**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: Health Commission, Mark Morewitz, Commission Secretary Health Service System, Abbie Yant, Executive Director Ivar C. Satero, Airport Director

FROM: Victor Young, Assistant Clerk

Victor Houng

DATE: October 9, 2020

SUBJECT: LEGISLATION INTRODUCED

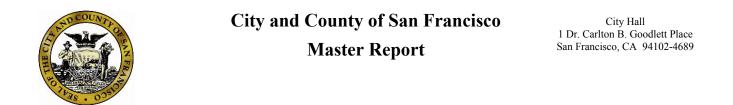
The Board of Supervisors' Budget and Finance Committee received the following proposed legislation:

## File No. 201133

Ordinance amending the Administrative Code to require employers of employees covered by the Quality Standards Program at the San Francisco International Airport to provide family health insurance to such employees, or to make contributions on the employees' behalf to an account established under Section 14.2 of the Administrative Code.

If you have 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 or by email at: linda.wong@sfgov.org.

c: Cathy Widener, SF Airport Corina Monzon, Airport Commission <u>Corina.Monzon@flysfo.com</u> Linda Wong, Budget and Finance Committee



ile Number:	201133	File Type:	Ordinance	Status: 30 Day Rule
Enacted:				Effective:
Version:	1	In Control:	Rules Committee	
File Name:		Employers at S	Ith Care Requirement an Francisco	<b>Date Introduced:</b> 09/29/2020
Requester:			Cost:	Final Action:
Comment:			employers Standards Airport to p employees behalf to a	amending the Administrative Code to require of employees covered by the Quality Program at the San Francisco International provide family health insurance to such s, or to make contributions on the employees' n account established under Section 14.2 of istrative Code.
				<b>Sponsors:</b> Mandelman; Walton, Mar, Haney and Peskin

#### History of Legislative File 201133

Ver	Acting Body	Date	Action	Sent To	Due Date	Result
1	President	09/29/2020	ASSIGNED UNDER 30 DAY RULE	Rules Committee	10/29/2020	

1	[Administrative Code - Health Care Requirements for Certain Employers at San Francisco International Airport]		
2			
3	Ordinance amending the Administrative Code to require employers of employees		
4	covered by the Quality Standards Program at the San Francisco International Airport to		
5	provide family health insurance to such employees, or to make contributions on the		
6	employees' behalf to an account established under Section 14.2 of the Administrative		
7	Code.		
8	NOTE: Unchanged Code text and uncodified text are in plain Arial font.		
9	Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in <u>double-underlined Arial font</u> .		
10	Board amendment deletions are in strikethrough Arial font.		
11	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.		
12			
13	Be it ordained by the People of the City and County of San Francisco:		
14			
15	Section 1. Title.		
16	This ordinance shall be known as the "Healthy Airport Ordinance."		
17			
18	Section 2. Findings.		
19	(a) The San Francisco International Airport ("Airport") is a worldwide transportation hub,		
20	connecting the San Francisco Bay Area directly to cities throughout the United States,		
21	Canada, Mexico, Central America, Asia, Australia, and Europe. An average of nearly 58		
22	million people normally travel through the Airport each year.		
23	(b) On December 7, 1999, the San Francisco Airport Commission, by Resolution No.		
24	99-0446, adopted the Quality Standards Program (QSP) to enhance Airport safety and		
25	security. The Resolution required the implementation of minimum standards for hiring,		

training, performance management, and compensation and benefits of employees covered by
the QSP, as well as enhanced equipment safety and security standards. The Airport
Commission incorporated the QSP into the Airport Rules and Regulations and required
compliance as a condition of Airport use permits.

5 (c) The QSP's compensation and benefit standards aim to assist in the recruitment of 6 high-quality employees and the reduction of employee turnover, and have been successful in 7 doing so, which in turn has improved worker performance. After the QSP was implemented, 8 turnover of covered employees fell by an average of 34% overall, with even larger decreases 9 for employee groups that received higher than average increases in compensation. 10 Employers reported that after the QSP was implemented they were able to increase their 11 hiring standards, and that they experienced improved employee performance, reduced 12 disciplinary actions, reduced absenteeism, and fewer employees who failed initial training.

These results improved safety and security at the Airport. Although the primary goals of the program are safety and security, the QSP also improved Airport efficiency and customer

15 service.

(d) Due to the success of the program, the Airport Commission has adopted several
resolutions that expanded the QSP to include higher standards and new employee groups
that directly impact Airport safety or security. Under Charter Section 4.104, each of these
resolutions was adopted after notice and a public hearing to consider public comment.

(1) On January 18, 2000, by Resolution No. 00-0002, the Airport Commission
expanded the QSP to cover employees of airlines and service providers who have access to
the Airfield Operations Area or otherwise are directly involved in passenger and facility safety
and security.

(2) After a comprehensive review of the QSP, on August 18, 2009, by
 Resolution No. 09-0199, the Airport Commission enhanced the QSP's employee

1 compensation requirements. The Resolution required employers to provide QSP-covered 2 employees with individual health benefits that met the minimum standards of the Health Care 3 Accountability Ordinance (HCAO), Administrative Code Chapter 12Q. The Resolution temporarily froze the QSP minimum wage rate at \$12.33 per hour until that rate was no more 4 5 than \$0.50 per hour more than the wage rate required by the Minimum Compensation 6 Ordinance (MCO), Administrative Code Chapter 12P. The HCAO and MCO, each enacted 7 after the QSP was adopted, cover employees working under certain City contracts, leases, 8 and other agreements.

9 (3) On October 13, 2015, by Resolution No. 15-0216, the Airport Commission included in the QSP employees located on or near Airport property who are directly involved 10 in the preparation and/or transportation of food and beverage products delivered directly onto 11 12 aircraft in the QSP. Additionally, to protect the QSP's pay standard, and the safety and 13 security interests that this standard supports, this Resolution provided that employee wage 14 requirements could not be waived in a collective bargaining agreement (CBA) unless the CBA 15 clearly and unambiguously waived them and provided for wages that at least met the QSP 16 standards. However, a CBA still may waive the QSP health benefit requirements.

(4) On January 19, 2016, by Resolution No. 16-0035, the Airport Commission
 adopted additional QSP Airport safety and employee health and safety standards, enhanced
 QSP employee training requirements, included Airport custodial workers in the QSP, and
 increased fines for non-compliance.

