



MEMORANDUM

Date: March 16, 2020

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Annual Living Wage Compliance Report**

Please see the attached 2019 Annual Living Wage Compliance Report related to Pima County's Procurement Code Section 11.38.080.

If you have any questions regarding this report, please call my office.

CHH/anc

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Mary Jo Furphy, Director, Procurement Department



PIMA COUNTY

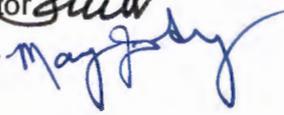
PROCUREMENT

MEMORANDUM

Date: March 13, 2020

To: C.H. Huckelberry, County Administrator

Thru: Jan Leshar, Deputy County Administrator 

From: Mary Jo Furphy, Procurement Director 

Re: 2019 Annual Living Wage Compliance Report

Pursuant to Section 11.38.080 of the Pima County Procurement Code, the County Procurement Director shall file an annual compliance report with the County Administrator and the Board of Supervisors. The attached annual compliance report shows the utilization of specific services procured for the County that must meet Living Wage requirement. This report applies to contracts entered into or renewed in calendar year 2019. Resource information for this report was compiled from Advantage, OnBase and Living Wage Database reports. There were a total of 26 Living Wage contracts active during calendar year 2019. Thirteen (13) of the twenty-six (26) Living Wage eligible contracts were subject to payroll reporting. The other thirteen (13) contracts were not subject to payroll reporting because wages paid to all employees exceeded the required Living Wage.

Effective January 1, 2019, the Living Wage required rate increased from \$12.37/per hour to \$12.78/per hour. For companies that provided benefits, the rate of \$11.01 per hour plus \$235.73 of company-paid health benefits increased to \$11.37 per hour plus \$244.40 of company-paid health benefits. These changes represent a 3.28% increase from 2018.

Attachment

LIVING WAGE 2019 ANNUAL COMPLIANCE REPORT
Calendar Year 2019

1) Information is limited to contracts eligible for covered services as defined in Living Wage Code Chapter 11.38

Service categories for solicitations resulting in contracts over the formal bid threshold (\$100K):

- Facility and building maintenance
- Refuse collection and recycling
- Temporary employee service
- Janitorial and custodial
- Landscape maintenance and weed control
- Pest control
- Security
- Moving services

2) Data gathered for relational comparison

Total dollar and percentages of:

- Living Wage Contracts
- Covered service categories for all open Living Wage Contracts
- Payroll reporting statistics of active contracts subject to payroll reporting requirement

3) Informational base from which data has been collected

- Advantage that tracks amendments and renewals
- Living Wage Database that compiles data into resource documents and records
- OnBase, Pima County contract repository
- On site audit reviews of eligible employees, subcontract labor and employer
- Payroll records to monitor compliance by the contractors

