similar work in the area in which the Contract, Lease, 17 Franchise, Permit, or Agreement is being performed. All Contracts, Leases, Franchises, Permits, or Agreements subject to this Section 21C.11 shall include a provision in which the Contractor (including 18 a lessee, franchisee, permittee or other party to an Agreement) agrees to comply with, and to require 19 Subcontractors to comply with, the obligations imposed by this Section. 20 (2) Exclusions. For purposes of this subsection (c). "Contract, Lease, Franchise, 21 Permit, or Agreement" shall mean an agreement with the City for the use of property owned by the 22 23 City, but shall not include any contract, lease, franchise, permit, or agreement for: (A) Celebration of a marriage, domestic partnership, or similar civil union, 24

Supervisor Kim BOARD OF SUPERVISORS

1

2

4

5

6

25

(B) The presentation of an Event to which the public has free access when the 2 Event is in a public park, on a public street, or on property under the jurisdiction of the Port 3 *Commission, and the advertising and promotion for the Event is less than \$10,000.* (C) Any permit or agreement to engage in film production pursuant to Chapter 5 57 of this Code or under the circumstances set forth in Section 57.7 of this Code. (D) In any circumstance where application of this Section 21C.11 would be 6 7 preempted by federal or state law, or 8 (E) Any Event for which the total number of employees providing Security Guard 9 Services for the Event is less than fifteen persons. 10 (d) **Preemption.** Nothing in this Section 21C.11 shall be interpreted or applied so as to create 11 any right, power, or duty in conflict with any federal or state law. 12 (e) Operative Date and Prospective Effect. 13 (1) This Section 21C.11 shall become operative upon the initial setting of a Prevailing 14 Rate of Wages for Security Guard Services by the Board of Supervisors. This initial Prevailing Rate of 15 Wages shall be set in accordance with the process established in Section 21C.7(c)(1), except the Civil Service Commission shall submit to the Board of Supervisors data as to the Prevailing Rate of Wages 16 17 no later than 120 days after the effective date of this Section 21C.11. Thereafter, the Commission shall submit data as to the Prevailing Rate of Wages for Security Guard Services on or before the first 18 19 Monday in November each year in accordance with Section 21C.7(c)(1). 20 (2) This Section 21C.11 is intended to have prospective effect only, and shall not be 21 interpreted to impair the obligations of any pre-existing Contract, Lease, Franchise, Permit, or Agreement" issued or entered into by the City, unless such pre-existing agreement is amended after the 22 effective date of this Section and such amendment extends the term of the pre-existing agreement. 23 (f) Severability. If any part or provision of this Section 21C.11, or the application thereof to 24

any Person or circumstance, is held invalid, the remainder of this Section, including the application of

Supervisor Kim BOARD OF SUPERVISORS

1

4

25

such part or provisions to other Persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Section are severable.

Section 2. The Police Code is hereby amended by revising Article 33C, Section 3300C.1, to read as follows:

# ARTICLE 33C: DISPLACED WORKER PROTECTION

## SEC. 3300C.1. DEFINITIONS.

The following definitions shall apply throughout this Article:

(a) "Awarding authority" means any person that awards or otherwise enters into contracts for security and janitorial or building maintenance services performed within the City and County of San Francisco, except that the City and County of San Francisco is not an "awarding authority" under this Section with respect to City contracts for janitorial services as defined in Administrative Code Section 21C.2 <u>or City contracts for security guard services as defined in Administrative Code Section 21C.11</u>, because the worker retention requirements for those City contracts are governed by Section 21C.7of the Administrative Code.

\* \* \* \*

Section 3. Undertaking for the General Welfare. In enacting and implementing this ordinance, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

Section 4. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance. However, as indicated in Administrative Code Section 21 C.11(e), Section 21 C.11 shall become operative only upon the initial setting by the Board of Supervisors of a Prevailing Rate of Wages for the categories of work covered by that Section.

Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney

By: NCESCA GESSI **Deputy City Attorney** 

n:\legana\as2015\1600215\01126001.doc

### LEGISLATIVE DIGEST

[Administrative, Police Codes - Prevailing Wage for Security Guard Services]

Ordinance amending the Administrative Code to require prevailing wages in City contracts for security guard services and that prevailing wages be paid for Security Guard Services at certain events on City property; and amending the Police Code to make a technical clarification regarding worker retention requirements for security guards.

#### Existing Law

In addition to prevailing wage requirements governing public works projects, several ordinances require the payment of prevailing wages for certain types of work connected with City property, including, among others, janitorial services, parking garage attendant services, theatrical workers services, moving services, and trade show work. See S.F. Admin. Code §§ 21C.1-21C.9. There is no prevailing wage ordinance governing security guard services.

### Amendments to Current Law

The proposed ordinance would require the payment of prevailing wages for Security Guard Services performed under a City contract or for events on City property. The proposed ordinance defines "Security Guard Services" as services to protect persons or property or prevent theft, performed by nonsupervisory employees who are licensed by the California Bureau of Security and Investigative Services (BSIS) or a successor agency to provide security guard or proprietary security guard service.

### City Contracts

The proposed ordinance would require that any individual performing Security Guard Services under a City contract at any facility or on any property owned or leased by the City be paid prevailing wages. The prevailing wage requirement would apply to subcontracts, as well as prime contracts.

The following types of contracts would be excluded from the prevailing wage requirement: (1) contracts issued by the San Francisco Airport Commission or to be performed at any facility owned, leased, or otherwise under the jurisdiction of the San Francisco Airport Commission, and (2) contracts for a cumulative amount of \$10,000 or less per Security Guard Services provider in each fiscal year.

## Contracts, Leases, Franchises, Permits, or Agreements for Events on City property

The proposed ordinance would also require that every contract, lease, franchise, permit, or agreement awarded, let, issued, or granted by the City require that any individual engaged in Security Guard Services for an Event on City property be paid prevailing wages. The proposed ordinance defines an "Event" as any organized gathering of people, including but not limited to a live performance, dance, convention, conference, parade, or exposition on City property.

The prevailing wage requirement would not apply to the following types of events or agreements:

- Celebration of a marriage, domestic partnership, or similar civil union.
- An Event to which the public has free access when the Event is in a public park, on a public street, or on property under the jurisdiction of the Port Commission, and the advertising and promotion for the Event is less than \$10,000.
- Any permit or agreement to engage in film production pursuant to Chapter 57 of this Code or under the circumstances set forth in Section 57.7 of this Code.
- Any Event for which the total number of employees providing Security Guard Services for the Event is less than fifteen persons.

n:\legana\as2016\1600215\01122342.docx

### BUDGET AND FINANCE COMMITTEE MEETING

## SEPTEMBER 28, 2016

It	tem 4 Depa	rtment:		
Fi	File 16-0891 Office	e of Labor Standards Enforcement (OLSE)		
EXECUTIVE SUMMARY				
	Legisla	tive Objectives		
•	The proposed ordinance would amend the Administrative Code to require that prevailing wages be paid for security guard services at certain events on City property and in City contracts for security guard services.			
•	<ul> <li>The proposed ordinance would als clarification regarding worker retentio</li> </ul>	o amend the Police Code to make a technical n requirements for security guards.		
	ł	Key Points		
•	with particular types of City contra	s prevailing wage rates for employees of businesses acts. These contracts currently include janitorial rvices, and waste removal services, among others.		
, ,	The proposed ordinance would require employees performing security guard services be paid the prevailing wage rate.			
Fiscal Impact				
•		who provide security guard services in City contracts ne City under future contracts for these services, bids.		
•	Paying prevailing wages to workers who provide security guard services at events on City property could increase the costs to put on such events in San Francisco, and potentially result in fewer events being held in San Francisco.			
•		ed ordinance depends on future City contractor bids ors increase the bids submitted to the City to pay for		
	Reco	ommendation		
•	Approval of the proposed ordinance is	a policy decision for the Board of Supervisors.		

SAN FRANCISCO BOARD OF SUPERVISORS

1

## MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance and shall require two readings by the Board of Supervisors.