(e) The individual health benefits provided to QSP-covered employees are critical to
the health, well-being, and financial security of those employees. These health benefits not
only enhance QSP employee recruitment and retention and reduce employee absences;
employee access to health care also reduces the spread of infectious disease. However,
some QSP-covered employees do not receive health benefits because their CBA waives the

health benefit requirement. Also, escalating health care costs are undermining the
effectiveness of these health benefits for QSP-covered employees, and of the QSP's
compensation and benefit components more broadly. Many QSP-covered employees report
that they cannot afford family health benefits. For example, employees of an airline catering
company report being offered family health benefits with a \$700 monthly premium and a
\$6,000 deductible. Such employees may face the choice between accessing health care or
affording other necessary expenses like rent or mortgage payments, food, or childcare.

(f) The COVID-19 pandemic poses a new and unprecedented threat to the health of
Airport employees and consequently to the City's ability to safely and effectively operate the
Airport. As COVID-19 spread in Asia and Europe, the Trump Administration did not impose
international travel limits until February 2, 2020, more than a month after the virus was first
reported and after it had already been documented to have spread to more than 20 countries,
including the United States. SFO workers likely had been exposed to COVID-19 before the
novel coronavirus was detected in the United States.

15 (g) On March 16, 2020, to mitigate the spread of COVID-19, local health officers in 16 seven Bay Area jurisdictions, including the City and San Mateo County, where the Airport is 17 located, issued health orders directing individuals living in those jurisdictions to shelter in their 18 places of residence and directing businesses, except essential businesses as defined in the 19 order, to cease activities at facilities located within those jurisdictions. Although these health 20 orders have been gradually modified to allow additional activities, they remain in place 21 indefinitely, and a large number of Bay Area employees continue to work remotely. But many 22 others in a variety of industries perform jobs that are considered essential but that cannot be 23 performed remotely. Airport employees, an essential workforce due to their role in facilitating air travel, which is an essential business, must continue to perform their work duties in person, 24

and thus face a risk of transmission of COVID-19 that is significantly higher than for those who
 are able to work safely at home.

3 (h) Employees working at the Airport who perform services that directly impact safety
4 and/or security at the Airport are at considerable risk of contracting and spreading COVID-19
5 due to the nature of their work duties. As examples:

6 (1) QSP-covered employees, including airline baggage handlers, wheelchair
7 agents, security screeners, and lobby agents face a heightened risk of exposure as their job
8 duties require frequent, close contact with passengers, often in areas where passengers are
9 likely to congregate together. Inconsistent policies for enforcing compliance with face covering
10 requirements increase the risk that employees face.

(2) Employees of airline catering companies often work in climate-controlled
spaces with little ventilation, where they must breathe the same air recirculated throughout
their shifts. These employees often work in crowded worksites where distancing is not
possible—in industrial kitchens or on assembly lines where employees stand shoulder-toshoulder as they prepare food, assemble food and beverage carts, and wash dishes. Others
must board multiple airplanes every week to coordinate catering delivery, coming into close
contact with airplane cabin crews in spaces where distancing is often impossible.

(3) Employees who disinfect and clean airplane cabins in between flights must
 come into contact with surfaces and areas used by large groups of air travelers, and in some
 instances have been asked to clean airplane cabins while passengers are still present.

(i) As of September 29, 2020, at least 131 employees who work at the Airport have
 tested positive for COVID-19. This figure likely significantly underestimates the true number of
 COVID-19 cases among employees who work at the Airport, because many employees lack
 access to testing.

1 (j) Many Airport workers are people of color, who may be especially vulnerable to 2 contracting COVID-19 and to suffering greater health consequences from the virus. According 3 to the Centers for Disease Control (CDC), there is increasing evidence that some racial and ethnic minority groups are disproportionately impacted by COVID-19. The CDC has identified 4 occupation; healthcare access and utilization; discrimination; educational, wealth and income 5 6 gaps; and substandard housing as the contributing factors that may increase the risk that 7 people from certain racial and ethnic minorities contract, face serious illness, or die from 8 COVID-19.

9 (k) Access to affordable family health benefits is central to achieving the goals of the 10 QSP. Protecting the health of employees and their families is important to the City's 11 proprietary interests as owner and operator of the Airport, including its interest in attracting 12 and retaining high-quality employees whose work impacts safety and security, protecting the 13 community and the traveling public from the spread of COVID-19, and restoring public 14 confidence in the safety of air travel.

(I) Moreover, recent history shows that these interests are not likely to be limited to the
duration of the COVID-19 pandemic. Air travel played a central role in the spread of severe
acute respiratory syndrome (SARS) in 2002 and Middle East Respiratory System (MERS) in
2014, as well as influenza pandemics in 1957, 1968, and 2009. It is therefore in both the
short-term interest and the long-term interest of the Airport and the City to adopt the changes
to the HCAO set forth in this ordinance.

21

Section 3. Chapter 12Q of the Administrative Code is hereby amended by revising
Sections 12Q.2, 12Q.2.7, 12Q.2.9, 12Q.3, 12Q.5, 12Q.5.2, and 12Q.8; renumbering existing
Section 12Q.2.16 as Section 12Q.2.22 and revising said Section; and adding new Section
12Q.2.16, to read as follows:

1	SEC. 12Q.2. DEFINITIONS.
2	As used in this Chapter <u>120</u> , the following capitalized terms shall have the meanings
3	set forth in the following provisions Sections 12Q.2.1 through 12Q.2.22.
4	
5	SEC. 12Q.2.7. CONTRACTING PARTIES.
6	"Contracting Parties" shall mean Contractors, Subcontractors, Tenants, and
7	Subtenants, and employers of San Francisco Airport Service Employees.
8	
9	SEC. 12Q.2.9. COVERED EMPLOYEE.
10	(a) "Covered Employee" shall mean:
11	(1) An Employee of a Contractor or Subcontractor who works on a City Contract
12	or Subcontract for 20 hours or more per Week-
13	(A) Within the geographic boundaries of the City; or
14	(B) On real property owned or controlled by the City, but outside the geographic
15	boundaries of the City; or
16	(C) Elsewhere in the United States; and
17	(2) An Employee of a Tenant or Subtenant who works 20 hours or more per
18	Week on property that is covered by a Lease or Sublease; and
19	(3) An Employee of a Contractor or Subcontractor that has a Contract or
20	Subcontract to perform services on property covered by a Lease or Sublease if the Employee
21	works 20 hours or more per Week on the property; and
22	(4) A San Francisco Airport Service Employee who works any number of hours during
23	any Week in such capacity.
24	( $\underline{b}4$ ) A Contractor or Subcontractor may not divide an employee's time between
25	working on a City contract and working on other duties with the intent of reducing the number

