

## **LIVING WAGE POLICY**

It is the policy of Santa Clara Valley Water District (Valley Water) that persons doing work for, or on behalf of Valley Water, should be paid at least a living wage, provided affordable health insurance, have reasonable time off and not be subject to layoff merely because Valley Water changes contracts.

### **1. APPLICATION**

#### **A. Service or Labor Contract**

The Living Wage Policy applies to an awarded contract that Valley Water estimates the expenditure of more than \$50,000 (fifty thousand dollars) during the term of the contract for the furnishing of the following services to Valley Water (as opposed to the purchase of goods or other property or the leasing of property):

- i. Janitorial and Custodial Services
- ii. Security Services

#### **B. Exemptions**

Notwithstanding the type of contract specified in Section 1(A) of this Living Wage Policy, if any of the following are applicable, then the living wage requirements in this Living Wage Policy are not applicable:

- i. Contracts under which federal or state regulations preclude the applicability of the living wage requirements specified in this Living Wage Policy;
- ii. Contracts which involve programs where Valley Water shares management authority with other jurisdictions, unless all participating agencies have a Living Wage Policy;
- iii. Contracts which are impacted by leases, bond covenants, grant restrictions, governmental regulations and the like are reviewed on a case-by-case basis, and the Living Wage Policy included to the extent legally and contractually possible;
- iv. Contracts for professional services for specialized skills including, but not limited to: experts, consultants, auditors, engineers, attorneys, banking;

- v. Contracts where imposition of the living wage requirements specified in this Living Wage Policy is found by Valley Water's Deputy Officer of the General Services Division, or designee, to likely cause hardship to small businesses;
- vi. Contracts with non-profit organizations that provide educational and/or job-related training.

## **2. PAYMENT OF MINIMUM COMPENSATION TO EMPLOYEES**

The following is the minimum living wage that shall be paid to individuals providing service to Valley Water under the contract specified in Section 1(A) of this Living Wage Policy:

A wage of no less than **\$24.47 (twenty-four dollars and forty-seve cents) per hour** effective July 1, 2020.

These initial rates will be reviewed by the Deputy Officer of the General Services Division, or designee, each year during the month of March, to determine if any adjustment should be made based on that year's February Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward area (U.S. Department of Labor, Bureau of Labor Statistics). Any adjustment required by this policy will be effective July 1. Notwithstanding the Consumer Price Index, the living wage shall not increase by more than 4%.

Updated rates will be posted on Valley Water's Living Wage Policy web page:  
<https://www.valleywater.org/livingwage>.

## **3. EMPLOYEE RETENTION REQUIREMENTS**

### **A. Application**

The employee retention requirements under this Policy will apply to contracts subject to this Policy during the contract term and provides for the continuation of a service currently provided by another contractor, including the following contracts:

- i. Janitorial and Custodial Services
- ii. Security Services

### **B. Retention Employee**

Any person employed by the predecessor contractor or any subcontractor to the predecessor contract who:

- i. Is not an “exempt” employee under the Fair Labor Standards Act; and
- ii. Has been employed for at least 12 (twelve) months prior to the date of the new contract by the predecessor service contractor or subcontractor.

### **C. Employment**

Employment shall be offered to all qualified retention employees.

- i. The new service contractor may deem a retention employee not to be qualified only if:  
**(a)** the employee has been convicted of a crime that is related to the job or to his or her job performance, or **(b)** the contractor can demonstrate to Valley Water staff that the employee presents a significant danger to customers, co-workers or Valley Water staff.
- ii. Qualified employees of the predecessor contractor shall not be discharged without cause during the initial 90-day period of their employment with the new service contractor. Cause shall be based only on the performance or conduct of the employee.
- iii. At the end of the initial 90-day period of their employment, the new service contractor shall provide a written performance evaluation to each employee retained pursuant to this policy. If the employee’s performance is satisfactory, the new service contractor shall offer the employee continued employment.

## **4. HEALTH INSURANCE**

The Contractor shall offer workers who work an average of 20 hours per week or more while assigned to Valley Water, and their eligible dependents, the option to enroll in a contractor medical insurance plan (including dental and vision) that meets the requirements specified in this Section 4. If a worker elects to enroll in such medical insurance plan, then the Contractor shall pay the monthly medical insurance premium(s) at no cost to the worker or their eligible dependent(s).

