



COUNCIL AGENDA: 06-26-07

ITEM: 3.7

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Memorandum

TO: Honorable Mayor and Councilmembers

FROM: Vice Mayor David Cortese
Councilmember Nora Campos
Councilmember Forrest Williams
Councilmember Kansen Chu

SUBJECT: Prevailing Wage Rate Policy

DATE: June 22, 2007

Approved:

Nora Campos *David Cortese* Date: 06/26/2007

RECOMMENDATION

Kansen Chu *Forrest Williams*

- 1) Direct staff to follow the City's Prevailing Wage Resolution and incorporate the prevailing wage requirement for all sidewalk repairs performed or contracted by the City, including those repairs performed on behalf of property owners for which the City is reimbursed by property owners; and
- 2) Direct staff to re-bid pending and future contracts for sidewalk repair based on a process that incorporates the City's prevailing wage policy.

Per the Prevailing Wage Resolution adopted in October 1988, the City of San Jose has a longstanding commitment to providing equitable and living wages to protect fair job opportunities, stimulate the economy, protect income levels that sustain our families, and combat poverty. However, the City has wrongly implemented a practice of allowing contractors to perform certain sidewalk repair work at a non-prevailing wage.

Staff reported that it has been past practice since 1986 to allow sidewalk repair work which is performed at the eventual expense of the property owner to be contracted at a non-prevailing wage. The City Attorney's Office notes though that this practice violates the City Council's Prevailing Wage Resolution. Staff recommends that the City Council adopts a resolution to exempt certain sidewalk repairs from the City's prevailing wage requirement to allow for the continuation of its current program; however, it is not good policy to correct a violation to the city's policy by changing the policy instead of making practices comply with approved policy. It is important that the City stand in its commitment to upholding and enforcing its policies and regulations.

The objective to make sidewalk repair less costly to non-responsive and/ or delinquent property owners is not a compelling reason that the City should compromise its commitment to following and preserving the City's prevailing wage policy. Private owners have the choice to perform sidewalk repairs at their discretion and the city should not amend the important prevailing wage policy to accommodate the interests of non-responsive property owners.

The City's commitment to a living wage as embodied in the Prevailing Wage Resolution is one of the City's most critical policies to strengthen our economy, promote just labor conditions, and protect our valuable workforce. It is a bad precedent to change policy to allow the continuation of a wrongful practice rather than uphold our important values as a City.