1	of Covered Employees working on the Contract to evade compliance with this Chapter <u>120</u> .
2	Such action shall constitute a violation of this Chapter.
3	(cb) Notwithstanding the foregoing, the term "Covered Employee" does not include the
4	following:
5	* * * *
6	
7	SEC. 12Q.2.16. <u>SAN FRANCISCO AIRPORT SERVICE EMPLOYEES.</u>
8	"San Francisco Airport Service Employees" shall mean Employees who are covered employees
9	under the Quality Standards Program adopted by the San Francisco Airport Commission, as may be
10	amended from time to time.
11	<del>WEEK.</del>
12	"Week" shall mean a consecutive seven-day period. If the Contracting Party's regular pay
13	period is other than a seven-day period, the number of hours worked by an employee during a seven-
14	day Week for purposes of this Chapter; shall be calculated by adjusting the number of hours actually
15	worked during the Contracting Party's regular pay period to determine the average over a seven-day
16	Week. However, such period of averaging shall not exceed a duration of one month.
17	
18	<u>SEC. 120.2.22. WEEK.</u>
19	"Week" shall mean a consecutive seven-day period. If the Contracting Party's regular pay
20	period is other than a seven-day period, the number of hours worked by an employee during a seven-
21	day Week for purposes of this Chapter 12Q shall be calculated by adjusting the number of hours
22	actually worked during the Contracting Party's regular pay period to determine the average over a
23	seven-day Week. However, such period of averaging shall not exceed a duration of one month.
24	
25	

1	SEC. 12Q.3. HEALTH CARE ACCOUNTABILITY COMPONENTS.
2	(a) Except as provided in subsection (d), wWith respect to each Covered Employee who
3	either resides in San Francisco (regardless of where the Covered Employee provides
4	services) or provides services covered by this Chapter <u>120 in San Francisco, each</u>
5	Contracting Party shall do one of the following, at the Contracting Party's option:
6	* * * *
7	(b) Except as provided in subsection (d), wWith respect to each Covered Employee who
8	does not reside in San Francisco, but who provides services covered by this Chapter <u>120</u> at
9	the San Francisco Airport or at the San Bruno Jail, each Contracting Party shall do one of the
10	options set forth in <u>S</u> ubsection (a), at the Contracting Party's option.
11	* * * *
12	(d) With respect to each Covered Employee who is a San Francisco Airport Service Employee,
13	each Contracting Party shall do one of the following, at the Contracting Party's option:
14	(1) Offer health plan benefits to the Covered Employee and the Covered Employee's
15	dependents, with all the following features:
16	(A) The health benefits shall be offered at no cost to the Covered Employee.
17	(B) The health benefits offered shall include at least one plan that provides a
18	level of coverage that is designed to provide benefits that are actuarially equivalent to at least 90% of
19	the full actuarial value of the benefits provided under the plan and to provide coverage for all services
20	described in the California Essential Health Benefit Benchmark Plan. A Contracting Party may offer
21	additional health benefit plans, provided that each such health benefit plan offered shall provide a level
22	of coverage that is designed to provide benefits that are actuarially equivalent to at least 80% of the
23	full actuarial value of the benefits provided under the plan and to provide coverage for all services as
24	described in the California Essential Health Benefit Benchmark Plan.
25	

1	(C) The maximum period for each Covered Employee's health benefits to become
2	effective shall be no later than the first day of the first month after 30 days from the start of employment
3	as a San Francisco Airport Service Employee; provided, however, that if a Contracting Party elects to
4	make monthly contributions for a Covered Employee pursuant to subsection (d)(2), health benefits shall
5	become effective no later than the first day after the Contracting Party ceases making such
6	contributions.
7	(2) For each Week in which the Covered Employee works any hours as a San Francisco
8	Airport Service Employee, make contributions for that Employee as specified below into an account
9	established under Section 14.2 of the Administrative Code, as may be amended from time to time.
10	(A) Contributions made pursuant to this subsection $(d)(2)$ shall be \$9.50 per
11	hour, but not to exceed \$380 in any Week, as of the operative date of the ordinance in Board File No.
12	, establishing this subsection.
13	(B) Beginning with fiscal year 2022-2023, and for each following fiscal year, the
14	Director of Health shall propose adjustments to the hourly rate and weekly maximum fee provided in
15	this subsection (d)(2), based on changes since the prior year in the Bureau of Labor Statistics
16	Consumer Price Index for Medical Care in the San Francisco Bay Area or in average Health
17	Maintenance Organization premiums in California. The Health Director shall submit the proposed
18	adjustments, together with proposed adjustments under Section $12Q.3(a)(2)$ , to the Controller by
19	March 1. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum
20	fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum
21	fee shall take effect on July 1.
22	( <i>ed</i> ) When preparing proposed budgets and requests for supplemental appropriations
23	for contract services, City departments that regularly enter into agreements for the provision of
24	services by nonprofit corporations shall transmit with their proposal a written confirmation that
25	

the department has considered in its calculation the costs that the nonprofit corporations
 calculate that they will incur in complying with the Health Care Accountability Ordinance.

