



Santa Clara Valley Water District
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San Jose, California 95118
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LIVING WAGE POLICY

It is the policy of the Santa Clara Valley Water District (Valley Water) that persons doing work on, for, or on behalf of Valley Water should be paid at least a living wage and reasonable time off.

1. Payment of Minimum Compensation to Employees.

The following are the minimum living wages that must be paid to individuals providing services to Valley Water under the contracts specified in Section 2(A) of this Living Wage Policy for the period of July 1, 2022 – June 30, 2023:

The living wage rate effective July 1, 2022 is \$25.85 per hour.

The rate will be reviewed by the General Services Deputy Administrative Officer (DAO) or designee, each year in 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-San Jose area (U.S. Department of Labor, Bureau of Labor Statistics). Notwithstanding the Consumer Price Index, the living wage must not increase by more than 4%.

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

2. Application

A. Service or Labor Contract

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

- Janitorial and Custodial
- Security

A. Exemptions

Notwithstanding the type of contracts specified in Section 2(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 that involve programs where Valley Water shares management authority with other jurisdictions unless all participating agencies have a Living Wage Policy.
- iii. Contracts that 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 is included to the extent legally and contractual possible.
- iv. Contracts for professional services for specialized skills, including but not limited to experts, consultants, auditors, engineers, attorneys, banking; or
- v. Contracts where the imposition of the living wage requirements specified in this Living Wage Policy is found by the Deputy Officer of the General Services Division to be likely to cause a hardship to small businesses.
- vi. Contracts with non-profit organizations that provide educational or job-related training.

3. Employee Retention Requirements

A. Application

The employee retention requirements under this policy will apply to contracts subject to this policy which are estimated to be over \$50,000 during the contract term and provides for the continuation of a service currently provided by another contractor, including the following contracts:

- Janitorial and Custodial Services
- Security Services

B. Retention Employee

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

- i. provides direct labor or service on the Valley Water contract
- ii. is not an "exempt" employee under the Fair Labor Standards Act; and
- iii. has been employed for at least 12 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 his or her job performance; or
 - (b) the contractor can demonstrate to Valley Water that the employee presents a significant danger to customers, co-workers, or Valley Water staff.

- ii. The new service contractor may treat any of its current employees as retention employees for purposes of this policy which, based on payroll records or other reliable evidence, can be shown to the satisfaction of the Deputy Officer of the General Services Division: (a) to have been employed for at least the 12 months prior to the date of the new contract by the contractor or subcontractor, and (b) would otherwise need to be terminated if not retained by the new service contractor.
- iii. Qualified employees of the predecessor contractor may not be discharged without cause during the initial 90-day period of their employment with the new service contractor.

4. 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 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 administrative costs and liquidated damages.

5. Effective Date

Any contract for which any request for service or labor is covered by this Living Wage Policy is issued on or after May 1, 2010.

FOR MORE INFORMATION

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