

DEPARTMENT OF
FINANCE

FINANCE ADMINISTRATION

CITY OF SACRAMENTO
CALIFORNIA

SACRAMENTO CITY HALL
730 I STREET
ROOM 215
SACRAMENTO, CA
95814-2684

PH: 916-808-1240
FAX: 916-808-5755
TDD (ONLY) 916-264-7227

April 5, 2005

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: ANNUAL REPORT ON LIVING WAGE ORDINANCE (LWO)

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATIONS:

This report is for Mayor and City Council information only.

CONTACT PERSON (S) Christopher Stewart, Procurement Manager 808-6202
Barbara Collins, Program Analyst 808-7432

FOR COUNCIL MEETING OF April 19, 2005

SUMMARY

This report provides a review of the administration of the first year of the Living Wage program and implementation of the Direct Connect program.

COMMITTEE/COMMISSION ACTIONS

None

BACKGROUND INFORMATION

HISTORY OF LIVING WAGE PROGRAM

In December 2003, City Council enacted a Living Wage Ordinance (LWO), which became effective March 1, 2004. The intent of the LWO is to ensure that employees of businesses that contract with the City to provide non-professional services are paid a

wage that includes health-care benefits and enables the employees and their families to meet basic needs and avoid economic hardship.

The Living Wage Ordinance (LWO) applies to:

- a contract for non-professional services with a value of \$100,000 or more when the service provider has 25 or more full or part-time employees
- a contract that, by itself, does not reach this amount, if the aggregate value of that contract and of any other non-professional services contracts awarded to the same vendor within the previous 12 months, is \$100,000 or more when the service provider has 25 or more full or part-time employees
- City of Sacramento career employees

The LWO does not apply to:

- Not for profit corporations with less than 100 employees
- Contracts for or providers of professional services or goods or commodities
- Student internships and specialized training programs
- Services deemed by the City Manager to constitute an emergency
- Non-career and seasonal City employees

LWO IMPLEMENTATION AND RESULTS

The Procurement Services Division of the Department of Finance assumed responsibility for the program in July 2004. The following is a list of the actions completed by the division to implement the program and the results of the first year of operation:

- Amended standard contract to include LWO requirements
- Developed processes, policies, and procedures for LWO program
- Outreach and notification to vendors on LWO requirements
- Provided training to City staff on LWO requirements
- Updated the rates for 2005 and provided notice of rate change to City staff and contractors
- Audited approximately 30 vendors for compliance with no violations issued
- Received no complaints related to this program

DIRECT CONNECT PROGRAM

With the adoption of the LWO, City Council approved funding for Direct Connect program to assist those that qualify to improve their standard of living by connecting employees of City contractors and vendors with existing state and federal financial support programs. The purpose of this program is to provide information and assistance to low income wage earners in accessing available resources such as Food Stamps, Medi-Cal programs, Earned Income Tax Credit, and other services.

The City of Sacramento and the County of Sacramento have collaborated with the Sacramento Metropolitan Chamber of Commerce to jointly design and implement the Direct Connect program. The Community Services Planning Council (CSPC), a non-profit organization, was selected as the provider for the Direct Connect program

services, since the County of Sacramento Department of Human Assistance is unable to provide the necessary support, due to limited resources.

CSPC has developed a comprehensive work plan that will achieve the program goals and objectives. A contract between the City and CSPC for Phase I of the work plan was executed in February 2005. Attachment A provides detailed information on the Direct Connect program work plan. The following is a brief summary of the three phases of the work plan:

Phase I - Planning and Program Development

- Collaboration with community stakeholders offering programs of benefit to low-income wage earners to gather information and create an inventory of programs to be offered
- Development of project work plan
- Development of project marketing plan and materials

Phase II - Program Implementation

- Outreach to employers
- Outreach to employees
- Ongoing updating of inventory of services provided in the Direct Connect Program

Phase III - Program Evaluation

- Tracking of referrals to community services to measure effectiveness of project
- Tracking of community website and evaluation of feedback on marketing and outreach materials
- Quarterly report backs from consultant to City, County, Chamber of Commerce and community stakeholders

FINANCIAL CONSIDERATIONS

Costs for the contract with CSPC for Phase I of the "Direct Connect" program are included in the funding approved by the Mayor and the City Council when the LWO was adopted.

ENVIRONMENTAL CONSIDERATIONS

None

POLICY CONSIDERATIONS

Staff will be returning to the Mayor and City Council with minor, administrative amendments to the living wage ordinance to change the effective date of the rate change to be more consistent with the availability of the Consumer Price Index (CPI)

data. The intent of the Living Wage and Direct Connect programs are consistent with Mayor and City Council goals to promote and support economic vitality.

