

2025-0012



COSA - CITY CLERK
2025 FEB 19 AM 11:40

TO: Debbie Racca-Sittre, City Clerk
FROM: Councilmember Teri Castillo, District 5
COPIES: Erik Walsh, City Manager; Andy Segovia, City Attorney; Joe Frank Picazo, Interim Assistant to the City Manager; Emily McGinn, Assistant to the City Council
SUBJECT: Ensuring Integrity in Local Contracts
DATE: Monday, February 17, 2025

Issue for Proposed Consideration

After coordinating this Council Consideration Request (CCR) with the City Manager, I respectfully request for your support for the inclusion of the following item on the agenda of the earliest available meeting of the Governance Committee:

Requesting consideration of the Ensuring Integrity in Local Contracts CCR.

Background

To help combat wage theft for local construction workers, the City of San Antonio (COSA) adopted Ordinance 71312 in 2008. While that ordinance took steps to protect construction workers, this request seeks to add stronger language which improves reporting and accountability standards and requires that COSA not enter into contracts and/or terminate existing construction contracts with companies who violate wage and labor standard provisions. Without an update to the current ordinance, it is possible for an employer with a history of wage theft to continue doing business with the COSA.

Part 4 of the Wage and Labor Standard Provisions should be amended to state that COSA will be required by law to terminate the contract for uncured wage theft violations and will automatically deny a contractor/sub-contractor with recurrent violations. Part 3 should also be updated to give workers more than 60 days to report wage theft. Texas Payday Law gives the employee 180 days to report (Texas Workforce Commission). The Fair Labor Standards Act contains a two-year statute of limitations for non-willful violations and a three-year statute of limitations for willful violations.

Several Texas cities have created and enacted stronger ordinances which prohibit awarding city contracts to employers who steal wages. These laws also established wage theft databases and wage theft coordinators to assist with reporting and enforcement. This wage theft ordinance language is similar across the state. COSA should look to these ordinances for best practices to develop language that is consistent with existing local laws. COSA also has a Labor Compliance team with resources to vet current and potential city-funded contractors. This policy request also



asks that a determination be made as to whether COSA could oversee an updated wage theft compliance policy, such as a Wage Theft Database, with available resources.

The Labor Compliance Team should also establish a repeat offender list where repeat offenders are barred from bidding work with COSA for no less than three (3) years. The section titled *Complaints, Proceedings, or Testimony by Employees* should also be reviewed and updated to include specific anti-retaliation statements and a process which allows the Labor Compliance Team and/or a Wage Theft Coordinator to investigate and determine if retaliation has occurred.

This request is also an opportunity to improve transparency for construction contracts by requiring contractors to disclose more information about the subcontractors that will be working on projects. While lead contractors are thoroughly vetted by COSA for wage, safety, and other labor violations, their preferred subcontractors are not subject to the same level of review. Transparency created by the stronger disclosure requirements can also help identify labor violators and unqualified operators and ensure accountability.

The County of San Diego adopted a Subcontractor Disclosure Ordinance which requires lead contractors to disclose information for their subcontractors working on projects that require building permits prior to getting said permits. The required information includes state contractor licenses, city business licenses, insurances, workers compensation policy information, and any labor enforcement activity against the contractor. COSA can look to this and other similar ordinances for language, best practices, and worker protections. In San Antonio this can be overseen and enforced by the Labor Compliance Office and Public Works Department.

Request

Given San Antonio's focus and substantial investment in well-paid jobs, and to afford all residents the pay they rightfully earned, City Council should make every effort possible to combat wage theft.

I would be grateful for your support in strengthening Ordinance 71312 - concerning wage and hour labor standard provisions for the City of San Antonio - and fully prohibiting by law the City of San Antonio from continuing and entering into contracts with prime contractors, sub-contractors, and other employers who have been adjudicated for wage theft for COSA-funded construction contracts/agreements.



OFFICE OF THE CITY COUNCIL

Submitted for Council consideration by: Teri Castillo
Councilmember Teri Castillo, District 5

Supporting Councilmembers' Signatures (exactly 4)

District

- | | | |
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| 1. | <u>Phyllis Vagstad</u> | <u>3</u> |
| 2. | <u>Her</u> | <u>6</u> |
| 3. | <u>J-M-R</u> | <u>2</u> |
| 4. | <u>John</u> | <u>4</u> |