

## CITY OF SOMERVILLE, MASSACHUSETTS Department of Purchasing JOSEPH A. CURTATONE MAYOR

To: Board of Aldermen

From: Angela M. Allen, Purchasing Director

Date: June 21, 2017

RE: Agenda Item 203587

That the Director of Purchasing provide a written review for this Board on the implementation of the Living Wage Ordinance, including the current hourly rate and its use in city agreements.

The City's Purchasing Department facilitates the ongoing implementation of the Somerville Living Wage Ordinance for covered employers who contract with the City. All vendors awarded service contracts in the amount of \$10,000 and higher must certify in writing that covered employees and subcontractors will be paid the Somerville living wage. A certification form (Attachment A) is provided to all applicable vendors to ensure that they are aware of their responsibility to comply with this ordinance.

The living wage certification form is included in all bids, including requests for quotes, requests for proposals and invitations for bid. The signed certification form is incorporated into all applicable contracts as an exhibit. The Somerville Living Wage requirement is also outlined in the Procurement Guide for Vendors available on the City's Purchasing Department web page (see <a href="http://www.somervillema.gov/sites/default/files/Somerville-vendor-purchasing-guide.pdf">http://www.somervillema.gov/sites/default/files/Somerville-vendor-purchasing-guide.pdf</a>).

Every year in May or June, the Purchasing Department calculates the new living wage according to the methodology stated in the ordinance. An overview of the living wages calculated since FY2004 (Attachment B) shows how the wages have been adjusted upward over time. The living wage for FY17 is \$12.31 and for FY18 it will be \$12.49.

CITY OF SOMERVILLE

Form:\_\_\_\_ Contract Number:\_\_\_\_



#### SOMERVILLE LIVING WAGE ORDINANCE CERTIFICATION FORM CITY OF SOMERVILLE CODE OF ORDINANCES SECTION 2-397 et seq<sup>\*</sup>.

**Instructions**: This form shall be included in all Invitations for Bids and Requests for Proposals which involve the furnishing of labor, time or effort (with no end product other than reports) by vendors contracting or subcontracting with the City of Somerville, where the contract price meets or exceeds the following dollar threshold: <u>\$10,000</u>. If the undersigned is selected, this form will be attached to the contract or subcontract and the certifications made herein shall be incorporated as part of such contract or subcontract. **Complete this form and sign and date where indicated below on page 2**.

**Purpose:** The purpose of this form is to ensure that such vendors pay a "Living Wage" (defined below) to all covered employees (i.e., all employees except individuals in a city, state or federally funded youth program). In the case of bids, the City will award the contract to the lowest responsive and responsible bidder paying a Living Wage. In the case of RFP's, the City will select the most advantageous proposal from a responsive and responsible offeror paying a Living Wage. In neither case, however, shall the City be under any obligation to select a bid or proposal that exceeds the funds available for the contract.

**Definition of "Living Wage":** For this contract or subcontract, as of **7/1/2017** "Living Wage" shall be deemed to be an hourly wage of no less than **\$12.49** per hour. From time to time, the Living Wage may be upwardly adjusted and amendments, if any, to the contract or subcontract may require the payment of a higher hourly rate if a higher rate is then in effect.

#### **CERTIFICATIONS**

1. The undersigned shall pay no less than the Living Wage to all covered employees who directly expend their time on the contract or subcontract with the City of Somerville.

2. The undersigned shall post a notice, (copy enclosed), to be furnished by the contracting City Department, informing covered employees of the protections and obligations provided for in the Somerville Living Wage Ordinance, and that for assistance and information, including copies of the Ordinance, employees should contact the contracting City Department. Such notice shall be posted in each location where services are performed by covered employees, in a conspicuous place where notices to employees are customarily posted.

3. The undersigned shall maintain payrolls for all covered employees and basic records relating hereto and shall preserve them for a period of three years. The records shall contain the name and address of each employee, the number of hours worked, the gross wages, a copy of the social

<sup>\*</sup>Copies of the Ordinance are available upon request to the Purchasing Department.

Form:\_\_\_\_ Contract Number:\_\_\_\_\_

security returns, and evidence of payment thereof and such other data as may be required by the contracting City Department from time to time.

4. The undersigned shall submit payroll records to the City upon request and, if the City receives information of possible noncompliance with the provisions the Somerville Living Wage Ordinance, the undersigned shall permit City representatives to observe work being performed at the work site, to interview employees, and to examine the books and records relating to the payrolls being investigated to determine payment of wages.

5. The undersigned shall not fund wage increases required by the Somerville Living Wage Ordinance by reducing the health insurance benefits of any of its employees.

6. The undersigned agrees that the penalties and relief set forth in the Somerville Living Wage Ordinance shall be in addition to the rights and remedies set forth in the contract and/or subcontract.

#### **<u>CERTIFIED BY</u>**:

Signature:			
-	(Duly Authorized Representative of Vendor)		
Title:			
Name of V	endor:		
Date:			

### **INSTRUCTIONS: PLEASE POST**

# NOTICE TO ALL EMPLOYEES REGARDING PAYMENT OF LIVING WAGE

Under the Somerville, Massachusetts' Living Wage Ordinance (Ordinance No. 1999-1), any person or entity who has entered into a contract with the City of Somerville is required to pay its employees who are involved in providing services to the City of Somerville no less than a "Living Wage".

The Living Wage as of **7/1/2017** is **\$12.49** per hour. The only employees who are not covered by the Living Wage Ordinance are individuals in a Youth Program. "Youth Program" as defined in the Ordinance, "means any city, state or federally funded program which employs youth, as defined by city, state or federal guidelines, during the summer, or as part of a school to work program, or in any other related seasonal or part-time program."

For assistance and information regarding the protections and obligations provided for in the Living Wage Ordinance and/or a copy of the Living Wage Ordinance, all employees should contact the City of Somerville's Purchasing Department directly.

#### Attachment B

Somerville Living Wage History			
FY		Wage	
2004	\$	9.55	
2005	\$	9.91	
2006	\$	10.17	
2007	\$	10.51	
2008	\$	10.84	
2009	\$	10.84	
2010	\$	11.22	
2011	\$	11.30	
2012	\$	11.61	
2013	\$	11.71	
2014	\$	11.89	
2015	\$	12.05	
2016	\$	12.24	
2017	\$	12.31	
2018	\$	12.49	