ESBD CONSIDERATIONS

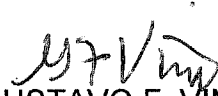
The Community Services Planning Council, a non-profit organization was selected to provide Direct Connect services. There were no Emerging/Small Business Enterprise firms identified with the resources and outreach capabilities to provide these services.

Respectfully submitted:



CHRISTOPHER STEWART
Procurement Manager

Approved:



GUSTAVO F. VINA
Director of Finance

FOR COUNCIL INFORMATION ONLY:



ROBERT P. THOMAS
City Manager

Attachment A - Direct Connect! Work Plan information, page 5

Direct Connect!

"Connecting valued employees with programs that support work, improve job skills and increase earnings."

Description

In partnership with the Metropolitan Chamber of Commerce, the City of Sacramento, and the Sacramento County Department of Human Assistance, the Community Services Planning Council (hereinafter referred to as Consultant) is implementing the Direct Connect program.

The purpose of Direct Connect is to enhance the earning power of low-income wage earners by connecting them with existing public and local community programs designed to support work, increase job skills and over time increase earnings.

Direct Connect will utilize BeehiveSacramento to reach and inform both employers and employees about local community programs. BeehiveSacramento is an interactive, self-help website designed to give people information and resources for work, financial management and education.

The intent of this project is to provide information and access to available resources such as Food Stamps, Medi-Cal programs, EITC, and other services.

This project will outreach to employers and low-income wage earners that may not be aware of the variety of available services or how to make application. This outreach will be achieved through multiple modes—printed materials, the community website BeehiveSacramento.org, and one-on-one interaction with a Direct Connect! project coordinator.

Through the provision of services, employers will also benefit in helping to promote increased employee job retention, a more stable workforce and employment stability.

Scope of Work

Phase I: Planning and Program Development

March 15, 2005 – June 30, 2005

Consultant will work with the City of Sacramento, the Metropolitan Chamber of Commerce, and the Sacramento County Department of Human Assistance to achieve the following:

- a. Create linkages with these organizations for on-going referrals.
 - b. Gather information and materials and create an inventory of programs to be offered through the Direct Connect! program to low-income wage earners.
 - c. Gather input for workplan and marketing plan.
 - d. Solicit input for interactive functions and features of the Direct Connect! component of the BeehiveSacramento.org website.
2. Development of project workplan with input from the community stakeholders, including tracking and evaluation process.
 3. Development of project marketing plan.
 4. Create inventory of programs to be offered through the DirectConnect! program to low-income wage earners.
 5. Incorporate Direct Connect! program into the community website BeehiveSacramento.org. Currently BeehiveSacramento.org averages 120,000 hits per month. During the fall and winter of 2004/05 the BeehiveSacramento.org was a key element in getting information out to the community about flu shots and flu mist.
 6. Development of printed marketing, outreach and education materials.

Phase II: Program Implementation

July 1, 2005 – June 30, 2006 (May be renewed for second year 2006/07)

A. Outreach to Employers

Work with the identified employers and employees to inform and educate them about the array of services available in the community.

- Identify and contact appropriate employers
- Meet with employers and present materials
- Follow-up with employers

B. Outreach to Employees

Assess the needs and eligibility of employee. Connect employee with appropriate existing services.

- Identify and contact interested employees
- Meet with employees and present materials
- Follow-up with employees

C. Ongoing updating of Inventory

- Ongoing maintenance and updating of information about the services included in the Direct Connect! program.

Phase III: Evaluation and Reporting

July 1, 2005 – June 30, 2006

- Quarterly, Consultant will meet with, and report back to City of Sacramento, Sacramento County Department of Human Assistance and the Metropolitan Chamber of Commerce and the various community stakeholders.
- Consultant will be responsible for tracking referrals to community services. Outcomes will be reported to City of Sacramento, Sacramento County Department of Human Assistance and the Metropolitan Chamber of Commerce and the various community stakeholders to measure the effectiveness of the project.
- Evaluation will also include feedback on marketing and outreach materials, and tracking of the Direct Connect! Component of the community website BeehiveSacramento.org.

Schedule (for period of performance)

Phase I – Planning and Program Development	March 15, 2005 - June 30, 2005
Phase II – Outreach to Employers/Employees	July 1, 2005 – July 31, 2006
Phase III – Evaluation and Reporting	July 1, 2005 – July 31, 2006

Deliverables (include meetings, progress reports, etc.)

- Quarterly meetings, including progress reports, with City of Sacramento, Sacramento County Department of Human Assistance and the Metropolitan Chamber of Commerce.
- Two-Year Workplan including Tracking and Evaluation Tools
- Marketing Plan
- Printed Marketing/Outreach and Education materials about Direct Connect!
- Interactive Direct Connect! component as part of the community website BeehiveSacramento.org
- Inventory of services offered through Direct Connect!