



Contracting that Works

How State and Local Governments Can Uphold High Standards for Workers, Business, and Taxpayers

By Karla Walter and David Madland, with Paul Sonn and Tsedeye Gebreselassie November 2015

Center for American Progress Action Fund



Contracting that Works

How State and Local Governments Can Uphold
High Standards for Workers, Business, and Taxpayers

By Karla Walter and David Madland, with Paul Sonn and Tsedeye Gebreselassie
November 2015

Contents

- 1 Introduction and summary**
- 5 Review carefully the decisions to contract out**
- 7 Prescreen contractors for responsibility**
- 9 Use comprehensive criteria to evaluate bidders**
- 11 Uphold high standards for wages and benefits**
- 14 Implement incentives to raise wages and benefits above the legal floor**
- 17 Perform strong post-award enforcement**
- 19 Increase data collection and transparency**
- 21 Conclusion**
- 22 About the authors**
- 24 Endnotes**

Introduction and summary

State and local governments finance millions of jobs across our economy with the hundreds of billions of dollars that they spend each year to purchase goods and services. Yet jobs created through government contracting are often substandard, paying very low wages and involving poor working conditions where workplace law violations are common.¹ Such jobs hurt not only the workers, but they also undermine the quality of goods and services that are delivered to government agencies and the public. This often results in significant hidden costs for taxpayers.

Scores of state and local governments have taken an important step to raise standards for workers by requiring that public contractors pay their workforces a nonpoverty wage—either through living wage laws or prevailing wage laws. These laws have a significant impact on the lives of workers who are employed by contractors, they uphold government’s promise to function as a model employer, and they help raise wage standards throughout the local economy.

But state and local leaders can do more to raise standards for government-supported work. Growing numbers of state and local governments are adopting additional “responsible contracting” reforms to improve the quality of jobs generated by their procurement spending—a suite of policies to help raise the wages and improve the benefits of workers who are employed by contractors; to ensure that only law-abiding companies that respect their workers receive government contracts; and to contract out only those services that public employees cannot capably and cost-effectively perform.

When governments adopt these standards, it is good not only for workers but also for law-abiding businesses that respect their workers. Indeed, without strong standards, these companies choose too often not to bid on contracts or are forced to compete against low-road companies that harm their workers by paying below-market wages, providing poor benefits, or reducing costs by committing wage theft or cutting corners in workplace safety.

For example, after the District of Columbia enacted legislation to help ensure that only companies that comply with workplace laws are able to receive government contracts,² Allen Sander, chief operating officer of Olympus Building Services Inc., explained:

*Too often, we are forced to compete against companies that lower costs by short-changing their workers out of wages that are legally owed to them. The District of Columbia's contractor responsibility requirements haven't made the contracting review process too burdensome. And now we are more likely to bid on contracts because we know that we are not at a competitive disadvantage against law-breaking companies.*³

Moreover, a review of state and local contracting practices by the National Employment Law Project found that adoption of contracting standards often has resulted in decreased employee turnover with corresponding savings in restaffing costs.⁴ For example, after San Francisco International Airport adopted a wage standard, annual turnover among security screeners fell from nearly 95 percent to 19 percent—saving employers about \$4,275 per employee per year in restaffing costs.⁵

Finally, by raising workplace standards among government contractors, state and local governments can ensure that taxpayers receive a good value. When workers are poorly compensated or do not receive all of the wages that they earn, taxpayers often bear hidden costs by providing services to supplement workers' incomes, such as Medicaid, Earned Income Tax Credits, and nutrition assistance.⁶

Also, research finds that when contractors shortchange their workers, they often deliver a poor-quality product to taxpayers. A 2003 survey of New York City construction contractors by New York's Fiscal Policy Institute found that contractors with workplace law violations were more than five times as likely to have a low performance rating than contractors with no workplace law violations.⁷

A 2013 report from the Center for American Progress Action Fund found that one in four companies that committed the worst workplace law violations and received federal contracts later had significant performance problems ranging from “contractors submitting fraudulent billing statements to the federal government; to cost overruns, performance problems, and delays during the development of a major weapons system that cost taxpayers billions of dollars; to contractors falsifying firearms safety test results for federal courthouse security guards; to an oil rig explosion that spilled millions of barrels of oil into the Gulf of Mexico.”⁸

Indeed, promoting higher standards helps ensure that taxpayers receive a good value by encouraging more companies to bid on projects. For example, after Maryland implemented a contractor living standard, the average number of bids for contracts in the state increased by 27 percent—from 3.7 bidders to 4.7 bidders per contract.⁹ Nearly half of contracting companies interviewed by the state of Maryland said that the new standards encouraged them to bid on contracts because it leveled the playing field.¹⁰

This report identifies the best practices in government contracting that are allowing state and local governments to significantly raise standards for workers and secure better value for taxpayers. The report is an update and expansion of a 2010 report by the Center for American Progress Action Fund and the National Employment Law Project.¹¹

Our recommendations include:

- Review carefully the decisions to contract out
- Prescreen contractors for responsibility
- Use comprehensive criteria to evaluate bidders
- Uphold high standards for wages and benefits
- Implement incentives to raise wages and benefits above the legal floor
- Perform strong post-award enforcement
- Increase data collection and transparency

The authorities who are adopting these models range from state, city, and county governments, to airport and economic development authorities, to community colleges and school districts. Governing bodies at all levels should use this toolkit to replicate and expand on these successful reform models. Even governments that have pioneered the contracting practices cataloged here have opportunities to improve them further.

Moreover, governments can broaden the reach of these standards by expanding their coverage to include other private-sector jobs supported with taxpayer dollars or with significant government oversight. This can include, for example, broadening the types of governing authorities that are adopting these requirements and extending coverage to nonprofit organizations, as well as to companies that are receiving economic development subsidies. (for more on this topic, see text box on page 16)

Finally, some of the best practices profiled here are incomplete without the adoption of others. For example, without strong post-award enforcement that allows for stakeholder involvement and reporting, law-breaking companies may violate living wage laws and yet continue to receive government contracts. And while prescreening of contractors for responsibility ensures an even playing field for law-abiding companies that are competing for government contracts, these policies should be used in addition to prevailing standards and a comprehensive bidder evaluation process that reviews factors such as price, experience, and past performance. This will provide an advantage to companies that take the high road.

In the following pages, we present detailed descriptions and examples of governments that are adopting each of these key strategies as an example for other locales to learn and implement new measures. This in turn ensures that the government procurement process benefits workers, taxpayers, and high-road companies.

The effects of state pre-emption laws on local contracting reform efforts

Local governments are increasingly at the forefront of enacting progressive reforms to ensure that all residents have access to good jobs that pay family-supporting wages and provide decent benefits. In recent years, for example, a number of cities—including Oakland, California; Seattle, Washington; Washington, D.C.; Louisville, Kentucky; and Chicago, Illinois—have raised municipal minimum wages or enacted earned sick leave for all residents.¹²

Yet local government's power to boost communitywide wage and benefits standards above state and federal requirements is largely derived from state law. And conversely, state governments have the authority to pre-empt local authority to raise wage standards. Groups such as the American Legislative Exchange Council, or ALEC, and state affiliates of both the National Restaurant Association and the National Federation of Independent Business are increasingly focused on lobbying state lawmakers for legislation to prohibit progressive local wage and benefit standards.¹³

As a result, a growing number of state governments have pre-empted cities from establishing local minimum wage and

benefits standards, such as earned sick leave requirements. While a number of these pre-emption laws cover only municipalitywide efforts to raise standards, at least 13 states have enacted legislation, including 12 in the past five years, that pre-empts local governments from establishing wage and benefit requirements for workers on government contracts.¹⁴

Local officials should carefully review the state statutes before determining what to include in a contractor responsibility reform agenda. Other best practices outlined in this toolkit—including reviewing carefully the decisions to contract out; prescreening contractors for responsibility; using comprehensive criteria to evaluate bidders; performing strong post-award enforcement; and increasing data collection and transparency—are less likely to be subject to state-level pre-emptions.

