

**OFFICE OF COUNCILMEMBER TODD GLORIA
COUNCIL DISTRICT THREE
REPORT TO THE CITY COUNCIL**

DATE ISSUED: October 5, 2010

ATTENTION: Honorable Council President and City Council

SUBJECT: City of San Diego Proposed Equal Benefits Ordinance

REQUESTED ACTION:
Approval of the proposed Equal Benefits Ordinance.

STAFF RECOMMENDATION:
Approve the proposed Equal Benefits Ordinance.

OVERVIEW:

Background

In 1997, San Francisco became the first city to implement an Equal Benefits Ordinance (EBO) which requires all contractors doing business with the city to offer employees in a domestic partnership the same benefits offered to married employees.

Today, the State of California has in place an EBO along with several cities and counties throughout the United States:

- | | |
|----------------------|------------------------|
| - Atlanta, GA | - Olympia, WA |
| - Berkeley, CA | - Portland, ME |
| - Broward County, FL | - Sacramento, CA |
| - King County, WA | - Salt Lake City, UT |
| - Los Angeles, CA | - San Francisco, CA |
| - Miami Beach, FL | - San Mateo County, CA |
| - Minneapolis, MN | - Seattle, WA |
| - Oakland, CA | - Tumwater, WA |

Intent and Policy Goal

The purpose of the EBO is equal treatment. The City awards taxpayer-funded contracts to various entities for provision of goods and services, construction of public works, and for use of real property. Under its contracting authority, the City can choose to do business only with contractors that provide equal benefits to similarly situated employees with spouses and employees with domestic partners.

To comply with such a law, the City would be required to contract only with contractors that offer equal benefits. The EBO would not require City contractors to begin offering benefits not previously offered. If a contractor does not offer benefits to married employees, the EBO would not require it to offer benefits to employees in domestic partnerships before entering into a contract with the City.

The intent of the EBO is to bring the City's contracting practices in line with non-discrimination laws. The policy goal is "equal pay for equal work." Employees of City contractors shall be offered the same benefits, regardless of whether the employee's household is organized around his or her marriage or domestic partnership.

Applicability

The EBO will apply to any contract entered into, awarded, amended, renewed, or extended on or after January 1, 2011, with certain listed exceptions. The Ordinance would require that the City contract only with contractors who provide equal benefits to employees with spouses and employees with domestic partners.

This Ordinance applies to all benefits offered by an employer. This consists of all remuneration other than wages, salary, bonuses, commissions, etc., including bereavement leave, family medical leave, medical, dental, and vision benefits, membership or membership discounts, moving expenses, travel and relocation benefits, retirement plans, and any other employment or fringe benefit.

This Ordinance applies to the following:

- Any contractor that has an agreement with the City.
- All of the City contractor's other operations located within the City limits, even if those operations are not involved in the City agreement.
- Any of the contractor's operations if they are on property owned by the City, or on property that the City has a right to occupy.
- The contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the subject City agreement.

This Ordinance requires the contractor to:

- Certify that equal benefits will be provided to employees with spouses and to employees with domestic partners.
- Post a copy of the following statement in an area frequented by employees: "During the performance of a contract with the City of San Diego, the contractor will provide equal benefits to its employees with spouses and its employees with domestic partners."
- Allow the City access to records so that the City can verify compliance with the Ordinance.

Exceptions

The EBO would not apply to the following types of contracts:

- Sole source contracts
- Cooperative procurement contracts
- Contracts with a contractor that are subject to a collective bargaining agreement in effect prior to January 1, 2011
- Contracts for gifts or donations to the City
- Contracts where the application of the EBO would violate or be inconsistent with the laws, rules, or regulations of federal or state law

FISCAL IMPACT:

To gather information regarding the cost to extend equal benefits, staff spoke with several insurance service providers and the City of San Diego's Risk Management Department. The following demonstrates the impact of providing equal benefits in health coverage.

Insurance providers (Bair Financial Group, Ferrero Insurance Services, and The Boon Group) were in agreement on several issues:

1. All major insurance carriers offer policies with domestic partner coverage.
2. Dependent insurance costs are the same whether for a married spouse or a domestic partner (industry terminology is "employee + 1").
3. In most cases, offering equal benefits for health coverage simply means allowing the addition of a domestic partner and children to the policy at the employee's expense.
4. Employers are affected only if they pay for dependent costs:
 - Usually, cost for dependent coverage is the responsibility of the employee, not employer.
 - Some employers give a flat monetary amount for health coverage; the employee absorbs additional costs for a spouse, domestic partner, or children.
5. Extending equal benefits assists with attracting and retaining key employees.

