



SEATTLE CITY COUNCIL

Legislative Summary

CB 119542

Record No.: CB 119542

Type: Ordinance (Ord)

Status: Passed

Version: 3

Ord. no: Ord 125865

In Control: City Clerk

File Created: 06/04/2019

Final Action: 07/26/2019

Title: AN ORDINANCE relating to contracting by the Human Services Department; providing that the Seattle Human Services Department provide a cost increase when renewing or renegotiating contracts to address escalation in costs and specifying how and when to apply the increase; amending Section 20.60.102 of the Seattle Municipal Code to exempt human services contracts from the provisions of Chapter 20.60; and adding a new Section 3.20.060 to the Seattle Municipal Code.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Mosqueda

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: patrick.wigren@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

| Version: | Acting Body: | Date: | Action: | Sent To: | Due Date: | Return Date: | Result: |
|----------|--|------------|-----------------|---|-----------|--------------|---------|
| 1 | City Clerk | 06/05/2019 | sent for review | Council President's Office | | | |
| | Action Text: The Council Bill (CB) was sent for review. to the Council President's Office | | | | | | |
| 1 | Council President's Office | 06/06/2019 | sent for review | Housing, Health, Energy, and Workers' Rights Committee | | | |
| | Action Text: The Council Bill (CB) was sent for review. to the Housing, Health, Energy, and Workers' Rights Committee | | | | | | |
| 1 | City Council | 06/10/2019 | referred | Housing, Health, Energy, and Workers' Rights Committee | | | |

Action Text: The Council Bill (CB) was referred. to the Housing, Health, Energy, and Workers' Rights Committee

- 1 Housing, Health, Energy, 06/13/2019 discussed
and Workers' Rights
Committee

Action Text: The Council Bill (CB) was discussed in Committee.

- 1 Housing, Health, Energy, 07/11/2019 pass as amended Pass
and Workers' Rights
Committee

Action Text: The Committee recommends that City Council pass as amended the Council Bill (CB).

Notes: *Councilmembers Bagshaw and Juarez left after consideration of amendment three.*

In Favor: 5 Chair Mosqueda, Alternate Herbold, Sawant, Harrell, O'Brien

Opposed: 0

- 1 City Council 07/15/2019 passed as Pass
amended

Action Text: The Motion carried, the Council Bill (CB) was passed as amended by the following vote, and the President signed the Bill:

Notes: ACTION 1:

Motion was made by Councilmember Harrell, duly seconded and carried, to amend Council Bill 119542, by adding two new recitals at the end of the whereas clauses, as shown in the underlined language below:

WHEREAS, the City Council strongly encourages contracted partner organizations to use annual contract adjustments to provide wage increases for employees; and

WHEREAS, the City Council recognizes the critical role of its partner organizations in the delivery of services to the residents of Seattle and expresses its intention to fund an annual adjustment in both periods of economic growth and in periods of economic hardship;

ACTION 2:

Motion was made and duly seconded to pass Council Bill 119542 as amended.

In Favor: 8 Councilmember Bagshaw, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Juarez, Councilmember Mosqueda, Councilmember Pacheco, Councilmember Sawant

Opposed: 0

- 3 City Clerk 07/19/2019 submitted for Mayor
Mayor's signature

- 3 Mayor 07/26/2019 Signed
Action Text: The Ordinance (Ord) was Signed.

- 3 Mayor 07/26/2019 returned City Clerk
Action Text: The Ordinance (Ord) was returned. to the City Clerk

- 3 City Clerk 07/26/2019 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.

CITY OF SEATTLE

ORDINANCE 125865

COUNCIL BILL 119542

AN ORDINANCE relating to contracting by the Human Services Department; providing that the Seattle Human Services Department provide a cost increase when renewing or renegotiating contracts to address escalation in costs and specifying how and when to apply the increase; amending Section 20.60.102 of the Seattle Municipal Code to exempt human services contracts from the provisions of Chapter 20.60; and adding a new Section 3.20.060 to the Seattle Municipal Code.