Local officials should also work to overturn these pre-emptions and thereby ensure that state laws empower cities to innovate and experiment—with the hope that it leads to successful policy models that can be replicated by other cities, as well as by state and federal governments.

Review carefully the decisions to contract out

State and local governments that are seeking to protect taxpayers and workers and to promote quality services should require a careful review of decisions to contract out government work to the private sector. Review processes should ensure that the government contracts out only those services that public employees cannot capably and cost-effectively perform and that do not involve functions that should be performed by government for accountability or other public interest reasons. Moreover, governments should require a competitive bidding process when service contracts expire and accept in-house bids from government workers—while ensuring that in-house bids are not used as a way to avoid paying prevailing wages and benefits.

Excessive use of contracting out weakens the ability of government officials to oversee taxpayer-funded work, but few governments do enough to limit it sufficiently.¹⁵ Contracting out also frequently results in worse jobs for local communities because many of the industries where privatization has been prevalent—such as food services and laundries—are characterized by poverty wages and widespread violations of basic workplace laws.¹⁶

Governments should adopt consistent procedures for determining whether it is in the public's best interest to contract work out and then ensure that when privatization decisions are made, the process allows for strong government oversight, stakeholder input, and accurate analysis of the benefits and costs. Important factors to consider when deciding whether to contract out work include:

- The quality and long-term sustainability of privatized services
- Working conditions for contracted workers
- The impact on the larger community
- Additional costs of contracting out, such as monitoring and enforcing existing contracts, fixing poorly executed contracts, and providing public assistance to contractors' workers who receive low wages and benefits

Few governments have developed comprehensive reforms in this area, but many are taking the first steps to increase oversight and rationalize procedures when deciding whether to contract out services.¹⁷ The city of San Jose, California, for example, has adopted two policies—the Service Delivery Evaluation Policy and the Public Private Competition Policy—that establish a clear process to guide outsourcing decisions. The policies support appropriate government delivery of services by allowing public agencies that are administering poorly performing programs to make readily achievable improvements before an agency may pursue privatization. The policies feature strong upfront oversight—soliciting public and city employee input and subjecting contracting decisions to council review—and require a thorough evaluation of the ongoing costs of contracting out.¹⁸

Maryland enacted legislation this year that requires state agencies deciding whether to contract out services to conduct an analysis of alternatives to the proposed contract and to meet with the representative of the affected public-sector workers to discuss the alternatives.¹⁹

And Oregon passed legislation in 2009 that requires a written cost analysis before contracting out any services valued at more than \$250,000. The legislation requires that state and local agencies demonstrate that contracting out work would reduce costs when compared with using its own personnel and resources, unless the agency “reasonably determines in writing” that using government personnel is not feasible.²⁰ The government agency is also prohibited from privatizing services if the cost analysis demonstrates that the lower wages and benefits paid by the contractor are the sole reason why contracting out would be cheaper.²¹

Other state and local laws have established requirements that are protecting social goals and the public interest, or requirements that agencies must demonstrate a significant cost savings before they are able to contract out services.²² For example, Maryland statutes permit service contracts only if they do not adversely affect the state’s affirmative action efforts and if they establish a minimum cost savings requirement of 20 percent or \$200,000, whichever is less.²³

Prescreen contractors for responsibility

State and local governments have sought to improve the quality of their contractor pools over the past decade by instituting more rigorous screening of prospective vendors. Their aim is to do a better job of weeding out those companies with histories of violating workplace laws and other important regulatory protections. States and localities have found that adoption of such programs—often termed “prequalification” or “responsible bidder” programs—results in higher-quality and more reliable services; increased competition among responsible contractors; reduced project delays and cost overruns; reduced monitoring, compliance, and litigation costs; and stronger incentives for compliance.²⁴

Best practices incorporate a front-end prescreening process before selection of a winning bid—a more reliable approach than a responsibility review conducted for only the lowest-cost or presumed winning bidder. The prescreening should involve a review of offerors’ compliance and financial records and proof of insurance and licensing. Compliance review should look specifically at bidders’ records of compliance with workplace laws, including federal, state, and local wage and safety laws.

Governments should also allow for stakeholder input during the review process, evaluate the records of both contractors and subcontractors on each bid, and provide clear criteria on what constitutes disqualifying nonresponsible behavior so that contracting officers have adequate guidance in evaluating potential bidders.

While the prescreening of contractors is essential to ensure an even playing field for law-abiding companies to compete, this policy should be used in addition to—not in lieu of—a comprehensive bidder evaluation process that includes a review of factors such as experience on similar projects and past performance. (see page 9) This is to give high-road companies an advantage.

Many states—including California, Connecticut, Illinois, Massachusetts, Minnesota, and New York, as well as the District of Columbia, and cities, including Los Angeles and New York City—have responsible bidder screening programs.²⁵ They have adopted these laws to improve the quality of their contractor pools and to do a better job of identifying companies with long track records of committing fraud, wasting taxpayer funds, violating workplace laws and other important regulatory protections, and lacking the proper experience and licensure.

For example, Connecticut requires companies to prequalify before bidding on state and local public works projects. The process includes a review of a company's integrity, work experience, personnel qualifications, financial condition, and safety record and standards.²⁶ Online prequalification forms require companies to report on their histories of legal compliance and safety records, covering both private- and public-sector work history.²⁷

Massachusetts has also enacted a prequalification process for contractors that are bidding on state and local public works projects; the process is mandatory for projects of more than \$10 million and optional for smaller projects.²⁸ Prequalification is based upon a variety of factors, including the firm's safety record and history of compliance with workplace laws. The Massachusetts attorney general's bid compliance unit—which enforces the state's prequalification law and reviews challenges to agency contract award decisions—resolved 218 protests in fiscal year 2009.²⁹

Finally, Minnesota passed legislation last year that requires state and local governments to conduct a thorough review of a proposed contractor's record on publicly owned or financed construction projects on contracts valued at more than \$50,000. The process includes a review of a company's safety record and compliance with wage laws.³⁰

Use comprehensive criteria to evaluate bidders

The practice of lowest-responsive, responsible bidder procurement—the traditional method of determining which bidder wins the right to a public works contract—is often ineffective at delivering projects on time and on budget. Under these types of procurements, once the contracting officer determines which companies are considered responsive and responsible,³¹ the officer is allowed to compare the bidders only on the basis of lowest cost rather than to consider other factors that affect the value that taxpayers receive, such as the contractors' past performance or technical expertise.

An alternative approach to procurement evaluates contractors based on a range of factors beyond price, including experience on similar projects and past performance in the evaluation. This allows the government to evaluate bidders based on weighted criteria and can include best-value contracting, competitive sealed proposals, or a request-for-proposal process. While price remains a significant factor under these approaches, the consideration of additional criteria can give an advantage to high-road companies.