### **A. Medical Insurance**

- i. The medical insurance shall include the equivalent of one of the following:
  - a. Health Maintenance Organization (HMO) coverage with no more than a \$15 (fifteen dollar) co-payment for prescriptions or physician visits (including routine

- and urgent care appointments) and no more than a \$200 (two hundred dollar) deductible for inpatient hospital care;
- b. Indemnity coverage at no less than 80%/20% of covered charges, including prescription coverage of no more than a \$10/\$15/\$30<sup>1</sup> (ten/fifteen/thirty dollar) co-payment, with an annual deductible of no more than \$100 (one hundred dollars) and an annual out-of-pocket limit of no more than \$1,000 (one thousand dollars);
  - c. Preferred Provider Organization (PPO) coverage at no less than 80%/20%, including prescription coverage of no more than a \$15 (fifteen dollar) co-payment, with an annual deductible of no more than \$500 (five hundred dollars) and an annual out-of-pocket limit of no more than \$2,000 (two thousand dollars) and, any medical plan shall include a basic level of both outpatient and inpatient mental health.
- ii. If the Contractor's current medical insurance does not meet Valley Water's minimum medical requirements, the Contractor shall purchase a medical insurance policy that does.
  - iii. Either a copy of the medical enrollment form with an effective date or a signed copy of proof of offer that a worker declined medical coverage is required within 30 calendar days of placement of a worker who will work an average of at least 20 hours a week at Valley Water.

## **B. Dental Insurance**

- i. The dental insurance provided shall include a basic dental coverage benefit of \$2,000.00 (two thousand dollars) per each eligible worker and each eligible dependent per year, and the lifetime orthodontic benefit of \$1,500.00 (fifteen hundred dollars) per each eligible worker and each eligible dependent.
- ii. If the Contractor's current dental insurance does not meet Valley Water's minimum dental requirements, the Contractor shall purchase a dental insurance policy that does.
- III. Either a copy of the dental enrollment form with an effective date or a signed copy of proof of offer that a worker declined dental coverage is required within 30 calendar days of placement of a worker who will work an average of at least 20 hours a week at Valley Water.

<sup>1</sup> \$10/15/30 (ten/fifteen/thirty dollar) co-payment, when used in reference to prescriptions coverage means \$10 (ten dollar) co-payment for generic drugs, \$15 (fifteen dollar) co-payment for name-brand drugs and \$30 (thirty dollar) co-payment for non-formulary drugs.

**C. Vision Insurance**

- i. The vision insurance provided shall include a well vision exam with no co-payment for routine eye exams. The insurance shall also include a \$175.00 (one-hundred and seventy-five dollar) allowance for eyeglasses or contact lenses, every twenty-four months.
- ii. If the Contractor's current vision insurance does not have Valley Water's minimum vision requirements, the Contractor shall purchase a vision insurance policy that does.
- iii. Either a copy of the vision enrollment form with an effective date or a signed copy of proof of offer that a worker declined vision coverage is required within 30 calendar days of placement of a worker who will work an average of at least 20 hours a week at Valley Water.

**5. CONTRACTOR PROVIDED PAID TIME OFF**

Holidays	12 Valley Water holidays
Sick Leave	12 days per year (1 day per month), prorated for part-time employees
Vacation	Years 1 through 5: 2 weeks per year Years 6 and after: 3 weeks per year Vacation prorated for part-time employees

**6. ENFORCEMENT**

The service agreement shall provide that if a violation of any provision of this Living Wage Policy occurs and is not corrected after written notice, Valley Water may, at its option, do any or all of the following:

- i. Suspend and/or terminate the service contract for cause.
- ii. Require the employer to pay any amounts underpaid in violation of the required payments and Valley Water's administration costs and liquidation damages.

Violations of any provision of this Living Wage Policy can be reported to the Deputy Officer of General Services at Valley Water.

## 7. EFFECTIVE DATE

Any contract for which any request for service or labor covered by this Living Wage Policy is issued on or after July 1, 2019.

Additional information, including a history of living wage rates and contract information for Valley Water staff is available online at <https://www.valleywater.org/livingwage>

## 8. DEFINITIONS

**Deputy Officer of General Services:** An unclassified manager at Valley Water who is responsible for overseeing this Living Wage policy.

**Eligible Dependent:** An eligible dependent(s) is defined as:

- i. Current Legal Spouse
- ii. Registered Domestic Partner
- iii. Natural, Adopted and/or Step-children up to age 26, regardless of marital, residency or student status.

**Health Maintenance Organization (HMO):** A health insurance organization to which subscribers pay a predetermined fee in return for a range of medical services from physicians and healthcare workers registered with the organization.

**Indemnity Plan:** A plan that allows you to direct your own health care and visit almost any doctor or hospital you like. The insurance company then pays a set portion of your total charges. Indemnity plans are also referred to as “fee-for-service” plans.

**Living Wage:** A wage high enough to maintain a normal standard of living.

**Preferred Provider Organization (PPO):** A type of health plan that contracts with medical providers, such as hospitals and doctors, to create a network of participating providers. You pay less if you use providers that belong to the plan’s network.