

AGREEMENT BETWEEN THE CITY OF SOUTH SAN FRANCISCO AND COUNTY OF SAN MATEO

This Agreement is entered into this first day of July, 2025, by and between the CITY OF SOUTH SAN FRANCISCO, in the County of San Mateo, State of California (“City”), and the COUNTY OF SAN MATEO, a political subdivision of the State of California (“County”). City and County are sometimes hereinafter collectively referred to as the “Parties”.

* * *

WHEREAS, pursuant to Government Code Section 51300, et seq., County may contract with City for the performance by County of City’s functions; and

WHEREAS, County’s Office of Labor Standards Enforcement (“OLSE”) will implement and enforce County’s local Minimum Wage Ordinance in its unincorporated areas; and

WHEREAS, City’s local Minimum Wage Ordinance, codified in Chapter 8.71 of the South San Francisco Municipal Code, authorizes the use of third parties to assist in implementing and enforcing City’s Minimum Wage Ordinance; and

WHEREAS, City and County wish to establish an agreement in which County will provide services to enforce City’s Minimum Wage Ordinance.

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibit is incorporated by reference herein:

1.1 Exhibit A – Services

2. Services to be Performed by County

In consideration of the payments set forth herein, County, through the OLSE, will provide investigative services on behalf of City regarding potential violations of the City’s Minimum Wage Ordinance.

2.1 OLSE shall serve as the investigative body for potential violations of City’s Minimum Wage Ordinance but shall not have enforcement authority beyond its investigative role. OLSE will retain sole discretion to determine the method and means of performing the Services in accordance with the terms, conditions, and specifications set forth in this Agreement and Exhibit A.

2.2 OLSE will direct any questions or issues regarding the interpretation administration or enforcement of City’s Minimum Wage Ordinance to City. City must provide timely and appropriate direction responding to OLSE’s questions or issues.

2.3 If OLSE’s investigation identifies violations of the City’s Minimum Wage Ordinance and the employer fails to remedy the violation, OLSE shall refer such cases back to City for further action.

2.4 Nothing in this agreement shall be construed to limit the County’s independent authority under state law to investigate and, at its discretion, prosecute violations of state labor laws. However, OLSE shall not be responsible for enforcing or prosecuting violations of the City Minimum Wage Ordinance.

3. Payments

In consideration of the services provided by County in accordance with all terms, conditions, and specifications set forth in this Agreement, including but not limited to Exhibit A, County will submit two invoices to City for services to be performed for the term of the contract. City will provide County with the address of the person to whom County must submit its invoices. City will pay County at the rate specified in 3.1 of this section. Option and future escalation begin each July 1 upon mutual written agreement by the Parties.

- 3.1 Compensation: City shall pay County compensation of Twenty Thousand Dollars (\$20,000) for the initial one-year term.
- 3.2 Invoicing: County will submit an invoice to City by September 15, 2025 for 50% of the total stated in 3.1 for services to be provided in the first half of the contract timeframe. County will submit a second invoice by April 15, 2026 for the remainder of the total stated in 3.1 for services to be provided in the second half of the contracted timeframe. City will provide County with the address of the designated recipient for invoices.
- 3.3 Rate Adjustment: Option and future escalation shall begin each July 1 upon mutual written agreement by the Parties.

4. Term

This Agreement shall be in full force and effect from 12:01 AM on July 1, 2025, through June 30, 2026. If approval of this Agreement is delayed past the commencement date due to extenuating circumstances, this Agreement shall take effect on the date services by the County commence.

- 4.1 This Agreement includes the option for the City and County to renew for up to two additional two-year periods, extending to June 30, 2028, by mutual agreement. Each party shall notify the other of its intent to renew no later than March 1st of the preceding year.

5. Termination

This Agreement may be terminated by City or County at any time for any reason upon thirty (30) days' advance written notice.

- 5.1 County may terminate this Agreement upon less than thirty (30) days' advance written notice only with cause. In order to terminate for cause, County must first give City notice of the alleged breach. City shall have five (5) business days after receipt of such notice to respond and a total of ten (10) calendar days after receipt of such notice to cure the alleged breach. If City fails to cure the breach within this period, County may immediately terminate this Agreement without further action. The option available in this paragraph is separate from the ability to terminate without cause with appropriate notice described above. In the event that County provides notice of an alleged breach pursuant to this section, County may, in extreme circumstances, immediately suspend performance of services and payment under this Agreement pending the resolution of the process described in this paragraph. County has sole discretion to determine what constitutes an extreme circumstance for purposes of this paragraph, and County shall use reasonable judgment in making that determination.
- 5.2 County shall be entitled to receive payment for any and all services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.
- 5.3 City may terminate this Agreement upon less than thirty (30) days' advance written notice only based on the unavailability of City funds by providing written notice to County as soon as is reasonably possible after City learns of said unavailability of funding.