3 (fe) Notwithstanding the above, if, at the time a Contract, Subcontract, Lease, or 4 Sublease is executed, the Contracting Party has 20 or fewer employees (or, in the case of a 5 Nonprofit Corporation, 50 or fewer employees), including any employees the Contracting 6 Party plans to hire to implement the Contract, Subcontract, Lease, or Sublease, the 7 Contracting Party shall not be obligated to provide the Health Care Accountability 8 Components set forth in this Section 12Q.3 to its Covered Employees. In determining the 9 number of employees had by a Contracting Party, all employees of all entities that own or 10 control the Contracting Party and that the Contracting Party owns or controls, shall be included. 11

- 12
- 13

## SEC. 12Q.5. ADMINISTRATION AND ENFORCEMENT.

14

\* \* \* \*

\* \* \* \*

(f) In addition to any other rights or remedies available to the City under the terms of
any agreement of a Contracting Party or under applicable law, the City shall have the
following rights:

(1) The right, at the discretion of the Agency, to charge the Contracting Party for
any amounts that the Contracting Party should have paid to the City for hours worked by
Covered Employees pursuant to Section 12Q.3(a)(2), and (b), or (d), or to Covered Employees
pursuant to Section 12Q.3(c)(2), together with simple annual interest of 10% on such amount
from the date payment was due;

- 23
- 24
- 25

#### 1 SEC. 12Q.5.2. INVESTIGATION AND DETERMINATION OF VIOLATIONS. \* \* \* \* 2

3

# (e) Withholding of Payments by Controller.

(1) When the Agency sends notice to a Contracting Party of its final 4 5 determination that the Contracting Party has violated the requirements of this Chapter 120 6 and of the Contracting Party's right of appeal to the Controller, the Agency may direct the 7 Contracting Department and the Controller to deduct from the payments otherwise due to the 8 Contracting Party the amounts that the Agency has determined the Contracting Party must 9 pay to the City under Section 12Q.3(a)(2), (b), or (d) and as liquidated damages. The Controller, in issuing any warrant for any such payment, shall deduct the amounts specified by 10 the Agency. 11

12 (2) The Controller shall withhold these funds until (A) the hearing officer issues a 13 decision finding that the Contracting Party does not owe all or a portion of the amount 14 withheld, in which case the Controller shall release funds to the Contracting Party consistent 15 with the hearing officer's decision or (B) the Contracting Party consents to the use of the funds to pay the City the amounts that the Agency or hearing officer found due. As to any funds 16 17 being withheld for which neither (A) nor (B) applies, the Controller shall retain the funds until 18 the hearing officer's decision is no longer subject to judicial review, at which time the 19 Controller shall distribute amounts owed under Section 12Q.3(a)(2), (b), or (d) in the 20 appropriate account for the use of the Department of Public Health and amounts due as 21 liquidated damages in the General Fund, provided that this action is consistent with any final 22 determination of a court of competent jurisdiction. Notwithstanding the provisions of this 23 subsection, the Agency may authorize the release of payments withheld from the Contracting 24 Party under this Section if the Agency determines that the continued withholding of funds imposes a substantial risk of endangering public health or safety, interfering with a service or 25

project that is essential to the City, or having an unreasonable adverse financial impact on the
City.

- 3
- 4

# SEC. 12Q.8. WAIVER THROUGH COLLECTIVE BARGAINING.

*Except for the requirements provided in subsection 12Q.3(d), a*All or any portion of the
 applicable requirements of this Chapter <u>120</u> may be waived in a bona fide collective
 bargaining agreement, provided that such waiver is explicitly set forth in such agreement in
 clear and unambiguous terms.

9

10 Section 4. Effective and Operative Dates.

(a) 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.

15

(b) This ordinance shall become operative 90 days after its effective date.

16

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, 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.

- 24
- 24
- 25

1	APPROVED AS TO FORM:	AS TO FORM:
2	DENNIS J. HERRERA, City Attorney	
3	By: <u>/s/ Lisa Powell</u> LISA POWELL	
4	Deputy City Attorney	
5	n:\\agana\aa2020\2400012\01422460.daay	
6	n:\legana\as2020\2100018\01482160.docx	
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

# LEGISLATIVE DIGEST

[Administrative Code - Health Care Requirements for Certain Employers at San Francisco International Airport]

Ordinance amending the Administrative Code to require employers of employees covered by the Quality Standards Program at the San Francisco International Airport to provide family health insurance to such employees, or to make contributions on the employees' behalf to an account established under Section 14.2 of the Administrative Code.

#### Existing Law

The Health Care Accountability Ordinance (HCAO) requires employers to offer individual health plan benefits to their covered employees or to make payments to the Department of Public Health (DPH) (or, under limited circumstances not relevant here, to make payments directly to their covered employees). See Admin. Code § 12Q.3. The HCAO applies to most City contractors and tenants, including those at San Francisco International Airport ("Airport"), but not Airport permittees.

Separately, the Airport's Quality Standards Program (QSP), established by the Airport Commission, sets minimum training, equipment, safety, hiring, compensation, and benefit standards for employees who directly impact Airport safety and security. The QSP includes certain SFO permittees that are not covered by the HCAO, such as employers of wheelchair attendants and baggage handlers. Conversely, some HCAO-covered employees at SFO, such as those with concession leases, are not included in the QSP. Employers must provide QSP-covered employees with individual health benefits that comply with the HCAO's "minimum health coverage standards," even if those employees are not covered employees under the HCAO. A collective bargaining agreement (CBA) may waive the health benefit requirements under both the HCAO and the QSP.

#### Amendments to Current Law

The proposed ordinance would amend the HCAO to require expanded health benefits for "San Francisco Airport Service Employees," which the ordinance defines as employees covered by the QSP. Employers of San Francisco Airport Service Employees would be required to either (1) provide family, rather than individual, health insurance; or (2) pay contributions on behalf of each employee, starting at \$9.50 per hour, to the City Option Program established under the Health Care Security Ordinance (HCSO), Admin. Code Chapter 14, rather than \$5.60 per hour to the City for DPH under the current HCAO. These requirements must be satisfied for each San Francisco Airport Service Employee, with no minimum-hours requirement, whereas under the HCAO employees must work an average of 20 hours per week on the covered agreement to be covered employees. The ordinance does not permit this health benefit requirement to be waived by a CBA.

## **Background Information**

The individual health benefits provided to QSP-covered employees have enhanced QSP employers' recruitment and retention of employees and have reduced employee absences. However, some QSP-covered employees are not provided individual health insurance because their CBA waives the health benefits requirement, and many QSP-covered employees report that family health insurance is unaffordable.

Employees working at the Airport who perform services that directly impact safety and/or security at the Airport are at elevated risk of contracting and spreading COVID-19 due to the nature of their work duties, which often require them to work in frequent, close contact with passengers and coworkers.