Additionally, attached for your reference is the *Seven Year Update on the San Francisco Equal Benefits Ordinance*. The *Update* documented the performance of the San Francisco EBO which demonstrated increasing compliance as time progressed and that regardless of company size, compliance with the EBO remained equally feasible.

CONCLUSION:

San Diego continues to lead in promoting mutual respect and understanding among all people by protecting basic human rights and creating an atmosphere that promotes amicable relationships among all members of our community. To further San Diego's rich history of civil rights, the City of San Diego should implement an EBO and put the City's contracting and purchasing power to work to further equity for all.

PREVIOUS COUNCIL OR COMMITTEE ACTIONS:

June 30, 2010: The City Council's Rules Committee unanimously endorsed the proposed EBO and directed that Council District Three, the Mayor, City Attorney and IBA prepare an ordinance and the proper amendments to the San Diego Municipal Code for implementation of an EBO and return to full Council for consideration.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

June 16, 2010: Presentation to the City of San Diego's Human Relations Commission

August 4, 2010: Presentation to the City of San Diego's Citizens' Equal Opportunity Commission

Respectfully submitted,


Todd Gloria
Councilmember, District 3


Pamela Ison
Budget and Policy Advisor

TG:pi

Attachments:

1. *Seven Year Update on the San Francisco Equal Benefits Ordinance*
2. Memorandum from the Administration Department—*Contractor Costs for Equal Benefits Ordinance*
3. Draft Equal Benefits Ordinance

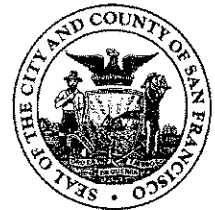
SEVEN YEAR UPDATE

ON

THE SAN FRANCISCO EQUAL BENEFITS ORDINANCE



**CITY & COUNTY OF SAN FRANCISCO
HUMAN RIGHTS COMMISSION**



July 1, 2003 – June 30, 2004

I. Introduction

This *Update* documents the performance of the San Francisco Equal Benefits Ordinance in its seventh year of implementation. Enacted on June 1, 1997, the City and County of San Francisco's Equal Benefits law was the first in the United States to address the discrimination perpetuated by City contractors against their employees with domestic partners. By requiring City contractors to provide the same benefits to married employees and employees who have domestic partners¹ this law diverts tax dollars away from employers that continue to discriminate and toward those that treat their employees equally.

II. Compliance Update

A. Compliance Rates

As of June 30, 2004, the end of the City's 2003-2004 fiscal year, 13,591 contractors had submitted Equal Benefits compliance paperwork to the Human Rights Commission, the department of the San Francisco City government responsible for enforcing this law. Of those, the status of 9,943 has been finalized with 94.6%² (9,404) determined to be compliant (having ended any existing discrimination in the provision of benefits) and 5.4% (539) deemed non-compliant.³ (See Fig. 1.) The rate of compliance has consistently increased over the past seven years, from 91% after the first six months of implementation to 94.6% after seven years. (See Fig. 2.)