5.4 If City terminates for unavailability of funds, City shall pay County for 1) the services actually performed, on or before the effective date of termination; and (2) reasonable cost and expenses the County may have incurred as a direct result of early termination of the Agreement.

6. Ownership of County's Work Product

Upon termination or expiration of this Agreement, all work product, including documents, reports, and data prepared by County, shall become the property of City. County will retain copies of all materials provided to City.

7. Relationship of the Parties

County performs all work and services under this Agreement as an independent contractor and not as an employee of City. Neither County nor any of its employees, agents, or representatives shall be considered employees, agents, partners, or joint venturers of City.

7.1 No Employment Benefits. Neither County nor any of its employees shall be entitled to any rights, privileges, powers, or advantages of City employees, including but not limited to:

- (a) wages, salary, or other forms of compensation;
- (b) retirement benefits or pension plans;
- (c) health insurance or other medical benefits;
- (d) disability or workers' compensation coverage;
- (e) paid time off, including vacation, sick leave, or holidays; or
- (f) any other employee benefits offered by the City to its employees.

7.2 Control of Work. County shall retain sole and absolute discretion in the manner and means of carrying out its activities and responsibilities under this Agreement, subject only to the express terms and conditions of this Agreement.

7.3 Tax Obligations. County shall be solely responsible for all applicable federal, state, and local taxes related to payments received under this Agreement.

8. Indemnification

This provision applies in lieu of Government code 895.6.

8.1 County will indemnify and hold harmless City and its officers, officials, employees, and volunteers from and against all claims, damages, losses and expenses (collectively "Claims"), arising out of the performance of this Agreement, to the extent such claims are caused by any act or omission of County.

8.2 City will indemnify and hold harmless County and its officer, officials, employees, and volunteers from and against all claims, damages, losses, and expenses (collectively "Claims"), arising out of the performance of this Agreement, to the extent such claims are caused by any act or omission of City.

8.3 Notwithstanding anything to the contrary in this Agreement, County's liability for any action or event occurring (a) during the initial Term will not exceed the maximum dollar amount payable to County during the initial Term (b) during and option year will not exceed the maximum dollar amount payable to County during such option year.

9. Insurance

County is self-insured with respect to claims for which it would bear responsibility under this Agreement, including but not limited to liability, automobile, and workers' compensation claims as authorized under Government Code Section 990.4 and Labor Code Section 3700.

10. Records Retention and Audit Rights

County shall maintain all required records relating to services provided under this Agreement for three (3) years after City makes final payment and all other pending matters are closed, and County shall be subject to the examination and/or audit by City, a Federal grantor agency, and the State of California.

10.1 County shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by City.

10.2 County agrees upon reasonable notice to provide to City, to any Federal or State department having monitoring or review authority, to City's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

10.3 The County shall retain all records related to this Agreement for three (3) years after final payment. The City shall have the right to audit these records upon reasonable advance written notice.

11. Merge Clause

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document is not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

12. Assignments

County shall not assign this Agreement or any portion thereof without the prior written consent of City. However, County may subcontract with a third party to perform services related to OLSE activities under this Agreement without requiring City's prior written consent. County shall remain responsible for ensuring that any subcontractor complies with the terms of this Agreement. Any unauthorized assignment shall give City the right to automatically and immediately terminate this Agreement without penalty or advance notice.

13. Controlling Law and Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

14. Dispute Resolution

Should any dispute arise out of this agreement, County and City, or their authorized designees, shall first meet and confer in an attempt to resolve the dispute. Should such efforts fail to resolve the dispute within twenty (20) days, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party shall file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The cost of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached neither party shall be deemed the prevailing party for purposes of the settlement and each party shall bear its own legal costs.

15. Fines and Forfeitures

15.1 City shall be entitled to the fines and forfeitures to which City would be entitled pursuant to City's Minimum Wage Ordinances and applicable regulations.

15.2 Unless otherwise specified in this Agreement, City shall remain responsible for the billing and collection of these fees. Information obtained by County that is required by City to complete the billing or collection will be forwarded to City.

16. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:

Name/Title: [insert]

Address: [insert]

Telephone: [insert]

Facsimile: [insert]

Email: [insert]

In the case of City, to:

Name/Title: Rich Lee, Assistant City Manager

Address: P.O. Box 711, South San Francisco, CA 94083

Telephone: 650-829-4630

Facsimile:

Email: rich.lee@ssf.net

17. Electronic Signatures

The Parties agree to permit electronic signatures in accordance with California law.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this Agreement on the day and year first hereinabove written.

