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**BUREAU OF
CONTRACT ADMINISTRATION**

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Honorable Members of the City Council
c/o Holly L. Wolcott, City Clerk
200 N. Spring Street, Room 395
Los Angeles, CA 90012

October 13, 2015

Honorable Members:

BUREAU OF CONTRACT ADMINISTRATION – UPDATE TO THE OFFICE OF LABOR
STANDARDS_IMPLEMENTATION PLAN AND RESOURCE REQUIREMENTS (COUNCIL
FILES 14-1371-S1 AND 09-2642)

Provided for your consideration is an update to the BUREAU OF CONTRACT ADMINISTRATION – OFFICE OF LABOR STANDARDS_IMPLEMENTATION PLAN AND RESOURCE REQUIREMENTS (COUNCIL FILES 14-1371-S1 AND 09-2642) dated June 19, 2015.

In accordance with the City Council's Los Angeles Minimum Wage Ordinance (Ordinance No. 183612) and Los Angeles Wage Enforcement Division Ordinance (Ordinance No. 183613), the Bureau of Contract Administration (BCA) has begun to establish the administrative infrastructure and prepare for implementation of the Los Angeles minimum wage on July 1, 2016. In doing so, the BCA has gained additional valuable insight into the actions and resources required to effectively implement the program. Therefore, the BCA would like to present for your consideration the following updates to the original implementation plan:

1) Staffing

The BCA's original implementation plan included a request for 29 positions phased-in over four fiscal years. Based on anticipated workload as indicated by community-based organizations who are already preparing claims for filing on July 1, 2016, some of the positions will be needed sooner than originally anticipated.

The BCA's budget request for Fiscal Year 2016-17 includes 22 total positions, including five positions already authorized and funded for FY 2015-16, ten additional positions included in the original implementation plan for FY 2016-2017, and seven additional positions that appeared in the original implementation plan as scheduled for FY 2017-2018.



The seven additional positions will accelerate the full staffing regimen to over three, and not four, years. Therefore we will request seven positions in FY 2017-18 to achieve the 29 positions.

The BCA is making three changes to its original staffing plan for the current fiscal year. First, the BCA requests to substitute the authorized Contract Compliance Program Manager I position with a Senior Management Analyst II position. This change will eliminate the time and resources required for the Personnel Department to conduct an exam, will enable the BCA to fill this position sooner, and will ensure that the division's manager position is not a lower class than the minimum wage hearing officer.

Secondly, the BCA requests the authorization to use two exempt positions to obtain specialized services from subject matter experts in the area of labor law. The BCA would utilize two authorized positions to achieve this request.

And lastly, the BCA will also be delaying its request for a Senior Systems Analyst I position from the current fiscal year until Fiscal Year 2016-2017. In the interim, the BCA will utilize existing staff to design and add content to its website.

These changes are detailed on the revised schedule at the conclusion of this document.

2) Funding for Community Outreach Contract

The original implementation plan requested an allowance of \$2.1 million over 3 years to establish a contract to utilize community based organizations to conduct outreach and provide information to employees and employers. These organizations provide established grassroots networks, cultural and linguistic expertise, and many years of experience assisting underpaid workers.

The BCA must update its request to a total \$3 million over 3 years. There are two key reasons for this update. First, this figure more realistically reflects the need for services that we can anticipate based on the established track record of similar programs in San Francisco and Seattle. The budget for San Francisco's community outreach contract is \$482,125 per year to service a workforce population that is roughly one-fourth the size of Los Angeles'. The City of Seattle's community outreach contract budget is \$500,000 per year for a workforce one-fifth the size of Los Angeles'. The BCA believes that an allowance of \$1 million per year will provide a financially responsible but effective allocation to obtain the scale of services required in Los Angeles.

Secondly, the increased funding request represents additional needs for services in the areas of translation services, labor law consulting services, and collections assistance when employers fail to make timely payments on wage and penalty assessments. These additional services are specialties that the BCA believes will

be vital to an effective program. The BCA (nor other City departments) does not have the expertise and/or capability to provide these services.

The City Council authorized \$200,000 in the Unappropriated Balance (UB) for additional resources during the current Fiscal Year 2015-16. The BCA believes that an early outreach and education campaign is vital to the success of the minimum wage program; therefore the BCA recommends using the majority of this funding to begin the community outreach contract in April 2016, rather than waiting for Fiscal Year 2016-17. The BCA requests authority to utilize any salary savings from delayed hiring to supplement the funding available for community outreach services this fiscal year. In addition, the BCA requests an additional \$250,000 budget allocation (representing three months, or one-quarter of a full year's \$1 million allocation) to provide further funding during this critical period.

3) Partnering with City Departments to Provide Information by Mail

The original implementation plan discussed a postcard mailing campaign to notify businesses of the pending minimum wage requirements. Having now obtained a quote of \$125,000 to execute a single postcard mailing campaign to the approximately 478,000 businesses in the Office of Finance's database, the BCA is revising its strategy to pursue a more cost effective approach by partnering with other departments who have existing mailing campaigns. The BCA reached out to the Office of Finance and the Department of Water and Power to inquire about the possibility of placing inserts containing minimum wage information in bills and other correspondence those departments send to businesses. BCA also met with the Los Angeles Business Improvement District Consortium and will partner with them to include information in their newsletters.

4) Division Name

The BCA requests the name of the division be changed from Wage Enforcement Division to the Office of Wage Standards. This name preserves consistency with the BCA's other labor and wage compliance division, the Office of Contract Compliance.

REVISED RECOMMENDATIONS

- A. Authorize, in concept, employment authority for thirty-two (32) positions (in addition to the seven positions requested for FY 2015-16 as discussed in the original implementation plan) in the Bureau of Contract Administration and the Office of the City Attorney, to be phased in over three fiscal years, as outlined below:

July 1, 2016 through June 30, 2017

Department	Qty	Classification	Class Code
PW-Contract Administration	1	Senior Management Analyst II	9171-2
PW-Contract Administration	2	Senior Management Analyst I	9171-1
PW-Contract Administration	1	Senior Systems Analyst I	1597-1

PW-Contract Administration	8	Management Analyst II	9184-2
PW-Contract Administration	3	Management Analyst I	9184-1
PW-Contract Administration	2	Senior Clerk Typist	1368
Office of City Attorney	2	Deputy City Attorney III	0535
Office of City Attorney	1	Legal Secretary I	0580

July 1, 2017 through June 30, 2018

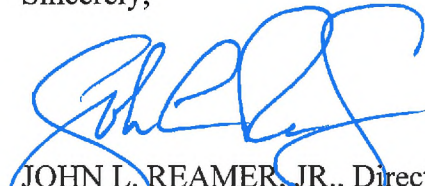
Department	Qty	Classification	Class Code
PW-Contract Administration	4	Management Analyst II	9184-2
PW-Contract Administration	2	Management Analyst I	9184-1
PW-Contract Administration	1	Senior Clerk Typist	1368
Office of City Attorney	2	Deputy City Attorney III	0535
Office of City Attorney	1	Paralegal II	0577
Office of City Attorney	1	Legal Secretary II	0581

July 1, 2018 through June 30, 2019

Department	Qty	Classification	Class Code
Office of City Attorney	1	Deputy City Attorney III	0535

- B. Authorize, in concept, a Community Outreach budget of \$1,000,000 each year for a total of \$3 million for the period of July 1, 2016, through June 30, 2019. Also requested is an additional \$250,000 that would enable an early start to the contract and cover April.- June 2015.
- C. Authorize, in concept, an advertisement, public relations, and technology budget of \$200,000 each year for a total of \$600,000 for the period of July 1, 2016, through June 30, 2019. This appropriation will maintain the funding of \$200,000 provided in the FY 15-16 budget.
- D. Request the General Services Department work with the Bureau of Contract Administration to identify space needs at the Public Works Building for the BCA staff increase.
- E. Change the name of the Wage Enforcement Division to the Office of Wage Standards.

Sincerely,



JOHN L. REAMER, JR., Director
 Bureau of Contract Administration

JLR:bes
 20151013 MW Plan