The City's Administrative Code requires certain contractors that have contracts with the City, including public works contracts, to pay employees the highest general prevailing rate of wages for similar work in private employment. These requirements are enforced by the City's Office of Labor Standards Enforcement.

### BACKGROUND

The Board of Supervisors annually sets prevailing wage rates for employees of businesses with particular types of City contracts. The prevailing wage requirement for City contracts and events on City property requires that employees be paid not less than the prevailing wage rates, including fringe benefits or matching equivalents, paid in private employment for similar work in the area.

Section 6.22 (E) of the Administrative Code requires that public works and construction contractors pay workers prevailing wages, and Section 21C of the Administrative Code requires the same of contractors with the City for certain types of work connected with City property, including janitorial services, theatrical services, moving services, and waste removal services, among others.

Security guard contractors are currently not covered by the prevailing wage requirement.

#### DETAILS OF PROPOSED LEGISLATION

#### Administrative Code

The proposed ordinance would amend the Administrative Code to revise Section 21C.7 and add Section 21C.11 to require that prevailing wages be paid to:

- (1) employees of businesses having contracts and subcontracts with the City to provide security guard services; and
- (2) individuals providing security guard services as part of a contract, lease, franchise, permit or agreement to hold certain events on City property.

"Security guard services" are defined as services performed by licensed employees, including security guards, watchmen, patrolmen, and security officers, to protect individuals or property or to prevent theft. "Events" on City property include any organized gathering of people, including a live performance, dance, convention, conference, parade, or exposition on City property.

The proposed ordinance would require that prevailing wage rates be included in future contracts and subcontracts of businesses having such contracts and subcontracts with the City, after issuing a competitive solicitation, for security guard services. The City would also include in any new contract for security guard services requirements that the successor contractor:

- Retain, for a six-month period, employees who have worked at least 15 hours per week and have been employed by the prior contractor or its subcontractors, if applicable, for the preceding 12 months;
- Retain employees of the prior contractor by seniority within job classifications if fewer employees are required to perform the new contract;
- During the six-month retention period, maintain a preferential hiring list of eligible employees that were not retained by the successor contractor;
- Not discharge any retained employee during the six-month transition period without cause; and
- At the end of the six-month period, offer continued employment to retained employees, if the employee's performance is satisfactory, under the terms and conditions established by the successor contractor.

The proposed ordinance would exempt from the prevailing wage requirement contracts awarded by the San Francisco Airport Commission or performed at airport facilities and contracts for a cumulative amount of \$10,000 or less per security guard services provider each fiscal year.

The proposed ordinance would also exempt the following types of events or activities from the prevailing wage requirements with respect to security guard services:

- The celebration of a marriage, domestic partnership, or civil union;
- Events that offer free access to the public in a public park or street with advertising and promotion costs less than \$10,000;
- Film production;
- Events with fewer than 15 employees providing security guard services; and
- Any circumstances where application would be preempted by federal or state law.

#### Police Code

The proposed ordinance would also amend the Police Code by revising Article 33C, Section 3300C.1, to make a technical clarification to worker retention requirements by including City contracts for security guard services among the contracts that are governed by Section 21C.7 of the Administrative Code.

#### **FISCAL IMPACT**

Under the proposed ordinance, businesses having contracts with the City to provide security guard services would be required to pay their employees at least the prevailing wage rates set by the Board of Supervisors. Increased costs as a result of paying prevailing wage rates could result in increased costs of future City contracts. However, any increased contract costs to the City as a result of paying prevailing wage rates are dependent on future City contractors' bids, and the extent to which higher wage rates may result in higher contractor bids.

SAN FRANCISCO BOARD OF SUPERVISORS

#### BUDGET AND FINANCE COMMITTEE MEETING

The payment of such prevailing wage rates to security guard employees resulting in increased wage costs could also potentially result in fewer events being held on City property. However, it is not known at this time to what extent the payment of such prevailing wage rates might reduce the number of events held on City property and consequently reduce permit and related revenues.

## RECOMMENDATION

Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

#### SAN FRANCISCO BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

**BOARD of SUPERVISORS** 



City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco 94102-4689 Tel. No. 554-5184 Fax No. 554-5163 TDD/TTY No. 554-5227

# MEMORANDUM

TO:

Jaci Fong, Director, Office of Contract Administration Toney D. Chaplin, Acting Chief of Police, Police Department Ivar C. Satero, Airport Director, Airport Commission Michael Brown, Executive Officer, Civil Service Commission Villy Wang, President, Film Commission Elaine Forbes, Interim Executive Director, San Francisco Port Commission

FROM: Kinda Wong, Assistant Clerk, Budget and Finance Committee

DATE: August 17, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Supervisor Kim on August 2, 2016:

File No. 160891

Ordinance amending the Administrative Code to require prevailing wages in City contracts for security guard services and that prevailing wages be paid for security guard services at certain events on City property; and amending the Police Code to make a technical clarification regarding worker retention requirements for security guards.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Kofo Domingo, Office of Contract Administration Christine Fountain, Police Department Cathy Widener, Airport Commission Jean Caramatti, Airport Commission Matt Stiker, Film Commission Daley Dunham, San Francisco Port Commission Amy Quesada, San Francisco Port Commission

Print Form	
<b>Introduction Form</b> By a Member of the Board of Supervisors or the Mayor	2016 NG - 2 PM 4: 48
I hereby submit the following item for introduction (select only one):	Time stamp for meeting date
	-
1. For reference to Committee. (An Ordinance, Resolution, Motion, or Chart	er Amendment)
2. Request for next printed agenda Without Reference to Committee.	
3. Request for hearing on a subject matter at Committee.	
4. Request for letter beginning "Supervisor	inquires"
5. City Attorney request.	
6. Call File No. from Committee.	
7. Budget Analyst request (attach written motion).	
8. Substitute Legislation File No.	
9. Reactivate File No.	
10. Question(s) submitted for Mayoral Appearance before the BOS on	
Please check the appropriate boxes. The proposed legislation should be forwarded Small Business Commission I Youth Commission	to the following: Ethics Commission
Planning Commission     Building Inspection	
Note: For the Imperative Agenda (a resolution not on the printed agenda), use a	a Imperative Form.
Sponsor(s):	·
Supervisor Kim	
Subject:	
Administrative, Police Codes - Prevailing Wage for Security Guard Services	
The text is listed below or attached:	
Attached	
Signature of Sponsoring Supervisor:	$\int \mathcal{Q}_{-}$
For Clerk's Use Only:	

## Lew, Lisa (BOS)

From:	Lew, Lisa (BOS)
Sent:	Wednesday, August 17, 2016 10:13 AM
То:	Fong, Jaci (ADM); SFPD, Chief (POL); Ivar Satero (AIR); Brown, Michael (CSC);
	'film@sfgov.org'; Forbes, Elaine (PRT)
Cc:	Domingo, Kofo (ADM); Fountain, Christine (POL); Cathy Widener (AIR); Jean Caramatti
· .	(AIR); Dunham, Daley (PRT); Quesada, Amy (PRT); Wong, Linda (BOS)
Subject:	BOS Referral: File No. 160891 - Administrative, Police Codes - Prevailing Wage for Security
	Guard Services
Attachments:	160891 FYI.pdf

Hello,

The following legislation is being referred to your department for informational purposes:

#### File No. 160891

Ordinance amending the Administrative Code to require prevailing wages in City contracts for security guard services and that prevailing wages be paid for security guard services at certain events on City property; and amending the Police Code to make a technical clarification regarding worker retention requirements for security guards.

Sent on behalf of Linda Wong, Assistant Clerk, Budget and Finance Committee. Please forward any comments or reports to Linda Wong.

Regards,

## Lisa Lew

Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 P 415-554-7718 | F 415-554-5163 lisa.lew@sfgov.org | www.sfbos.org

Click <u>here</u> to complete a Board of Supervisors Customer Service Satisfaction form

The Legislative Research Center provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.