



City Council Supplemental Report

CITY OF
**PALO
ALTO**

From: Brad Eggleston, Director Public Works/City Engineer

Meeting Date: January 30, 2023

Item Number: AA1

TITLE

Supplemental Report - Wage Requirements for the Contract for next Janitorial Services

After the agenda for January 23, 2023 City Council meeting was published, staff received the following questions related to payment of back wages to current and former SWA employees. While SWA employee back wages are not directly related to Council's discussion and direction on wage and benefit requirements for the next janitorial contract, the questions and their answers are useful background information for the discussion and are therefore being provided in this Supplemental Report.

1. My understanding is that checks will be mailed to the address SWA has on file, for both current and former employees. Correct?

As required by Amendment No. 3 to the City's contract with SWA, payment of back wages will be the responsibility of SWA. SWA has informed the City they intend to make these payments either by direct deposit or by a check mailed by certified return receipt to the employee's last known address.

2. If former employees want to ensure their address is up-to-date, should they contact the city, or SWA, or both?

Former SWA employees should contact SWA to ensure their address is correct.

3. Does the city have an independent estimate of the number of workers affected and how much each should receive? If so, what are they?

The City does not have an independent estimate, however, has reviewed a detailed spreadsheet provided by SWA that lists each employee and the variance between actual

pay and pay required by the contract for each pay period. Based on this list from SWA there are about 60 individual current or former employees who are owed back wages. The City does not have the calculation of back wages and compounded interest, this is the responsibility of SWA, however, staff anticipates requesting records from SWA for review in alignment with the current City Auditor task of reviewing the SWA contract.

4. How is the city planning to ensure compliance? Who in the city can workers contact if they don't receive their check?

Amendment No. 3 to the City's contract with SWA requires SWA to make the back wage payment including interest by March 31, 2023, and to provide records to the City by April 28, 2023 demonstrating the performance of these obligations. City staff will perform spot checks of some payments to ensure they align with the back pay and interest expected. SWA employees should contact SWA if they don't receive their payment, and staff suggests that they copy the City on their communication to SWA for the City's awareness.

APPROVED BY:

Brad Eggleston, Director Public Works/City Engineer