



CITY OF
**PALO
ALTO**

CITY COUNCIL COLLEAGUE'S MEMO

Sponsor(s): Greer Stone, Patrick Burt

Meeting Date: January 23, 2023

TITLE

Responsible Contracting Standards Colleague's Memo (Stone & Burt)

BACKGROUND

On March 21, 2022, speakers at the City Council meeting raised concerns over labor conditions and wages associated with the City's third-party contract for janitorial services provided to the City of Palo Alto. On July 14, 2022, the San Jose Spotlight released an article detailing allegations of wage theft made by seven janitors that clean City facilities. left unaddressed, the City faces the potential risk for labor disruption, interruption of services, and turnover of its essential workforce. In addition, the city has a moral obligation to assure that the rights are protected of workers performing contracted services to the city.

Background and Discussion:

In 2017, the City awarded its current janitorial services contract. As part of the bidding process, City staff recommended the adoption of evaluation criteria to address issues with turnover and low-quality performance. On March 21, 2022, speakers at the City Council meeting raised concerns over labor conditions and wages associated with the contract. These concerns included failure to pay contract wages, failure to provide a clear "Paid Time Off" or vacation policy, failure to provide necessary materials to perform job duties, failure to reimburse expenses and mileage, failure to provide safety training or personal protective equipment, and failure to provide sufficient staffing.[1]

On September 15, 2022, Congresswoman Anna Eshoo wrote to Mayor Burt, recognizing "the prevalence of reported exploitation in the janitorial industry, employers must be vigilant to ensure that janitors are treated fairly." Additionally, Congresswoman Eshoo encouraged the city to "take into consideration the labor practices of any janitorial contractor with which it engages." [2] The City also received a letter on June 15, 2022, from State Senator Josh Becker, encouraging an investigation into allegations of wage theft, because "property service industries tend to have track records of high turnover, poor quality of service, and wage theft.

These issues are particularly prevalent in the janitorial industry where exploitation, sexual harassment, and violations of wage and hour laws are commonplace.”[3] Assemblymember Berman also urged Palo Alto to “adopt a higher level of standards for these subcontracted services.”[4]

On July 14, 2022, the San Jose Spotlight released an article detailing the allegations of wage theft made by seven janitors that clean City facilities. The article cited a report by the Maintenance Cooperation and Trust Fund, a janitorial industry watchdog organization, which describes the predominantly female Hispanic janitorial workforce as “especially vulnerable” dealing with “greater hardships than many other types of low-wage”[5] workers. The article also made reference to a situation in 2019 at the City of Fremont, which faced a two day labor stoppage after janitors had a dispute over medical benefits. The article also referenced how Mountain View recently adopted stricter standards to protect their subcontracted janitorial workforce.[6] On January 28, 2020, the City of Mountain View adopted a motion that required its Janitorial Services RFP to include that the awarded vendor be a firm whose employees are covered by a collective bargaining agreement, janitors receive wages no less than the prevailing wage as listed under the California Public Utilities Code, and that the State Labor Code’s worker retention period be extended from 60 to 90 days.[7]

Recommendation:

As a City, we have an interest in ensuring we have uninterrupted operations, high quality services, and that contracted workers performing services for the city are treated fairly. We recommend the City Council direct staff to address the issues facing the City’s subcontracted janitors by developing a policy that would heighten standards where needed within the Janitorial Services RFP for the City Council to adopt for the upcoming and future such RFPs. This policy should establish standards similar to those adopted by the City of Mountain View per below:

“That the successful proposer be a firm whose employees are covered by a collective bargaining agreement prior to the effective date of contract and that any individual performing janitorial services for the City be paid no less than the prevailing wage and benefits established for janitorial services pursuant to the California Public Utilities Code and set by the Department of Industrial Relations.

That the higher wage rates and/or benefits will be paid should the collective bargaining agreement’s wages and benefits and the prevailing wage and benefits differ.

That the State Labor Code’s worker retention period be extended from 60 to 90 days.”

Resource Implications:

Independent of this Colleagues Memo, staff has been evaluating options related to wage requirements for the upcoming janitorial services Request for Proposals (RFP). Given the time sensitivity of this issue in order to initiate a new contract for services, staff will present their analysis to the City Council at the same time this Colleagues Memo is considered.

[1] City of Palo Alto, "Council Consent Agenda Responses," June 20, 2022.
<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/council-questions/20220620cqccs.pdf>

[2] Congresswoman Anna Eshoo Letter, September 15, 2022. <https://drive.google.com/file/d/1U5fZAzM3u5tLZf-rZFpZZBofUJ8BynO0/view?usp=sharing>

[3] Senator Josh Becker letter, June 15, 2022.
<https://drive.google.com/file/d/14ZFpJNfSYmwT3Wznba3fTJzIC82vmgDc/view?usp=sharing>

[4] Assemblymember Marc Berman letter, July 20, 2022. <https://drive.google.com/file/d/1GeYSYxkrLungCxWg-voHK3bHEuaHtmvL/view?usp=sharing>

[5] "Janitors: The Pandemic's Unseen Essential Workers," Maintenance Cooperation Trust Fund, April 2021

[6] Ruth Silver Taube, "Palo Alto janitorial workers shed light on wage theft," San Jose Spotlight, July 14, 2022.
<https://sanjosespotlight.com/silver-taube-palo-alto-janitorial-workers-shed-light-on-wage-theft/>

[7] City of Mountain View, "Meeting Minutes - Final," January 28, 2020.