WHEREAS, the Human Services Department connects people with resources and solutions during times of need; and

WHEREAS, the Human Services Department contracts with more than 170 community-based partners that work together to build the infrastructure to provide services that strengthen Seattle's communities and reach the vision of a just and thriving society; and

WHEREAS, partnerships with community-based organizations allow the Human Services Department to serve thousands of vulnerable neighbors every year, including providing over 1,000,000 emergency meals, supporting over 600 family caregivers and 11,000 adults receiving long-term case management, placing 400 youth in internships and providing services to over 4,000 survivors of domestic violence, sexual assault, and commercial sexual exploitation in 2018; and

WHEREAS, the cost of doing business in Seattle has continued to increase and the Seattle-Tacoma-Bellevue Consumer Price Index for Urban Wage Earners and Clerical Workers (issued by the Bureau of Labor Statistics) increased 24.5 percent in the last ten years; and

WHEREAS, organizations in Seattle incur increased annual expenses to sustain current services, including recruiting, training and retaining staff, rent, utilities, health care, technology, maintenance, and transportation; and

1 WHEREAS, the Human Services Department has not consistently provided inflation adjustments
2 to ensure contracted nonprofit agencies could sustain service levels to City residents; and
3 WHEREAS, in the absence of an inflation adjustment, the City's partner organizations and
4 contracted workers have struggled to provide support for its most vulnerable residents;
5 WHEREAS, the City Council strongly encourages contracted partner organizations to use annual
6 contract adjustments to provide wage increases for employees; and
7 WHEREAS, the City Council recognizes the critical role of its partner organizations in the
8 delivery of services to the residents of Seattle and expresses its intention to fund an
9 annual adjustment in both periods of economic growth and in periods of economic
10 hardship; NOW, THEREFORE,

11 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

12 Section 1. A new Section 3.20.060 of the Seattle Municipal Code is added to Subchapter
13 I of Chapter 3.20 as follows:

14 **3.20.060 Inflationary increases**

15 A. The City finds that it fulfills an important duty by providing services to vulnerable
16 residents.

17 B. The City finds that human services agencies have challenges maintaining services due
18 to vacancy, turnover rates, and increasing costs.

19 C. When renewing or renegotiating contracts funded by the General Fund, other sources,
20 or a combination of the General Fund and other sources for an existing program consistent with
21 the requirements of Section 3.20.050, the funded contract amount must take into consideration
22 escalation of costs and provide for a funding increase using the measurement in subsection
23 3.20.060.D unless:

1 1. The City is solely acting as a pass-through agency for services that are not
2 provided in the city limits; or

3 2. The contract is solely supported by state Medicaid funds or funds appropriated
4 by Title XIX of the Social Security Act; or

5 3. The services are provided by a consultant as defined in Section 20.50.010; or

6 4. Explicitly prohibited by or otherwise incompatible with requirements of the
7 funding source.

8 D. For contracts renewed or renegotiated after the effective date of this ordinance and
9 through June 30, 2020, the Department shall use 100 percent of the annual average growth rate of
10 the bi-monthly Seattle-Tacoma-Bellevue Area Consumer Price Index for Urban Wage Earners
11 and Clerical Workers, termed CPI-W, during the prior 12 month period ending in April for 2019
12 as a measure of how much the costs of services have increased, For contracts renewed or
13 renegotiated after June 30, 2020, the Department shall use 100 percent of the annual average
14 growth rate of the bi-monthly CPI-W during the prior 12 month period ending in June of each
15 year. The Department shall use a minimum increase of zero percent if the index change is
16 negative.

17 E. When issuing new awards funded by the General Fund, other sources, or a
18 combination of the General Fund and other sources for an existing program consistent with the
19 requirements of Section 3.20.050, the award should be sufficient to fund an accurate and fair
20 assessment of current expenses of the human services provider, reflecting previous contracts and
21 inflationary adjustments.

22 Section 2. Section 20.60.102 of the Seattle Municipal Code, last amended by Ordinance
23 124452, is amended as follows:

1 **20.60.102 Compliance by City officers and employees—Exceptions**

2 No City officer or employee has authority to order or contract for Goods or Services except
3 through, or in accordance with, provisions of this Chapter 20.60 and rules prescribed by the
4 Director. The following are exempt from the provisions of this Chapter 20.60: ((€))contracts for
5 public works, contracts for consultants pursuant to ((SMC Ch.)) Chapter 20.50, contracts for
6 human services programs pursuant to Section 3.20.050, and services for real property and
7 property right acquisitions, claims processing, and all litigation or interests in litigation~~((are~~
8 ~~exempt from the provisions of this Chapter))~~.