This ordinance seeks to expand QSP-covered employees' access to family health insurance benefits in order to protect those employees and their families, protect the community and the traveling public from the spread of COVID-19, and restore public confidence in the safety of air travel.

n:\legana\as2020\2100018\01481632.docx

# **Introduction Form**

By a Member of the Board of Supervisors or Mayor

Time stamp or meeting date

I hereby submit the following item for introduction (select only one):

$\checkmark$ 1. For reference to Committee. (An Ordinand	ce, Resolution, Motion or Charter Amendment).	
2. Request for next printed agenda Without R	Reference to Committee.	
3. Request for hearing on a subject matter at 0	Committee.	
4. Request for letter beginning :"Supervisor		inquiries"
5. City Attorney Request.		
6. Call File No.	from Committee.	
7. Budget Analyst request (attached written m	motion).	
8. Substitute Legislation File No.		
9. Reactivate File No.		
10. Topic submitted for Mayoral Appearance	e before the BOS on	
Please check the appropriate boxes. The propos	sed legislation should be forwarded to the followin	g:
Small Business Commission	Youth Commission Ethics Commi	ssion
Planning Commission	Building Inspection Commission	
Note: For the Imperative Agenda (a resolution	n not on the printed agenda), use the Imperative	Form.
Sponsor(s):		
Rafael Mandelman		
Subject:		
[Administrative Code - Health Care Requirement	nts for Certain Employers at San Francisco Internati	onal Airport]
The text is listed:		
Program at the San Francisco International Airpo	o require employers of employees covered by the Q ort to provide family health insurance to such empl count established under Section 14.2 of the Adminis	oyees, or to make
Signature of Sp	oonsoring Supervisor: RM	

For Clerk's Use Only

Hello Leg,

Attached is waiting for approval, however they do have a question to the Clerk asking if anything else is needed for introduction.

Please let them know if anything else is needed.

Thank you!

Eileen

From: Mundy, Erin (BOS) <erin.mundy@sfgov.org>
Sent: Tuesday, September 29, 2020 1:25 PM
To: POWELL, LISA (CAT) <Lisa.Powell@sfcityatty.org>; Calvillo, Angela (BOS)
<angela.calvillo@sfgov.org>; Gallardo, Tracy (BOS) <tracy.gallardo@sfgov.org>; Mandelman, Rafael
(BOS) <rafael.mandelman@sfgov.org>
Cc: PEARSON, ANNE (CAT) <Anne.Pearson@sfcityatty.org>; ZAREFSKY, PAUL (CAT)
<Paul.Zarefsky@sfcityatty.org>; BUTA, ODAYA (CAT) <Odaya.Buta@sfcityatty.org>; SAPERSTEIN,
ALLIE (CAT) <Allie.Saperstein@sfcityatty.org>; CHEESEBOROUGH, PAMELA (CAT)
<Pamela.Cheeseborough@sfcityatty.org>; HALL, ARLENE (CAT) <Arlene.G.Hall@sfcityatty.org>
Subject: RE: Healthy Airport Ordinance Transmittal

Thank you, Lisa.

Our intro form is attached here for introduction at today's meeting. Supervisor Mandelman is copied and can confirm his approval.

Madame Clerk, please let us know if you need anything further for this introduction.

Thanks, Erin

From: Powell, Lisa (CAT) <<u>Lisa.Powell@sfcityatty.org</u>>

Sent: Tuesday, September 29, 2020 12:41 PM

**To:** Calvillo, Angela (BOS) <<u>angela.calvillo@sfgov.org</u>>; Mundy, Erin (BOS) <<u>erin.mundy@sfgov.org</u>>; Gallardo, Tracy (BOS) <<u>tracy.gallardo@sfgov.org</u>>

**Cc:** PEARSON, ANNE (CAT) <<u>Anne.Pearson@sfcityatty.org</u>>; ZAREFSKY, PAUL (CAT)

<<u>Paul.Zarefsky@sfcityatty.org</u>>; BUTA, ODAYA (CAT) <<u>Odaya.Buta@sfcityatty.org</u>>; SAPERSTEIN,

ALLIE (CAT) <<u>Allie.Saperstein@sfcityatty.org</u>>; CHEESEBOROUGH, PAMELA (CAT)

<<u>Pamela.Cheeseborough@sfcityatty.org</u>>; HALL, ARLENE (CAT) <<u>Arlene.G.Hall@sfcityatty.org</u>>

#### Subject: Healthy Airport Ordinance Transmittal

#### Attorney-Client Communication – Do Not Disclose

Attached please find the Word document version of for the requested ordinance to expand health care requirements for certain employers at SFO, which is approved as to form, along with the legislative digest.

At some point when we have more in-office staff, we will deliver signed hard copies of the ordinance and the digest to Supervisor Mandelman's office.

Please let me know if you have questions or need additional information. Thank you.

Lisa Powell Deputy City Attorney Office of City Attorney Dennis Herrera (415) 554-4762 Direct www.sfcityattorney.org

#### CONFIDENTIALITY NOTICE:

This email contains information that may be confidential or protected by the attorney-client privilege and/or the work product doctrine and must not be disclosed. It is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any unauthorized interception, review, use, disclosure, dissemination, distribution, copying, or downloading of the information in this email is strictly prohibited. If you have received this communication in error, please notify me immediately and permanently delete the original message and attachments from your email system and destroy all copies. Thank you.

1	[Administrative Code - Health Care Requirements for Certain Employers at San Francisco International Airport]		
2			
3	Ordinance amending the Administrative Code to require employers of employees		
4	covered by the Quality Standards Program at the San Francisco International Airport to		
5	provide family health insurance to such employees, or to make contributions on the		
6	employees' behalf to an account established under Section 14.2 of the Administrative		
7	Code.		
8	NOTE: Unchanged Code text and uncodified text are in plain Arial font.		
9	Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in <u>double-underlined Arial font</u> .		
10	Board amendment deletions are in strikethrough Arial font.		
11	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.		
12			
13	Be it ordained by the People of the City and County of San Francisco:		
14			
15	Section 1. Title.		
16	This ordinance shall be known as the "Healthy Airport Ordinance."		
17			
18	Section 2. Findings.		
19	(a) The San Francisco International Airport ("Airport") is a worldwide transportation hub,		
20	connecting the San Francisco Bay Area directly to cities throughout the United States,		
21	Canada, Mexico, Central America, Asia, Australia, and Europe. An average of nearly 58		
22	million people normally travel through the Airport each year.		
23	(b) On December 7, 1999, the San Francisco Airport Commission, by Resolution No.		
24	99-0446, adopted the Quality Standards Program (QSP) to enhance Airport safety and		
25	security. The Resolution required the implementation of minimum standards for hiring,		

training, performance management, and compensation and benefits of employees covered by
the QSP, as well as enhanced equipment safety and security standards. The Airport
Commission incorporated the QSP into the Airport Rules and Regulations and required
compliance as a condition of Airport use permits.