CITY OF SOUTH SAN FRANCISCO

APPROVED AS TO FORM

By: _____

By: _____

Date: _____

COUNTY OF SAN MATEO

APPROVED AS TO FORM

By: _____

By: _____

Date: _____

EXHIBIT "A"

SCOPE OF SERVICES

County, through its Office of Labor Standards Enforcement (OLSE), shall provide investigative services on behalf of City regarding potential violations of City's Minimum Wage Ordinance. OLSE will serve as the investigative body but shall not be required to enforce its determinations beyond its prescribed role. County shall, however, retain sole discretion to determine:

1. The methods of investigation;
2. The depth and extent of investigation for each matter, including the discretion not to investigate a matter beyond the initial complaint if deemed outside of the scope specified in this contract;

3. Whether to issue findings and/or a notice of violation and the nature of the finding and content of the notice; and
4. Whether the evidence merits civil prosecution, in which case County, through OLSE, shall have the authority to initiate and pursue such proceedings independently.
5. Whether the evidence merits discussion with a criminal attorney.

Task 1: Responding to Inquiries

OLSE shall:

- Answer general written and telephonic inquiries regarding City's Minimum Wage Ordinance directly or via subcontracted attorney-managed advice line.
- Respond to written inquiries requiring research, including wage rates, coverage applicability, and regulatory clarifications.

Task 2: Complaint Intake & Initial Assessment

OLSE will receive and assess complaints alleging violations of City's Minimum Wage Ordinance. Complaint intake will include gathering the following information, when possible:

- Complainant's name, contact information, and employment details.
- Employer's name, business location, and managerial contacts.
- Type of work performed, work schedule, rate of pay, and method of payment.
- Supporting documentation, including but not limited to pay stubs, records of hours worked, or other relevant evidence.

Task 3: Investigation of Minimum Wage Violations

1. OLSE will conduct investigations as it determines warranted based on the complaint and available evidence.
2. As part of an investigation, OLSE may request relevant documentation from the employer, including but not limited to:
 - Payroll records and timekeeping data.
 - Lists of employees with employment dates and job titles.
 - Any other records necessary to determine compliance.
3. If an employer fails to provide requested documentation within fourteen (14) business days, or a reasonable time set by OLSE, or provides incomplete information, OLSE may proceed with its investigation using the available evidence, or may use its discretion to determine further investigation is unlikely to lead to sufficient evidence to determine a violation has occurred.
4. OLSE will review any evidence including employer responses and, when sufficient information is available, determine whether a violation has occurred.

Task 4: Findings & Notice of Violation

1. If OLSE determines a violation has occurred, it will calculate any back wages owed and prepare a written Notice of Violation.

2. The notice shall:
 - Outline the basis of the violation.
 - Include supporting evidence.
 - Provide the employer an opportunity to submit additional information or contest the findings.
3. The employer will have fourteen (14) business days from the date of the notice to:
 - Submit additional documentation proving compliance; and/or
 - Request a meeting with OLSE's designated representative to contest the violation.

Task 5: Review of Employer's Response

If the employer contests the violation, OLSE shall:

1. Review any additional information provided.
2. Conduct follow-up investigations as necessary.
3. Issue a final written determination outlining its findings.

Task 6: Reporting & Compliance Monitoring

OLSE will provide City with biannual reports summarizing:

- The number of complaints received.
- The number of investigations conducted.
- The number of confirmed violations.
- Any actions taken, including restitution of wages and penalties assessed.

Task 7: Public Outreach/ Information

Upon request by the City, OLSE shall:

- Provide informational materials regarding compliance with the ordinance.

Task 8: Meetings & Coordination

Upon request of City, OLSE will meet with City up to twice per year to have a general discussion of matters related to the enforcement of City's Minimum Wage Ordinance. Additionally, OLSE will attend additional meetings if an investigation's findings warrant further discussion and City requests such meetings.

Meetings will address:

- Active investigations.
- Completed complaints.
- General enforcement trends and compliance efforts.

Task 9: Annual Minimum Wage Updates

OLSE shall:

- Annually update the minimum wage rate based on the Consumer Price Index (CPI) as identified in City's Minimum Wage Ordinance.
- Notify City of changes to the minimum wage rate by September 15 of each year, contingent upon the release date of the Consumer Price Index rate.

General Provisions

- County is not obligated to undertake any enforcement actions beyond those specified unless otherwise agreed upon in writing by both parties.
- City acknowledges that OLSE's role is limited to investigation and determination of whether a violation occurred, but does not include administrative enforcement or adjudication.