



# Expansion of Living Wage in City of Austin contracts

Policy Options

Council Committee on Economic Opportunity

December 14, 2015

## Resolution 20150618-091

Staff to provide policy options to expand ***Living Wage Program*** in City contracts to include:

- Construction and Non-Construction contracts
- Primes and Subcontractors
- Contracts resulting from City solicitations
- Work performed on City property or on City vehicles



## Resolution 20150618-091

***Notice:*** Inserting terms into government contracts that are not associated with the scope of the work being performed or the products being purchased may have legal implications. Purchasing recommends Council seek advisement from the Law Department regarding any further expansion of the City's Living Wage policy.



## Policy Options (1)

Staff recommends expanding the Living Wage Program, using the following criteria as clarified:

- Applies to ***competitively awarded*** contracts
  - ✓ Not including Interlocals, Cooperative, Sole Source or Emergencies
  - ✓ Not added or modified by Amendment
- Applies to work performed on ***City property or on City vehicles***
  - ✓ In City facilities or on City real property
  - ✓ Based on the majority of the work to be performed



## Policy Options (2)

- Applies to ***Non-Construction*** contracts only
  - ✓ Construction contracts are subject to Prevailing Wage (Federal and State)
  - ✓ Law Department recommends Living Wage not be applied in addition to Prevailing Wage
- Applies to Prime Contractors and ***Subcontractors***
  - ✓ Flow-down clauses to apply Living Wage to all Subs
  - ✓ Not including Subs that are material suppliers (parts, equipment, supplies)

# Policy Clarifications (1)

Staff further recommends updating the Living Wage Program to include the following clarifications.

- Applies to Contractor employees ***directly assigned*** to the contract via one or more of the following:
  - ✓ Named or identifiable in the contract
  - ✓ Named or identifiable in the order
  - ✓ Named or identifiable in the invoice
  - ✓ Named or identifiable in some other deliverable



## Policy Clarifications (2)

- Apply Living Wage amount in place at the ***time of award***
- Apply regardless of ***funding source*** unless specifically precluded
- Apply regardless of **contractor type**
- Apply regardless of the contract's ***unit of pricing***
- Use existing ***contract monitoring*** program
- Requesting ***cost data*** very limited circumstances
- Do not apply if precluded by ***law or regulation***



# Economic Impacts

- No way to determine economic impact without ***comparison data***
  - ✓ With and Without data not available
  - ✓ Impact will vary in Task Order contracts
- Comparison ***between governments*** is not reliable
  - ✓ Cannot eliminate impacts of other requirements/programs
- Will attempt to develop approach with ***business community***





# Questions?

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