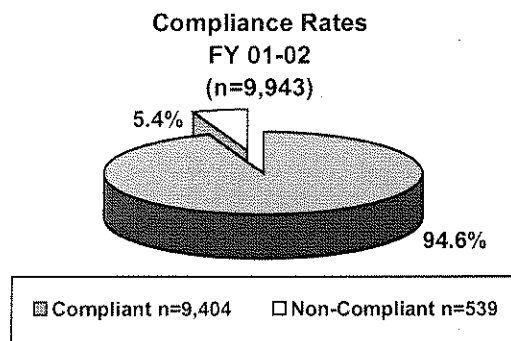


Fig. 1

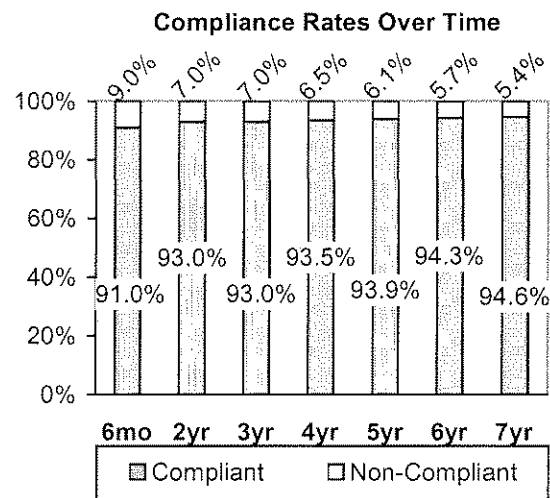


Fig. 2

¹ The term "domestic partner" is defined in the Ordinance as any person who has "a currently registered domestic partnership with a governmental body pursuant to state or local law authorizing such registration." (S.F. Admin. Code Chapter 12b.1(c).) This includes both same- and opposite-sex couples.

² This number does not include companies that are compliant on a contract-by-contract basis. See page 4.

³ The remaining 27% (3,648) are pending, with 98% (3,593) of these pending *because the contractor has not responded to the Commission's request for more information*. These contractors most likely at one time sought to do business with the City but no longer are interested; for instance, companies that were unsuccessful bidders on a contract. The remaining two percent (55) are files awaiting review the Commission staff.

B. Types of Compliance

Since the Equal Benefits Ordinance is designed to eliminate discrimination in the provision of employee benefits, contractors may comply with the Ordinance in one of three ways. Of the 9,404 compliant contractors: 45% (4,261) offer employee benefits that don't discriminate between spouses and domestic partners; 28% (2,595) offer no benefits based on marital or domestic partnership status⁴; and 27% (2,548) do not have any employees (e.g., sole proprietorships). (See Fig. 3.)

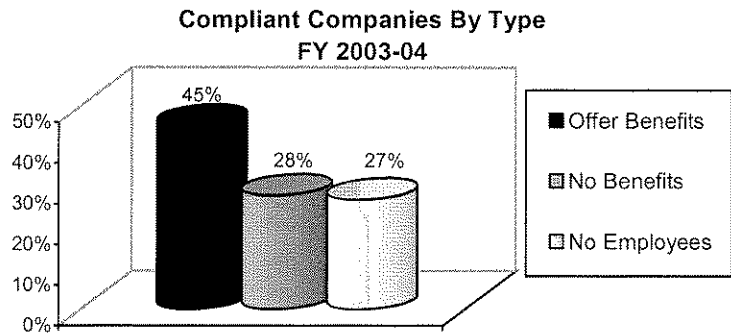


Fig. 3

Since implementation began, the proportion of contractors complying with the Equal Benefits Ordinance in each of these three ways has remained fairly constant. However, over time there has been an eight percent decrease in the number of companies that offer no employee benefits. This decline refutes the assertion that Equal Benefits legislation encourages employers to take away benefits they might otherwise offer. (See Fig. 4.)

Compliance Type Over Time

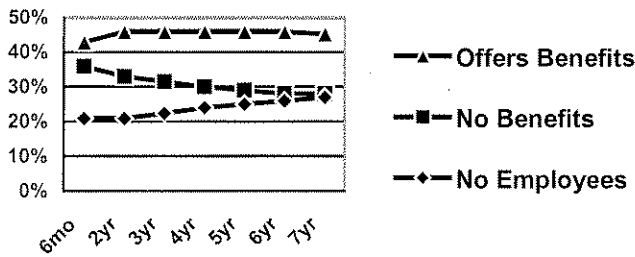


Fig. 4

C. Company Size

By the end of fiscal year 2003-2004, 72 large companies (5,000 or more employees), 218 medium sized companies (500 to 4,999 employees) and 3,872 small companies (under 500 employees) comply by offering nondiscriminatory benefits.⁵ (See Fig. 5.) These proportions are reflective of the U.S. business community in general,⁶ thereby indicating that, regardless of company size, compliance with the Equal Benefits Ordinance is equally feasible.

Compliant Companies By Size FY 02-03

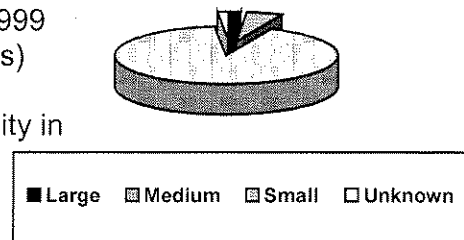


Fig. 5

⁴ Most of these contractors have fewer than twenty employees and offer no employee benefits.