5 (c) The QSP's compensation and benefit standards aim to assist in the recruitment of 6 high-quality employees and the reduction of employee turnover, and have been successful in 7 doing so, which in turn has improved worker performance. After the QSP was implemented, 8 turnover of covered employees fell by an average of 34% overall, with even larger decreases 9 for employee groups that received higher than average increases in compensation. 10 Employers reported that after the QSP was implemented they were able to increase their 11 hiring standards, and that they experienced improved employee performance, reduced 12 disciplinary actions, reduced absenteeism, and fewer employees who failed initial training.

These results improved safety and security at the Airport. Although the primary goals of the program are safety and security, the QSP also improved Airport efficiency and customer

15 service.

(d) Due to the success of the program, the Airport Commission has adopted several
resolutions that expanded the QSP to include higher standards and new employee groups
that directly impact Airport safety or security. Under Charter Section 4.104, each of these
resolutions was adopted after notice and a public hearing to consider public comment.

(1) On January 18, 2000, by Resolution No. 00-0002, the Airport Commission
expanded the QSP to cover employees of airlines and service providers who have access to
the Airfield Operations Area or otherwise are directly involved in passenger and facility safety
and security.

(2) After a comprehensive review of the QSP, on August 18, 2009, by
 Resolution No. 09-0199, the Airport Commission enhanced the QSP's employee

1 compensation requirements. The Resolution required employers to provide QSP-covered 2 employees with individual health benefits that met the minimum standards of the Health Care 3 Accountability Ordinance (HCAO), Administrative Code Chapter 12Q. The Resolution temporarily froze the QSP minimum wage rate at \$12.33 per hour until that rate was no more 4 5 than \$0.50 per hour more than the wage rate required by the Minimum Compensation 6 Ordinance (MCO), Administrative Code Chapter 12P. The HCAO and MCO, each enacted 7 after the QSP was adopted, cover employees working under certain City contracts, leases, 8 and other agreements.

9 (3) On October 13, 2015, by Resolution No. 15-0216, the Airport Commission included in the QSP employees located on or near Airport property who are directly involved 10 in the preparation and/or transportation of food and beverage products delivered directly onto 11 12 aircraft in the QSP. Additionally, to protect the QSP's pay standard, and the safety and 13 security interests that this standard supports, this Resolution provided that employee wage 14 requirements could not be waived in a collective bargaining agreement (CBA) unless the CBA 15 clearly and unambiguously waived them and provided for wages that at least met the QSP 16 standards. However, a CBA still may waive the QSP health benefit requirements.

(4) On January 19, 2016, by Resolution No. 16-0035, the Airport Commission
 adopted additional QSP Airport safety and employee health and safety standards, enhanced
 QSP employee training requirements, included Airport custodial workers in the QSP, and
 increased fines for non-compliance.

(e) The individual health benefits provided to QSP-covered employees are critical to
the health, well-being, and financial security of those employees. These health benefits not
only enhance QSP employee recruitment and retention and reduce employee absences;
employee access to health care also reduces the spread of infectious disease. However,
some QSP-covered employees do not receive health benefits because their CBA waives the

health benefit requirement. Also, escalating health care costs are undermining the
effectiveness of these health benefits for QSP-covered employees, and of the QSP's
compensation and benefit components more broadly. Many QSP-covered employees report
that they cannot afford family health benefits. For example, employees of an airline catering
company report being offered family health benefits with a \$700 monthly premium and a
\$6,000 deductible. Such employees may face the choice between accessing health care or
affording other necessary expenses like rent or mortgage payments, food, or childcare.

(f) The COVID-19 pandemic poses a new and unprecedented threat to the health of
Airport employees and consequently to the City's ability to safely and effectively operate the
Airport. As COVID-19 spread in Asia and Europe, the Trump Administration did not impose
international travel limits until February 2, 2020, more than a month after the virus was first
reported and after it had already been documented to have spread to more than 20 countries,
including the United States. SFO workers likely had been exposed to COVID-19 before the
novel coronavirus was detected in the United States.

15 (g) On March 16, 2020, to mitigate the spread of COVID-19, local health officers in 16 seven Bay Area jurisdictions, including the City and San Mateo County, where the Airport is 17 located, issued health orders directing individuals living in those jurisdictions to shelter in their 18 places of residence and directing businesses, except essential businesses as defined in the 19 order, to cease activities at facilities located within those jurisdictions. Although these health 20 orders have been gradually modified to allow additional activities, they remain in place 21 indefinitely, and a large number of Bay Area employees continue to work remotely. But many 22 others in a variety of industries perform jobs that are considered essential but that cannot be 23 performed remotely. Airport employees, an essential workforce due to their role in facilitating air travel, which is an essential business, must continue to perform their work duties in person, 24

and thus face a risk of transmission of COVID-19 that is significantly higher than for those who
 are able to work safely at home.

3 (h) Employees working at the Airport who perform services that directly impact safety
4 and/or security at the Airport are at considerable risk of contracting and spreading COVID-19
5 due to the nature of their work duties. As examples:

6 (1) QSP-covered employees, including airline baggage handlers, wheelchair
7 agents, security screeners, and lobby agents face a heightened risk of exposure as their job
8 duties require frequent, close contact with passengers, often in areas where passengers are
9 likely to congregate together. Inconsistent policies for enforcing compliance with face covering
10 requirements increase the risk that employees face.

(2) Employees of airline catering companies often work in climate-controlled
spaces with little ventilation, where they must breathe the same air recirculated throughout
their shifts. These employees often work in crowded worksites where distancing is not
possible—in industrial kitchens or on assembly lines where employees stand shoulder-toshoulder as they prepare food, assemble food and beverage carts, and wash dishes. Others
must board multiple airplanes every week to coordinate catering delivery, coming into close
contact with airplane cabin crews in spaces where distancing is often impossible.

(3) Employees who disinfect and clean airplane cabins in between flights must
 come into contact with surfaces and areas used by large groups of air travelers, and in some
 instances have been asked to clean airplane cabins while passengers are still present.

