



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 25, 2014

TO: Mayor and Councilmembers

FROM: General Services Division, Purchasing Department

SUBJECT: Introduction Of Ordinance To Amend Municipal Code To Require The Payment Of Prevailing Wages On Public Works Projects As Defined By California Senate Bill 7

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara to Amend Municipal Code Section 4.52.160 to Require the Payment of Prevailing Wages on Public Works Projects as Defined and Required by California Senate Bill 7.

DISCUSSION:

In 2012, the California Supreme Court ruled that the state's prevailing wage law does not apply to charter cities that exempt themselves from the prevailing wage requirements for local public works projects. In 2013, Governor Brown signed into law Senate Bill 7, enacting Labor Code section 1782, which becomes effective January 1, 2015. The new law expressly prohibits a charter city from receiving state funding or financial assistance for public works projects (e.g., construction) if the city has a charter provision or ordinance that authorizes a contractor to not comply with the provisions of Senate Bill 7 on any public works contracts. Senate Bill 7 requires the Director of Industrial Relations to maintain a list of charter cities that may receive and use state funding or financial assistance for their construction projects.

The City's past practice for over 25 years has been to pay prevailing wages on its construction projects. Therefore, Senate Bill 7 will have minimal, if any, impact on City operations. Nonetheless, Senate Bill 7 requires the City to enact an ordinance indicating its intention to pay prevailing wages pursuant to Labor Code section 1782.

BUDGET/FINANCIAL INFORMATION:

Although Senate Bill 7 includes maintenance and repair activities, there should be minimal impact, if any, since the City already includes prevailing wage requirements in its construction, maintenance, and repair bids.

PREPARED BY: Bill Hornung, General Services Manager

SUBMITTED BY: Robert Samario, Acting Assistant City Administrator

APPROVED BY: City Administrator's Office