⁵ An employee count currently is not available for 99 of the complying companies.

⁶ Statistics of U.S. Businesses (SUSB), U.S. Census Bureau, 2001.

D. Employees Covered

City contractors offering domestic partner benefits employ a nationwide pool of approximately 2,216,390 people, reflecting an increase of over 284,000 people during fiscal year 2003-2004. Based on actuarial statistics indicating an enrollment rate in domestic partner medical benefits offered to both same and opposite sex couples averaging 3% in the private sector, there are approximately 66,492 people who have taken advantage of this benefit through the programs offered by City contractors. This represents an increase of over 8,520 insured domestic partners in the past year. (Unfortunately, statistical information is unavailable for other significant gains resulting from this legislation, such as insurance coverage for the children of domestic partners, or the utilization of other benefits, such as leave and retirement benefits.)

E. Companies Limiting Compliance

Pursuant to litigation,⁷ companies may limit their compliance geographically and, in some situations, they may limit which benefits are offered in a nondiscriminatory manner. When a company elects to comply on this basis, their compliance effort must be reviewed each time a new contract is contemplated to ensure that the scope of compliance is appropriate to the anticipated scope of work. Hence, this form of compliance is considered to be on a "contract-by-contract" basis.

Since the 1998 Court decision that created this form of compliance, only 121 companies have elected to use it, with only eight additional companies complying in this manner during the past year. These companies comprise just 1.3% of the total number of complying companies and only three percent of compliant companies offering benefits. Eighty-eight of these companies have limited the geographic reach of their compliance; two have limited the benefits offered and 31 have limited both.

F. Geography

The national impact of the Equal Benefits Ordinance is best viewed when examining where in the United States complying companies are located. Currently, compliant contractors can be found in at least 47 states,⁸ plus the District of Columbia and in over 1,100 cities across the country.⁹ Companies that comply by offering benefits can be found in at least 40 states¹⁰ and the District of Columbia and in over 600 cities nationwide.

⁷ Air Transport Ass'n of America v. City and County of San Francisco 266 F.3d 1064 C.A.9 (Cal.), 2001.

⁸ The states with no complying companies are: Alaska, South Dakota and West Virginia.

⁹ Many compliant companies have multiple locations not reflected here. The numbers and locations reported reflect the mailing address information given by companies to the City and do not include branch offices where equal benefits also are provided.

¹⁰ The states with no complying companies offering benefits are: Alaska, Kentucky, Maine, Mississippi, Montana, North Dakota, Rhode Island, South Dakota, West Virginia and Wyoming.

G. Waivers

In limited circumstances, when the City has no choice but to contract with a company that refuses to end its discriminatory behavior, a waiver of the ordinance may be granted. Primarily, this occurs when the contractor is the sole source for needed services or goods. Occasionally, there will be more than one potential contractor and all will refuse to comply or the City will need to contract with a public entity that offers the City goods or services of a quality that is unavailable from another source. Less commonly, waivers may be granted to address an emergency that threatens public health or safety, to allow the City to participate in a government-run bulk purchasing arrangement, or to avoid contracting with a sham company that has been created as a means of evading the intent of the Ordinance.

This past year, City departments requested a total of 1,604 waivers, of which 1,527 were approved. Waiver requests were made as follows:

	Sole Source	Public Entity	Emergency	No Compliant Co.	Bulk Purchasing	Sham/Shell	TOTAL
Approved	1,412	50	0	61	4	0	1,527
Denied	40	2	0	10	0	0	52
Withdrawn	23	2	0	0	0	0	25

III. Conclusion

The additional 284,000 people who came under the protections of San Francisco's Equal Benefits Ordinance during its seventh year of enforcement are perhaps the best example of its impact. Whether in domestic partnerships or not, each one of these individuals benefits from participating in a workforce that has rid itself of this form of discrimination.

Including San Francisco, by the end of FY 2003-2004 there were thirteen government bodies with Equal Benefits legislation on the books.¹¹ Several more are considering such legislation, all using San Francisco's law as a model. As the number of Equal Benefits Ordinances continues to grow, more employers in a broader range of industries will find that offering domestic partner benefits makes sense. In addition, the ripple effects felt in the insurance industry and among unions will continue to spread, causing more insurers to offer domestic partner-inclusive insurance products and more unions to bring domestic partner benefits to the bargaining table.