This type of evaluation is widely used in federal contracting. In 2001, the U.S. Navy released findings showing that when compared with lowest responsible bidder, or low bid, contracting, the use of comprehensive standards produced better-quality products in less time and at lower costs.³²

At the state level, New Jersey's competitive contracting laws empower municipalities and towns to evaluate bidders in specific industries—such as home care, concessions, and food services—and on a range of performance factors such as technical, management, and cost-related criteria.³³ The state has developed model criteria that include questions on a bidder's business integrity record; history and experience performing similar work on time and on budget; and reliance on in-house resources vs. subcontracting the work.³⁴

Likewise, when the District of Columbia passed wide-ranging contracting reform language in 2010, it allowed the use of “competitive sealed proposals” to assess bidders on evaluation factors, including price, quality of the items, performance, and other relevant factors.³⁵

In practice, comprehensive evaluation criteria can be used to help ensure that workers are respected and that labor disputes do not slow contract delivery. In Connecticut’s most recent statewide solicitation for security personnel, bidders were asked to describe any employee incentive, recognition, and/or retention programs; the firm’s strategy and experience with a collective bargaining workforce; past and/or present grievances, litigation, violations, and the solutions reached; and the firm’s specific experience with standard wage regulations.³⁶

Uphold high standards for wages and benefits

Cities and states, concerned about the poverty-level wages and limited benefits that many government contractors provide to their workforces, have adopted baseline wage and benefits requirements to protect contracted workers in low-wage sectors, as well to ensure that government contractors do not undercut market wages in higher-wage sectors. In doing so, these state and local governments are working to ensure that when they contract with private companies to provide services for the government, they create quality jobs in the process. These standards are set through living wage laws, as well as through the extension of prevailing wage laws to low-wage service workers.

More than 120 cities and one state—Maryland—have adopted living wage laws that require that public contractors to pay their workforces a nonpoverty wage.³⁷ This is typically defined by using a multiple of the federal poverty guidelines. For example, St. Louis defines its living wage as 130 percent of the federal poverty guidelines for a family of three, which as of April 2015 translated to \$16.18 per hour for workers who were not provided health insurance.³⁸

The Board of Commissioners of the Port Authority of New York and New Jersey used its authority to adopt a policy last year that requires contractors to comply with a living wage standard.³⁹ The program is starting with airport contract workers in positions that affect passenger safety and security at John F. Kennedy International, Newark Liberty International, and LaGuardia airports.

Even cities and states with existing living wage laws can take steps to strengthen them further by ensuring that they keep pace with the growing public support for higher minimum wage laws and the rising cost of living, as well as increases in the price of health care.

Also, governments in states and cities—such as Connecticut, California, New Jersey, New York state, and New York City—have taken another approach by extending prevailing wage laws, long used to protect contracted construction workers, to certain types of low-wage service-sector contractors.⁴⁰ Prevailing wage standards typically focus on industries such as building services and construction, where in many locations the market rate that is paid by better employers is higher than the level of most living wage laws. These laws require that contractors pay their workers at least what the majority of companies pay their workers in the same industry and occupation, therefore ensuring that state and city purchasing does not support employers that are driving down job standards in the sector.

Some governments extend prevailing wage coverage to reach other jobs that are created by city taxpayer dollars. For instance, Pittsburgh enacted a service worker prevailing wage law that covers grocery, hotel, food service, and building service workers in economic development projects that receive \$100,000 or more in city subsidies.⁴¹ Likewise, California’s prevailing wage law applies to all “public works,” which include work that is paid for in whole or in part out of public funds.⁴²

Jersey City, New Jersey, passed a law in 2012 that combines the best features of prevailing and living wage ordinances. The ordinance requires that workers on janitorial, unarmed security, clerical, or food services contracts be paid the highest of the following: 150 percent of the federal minimum wage; the hourly wage for work performed within the city under the collective bargaining agreement for a similar job category covering at least 200 workers; or the hourly rate paid to workers in the relevant classification under a preceding qualified contract.⁴³ The ordinance requires that contracts covered by the law indicate the hours of work required and a stipulation that those workers shall be paid not less than the standard hourly rate for the relevant classifications, ensuring that bidders comply with the requirements.

Other communities have focused on ensuring that public contractors respond to the emerging needs of workers in today’s workplace and allow them a voice on the job. Houston and San Francisco, for example, responded to the hidden costs to taxpayers and the public health care system that are generated by workers without health insurance coverage by requiring contractors to provide health benefits to their employees or pay into a fund to offset the cost of services for the uninsured workers.⁴⁴

And Santa Clara County, California—located in the center of Silicon Valley—passed a comprehensive contractor wage and benefits standard late last year.⁴⁵ The new law includes a contractor wage standard of \$19.06, which falls to \$17.06 if affordable health benefits and employer retirement contributions are offered; up to 12 earned sick days each year; reliable advance notice of work scheduling; a pathway for part-time workers to move into full-time jobs; local and targeted hiring so that these jobs provide economic opportunity to disadvantaged residents; worker retention requirements to allow the existing workforce to retain their jobs when a new contractor is selected;⁴⁶ and protections to ensure that employees who would like to form a union are able to do so and that workers are able to request their rights under the living wage law without fear of employer retaliation.⁴⁷

Cities and states that have adopted wage and benefit standards for public contracts have found that they not only deliver better jobs for workers but also that the higher wages result in reduced staff turnover and increased productivity, improving the quality and reliability of contracted services.⁴⁸ Analyses have generally found that living wage and health benefit requirements have increased contracting costs only modestly, if at all.⁴⁹ Maryland found that adopting the living wage requirement improved competition for state contracts by attracting more high-road vendors—nearly 30 percent more bidders on average—to submit bids for government work.⁵⁰ Nearly half of the contracting companies interviewed in a report that assessed the impact of Maryland’s living wage law reported that the new labor standards encouraged them to bid for state contracts because they leveled the playing field.⁵¹

Implement incentives to raise wages and benefits above the legal floor

Some governments have also developed ways in the contractor selection process to give extra consideration to employers that create good jobs. Baseline requirements set the floor, while incentives for high-road labor practices can help encourage companies to raise standards even further.⁵²

Government agencies frequently evaluate bidders' proposals based on the strength of a bidder's technical ability and past performance record as they seek contractors that will provide the best value for the taxpayers, not simply the lowest price. (see section on page 9) They should use the same type of system to evaluate contractors on the quality of their workplace practices. Basing bidders' scores in part on the quality of workplace practices, as well as other comprehensive criteria, can increase the likelihood that companies with better practices will win contracts and help motivate companies to improve their working conditions.

Government should give significant weight when evaluating bidders' proposals to those employers that pay a decent wage, provide benefits, and offer paid leave to their employees.

Incentives can potentially play a useful role in improving job standards beyond the contracted workforce and can reward employers that successfully create quality jobs. Cities and states can encourage employers to improve job standards broadly by evaluating job quality across a bidder's entire workforce that is located within the jurisdiction, rather than evaluating only standards for contracted workers.

One city that gives extra consideration in the procurement process to high-road workplace practices is El Paso, Texas, which makes medical benefits a positive evaluation factor—along with price, reputation, and past performance—in mak-

ing best-value contract award decisions.⁵³ The medical benefits that prospective contractors provide to their employees are evaluated on a sliding scale, and the resulting score represents a portion of the overall score for the bid, with price remaining the most significant factor.

The city of San Jose, California, evaluates labor practices as part of its bidder selection process as well. The city's living wage policy requires covered contracts to undergo a "Third Tier Review" in which the city evaluates whether offerors' employees receive paid leave and if bidders give adequate assurances of labor peace.⁵⁴ In competitions between public-sector workers and private bidders, the city also evaluates bidders' provision of employee benefits, employee complaint procedures, and compliance with state and federal workplace standards.

Broaden the reach of responsibility standards

Responsible contracting reforms are helping state and local governments across the country ensure that jobs funded by taxpayer spending are good, family-supporting jobs. Lawmakers can raise job quality across their regional economies by applying these models more broadly to include more types of governing bodies, as well as other types of private-sector jobs that are supported with taxpayer dollars or with significant government oversight.

Governing authorities that adopt responsible contracting reforms range from state, city, and county governments, to community colleges and school districts, to independent and quasi-governmental agencies. For example, the School District of Philadelphia uses a precertification process to ensure that all bidders on construction contracts have proper experience, financial capability, safety standards, and legal compliance histories.⁵⁵

And after Mayor Rahm Emanuel (D) signed an executive order last year to establish a \$13 contractor minimum wage, he asked Chicago's sister agencies—including the Public Building Commission, Chicago Public Schools, the Chicago Transit Authority, City Colleges of Chicago, and the Chicago Park District—to adopt the standard.⁵⁶ Likewise, the Board of Trustees of the Hudson County Community College in Jersey City, New Jersey, passed a resolution in 2013 that adopted a living wage policy passed by the Hudson County Board of Chosen Freeholders earlier that year.⁵⁷

A number of local authorities that govern airports—including San Francisco International Airport, Lambert-St. Louis International Airport, Oakland International Airport, Los Angeles International Airport, and the Miami International Airport—have adopted job standards as well.⁵⁸ These can include wage and job training standards for workers who are not directly employed as government contractors but who are

employed by companies that are contracting with the airline carriers—such as airplane cleaners, baggage handlers, and passenger assistants—as well as employees of airport lessees and concessionaires.

In addition, governments have often adopted responsibility reforms for jobs that are funded through other types of government spending. At least 50 local living wage standards extend wage requirements to jobs that are funded with economic development financial assistance.⁵⁹

And while responsible contracting laws often exempt non-profit organizations, Boston, Massachusetts, has extended its living wage requirements to nonprofits that are contracting with the city government.⁶⁰

Finally, cities such as Seattle, San Jose, and Los Angeles have created a public bidding process that includes a new level of oversight in municipal trash and recycling collection systems that will help boost environmental outcomes and job standards.⁶¹ For example, Los Angeles is moving from a system where dozens of waste collection companies compete to haul the trash of commercial and large apartment buildings in the purely private market to a city-regulated, exclusive franchise system that will divide the city into 11 zones.⁶² The new system aims to promote fair pricing and good value for consumers, reduce citywide traffic, and ensure that winning bidders comply with both environmental and job-quality standards—including safety review, contractor living wage, and worker retention requirements.⁶³

Cities and states should work to continue to expand on these models and experiment with new ways in which other government oversight roles—such as business licensing and nonprofit status—can be used to uphold high workplace standards.⁶⁴

Perform strong post-award enforcement

State and local governments have also found that protecting workers and taxpayers requires continued oversight after bids have been awarded. Governments must have the capacity to continuously monitor post-award legal compliance—especially in high-violation industries and locations—and to make sure that potential lawbreakers know that their ability to complete the existing contract or obtain future contracts will be jeopardized by serious noncompliance. Best practices include requiring companies to certify that they are complying with the law; creating processes for law-breaking companies to come into compliance; and adopting targeted enforcement strategies and partnering with other stakeholders on enforcement efforts.

Some governments require contractors to submit certifications on a weekly basis, showing that they have complied with a range of labor, employment, and tax laws. Contractors that fail to comply face sanctions, including removal from the project. Contractors that have three or more violations in Worcester, Massachusetts, for example, are permanently barred from receiving municipal contracts.⁶⁵

Cities and states are also using innovative strategies to catch law-breaking contractors. Los Angeles, for example, uses a Joint Labor Compliance Monitoring Program to enforce its prevailing wage laws.⁶⁶ The city's Bureau of Contract Administration trains and gives workers credentials to interview employees of contractors and subcontractors at their worksites to ensure that they are being paid the legal wage standard.

Similarly, Seattle and San Francisco contract with community groups to help uphold compliance with local workplace laws for all municipal employers.⁶⁷ For example, San Francisco's Office of Labor Standards Enforcement contracts with worker centers, community groups, and legal aid organizations to provide education on local worker protection laws, assist workers with potential claims, make attempts to settle cases, and make referrals to municipal enforcement.⁶⁸

In another model, the Sweatfree Purchasing Consortium brings together state and local jurisdictions that have passed laws barring companies that use sweatshop labor from receiving government contracts to share the costs of monitoring contractors and from enforcing “sweatfree” requirements. Participating governments include Maine; New York; Pennsylvania; Ashland, Oregon; Austin, Texas; Berkeley, California; Chicago; Ithaca, New York; Los Angeles and San Francisco; Madison and Milwaukee, Wisconsin; Seattle and Olympia, Washington; Portland, Oregon; Santa Fe, New Mexico; and University City, Missouri.⁶⁹ The consortium is working to improve compliance in the apparel industry by working with factories to verify compliance and by coordinating with brands and vendors to ensure responsible business practices, including fair pricing, reasonable production scheduling, and long-term business commitments.

Increase data collection and transparency

Good data collection, analysis, and public disclosure—including information about working conditions and past legal violations—can help ensure compliance with responsible contracting policies and promote public confidence in government decision making. Moreover, strong disclosure policies empower workers and other stakeholder groups to expose law-breaking contractors' incorrect reporting and promote even higher standards.

State and local governments can strengthen contractor accountability and reduce wasteful and abusive practices by centralizing the collection of contracting data into a single or relatively small number of databases. Contracting officers should be required to consult these databases, particularly the data on contractor responsibility, when they are evaluating bids. The public also should have access to this information online so that individuals can note when data are inaccurate and can raise their own concerns regarding bidders and contracting practices.

Many state and local governments consider legal violations in determining contractor responsibility, but the value of this information can be strengthened by sharing it among government agencies and across jurisdictions. Contracting officers should not rely only on bidders' self-reporting of legal compliance; they also should have access to information from their government's other enforcement databases. As discussed above, the Sweatfree Purchasing Consortium allows jurisdictions to share responsibility data.

Although many state and local governments make contract and legal compliance data publicly available, the data's comprehensiveness and ease of access varies significantly. When the District of Columbia passed comprehensive contracting reform language in 2010, it created a transparency website. The site provides details on contracts in excess of \$100,000—including an upload of the contract and any determinations and findings, contract modifications, change orders, solicitations, or amendments of the original contract—for the duration of the underlying contract or five years, whichever is longer.⁷⁰

Massachusetts maintains the online COMMBUYS database that allows the public to browse through active contracts and search for contracts by a variety of factors, including vendor name, date ranges, and awarding authority.⁷¹ The database includes summaries of the contracts, including price and detailed vendor information. And in 2013, former Rhode Island Gov. Lincoln Chafee (D) signed an executive order to significantly expand the information about the state government—including contracts, grants, and quasi-public agency expenditures—which is available online.⁷² The transparency portal allows the public to search for contracts by vendor, awarding agency, and start and end dates.⁷³

Also, New York City maintains Vendex—a centralized database that provides information online on the number, cost, awarding agency, and start and end dates of a firm’s contracts and subcontracts.⁷⁴ The database does not display information on job quality, working conditions, or past legal violations online, but the city government allows access to this information at the Mayor’s Office of Contract Services Public Access Center.

The city of San Jose makes “Third Tier Review” reports for winning bids available to the public, but the data are not currently published online. These reports evaluate bidders on a variety of factors, including employee benefits and compliance with workplace standards—as discussed in the “Implement incentives to raise wages and benefits above the legal floor” section of this report.

Finally, Connecticut passed legislation last year that requires the state’s Department of Administrative Services to post online an explanation for any contract extension that was entered into without a competitive bidding process and to submit an annual report of those explanations.⁷⁵

Conclusion

Growing numbers of state and local governments are adopting responsible contracting reforms to improve the quality of jobs that are generated by their procurement spending. This report provides proven models for raising standards among contractors. By adopting the suite of policies profiled here, governments will not only help workers but also will ensure that law-abiding businesses can compete on an even playing field and that taxpayers receive good value for their investment in government projects.

About the authors

Karla Walter is Associate Director of the American Worker Project at the Center for American Progress Action Fund. Walter focuses primarily on improving the economic security of American workers by increasing workers' wages and benefits, promoting workplace protections, and advancing workers' rights at work. She has testified on government contracting standards before Congress, as well as state and local governments. Walter earned a master's degree in urban planning and policy from the University of Illinois at Chicago and received her bachelor's degree from the University of Wisconsin-Madison.

David Madland is the Managing Director of the Economic Policy team and the Director of the American Worker Project at CAP Action. He has written extensively about the economy and American politics on a range of topics, including the middle class, economic inequality, retirement policy, labor unions, and workplace standards such as the minimum wage. He is also the author of *Hollowed Out: Why the Economy Doesn't Work without a Strong Middle Class*.

Madland has appeared frequently on television shows, including "PBS NewsHour" and CNN's "Crossfire"; has been cited in such publications as *The New York Times*, *The Wall Street Journal*, *The Washington Post*, and *The New Yorker*; and has been a guest on dozens of radio talk shows across the United States. He has testified before Congress on a number of occasions, as well as several state legislatures. Madland has a doctorate in government from Georgetown University and received his bachelor's degree from the University of California, Berkeley.

Paul Sonn is General Council and Program Director at the National Employment Law Project, or NELP. For 20 years, Sonn has worked on new approaches for promoting living wage jobs. His work has been profiled in *The New York Times Magazine*, *The Nation*, and the *New York Law Journal*. Sonn has been a lecturer in law at Columbia Law School and is a graduate of Yale Law School and Dartmouth College.

Tsedeye Gebreselassie is a Senior Staff Attorney at NELP, where she works with local and state groups on policies to raise job standards and expand workplace protections for low-wage and immigrant workers. She has appeared as a commentator on low-wage worker issues in outlets including PBS, MSNBC, CNBC, and NPR. She earned her law degree magna cum laude from New York University School of Law and received her bachelor's degree from Brown University.

The National Employment Law Project is a research and advocacy organization working to expand economic opportunity for America's workers. NELP partners with grassroots groups and federal, state, and local leaders on policies such as raising the minimum wage, strengthening the safety net, and expanding access to jobs for vulnerable workers.

Endnotes

- 1 David Madland and Michael Paarlberg, "Making Contracting Work for the United States: Government Spending Must Lead to Good Jobs" (Washington: Center for American Progress Action Fund, 2008), available at https://cdn.americanprogress.org/wp-content/uploads/issues/2008/pdf/contracting_reform.pdf; Paul Sonn and Tsedeye Gebreselassie, "The Road to Responsible Contracting: Lessons from States and Cities for Ensuring that Federal Contracting Delivers Good Jobs and Quality Services" (New York: National Employment Law Project, 2009), available at http://nelp.3cdn.net/985daceb6c3e450a10_pzm6brsaa.pdf; Kathryn Edwards and Kai Filion, "Outsourcing poverty: Federal contracting pushes down wages and benefits" (Washington: Economic Policy Institute, 2009), available at <http://www.epi.org/files/page/-/pdf/ib250.pdf>.
- 2 *Procurement Practices Reform Act of 2010, Act 18-723* (Council of the District of Columbia, 2010), available at <http://ocp.dc.gov/sites/default/files/dc/sites/ocp/publication/attachments/PPRA.pdf>.
- 3 Allen Sander, chief operating officer of Olympus Building Services Inc., July 18, 2014. Comments on file with authors.
- 4 Sonn and Gebreselassie, "The Road to Responsible Contracting."
- 5 Michael Reich, Peter Hall, and Ken Jacobs, "Living Wages and Economic Performance: The San Francisco Airport Model" (Berkeley, CA: Institute of Industrial Relations at the University of California, Berkeley, 2003), available at http://www.irle.berkeley.edu/research/livingwage/sfo_mar03.pdf.
- 6 UNITE HERE! "Conduct Unbecoming: Sweatshops and the U.S. Military Uniform Industry" (2006).
- 7 Moshe Adler, "Prequalification of Contractors: The Importance of Responsible Contracting on Public Works Projects" (New York: Fiscal Policy Institute, 2003), available at www.columbia.edu/~ma820/prequalification.doc.
- 8 Karla Walter and David Madland, "At Our Expense: Federal Contractors that Harm Workers Also Short-change Taxpayers" (Washington: Center for American Progress Action Fund, 2013), available at <https://www.americanprogressaction.org/issues/labor/report/2013/12/11/80799/at-our-expense/>.
- 9 Maryland Department of Legislative Services, "Impact of the Maryland Living Wage" (2008), available at http://dlslibrary.state.md.us/publications/OPA/1/IMLW_2008.pdf.
- 10 Ibid.
- 11 David Madland and others, "Contracting that Works: A Toolkit for State and Local Governments" (Washington: Center for American Progress Action Fund, 2010), available at <https://www.americanprogressaction.org/issues/labor/report/2010/03/31/7444/contracting-that-works/>.
- 12 *City of Oakland Measure FF* (2014), available at <http://www2.oaklandnet.com/oakca1/groups/contracting/documents/form/oak051086.pdf>; Seattle.gov, "Seattle Minimum Wage Ordinance: Ordinance 124490," available at <http://www.seattle.gov/laborstandards/minimum-wage> (last accessed November 2015); Seattle.gov, "Seattle Paid Sick and Safe Time Ordinance: Chapter 14.16," available at <http://www.seattle.gov/laborstandards/paid-sick-and-safe-time> (last accessed November 2015); *District of Columbia Accrued Sick and Safe Leave Act of 2008* (amended in 2013), available at <http://www.dcregs.dc.gov/Gateway/RuleHome.aspx?RuleNumber=6-B1279>; *District of Columbia Minimum Wage Act of 2013*, available at <http://dcclims1.dccouncil.us/images/00001/20131219112909.pdf>; *Louisville Ordinance No. 216, Series 2014*, available at https://louisvilleky.gov/sites/default/files/metro_council/pdf_files/ord_216_2014.pdf; City of Chicago, "City of Chicago Minimum Wage: Minimum Wage Ordinance," available at http://www.cityofchicago.org/city/en/depts/mayor/supp_info/minimum-wage.html (last accessed October 2015).
- 13 National Employment Law Project, "The Politics of Wage Suppression: Inside ALEC's Legislative Campaign Against Low-Paid Workers" (2013), available at <http://www.nelp.org/page/-/rtmw/uploads/NELP-ALEC-Wage-Suppression.pdf?nocdn=1>; American Legislative Exchange Council, "Living Wage Mandate Preemption Act," available at <http://www.alec.org/model-legislation/living-wage-mandate-preemption-act/> (last accessed October 2015); Mary Bottari, "The 'Other NRA,' the National Restaurant Association, Pushes Preemption of Paid Sick Days," PRWatch, July 24, 2013, available at <http://www.prwatch.org/news/2013/07/12173/other-nra-national-restaurant-association-pushes-preemption-paid-sick-days#sthash.7MEL2pg4.dpuf>; Bill Smith, "Wisconsin NFIB Pushes for Bill to Preempt Local Labor Laws," National Federation of Independent Business, April 6, 2011, available at <http://www.nfib.com/article/wisconsin-nfib-pushes-for-bill-to-preempt-local-labor-laws-56488/>.
- 14 *Open Access to Work Act, S.B. 1006, 61st Leg., 1st sess.* (Idaho State Legislature, 2011), available at <http://legislature.idaho.gov/legislation/2011/S1006.pdf>; Kan. Stat. §§ 12-16,130 to 12-16,132; 19-26,114, H.B. 2069 (Kansas State Legislature, 2013), available at http://www.kslegislature.org/li_2014/b2013_14/measures/documents/hb2069_03_0000.pdf; Tennessee H.B. 501, 108th Session, Public Chapter 91 (Tennessee State Legislature, 2012), available at <http://www.tn.gov/sos/acts/108/pub/pc0091.pdf>; Arizona S.B. 1403, 50th Leg., 1st sess. (Arizona State Legislature, 2011), available at <https://legiscan.com/AZ/text/SB1403/2011>; Oklahoma S.B. 1023, 54th Leg., 2nd sess. (Oklahoma State Legislature, 2014), available at http://webserver1.lsb.state.ok.us/cf_pdf/2013-14%20ENR/SB/SB1023%20ENR.PDF; Wisconsin A.B. 750, 2013-2014 Leg., 2nd sess. (Wisconsin State Legislature, 2014), available at <https://docs.legis.wisconsin.gov/2013/related/proposals/ab750>; Louisiana S.B. 76, 2011 reg. sess. (Louisiana State Legislature, 2011), available at <http://www.legis.la.gov/legis/ViewDocument.aspx?d=747130&n=SB76%20Engrossed>; *Executive Order No. Sixty-Nine* (Office of the Governor of Iowa, 2011), available at https://governor.iowa.gov/sites/default/files/wp-content/uploads/2011/01/Exec_Order_69.pdf; Mississippi H.B. 141, 2013 reg. sess. (Mississippi State Legislature, 2013), available at <http://billstatus.ls.state.ms.us/documents/2013/html/HB/0100-0199/HB0141N.htm>; North Carolina H.B. 74, 2013-2014 reg. sess. (North Carolina State Legislature, 2014), available at <http://www.ncga.state.nc.us/gascripts/BillLookup/BillLookup.pl?Session=2013&BillID=HB74>; Georgia H.B. 59, 2005-2006 reg. sess. (Georgia State Legislature, 2005), available at <http://www.legis.ga.gov/legislation/en-US/display/20052006/HB/59>; Florida H.B. 655, 2013 Leg. (Florida State Legislature, 2013), available at <http://www.flsenate.gov/Session/Bill/2013/0655/BillText/er/>;

