

# Modified Living Wage For Residential Garbage & Recycling Contracts

**City Council**  
**January 15, 2019**  
**Item 7.3**

# Recommendations

Accept the staff report on:

- The proposed methodology to implement a Modified Living Wage for Recycle Plus Customer Service Representatives, Mechanics, and Materials Recovery Facility workers (“Facility Workers”), and
  - Updated labor peace plans from Recycle Plus contractors.
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- Direct staff to negotiate the inclusion of a Modified Living Wage requirement, as approved by Council, in future residential garbage and recycling agreements for the Recycle Plus program.

# Background

- At the December 19, 2017 City Council, staff was directed to return with:
  - Modified Living Wage (MLW) methodology for Recycle Plus “Facility Workers” \*
  - Update on cost impact for implementation of MLW
  - Updated labor peace plans from existing contractors

\*Materials Recovery Facility (MRF) workers, customer service representatives (CSRs), and mechanics.

# Residential Contractor Wage Requirements

## California Waste Solutions (CWS)

- MRF Workers – prevailing wage requirement in Agreement
- CSRs & Mechanics—represented by a collective bargaining agreement

## Garden City Sanitation (GCS)

- MRF Workers – Not Applicable, No MRF Operation
- CSRs & Mechanics—represented by a collective bargaining agreement

## GreenTeam (GT)

- MRF Workers – Subcontracts processing to GWR effective March 2014
- CSRs— No Wage Requirement
- Mechanics—represented by a collective bargaining agreement

## GreenWaste (GWR)

- MRF Workers – No Wage Requirement for work performed on San José materials
- CSRs & Mechanics – No Wage Requirement

# Determining Modified Living Wage

- GWR is a regional facility, not exclusive to San José
- 45.71% of time spent on San José materials
- MLW is calculated at \$17.26 (with health benefits)



# Cost Impact

- Costs for implementation in future agreements (Fiscal Year 2019-2020 or later) are estimated to be approximately \$3 million annually

# Next Steps

- With Council authorization, staff will work with the City Manager's Office and the City Attorney's Office to include the Council Policy 3-3 (Living Wage Policy) requirement for Facility Workers in the future Recycle Plus agreements.