¹¹ Berkeley, CA; State of California; King County, WA; City of Los Angeles, CA; Minneapolis, MN; Oakland, CA; City and County of San Francisco; San Francisco Redevelopment Agency; San Francisco County Transportation Authority; San Mateo County, CA; Seattle, WA; Transbay Joint Powers Authority (CA); Tumwater, WA.

APPENDIX A

Resource Materials

Resource materials available from the Human Rights Commission include:

Domestic Partner Insurance Database – provides users with an on-line resource for researching insurance companies willing to write insurance policies inclusive of domestic partner coverage.

Domestic Partner Registry Chart – provides an overview of domestic partnership registries across the United States; lists how to register, and the partners' rights and responsibilities.

Overview – a four page snapshot of the Equal Benefits Ordinance, compliance requirements, litigation challenges and available resources.

Quick Reference Guide to Equal Benefits Compliance – answers frequently asked questions, describes how to complete basic forms and identifies documents required for compliance.

Reports on Compliance – gives detailed summaries of the Commission's implementation efforts and compliance experience.

Resource Materials Booklet

- Fact Sheets – provides in-depth information on how to provide health insurance and pension benefits equally to employees with spouses and employees with domestic partners, including the cost and tax implications of doing so.
- Sample Policies – provides model language for employers looking to:
 - Create or modify leave and nondiscrimination policies
 - Establish an affidavit of domestic partnership
 - Explain the tax consequences of some domestic partners benefits

Rules of Procedure – implementation guidelines adopted by the Human Rights Commission that establish compliance criteria and provide useful information on a wide variety of compliance-related topics.

Website – found at www.sfhrc.org, this site provides access to the items listed above, as well as compliance forms and the text of San Francisco Administrative Code Chapters 12B and 12C.

**CITY OF SAN DIEGO
M E M O R A N D U M**

DATE: September 24, 2010

TO: Dr. Shirley Weber, Chair, and Members of Citizens' Equal Opportunity Commission

FROM: Nora Nugent, Living Wage Manager, Administration Department

SUBJECT: Contractor Costs for Equal Benefits Ordinance

An overview of the City of San Diego's proposed Equal Benefits Ordinance [EBO] was presented at the regular business meeting of the Citizens' Equal Opportunity Commission on August 4, 2010. During discussion, concerns were raised regarding contractor costs to comply with EBO requirements. The following information is presented in response to these concerns.

PROPOSED EQUAL BENEFITS ORDINANCE REQUIREMENTS

The proposed EBO, if adopted, will require contractors who do business with the city to provide equal benefits to employees with spouses and employees with domestic partners. Such benefits include:

- health and medical benefits;
- pension and retirement benefits;
- family leave;
- bereavement leave;
- transportation and travel benefits;
- moving expenses;
- employee discounts;
- memberships or membership discounts;
- no-additional-cost services; and
- any other employment or fringe benefits.

A contractor is required to extend benefits equally. If a contractor does not offer any of these benefits to an employee with a spouse, those same benefits are not required to be extended to employees with domestic partners.

In certain circumstances, a contractor may be permitted to pay a cash equivalent to an employee. There are some instances where exceptions to the ordinance may apply. When the EBO applies, contractors must extend equal benefits to:

- 1) All employees – if the contractor's operations are within the City's geographical limits or the contractor's presence on City owned or occupied property is connected to a contract.
- 2) Employees performing work on a contract – if employees are located outside of the City's limits but in the United States.

As proposed, the EBO will apply to contracts as they are entered into, awarded, amended, renewed, or extended on or after January 1, 2011. Any or all of the EBO requirements described herein are subject to revision by the Council prior to adoption.

COST TO EXTEND HEALTH BENEFITS

To gather information regarding costs to extend equal benefits in health coverage, staff spoke with several insurance service providers and the City of San Diego's Risk Management Department.