9 Section 3. The Human Services Department shall provide a report, informed by early,
10 robust and equitable stakeholder engagement reflecting organizational capacity, to the City
11 Council committee with oversight of workers' rights or the Human Services Department, by
12 March 31, 2022. The report shall address:

13 A. Impacts of required annual adjustments on contracted partner organizations' financial
14 stability, employee wages, employee retention, services provided, and the City budget;

15 B. Evaluation of the CPI-W as a measure of changes in the costs of providing services;
16 and

17 C. Recommendations for changes, if any, to regulations requiring annual contract
18 adjustments.

19 Section 4. The City Council committee will respond to recommendations in the report
20 within 120 days of the receipt of the report. Their written responses to the recommendations
21 should identify any:

22 A. Policies or legislation the committee intends to put before the City Council for
23 approval;

24 B. Further information the committee would like from the Human Services Department;

1 C. Alternatives the committee would like the Human Services Department to develop;

2 and

3 D. Recommendations that the committee intends to reject or consider on a longer

4 timeline, and the reasons therefor.

5

6

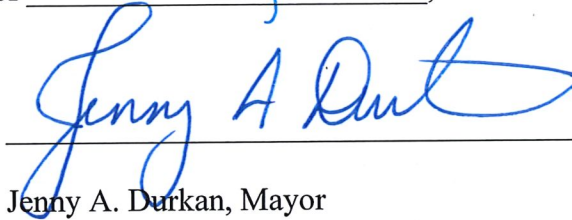
1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 15th day of July, 2019,
5 and signed by me in open session in authentication of its passage this 15th day of
6 July, 2019.


7 

8 President _____ of the City Council

9 Approved by me this 26th day of July, 2019.

10 
11 Jenny A. Durkan, Mayor

12 Filed by me this 26th day of July, 2019.


13 
14 Monica Martinez Simmons, City Clerk

15 (Seal)





MONICA MARTINEZ SIMMONS
OFFICE OF THE CITY CLERK

Date: July 17, 2019
To: City Councilmembers
From: Monica Martinez Simmons, City Clerk 
Subject: Correction of Clerical Error – Council Bill 119542;
City Council Meeting of July 15, 2019

Background

At the July 15, 2019, City Council meeting, the City Council passed Council Bill 119542, as amended, relating to annual adjustments for Human Services Department contracts.

“AN ORDINANCE relating to contracting by the Human Services Department; providing that the Seattle Human Services Department provide a cost increase when renewing or renegotiating contracts to address escalation in costs and specifying how and when to apply the increase; amending Section 20.60.102 of the Seattle Municipal Code to exempt human services contracts from the provisions of Chapter 20.60; and adding a new Section 3.20.060 to the Seattle Municipal Code.”

The Bill was unanimously amended by adding two Whereas clauses at the end of the recitals:

WHEREAS, the City Council strongly encourages contracted partner organizations to use annual contract adjustments to provide wage increases for employees; and

WHEREAS, the City Council recognizes the critical role of its partner organizations in the delivery of services to the residents of Seattle and expresses its intention to fund an annual adjustment in both periods of economic growth and in periods of economic hardship; NOW, THEREFORE,

Correction

The version of the Bill signed in open session by the Council President did not include the amended language passed unanimously by the Council. The intent of the Council, as evidenced by the record and video recording of the Council proceedings, was the inclusion of the two *Whereas clauses* cited above and presented during the Council meeting. Immediately following the meeting, the signed Bill was corrected with the intent and duly recorded actions of the Council.

This memorandum documents the clerical correction made to the signed version of Council Bill 119542. This corrective measure has been reviewed with the City Attorney's Office.

Thank you for your attention to this matter.

Cc: Mayor Jenny A. Durkan
Deputy City Clerks Emilia Sanchez & Jodee Schwinn
Amy Gore, Council Central Staff
Council Bill 119542 Legislation Record