4) Reports provided

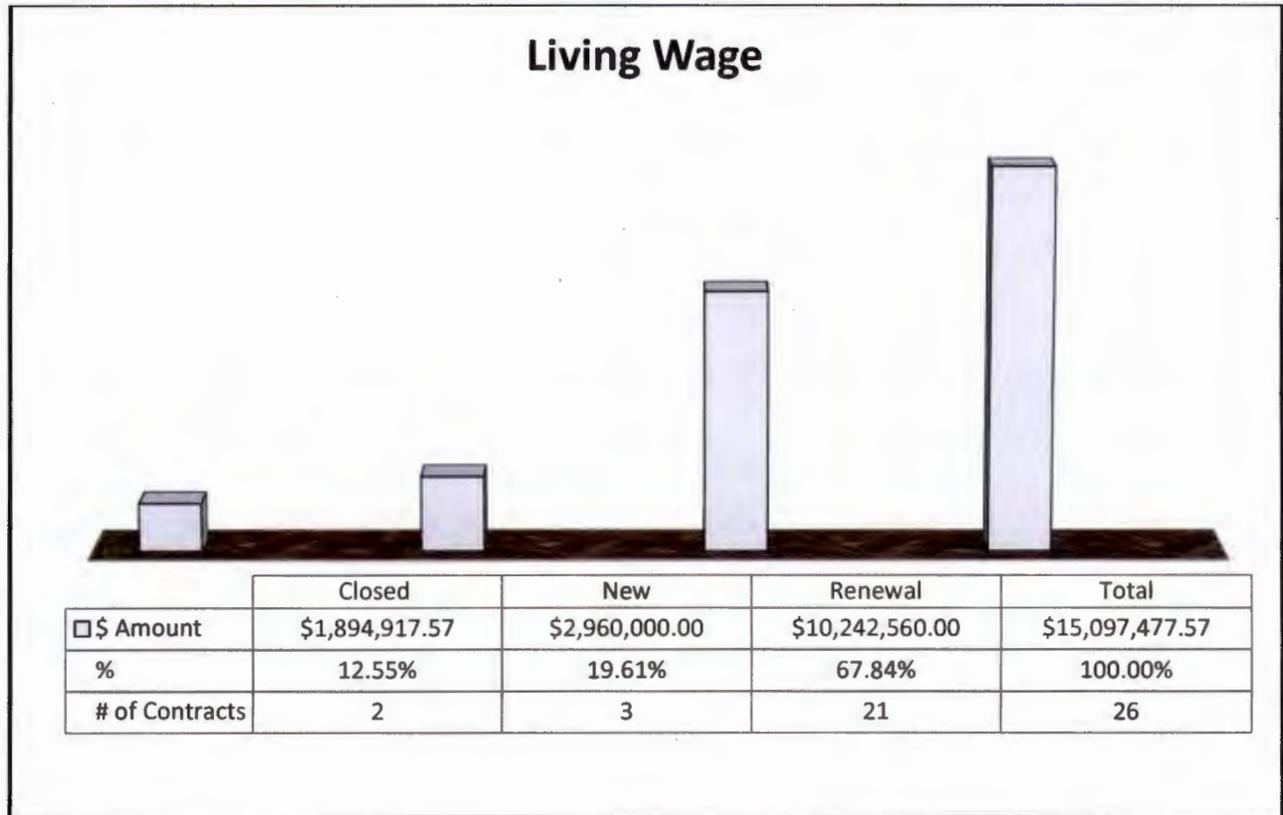
- Graphs to summarize relational dollar and percentage comparisons

5) Conclusion

- All Living Wage Contracts are in compliance.

LIVING WAGE 2019 ANNUAL COMPLIANCE REPORT
Calendar Year 2019

LIVING WAGE CONTRACTS

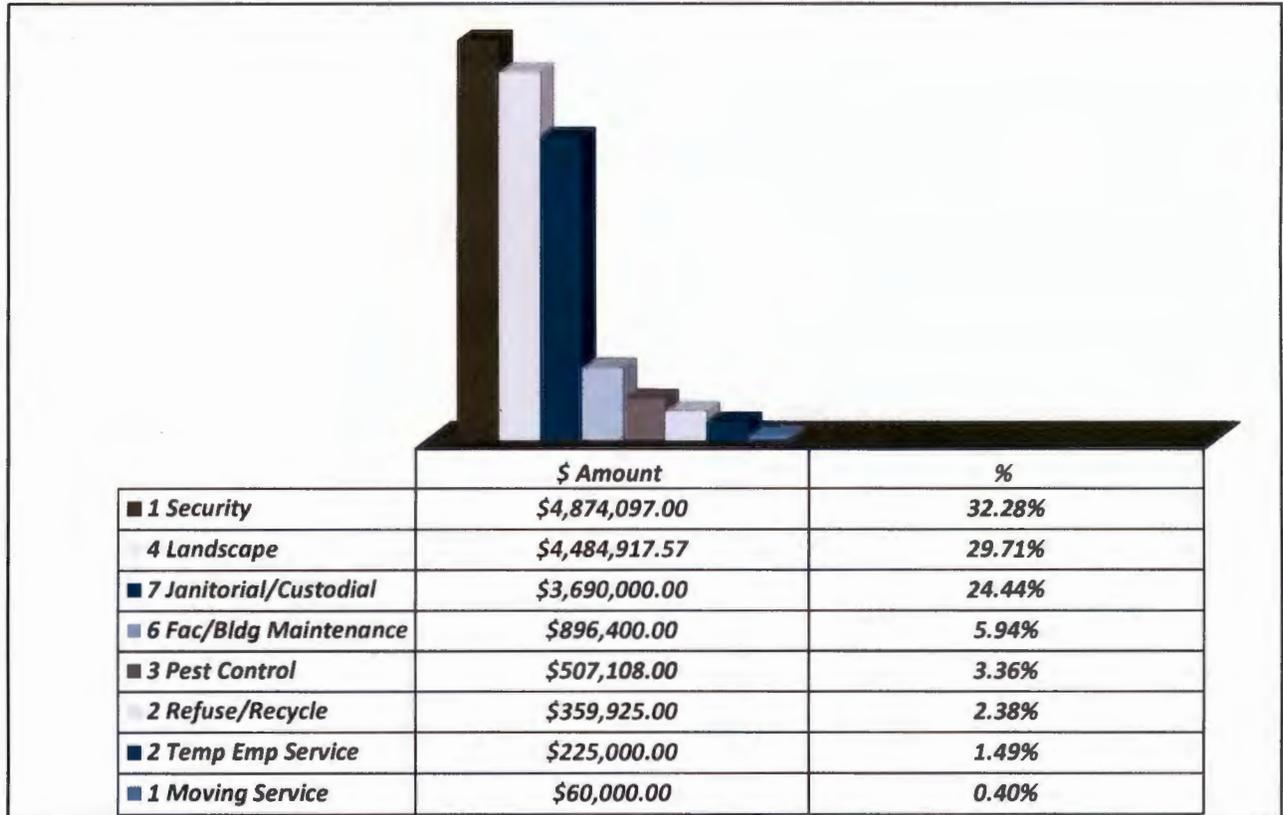


LIVING WAGE CONTRACTS CLOSED Between 1/1/19 and 12/31/19

Service Type	Contract \$ Amt	Reason Discontinued
Landscape Services	\$ 1,894,917.57	Expired
Total Discontinued Contracts \$Amt	\$ 1,894,917.57	

LIVING WAGE 2019 ANNUAL COMPLIANCE REPORT
Calendar Year 2019

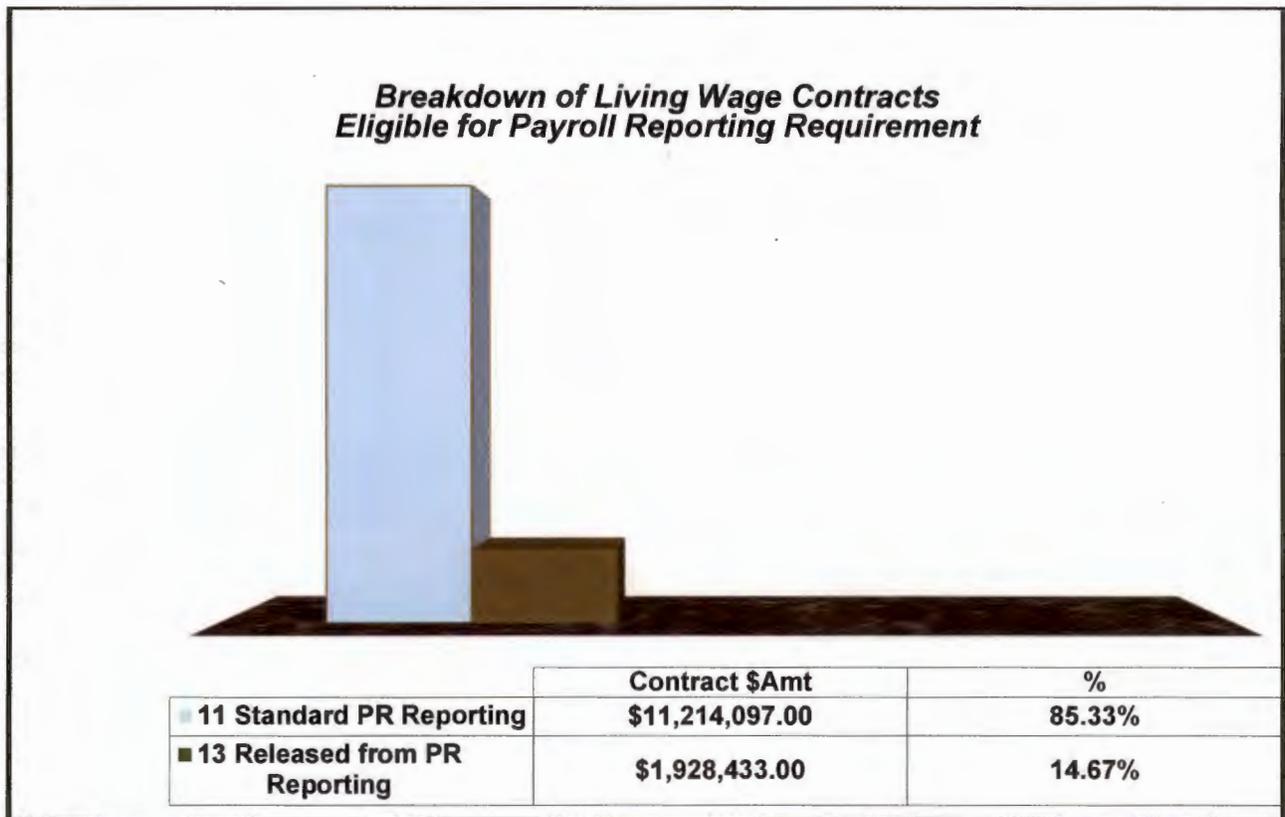
COVERED SERVICES



LIVING WAGE 2019 ANNUAL COMPLIANCE REPORT
Calendar Year 2019

PAYROLL REPORTING & AUDITING

Section 11.38.070 of the Living Wage Code requires the contractor to submit basic records of payroll within seven (7) days from the end of each pay period. Of the twenty-four (24) contracts subject to reporting, thirteen (13) were granted full release after a payroll audit was conducted confirming that all employees working for the vendors earned a salary which was equal to or greater than the current Living Wage at the time of report. Eleven (11) contracts were subject to Living Wage payroll reporting and found to be in compliance with the Living Wage Code requirement upon completion of the standard audit process. Releases are reevaluated with each contract renewal. All Living Wage contracts were in compliance.



LIVING WAGE 2019 ANNUAL COMPLIANCE REPORT Calendar Year 2019

PAYROLL STATISTICS OF THE 11 REPORTING VENDORS

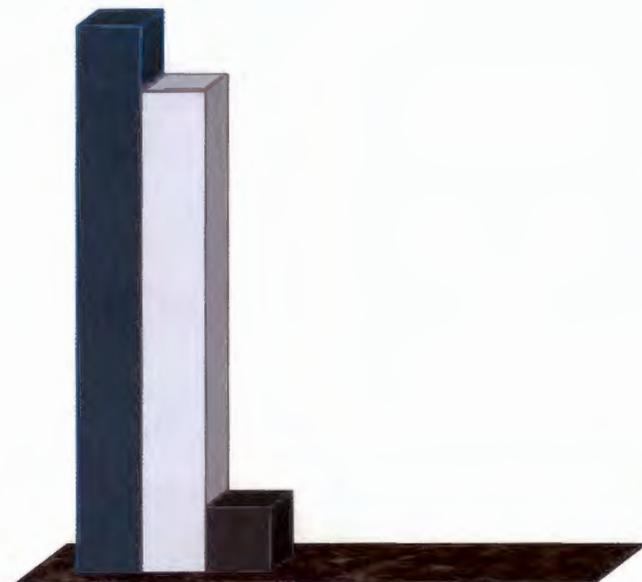
The gross employee earnings and Living Wage earnings figures compiled from 344 payrolls submitted by vendors and then tracked and audited by County for accuracy and compliance.

The average employee rate for non-county work is approximately \$11.26 /hr. Vendors were required to pay employees working on Pima County contracts at least \$12.78.

The average vendor paid a base labor burden (FICA/Medicare/Workers Comp) of approximately 16.35%.

421 employees were affected with a wage increase as a result of the Living Wage. Living Wage employees average 27.43% of total employees with these contractors.

**Living Wage Paid Compared To What
Would Have Otherwise Been Paid**



	Contract \$Amt	%
■ Payroll Paid at Living Wage Rate	\$6,922,745.92	
□ Payroll Without Living Wage	\$6,100,031.41	
■ Increase in Vendor Payroll	\$822,714.51	11.88%