Insurance providers (Bair Financial Group, Ferrero Insurance Services, and The Boon Group) were in agreement on several issues:

1. All major insurance carriers offer policies with domestic partner coverage.
2. Dependent insurance costs are the same whether for a married spouse or a domestic partner (industry terminology is "employee + 1").
3. In most cases, offering equal benefits for health coverage simply means allowing addition of a domestic partner and children to the policy at the employee's expense.
4. Employers are affected only if they pay for dependent costs:
 - Usually, cost for dependent coverage is responsibility of employee, not employer.
 - Some employers give flat amount for health coverage; employee absorbs additional cost for spouse, domestic partner, or children.
5. Extending equal benefits assists with attracting and retaining key employees.

The Deputy Director of the City of San Diego's Risk Management Administration said – based on the City's experience dating back to 1994 – she wouldn't expect premiums to increase due to extension of benefits to domestic partners. The cost to contractors will depend on how they structure their benefit allotment.

She added, "The City doesn't track domestic partners separately from spouses, therefore the premiums are the same whether the employee is covering a spouse or domestic partner. I'm not aware of any insurance company whose premiums are higher because coverage is extended to domestic partners. According to the City's benefits consultant, Buck Consultants, insurance carriers charge no more for domestic partners than spouses."

Page 3 of 3

Dr. Shirley Weber, Chair, and Members of CEOC: Contractor Costs for EBO
September 24, 2010

INTENT OF EQUAL BENEFITS ORDINANCE

The intent of the EBO, as stated in the resolution to advance the proposed ordinance, is to

“bring the City’s contracting practices in line with its non-discrimination policy and to promote a policy of ‘equal pay for equal work’ for City contracts”

and

“discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work.”

If you wish to receive additional information, I’m available at 619/533-3948 or NNugent@sandiego.gov.

Respectfully submitted,



Nora Nugent
Living Wage Manager
Administration Department

cc: Pamela Ison, Budget and Policy Advisor, Council District Three
Debra Fischle-Faulk, Director of Administration

(O-2011-17)

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 2, OF THE SAN DIEGO MUNICIPAL CODE BY ADDING DIVISION 43, SECTIONS 22.4301, 22.4302, 22.4303, 22.4304, 22.4305, 22.4306, 22.4307 AND 22.4308, TITLED "EQUAL BENEFITS ORDINANCE."

WHEREAS, the City awards taxpayer-funded contracts to various entities for provision of goods and services, construction of public works, and for use of real property; and

WHEREAS, discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work; and

WHEREAS, the City intends to bring the City's contracting practices in line with its non-discrimination policy and to promote a policy of "equal pay for equal work" for City contracts by requiring that the City contract only with entities that provide equal benefits to employees with spouses and employees with domestic partners; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the *City* of San Diego, as follows:

Section 1. That Chapter 2, Article 2, of the San Diego Municipal Code is amended by adding Division 43, titled "Equal Benefits Ordinance," to read as follows:

Division 43: Equal Benefits Ordinance

§ 22.4301 Title and Purpose

This Division shall be known as the "Equal Benefits Ordinance." The purpose of this Division is to protect and further the public health, property, and welfare by requiring that the City contract only with *contractors* that offer the same

employment benefits to employees with spouses and employees with *domestic partners*.

§ 22.4302 Definitions

For purposes of this Division, defined terms appear in italics. The following definitions apply in this Division:

Benefits means all remuneration other than wages, salary, bonuses, commissions, and stock options offered to an employee as part of the employee's total compensation package, including bereavement leave, family leave, no-additional-cost services, health and medical benefits, employee discounts, memberships or membership discounts, moving expenses, pension and retirement benefits, transportation and travel benefits, and any other employment or fringe benefits.

Cash Equivalent means the amount of money paid to an employee with a *domestic partner*, in lieu of providing *benefits* to the employee's *domestic partner*. The *cash equivalent* is equal to the direct expense to the employer of providing *benefits* to an employee for his or her *domestic partner* or the direct expense to the employer of providing *benefits* for the dependents and family members of an employee with a *domestic partner*.

City means the City of San Diego, its organizational subdivisions, agencies, offices, commissions, or boards, but does not include independent agencies, such as the Housing Authority, Redevelopment Agency, and the Retirement Board.

Contract means any agreement between the *City* and another party for provision of goods, services, consultant services, grants from the *City*, leases of *City* property, or construction of public works.

Contractor means any person or persons, firm, partnership, corporation, joint venture, or any combination of these, that enters into a *contract* with the *City*.