(i) As of September 29, 2020, at least 131 employees who work at the Airport have
 tested positive for COVID-19. This figure likely significantly underestimates the true number of
 COVID-19 cases among employees who work at the Airport, because many employees lack
 access to testing.

1 (j) Many Airport workers are people of color, who may be especially vulnerable to 2 contracting COVID-19 and to suffering greater health consequences from the virus. According 3 to the Centers for Disease Control (CDC), there is increasing evidence that some racial and ethnic minority groups are disproportionately impacted by COVID-19. The CDC has identified 4 occupation; healthcare access and utilization; discrimination; educational, wealth and income 5 6 gaps; and substandard housing as the contributing factors that may increase the risk that 7 people from certain racial and ethnic minorities contract, face serious illness, or die from 8 COVID-19.

9 (k) Access to affordable family health benefits is central to achieving the goals of the 10 QSP. Protecting the health of employees and their families is important to the City's 11 proprietary interests as owner and operator of the Airport, including its interest in attracting 12 and retaining high-quality employees whose work impacts safety and security, protecting the 13 community and the traveling public from the spread of COVID-19, and restoring public 14 confidence in the safety of air travel.

(I) Moreover, recent history shows that these interests are not likely to be limited to the
duration of the COVID-19 pandemic. Air travel played a central role in the spread of severe
acute respiratory syndrome (SARS) in 2002 and Middle East Respiratory System (MERS) in
2014, as well as influenza pandemics in 1957, 1968, and 2009. It is therefore in both the
short-term interest and the long-term interest of the Airport and the City to adopt the changes
to the HCAO set forth in this ordinance.

21

Section 3. Chapter 12Q of the Administrative Code is hereby amended by revising
Sections 12Q.2, 12Q.2.7, 12Q.2.9, 12Q.3, 12Q.5, 12Q.5.2, and 12Q.8; renumbering existing
Section 12Q.2.16 as Section 12Q.2.22 and revising said Section; and adding new Section
12Q.2.16, to read as follows:

1	SEC. 12Q.2. DEFINITIONS.
2	As used in this Chapter <u>120</u> , the following capitalized terms shall have the meanings
3	set forth in the following provisions Sections 12Q.2.1 through 12Q.2.22.
4	
5	SEC. 12Q.2.7. CONTRACTING PARTIES.
6	"Contracting Parties" shall mean Contractors, Subcontractors, Tenants, and
7	Subtenants, and employers of San Francisco Airport Service Employees.
8	
9	SEC. 12Q.2.9. COVERED EMPLOYEE.
10	(a) "Covered Employee" shall mean:
11	(1) An Employee of a Contractor or Subcontractor who works on a City Contract
12	or Subcontract for 20 hours or more per Week-
13	(A) Within the geographic boundaries of the City; or
14	(B) On real property owned or controlled by the City, but outside the geographic
15	boundaries of the City; or
16	(C) Elsewhere in the United States; and
17	(2) An Employee of a Tenant or Subtenant who works 20 hours or more per
18	Week on property that is covered by a Lease or Sublease; and
19	(3) An Employee of a Contractor or Subcontractor that has a Contract or
20	Subcontract to perform services on property covered by a Lease or Sublease if the Employee
21	works 20 hours or more per Week on the property; and
22	(4) A San Francisco Airport Service Employee who works any number of hours during
23	any Week in such capacity.
24	( $\underline{b}4$ ) A Contractor or Subcontractor may not divide an employee's time between
25	working on a City contract and working on other duties with the intent of reducing the number

1	of Covered Employees working on the Contract to evade compliance with this Chapter <u>120</u> .
2	Such action shall constitute a violation of this Chapter.
3	(cb) Notwithstanding the foregoing, the term "Covered Employee" does not include the
4	following:
5	* * * *
6	
7	SEC. 12Q.2.16. <u>SAN FRANCISCO AIRPORT SERVICE EMPLOYEES.</u>
8	"San Francisco Airport Service Employees" shall mean Employees who are covered employees
9	under the Quality Standards Program adopted by the San Francisco Airport Commission, as may be
10	amended from time to time.
11	<del>WEEK.</del>
12	"Week" shall mean a consecutive seven-day period. If the Contracting Party's regular pay
13	period is other than a seven-day period, the number of hours worked by an employee during a seven-
14	day Week for purposes of this Chapter; shall be calculated by adjusting the number of hours actually
15	worked during the Contracting Party's regular pay period to determine the average over a seven-day
16	Week. However, such period of averaging shall not exceed a duration of one month.
17	
18	<u>SEC. 120.2.22. WEEK.</u>
19	"Week" shall mean a consecutive seven-day period. If the Contracting Party's regular pay
20	period is other than a seven-day period, the number of hours worked by an employee during a seven-
21	day Week for purposes of this Chapter 12Q shall be calculated by adjusting the number of hours
22	actually worked during the Contracting Party's regular pay period to determine the average over a
23	seven-day Week. However, such period of averaging shall not exceed a duration of one month.
24	
25	

1	SEC. 12Q.3. HEALTH CARE ACCOUNTABILITY COMPONENTS.		
2	(a) Except as provided in subsection (d), wWith respect to each Covered Employee who		
3	either resides in San Francisco (regardless of where the Covered Employee provides		
4	services) or provides services covered by this Chapter <u>120 in San Francisco, each</u>		
5	Contracting Party shall do one of the following, at the Contracting Party's option:		
6	* * * *		
7	(b) Except as provided in subsection (d), wWith respect to each Covered Employee who		
8	does not reside in San Francisco, but who provides services covered by this Chapter <u>120</u> at		
9	the San Francisco Airport or at the San Bruno Jail, each Contracting Party shall do one of th		
10	options set forth in $S_{\underline{s}}$ ubsection (a), at the Contracting Party's option.		
11	* * * *		
12	(d) With respect to each Covered Employee who is a San Francisco Airport Service Employee,		
13	each Contracting Party shall do one of the following, at the Contracting Party's option:		
14	(1) Offer health plan benefits to the Covered Employee and the Covered Employee's		
15	dependents, with all the following features:		
16	(A) The health benefits shall be offered at no cost to the Covered Employee.		
17	(B) The health benefits offered shall include at least one plan that provides a		
18	level of coverage that is designed to provide benefits that are actuarially equivalent to at least 90% of		
19	the full actuarial value of the benefits provided under the plan and to provide coverage for all services		
20	described in the California Essential Health Benefit Benchmark Plan. A Contracting Party may offer		
21	additional health benefit plans, provided that each such health benefit plan offered shall provide a leve		
22	of coverage that is designed to provide benefits that are actuarially equivalent to at least 80% of the		
23	full actuarial value of the benefits provided under the plan and to provide coverage for all services as		
24	described in the California Essential Health Benefit Benchmark Plan.		
25			

