



Legislation Details (With Text)

**File #:** CB 119542    **Version:** 3    **Name:** CB 119542  
**Type:** Ordinance (Ord)    **Status:** Passed  
**In control:** City Clerk

**On agenda:** 7/15/2019  
**Final Action:** 7/26/2019    **Ord. No.** Ord 125865

**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.

**Sponsors:** Teresa Mosqueda

**Indexes:**

**Attachments:** 1. Summary and Fiscal Note v2, 2. Summary and Fiscal Note v1, 3. Proposed Amendment, 4. Central Staff Memo (6/13/19), 5. Council Central Staff Memo (updated; added 6/13/19), 6. Council Central Staff Memo and Amendments (added 7/11/19), 7. Council Central Staff Memo - Follow-up on HSD Contract Annual Adjustment (added 7/11/19), 8. City Clerk Memo, 9. Signed Ordinance 125865, 10. Affidavit of Publication

Date	Ver.	Action By	Action	Result
7/26/2019	3	City Clerk	attested by City Clerk	
7/26/2019	3	Mayor	returned	
7/26/2019	3	Mayor	Signed	
7/19/2019	3	City Clerk	submitted for Mayor's signature	
7/15/2019	1	City Council	passed as amended	Pass
7/11/2019	1	Housing, Health, Energy, and Workers' Rights Committee	pass as amended	Pass
6/13/2019	1	Housing, Health, Energy, and Workers' Rights Committee	discussed	
6/10/2019	1	City Council	referred	
6/6/2019	1	Council President's Office	sent for review	
6/5/2019	1	City Clerk	sent for review	

CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL \_\_\_\_\_

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

WHEREAS, the Human Services Department has not consistently provided inflation adjustments to ensure contracted nonprofit agencies could sustain service levels to City residents; and

WHEREAS, in the absence of an inflation adjustment, the City's partner organizations and contracted workers have struggled to provide support for its most vulnerable residents;

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,

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

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

**3.20.060 Inflationary increases**

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

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

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

1. The City is solely acting as a pass-through agency for services that are not provided in the city limits; or
2. The contract is solely supported by state Medicaid funds or funds appropriated by Title XIX of the Social Security Act; or
3. The services are provided by a consultant as defined in Section 20.50.010; or
4. Explicitly prohibited by or otherwise incompatible with requirements of the funding source.

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

The Department shall use a minimum increase of zero percent if the index change is negative.

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

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

**20.60.102 Compliance by City officers and employees-Exceptions**

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

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

- A. Impacts of required annual adjustments on contracted partner organizations' financial stability, employee wages, employee retention, services provided, and the City budget;
- B. Evaluation of the CPI-W as a measure of changes in the costs of providing services; and
- C. Recommendations for changes, if any, to regulations requiring annual contract adjustments.

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

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

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

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

D. Recommendations that the committee intends to reject or consider on a longer timeline, and the reasons therefor.

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

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2019, and signed by me in open session in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Monica Martinez Simmons, City Clerk

(Seal)