Contractor does not include subcontractors.

Domestic partner means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing such registration, or with an internal registry maintained by the employer of at least one of the *domestic partners*.

Equal benefits means equality of *benefits* between employees with spouses and employees with *domestic partners*, between spouses of employees and *domestic partners* of employees, and between dependents and family members of employees with spouses and dependents and family members of employees with *domestic partners*.

§ 22.4303 Application

This Division shall apply to any *contract* entered into, awarded, amended, renewed, or extended on or after January 1, 2011. This Division shall apply to:

- (a) A *contractor's* operations located within the *City's* geographical limits, regardless of whether there are employees at those locations performing work on a *contract*.
- (b) A *contractor's* operations on real property located outside of the *City's* geographical limits if the property is owned by the *City* or the *City* has a right

to occupy the property, and if the *contractor's* presence at or on that property is connected to a *contract*.

- (c) The *contractor's* employees located outside of the *City* limits but in the United States, if those employees are performing work on the *contract*.

§ 22.4304 Equal Benefits Requirements

- (a) The *City* shall not execute, award, or amend any *contract* with any *contractor* that discriminates in the provision of *benefits* between employees with spouses and employees with *domestic partners*, between spouses of employees and *domestic partners* of employees, or between dependents and family members of spouses and dependents and family members of *domestic partners*.
- (b) *Contractors* shall notify employees of their *equal benefits* policy at the time of hire and during open enrollment periods, and shall post a copy of the following statement in a conspicuous manner in an area frequented by employees:

During the performance of a contract with the City of San Diego, the contractor will provide equal benefits to its employees with spouses and its employees with domestic partners.

The posted statement shall also include a *City* contact telephone number which will be provided each *contractor* when the *contract* is executed, awarded, or amended.

- (c) *Contractors* shall give the *City* access to documents and records sufficient for the *City* to verify compliance with this Division.
- (d) A *contractor* shall not use a separate contracting entity to evade the requirements of this Division.

- (e) *Contracts* shall include a provision stating that failure to maintain *equal benefits* is a material breach of the *contract*.
- (f) *Contracts* shall include a provision requiring *contractors* to certify that *contractor* will maintain *equal benefits* for the duration of the *contract*.

§ 22.4305 Other Options for Compliance

As an alternative to providing *equal benefits*, a *contractor* may do either of the following:

- (a) Provide an employee with the *cash equivalent* if the *City* determines that either:
 - (1) The *contractor* has made a reasonable, yet unsuccessful effort to provide *equal benefits*; or
 - (2) Under the circumstances, it would be unreasonable to require the *contractor* to provide *equal benefits*.
- (b) Provide *benefits* neither to employees' spouses nor to employees' *domestic partners*.

§ 22.4306 Administration

The Mayor shall promulgate rules and regulations as may be necessary for the implementation of this Division.

§ 22.4307 Violations and Penalties

- (a) It is unlawful for any *contractor* to knowingly submit any false information to the *City* regarding *equal benefits* or *cash equivalent* associated with the execution, award, amendment, or administration of any *contract*.
- (b) If a *contractor* violates the terms of a *contract* regarding *equal benefits* or *cash equivalent* and fails to cure such violation within a reasonable time

after receiving written notice from the *City*, the *City* may cancel, terminate, or suspend the *contract* in whole or in part, in addition to any other remedies or actions provided in the *contract* or this Code.

§ 22.4308 Exceptions

This Division does not apply to:

- (a) *Contracts* with a *sole source* or another *agency*, as defined in Section 22.3003.
- (b) *Cooperative procurement contracts*, as defined in Section 22.3003.
- (c) *Contracts* with a *contractor* that is subject to a collective bargaining agreement in effect prior to January 1, 2011.
- (d) *Contracts* for gifts or donations to the *City*.
- (e) *Contracts* where the application of this Division would violate or be inconsistent with the laws, rules, or regulations of federal or state law.

Section 2. That a full reading of this ordinance is dispensed with prior to passage, since a written copy was made available to the City Council and the public prior to the day of passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, *City Attorney*

By _____
Nathan Slegers
Deputy City Attorney

NS:mb
10/01/10
Or.Dept:Council-Dist3
O-2011-17

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego,
at its meeting of _____.

ELIZABETH S. MALAND, *City Clerk*

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor