



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Administrative Services

Meeting Date: December 18, 2023

Report #:2309-2009

TITLE

Approval of Contract Amendment Number 1 to Contract Number S22185727 with the City of San Jose in the Amount of \$30,000 for Minimum Wage Enforcement Services; CEQA Status – Not a Project

RECOMMENDATION

Staff recommends that the City Council approve and authorize the City Manager or designee to execute Amendment Number 1 to Contract Number S22185727 (Attachment A) with the City of San Jose in the Amount of \$30,000 for Minimum Wage Enforcement Services. This amendment results in a revised total contract not-to-exceed amount of \$75,000 and a new term end date of June 30, 2025.

BACKGROUND

The City adopted the minimum wage ordinance on September 26, 2016 (CMR #: 7283¹), which requires that all employers in the City maintain a minimum amount for the calendar year. The City of San Jose responds to inquiries and complaints related to the City's minimum wage ordinance and performs necessary compliance and/or enforcement activities as outlined in agreement S22185727 (Attachment B). The City of San Jose has performed minimum wage compliance services since the minimum wage ordinance was adopted in September 2016.

The term for the original contract S16163326 executed in 2016 was a one-year term with the option to renew for two (2) one-year periods. The current contract was executed in 2020 with a three-year term and the option to renew for two (2) one-year periods. The extension of this contract is beyond staff authority.

¹ City Council, September 26, 2016; Agenda Item #10; SR # 7283,
<https://portal.laserfiche.com/Portal/DocView.aspx?id=51335&repo=r-704298fc&searchid=209840bb-4a00-4cc0-90d5-ac68394d061>

ANALYSIS

Compliance and enforcement activities that are supported by this contract include phone calls or email correspondence received by City staff and/or the San Jose Compliance Officer from employees that work in Palo Alto or other individuals regarding an employer not paying minimum wage, inquiring about the minimum wage requirements, and other minimum wage related questions. Correspondence received by City staff is forwarded to the San Jose Compliance Officer to research the possible instance(s) of non-compliance with the City's minimum wage ordinance. All claims are managed by the City of San Jose Office of Equity of Assurance. The City receives quarterly reports that include a list of complaints, questions, or requested information that is received, however does not include a log of all calls forwarded to San Jose. In the last 12 months, there was one (1) logged instance of an inquiry seeking minimum wage information on the quarterly report for 7/1/2023 through 9/30/2023.

After researching and attending multiple conferences and trainings, staff did not find any other agencies or private companies that provide minimum wage compliance services. An exemption from competitive solicitation under PAMC 2.30.360(d) due to professional services available from only one source was approved by the City Manager. The Administrative Services Department (ASD) plans to survey the market again, in advance of the end of the extension, to determine whether there are alternative providers in the market.

FISCAL/RESOURCE IMPACT

The FY 2024 Adopted Budget includes \$15,000 in the Administrative Services Department (ASD) for this purpose, and approval of the First Amendment will not result in any additional funding needs. The execution of contract S22185727 was in 2020 and the annual contract cost of \$15,000 has not increased since 2020. Ongoing funding will be included in the development of future budgets, subject to City Council approval.

STAKEHOLDER ENGAGEMENT

Staff will continue working with the City of San Jose to ensure that the City is in compliance with the minimum wage ordinance.

ENVIRONMENTAL REVIEW

This activity is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS

Attachment A: Contract with City of San Jose; S22185727, Amendment No. 1

Attachment B: Contract with City of San Jose; S22185727

APPROVED BY:

Kiely Nose, Assistant City Manager