- Alabama H.B. 360, Reg. sess. 2014 (Alabama State Legislature, 2014), available at <http://arc-sos.state.al.us/PAC/SOSACPDF.001/A0010250.PDF>. Note that Florida and Alabama pre-empt mandated sick day legislation and not local living or prevailing wage legislation. All other laws pre-empt a local mandated wage for contract work.
- 15 Madland and Paarlberg, "Making Contracting Work for the United States"; AFSCME, "Legislative Approaches to Responsible Contracting," available at <http://www.afscme.org/issues/privatization/resources/power-tools-for-fighting-privatization/legislative-approaches-to-responsible-contracting> (last accessed October 2015); John J. Dilulio Jr., *Back the Bureaucrats: Why More Federal Workers Will Lead to Better (and Smaller!) Government (New Threats to Freedom)* (West Conshohocken, PA: Templeton Press, 2014).
 - 16 See, for example, the work of In the Public Interest—<http://www.InthePublicInterest.org>—a research and policy center that documents the risks of excessive use of contracting out and contracting with irresponsible companies and serves as a national clearinghouse and resource center for activists, lawmakers, and the media.
 - 17 AFSCME, "Stop Bad Contracts – Protect Public Services" (2013), available at <http://www.afscme.org/news/publications/privatization/pdf/Stop-Bad-Contracts.pdf>.
 - 18 City of San Jose, "Budget: Service Delivery Evaluations," available at <http://www.sanjoseca.gov/index.aspx?NID=2486> (last accessed October 2015); City of San Jose, "Public-Private Competition Policy" (2009), available at <http://www.sanjoseca.gov/DocumentCenter/View/3256>.
 - 19 Maryland H.B. 158 (2015), available at http://mgaleg.maryland.gov/2015RS/fnotes/bil_0008/hb0158.pdf.
 - 20 "A bill relating to public contracting; and declaring an emergency," Oregon H.B. 2867 (2009), available at <http://gov.oregonlive.com/bill/2009/HB2867/>.
 - 21 Ibid.; Oregon Department of Administrative Services, "Public Contracting Code, Rules and Policies," available at <http://www.oregon.gov/DAS/EGS/ps/Pages/ors279-menu.aspx> (last accessed October 2015). See «HB 2867 Presentation Materials and Supporting Documents: DOJ Outline & Rules (Justice #1751629 v1, 12/08/09)»
 - 22 AFSCME, "Stop Bad Contracts – Protect Public Services."
 - 23 Maryland Personnel and Pensions Code Sec. 13-405(C) (ii), available at <http://mgaleg.maryland.gov/webmgafirmStatutesText.aspx?article=gsp§ion=13-405&ext=html&session=2015RS&tab=subject5> (last accessed November 2015).
 - 24 Sonn and Gebreselassie, "The Road to Responsible Contracting," pp. 8–12.
 - 25 California Department of Industrial Relations, "Pre-Qualification of Contractors Seeking to Bid on Public Works Projects: The 1999 State Legislation and the Model Forms Created by the Department of Industrial Relations," available at http://www.dir.ca.gov/od_pub/prequal/PubWksPreQualModel.pdf (last accessed November 2015); Conn. Gen. Stat. § 4a-100 (prequalification of contractors and substantial subcontractors) (2014), available at http://www.cga.ct.gov/current/pub/chap_058a.htm#sec_4a-100; Illinois General Assembly, "Illinois Public Act 097-0369" (2011), available at <http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=097-0369>; Massachusetts General Laws Ch. 149A § 8 (2014), available at <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXI/Chapter149a/Section8>; Minnesota House File 1984 (2014), available at <http://www.faircontracting.org/wp-content/uploads/2014/07/FINAL-version-of-HF-1984-for-Gov-signature.pdf>; New York Office of the State Comptroller, "Vendor Responsibility," available at http://www.osc.state.ny.us/vendrep/forms_vendor.htm (last accessed October 2015); *Procurement Practices Reform Act of 2010* (Codification District of Columbia Official Code, 2001), available at <http://ocp.dc.gov/sites/default/files/dc/sites/ocp/publication/attachments/PPRA.pdf>; *Los Angeles Administrative Code Division 10, Chapter 1*, "Los Angeles Contractor Responsibility Ordinance" (2000), available at <http://bca.lacity.org/site/pdf/cro/CRO%20Contractor%20Responsibility%20Ordinance.PDF>; New York City Administrative Code § 6-116.2 (2001), available at www.nyc.gov/html/mocs/downloads/pdf/1_VENDEX_statute.pdf.
 - 26 Conn. Gen. Stat. § 4a-100 (prequalification of contractors and substantial subcontractors), available at http://www.cga.ct.gov/current/pub/chap_058a.htm#sec_4a-100.
 - 27 Connecticut Department of Administrative Services, Contractor Prequalification Application, available at <http://www.biznet.ct.gov/AccountMaint/Default.aspx> (last accessed November 2015). In order to access all prequalification questions, users must create an application login.
 - 28 Massachusetts Division of Capital Asset Management, "Guidelines for Prequalification of General Contractors and Subcontractors to Work on Public Building Construction Projects" (2008), available at <http://www.mass.gov/anf/docs/dcam/pubblgdgconstr/prequal-guidelines-april-2008.pdf>.
 - 29 Hinckley Allen, "The Bid Unit of the Massachusetts Attorney General" (2010), available at http://www.hinckleyallen.com/content/uploads/publications/Schaub_Feb_10%20Cons%20Outlook.pdf.
 - 30 Minnesota House File 1984.
 - 31 Depending on the legal framework, some communities may have the ability to provide detailed guidance in regard to what constitutes "responsiveness" and even include experience requirements and references.
 - 32 Naval Facilities Engineering Command, "Best Value Procurement Process" (2001) Report on file with authors.
 - 33 "Request for proposals; documentation; provisions," N.J. Admin. Code § 40A:11-4.4.
 - 34 Bloustein Local Government Research Center, Rutgers University, and New Jersey Division of Local Government Services, "New Jersey Local Public Contracts Law and Regulation" (2014), available at http://www.nj.gov/dca/divisions/dlgs/programs/lpcl_docs/Full%204-14%20LPC-LNJAC%20Reference%20Handbook.pdf.
 - 35 *Procurement Practices Reform Act of 2010*.
 - 36 Security Personnel Services, "Request for Proposal – 13PSX0035" (2013), available at http://bids.centerdigital.gov/docs/2013/02/Bid_Document_470235609.pdf?id=135734.
 - 37 National Employment Law Project, "Local Living Wage Laws and Coverage" (2011), available at <http://www.nelp.org/page/-/Justice/2011/LocalLWLawCoverageFINAL.pdf?nocdn=1>. For background on Maryland's state living wage law, see Maryland Department of Labor, Licensing and Regulation, "Division of Labor and Industry: Living Wage for State Service Contracts," available at <http://www.dllr.state.md.us/labor/prev/livingwage.shtml> (last accessed October 2015).