1	(C) The maximum period for each Covered Employee's health benefits to become
2	effective shall be no later than the first day of the first month after 30 days from the start of employment
3	as a San Francisco Airport Service Employee; provided, however, that if a Contracting Party elects to
4	make monthly contributions for a Covered Employee pursuant to subsection (d)(2), health benefits shall
5	become effective no later than the first day after the Contracting Party ceases making such
6	contributions.
7	(2) For each Week in which the Covered Employee works any hours as a San Francisco
8	Airport Service Employee, make contributions for that Employee as specified below into an account
9	established under Section 14.2 of the Administrative Code, as may be amended from time to time.
10	(A) Contributions made pursuant to this subsection $(d)(2)$ shall be \$9.50 per
11	hour, but not to exceed \$380 in any Week, as of the operative date of the ordinance in Board File No.
12	, establishing this subsection.
13	(B) Beginning with fiscal year 2022-2023, and for each following fiscal year, the
14	Director of Health shall propose adjustments to the hourly rate and weekly maximum fee provided in
15	this subsection (d)(2), based on changes since the prior year in the Bureau of Labor Statistics
16	Consumer Price Index for Medical Care in the San Francisco Bay Area or in average Health
17	Maintenance Organization premiums in California. The Health Director shall submit the proposed
18	adjustments, together with proposed adjustments under Section $12Q.3(a)(2)$ , to the Controller by
19	March 1. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum
20	fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum
21	fee shall take effect on July 1.
22	( <i>ed</i> ) When preparing proposed budgets and requests for supplemental appropriations
23	for contract services, City departments that regularly enter into agreements for the provision of
24	services by nonprofit corporations shall transmit with their proposal a written confirmation that
25	

the department has considered in its calculation the costs that the nonprofit corporations
 calculate that they will incur in complying with the Health Care Accountability Ordinance.

3 (fe) Notwithstanding the above, if, at the time a Contract, Subcontract, Lease, or 4 Sublease is executed, the Contracting Party has 20 or fewer employees (or, in the case of a 5 Nonprofit Corporation, 50 or fewer employees), including any employees the Contracting 6 Party plans to hire to implement the Contract, Subcontract, Lease, or Sublease, the 7 Contracting Party shall not be obligated to provide the Health Care Accountability 8 Components set forth in this Section 12Q.3 to its Covered Employees. In determining the 9 number of employees had by a Contracting Party, all employees of all entities that own or 10 control the Contracting Party and that the Contracting Party owns or controls, shall be included. 11

- 12
- 13

## SEC. 12Q.5. ADMINISTRATION AND ENFORCEMENT.

14

\* \* \* \*

\* \* \* \*

(f) In addition to any other rights or remedies available to the City under the terms of
any agreement of a Contracting Party or under applicable law, the City shall have the
following rights:

(1) The right, at the discretion of the Agency, to charge the Contracting Party for
any amounts that the Contracting Party should have paid to the City for hours worked by
Covered Employees pursuant to Section 12Q.3(a)(2), and (b), or (d), or to Covered Employees
pursuant to Section 12Q.3(c)(2), together with simple annual interest of 10% on such amount
from the date payment was due;

- 23
- 24
- 25

#### 1 SEC. 12Q.5.2. INVESTIGATION AND DETERMINATION OF VIOLATIONS. \* \* \* \* 2

3

# (e) Withholding of Payments by Controller.

(1) When the Agency sends notice to a Contracting Party of its final 4 5 determination that the Contracting Party has violated the requirements of this Chapter 120 6 and of the Contracting Party's right of appeal to the Controller, the Agency may direct the 7 Contracting Department and the Controller to deduct from the payments otherwise due to the 8 Contracting Party the amounts that the Agency has determined the Contracting Party must 9 pay to the City under Section 12Q.3(a)(2), (b), or (d) and as liquidated damages. The Controller, in issuing any warrant for any such payment, shall deduct the amounts specified by 10 the Agency. 11

12 (2) The Controller shall withhold these funds until (A) the hearing officer issues a 13 decision finding that the Contracting Party does not owe all or a portion of the amount 14 withheld, in which case the Controller shall release funds to the Contracting Party consistent 15 with the hearing officer's decision or (B) the Contracting Party consents to the use of the funds to pay the City the amounts that the Agency or hearing officer found due. As to any funds 16 17 being withheld for which neither (A) nor (B) applies, the Controller shall retain the funds until 18 the hearing officer's decision is no longer subject to judicial review, at which time the 19 Controller shall distribute amounts owed under Section 12Q.3(a)(2), (b), or (d) in the 20 appropriate account for the use of the Department of Public Health and amounts due as 21 liquidated damages in the General Fund, provided that this action is consistent with any final 22 determination of a court of competent jurisdiction. Notwithstanding the provisions of this 23 subsection, the Agency may authorize the release of payments withheld from the Contracting 24 Party under this Section if the Agency determines that the continued withholding of funds imposes a substantial risk of endangering public health or safety, interfering with a service or 25

project that is essential to the City, or having an unreasonable adverse financial impact on the
City.

- 3
- 4

# SEC. 12Q.8. WAIVER THROUGH COLLECTIVE BARGAINING.

*Except for the requirements provided in subsection 12Q.3(d), a*All or any portion of the
 applicable requirements of this Chapter <u>120</u> may be waived in a bona fide collective
 bargaining agreement, provided that such waiver is explicitly set forth in such agreement in
 clear and unambiguous terms.

9

10 Section 4. Effective and Operative Dates.

(a) 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.

15

(b) This ordinance shall become operative 90 days after its effective date.

16

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, 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.

- 24
- 24
- 25

1	APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney	
2		
3	By: <u>/s/ Lisa Powell</u> LISA POWELL	
4	Deputy City Attorney	
5	n:\\oggano\og2020\2100019\01492460.doov	
6	n:\legana\as2020\2100018\01482160.docx	
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		