- 38 City of St. Louis, "Living Wage Adjustment Bulletin" (2015), available at <https://www.stlouis-mo.gov/government/departments/supply/documents/upload/4-1-15-Living-Wage.pdf>.
- 39 The Port Authority of New York and New Jersey, "Port Authority Adopts Minimum Wage Policy for Contract Workers at Port Authority Facilities," Press release, April 23, 2014, available at http://www.panynj.gov/press-room/press-item.cfm?headline_id=1966.
- 40 Connecticut Department of Labor, "Reference Guide - Standard Wage Rates for Certain Service Workers: Summary of Connecticut's Service Worker Law Statute 31-57f," available at <http://www.ctdol.state.ct.us/wg-wkstnd/laws-regs/99-142summary.htm> (last accessed October 2015); California Public Utilities Code §465-467 (2011), available at <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=puc&group=00001-01000&file=451-467>; New Jersey Department of Labor and Workforce Development, "Prevailing Wage Rates for State Building Service Workers - General Information," available at http://lwd.dol.state.nj.us/labor/wagehour/content/state_bldg_svc_contracts.html (last accessed October 2015); New York Labor Law §230-31, available at <http://codes.lp.findlaw.com/nycode/LAB/9/231> (last accessed November 2015); New York City Comptroller, "Prevailing Wage," available at <http://comptroller.nyc.gov/general-information/prevailing-wage/> (last accessed October 2015).
- 41 Pittsburgh, Pa. Code § 161.40 (City of Pittsburgh Service Worker Prevailing Wage Ordinance) (2015), available at <http://pittsburgh.legistar.com/LegislationDetail.aspx?ID=644162&GUID=4600AAD3-EFA3-465A-A5D6-C57C9BDE75D2&Options=ID|Text|&Search=prevailing>
- 42 Tamara Boeck, "When Is a Private Project a Public Work for Prevailing Wage Application in California?", *Ahead of Schedule*, May 15, 2013, available at <http://www.aheadofschedulelaw.com/2013/05/articles/audits/when-is-a-private-project-a-public-work-for-prevailing-wage-application-in-california/>.
- 43 State Innovation Exchange, "2012 Jersey City Ordinance 90," available at <https://stateinnovation.org/catalog/1498/living-wage/2012-jersey-city-ordinance-90> (last accessed October 2015).
- 44 Houston Office of Business Opportunity, "Pay Or Play (POP) Forms," available at <http://www.houstontx.gov/obo/popforms.html> (last accessed October 2015); City & County of San Francisco Office of Labor Standards Enforcement, "Health Care Accountability Ordinance (HCAO)," available at <http://sfgsa.org/index.aspx?page=407> (last accessed October 2015).
- 45 CBS San Francisco, "'Living Wage' Requirement Approved For Companies, Non-Profits With Santa Clara County Contracts," December 9, 2014, available at <http://sanfrancisco.cbslocal.com/2014/12/09/living-wage-requirement-approved-for-companies-non-profits-with-santa-clara-county-contracts/>.
- 46 Other cities and states and the federal government have enacted similar worker retention standards. For example, President Barack Obama signed Executive Order 13495, "Nondisplacement of Qualified Workers Under Service Contracts," on January 30, 2009. See *The White House*, "Nondisplacement of Qualified Workers Under Service Contracts: Executive Order 13495," Press release, January 30, 2009, available at <https://www.whitehouse.gov/the-press-office/nondisplacement-qualified-workers-under-service-contracts>.
- 47 Santa Clara County, "Adoption of Ordinance No. NS-300.881 adding Division B36 to the Santa Clara County Ordinance Code relating to establishing a living wage policy for county contracts," January 13, 2015, available at http://sccgov.igq2.com/Citizens/Detail_LegFile.aspx?ID=74563&highlightTerms=living%20wage.
- 48 See, for example, Sonn and Gebreselassie, "The Road to Responsible Contracting," p. 14. This source compiles various studies.
- 49 For a survey of studies that examine the costs of living wage laws, see *ibid*. For a recent study on the cost impact of health benefits requirements for public construction contractors, see David May and C. Jeffrey Waddoups, "Construction Procurement Policies That Address Health Insurance: A Cost Analysis" (Concord, New Hampshire: New Hampshire AFL-CIO EAP Services Inc., 2010), available at <http://www.plaswork.org/Files/Documents/Construction-Procurement-Policies-That-Address-Hea.aspx>.
- 50 Maryland Department of Legislative Services, "Impact of the Maryland Living Wage."
- 51 *Ibid*.
- 52 Madland and others, "Making Contracting Work for the United States."
- 53 Sample city of El Paso request for proposal on file with authors.
- 54 City of San Jose, "Living Wage Policy" (1998), available at <http://www.sanjoseca.gov/DocumentCenter/View/3859>.
- 55 School District of Philadelphia Office of Capital Programs, "Prime Construction Contractor's Classification: Pre-Qualification Application" (2005), available at http://webgui.phila.k12.pa.us/uploads/vF/Di/vFDiQk2JLsCV6pEyJ4Lpw/prime_prequal_app_4_20_10.pdf.
- 56 John Byrne, "CHA backing \$13 an hour minimum wage, mayor's office says," *Chicago Tribune*, October 27, 2014, available at <http://www.chicagotribune.com/news/ct-chicago-minimum-wage-cha-met-20141027-story.html>.
- 57 Hudson County Community College Board of Trustees meeting, December 3, 2013. On file with authors.
- 58 San Francisco International Airport, "Quality Standards Program" (2015), available at <http://media.flysfo.com/media/sfo/about-sfo/quality-standards-program-2015.pdf>; Port of Oakland, "Rules and Regulations for the Implementation and Enforcement of Port of Oakland Living Wage Requirement" (2013), available at http://portofoakland.com/pdf/responsibility/Port_LW_Rules_Regs_070113.pdf; St. Louis Public Library, "St. Louis City Revised Code Chapter 3.99 Living Wage," available at <http://www.slpl.lib.mo.us/cco/code/data/t0399.htm> (last accessed October 2015); Los Angeles World Airports, "Administrative Requirements—Living Wage and Service Worker Retention Ordinance," available at http://www.lawa.org/welcome_LAWA.aspx?id=596 (last accessed October 2015); *Miami-Dade County Living Wage Ordinance, Sec. 2-8.9*, available at <https://www.miamidade.gov/business/library/ordinances/living-wage-code.pdf> (last accessed November 2015). See also Puget Sound Sage, "Below the Radar: How Sea-Tac Airport's substandard working conditions hurt our region and how other major airports changed the course toward growth and prosperity" (2013), available at http://pugetsoundsage.org/downloads/Below_the_Radar.pdf.

- 59 National Employment Law Project, "Local Living Wage Laws and Coverage."
- 60 "Chapter XXIV: Boston Jobs and Living Wage Ordinance" (1998), available at http://www.cityofboston.gov/images_documents/jobs%20and%20living%20wage%20ordinance_tcm3-49447.pdf.
- 61 City of Los Angeles, "Zero Waste LA Franchise Ordinance No. 182986, Article 6" (2014), available at http://san.lacity.org/ZeroWasteLA/PDFs/reports/Franchise_Ordinance_No_182986.pdf; San Jose, California, Municipal Ordinances, "Title 9.10, Part 11: Commercial Solid Waste and Recyclables Collection Franchises," available at https://www.municode.com/library/ca/san_jose/codes/code_of_ordinances?nodeId=TIT9HESA_CH9.10SOWAMA_PT11COSOWARECOFR (last accessed November 2015); Nora Goldstein, "New Frontier For Commercial Waste in San Jose," *Biocycle* 52 (5) (2011): 33, available at <http://www.biocycle.net/2011/05/17/new-frontier-for-commercial-waste-in-san-jose/>; Seattle.gov, "Seattle Public Utilities: Solid Waste Collection Contracts," available at <http://www.seattle.gov/util/Documents/Contracts/index.htm> (last accessed October 2015).
- 62 Soumaya Karlamangla, "Trash Haulers Will Compete for Exclusive Rights to L.A.'s Garbage," *Los Angeles Times*, April 1, 2014, available at <http://www.latimes.com/local/lanow/la-me-garcetti-zero-waste-20140415-story.html#ixzz2yzDgjlDa>; Emily Reyes, "L.A. Council Overhauls Trash Collection for Businesses, Big Apartments," *Los Angeles Times*, April 1, 2014, available at <http://www.latimes.com/local/lanow/la-me-ln-trash-franchise-overhaul-20140401-story.html>.
- 63 Los Angeles Bureau of Sanitation, "Request for Proposals: City-wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling" (2014), available at http://san.lacity.org/ZeroWasteLA/PDFs/Final_Hauler_Franchise_RFP.pdf.
- 64 For example, the city of Chicago passed an ordinance in 2013 that would allow it to revoke the business licenses of companies with egregious wage theft violations. See Chicago City Council Office of the City Clerk, "Ordinance SO2012-8533" (2013), available at <https://chicago.legistar.com/LegislationDetail.aspx?ID=1255893&GUID=51F770CC-7694-4063-A62A-F4B0E9F553C2>.
- 65 WorcesterMA.gov, "Responsible Employer Ordinance: Rev. Ordinances ch. 2, § 35(e)," available at <http://www.ci.worcester.ma.us/finance/purchasing/responsible-employer-ordinance> (last accessed October 2015).
- 66 City of Los Angeles, "Labor Compliance Manual" (2014), available at http://bca.lacity.org/site/pdf/labor/labor_compliance_manual.pdf.
- 67 Diego Rondón Ichikawa and Rebecca Smith, "Delivering \$15: Community-Centered Wage and Hour Enforcement in Seattle" (New York: National Employment Law Project, 2015), available at <http://www.nelp.org/content/uploads/2015/03/Delivering-15-Community-Centered-Wage-and-Hour-Enforcement-Seattle.pdf>; Heidi Groover, "Is Seattle Ready to Enforce Its New Minimum-Wage Law?," *The Stranger*, March 25, 2015, available at <http://www.thestranger.com/news/feature/2015/03/25/21950443/is-seattle-ready-to-enforce-its-new-minimum-wage-law>.
- 68 Ichikawa and Smith, "Delivering \$15."
- 69 Sweatfree Purchasing Consortium, "About: Members," available at <http://buysweatfree.org/members> (last accessed October 2015).
- 70 *Procurement Practices Reform Act of 2010*; District of Columbia Office of Contracting and Procurement, "Online Contracts," available at http://app.ocp.dc.gov/RUI/information/scf/online_index.asp (last accessed October 2015).
- 71 COMMBUYS Operational Services Division, "Advanced Search," available at <https://www.commbuys.com/bs0/external/advsearch/advancedSearch.sdo> (last accessed October 2015).
- 72 Rhode Island Office of the Governor, "Governor Lincoln D. Chafee Announces New Transparency and Accountability Initiative, Signs Supporting Executive Order," Press release, available at <http://www.ri.gov/press/view/18366> (last accessed October 2015).
- 73 State of Rhode Island, "Transparency Portal," available at <http://www.transparency.ri.gov/contracts/> (last accessed October 2015).
- 74 New York City Administrative Code § 6-116.2 (2001), available at www.nyc.gov/html/mocs/downloads/pdf/1_VENDEX_statute.pdf.
- 75 State of Connecticut, "Public Act No. 14-188, 'An Act Concerning State Contracting, Government Administration and Notification Regarding Extensions of Polling Place Hours,'" (2014), available at <http://www.cga.ct.gov/2014/ACT/PA/2014PA-00188-R00HB-05312-PA.htm>.

Our Mission

The Center for American Progress Action Fund is an independent, nonpartisan policy institute and advocacy organization that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action. Our aim is not just to change the conversation, but to change the country.

Our Values

As progressives, we believe America should be a land of boundless opportunity, where people can climb the ladder of economic mobility. We believe we owe it to future generations to protect the planet and promote peace and shared global prosperity.

And we believe an effective government can earn the trust of the American people, champion the common good over narrow self-interest, and harness the strength of our diversity.

Our Approach

We develop new policy ideas, challenge the media to cover the issues that truly matter, and shape the national debate. With policy teams in major issue areas, The Center for American Progress Action Fund can think creatively at the cross-section of traditional boundaries to develop ideas for policymakers that lead to real change. By employing an extensive communications and outreach effort that we adapt to a rapidly changing media landscape, we move our ideas aggressively in the national policy debate.

Center for American Progress Action Fund

