



CHA Minimum Wage Requirement

1. Definitions

For purposes of this CHA Minimum Wage Requirement (the "Requirement"):

a. "Contract" means any agreement entered into by the Chicago Housing Authority and an Employer pursuant to any contract award resulting from a solicitation advertised by the Chicago Housing Authority on or after December 1, 2015. For purposes of this Requirement, the term "Contract" shall not include any agreement with a 501 (c)(3) tax-exempt Not-For-Profit Organization.

b. "Contractor" means a person who or entity that enters into a Contract with the CHA, other than a 501(c)(3) tax-exempt Not-For-Profit Organization.

c. "Employee" means a person performing work under a Contract who fits one or more of the following descriptions: (i) he or she works at a location that is either on CHA property or at the jobsite of a CHA project; (ii) he or she is paid an hourly rate for his or her work under the Contract; (iii) he or she is paid a per piece rate for his or her work under the Contract; or (iv) his or her work is provided to comply with a specified worker type and/or quantity provided for in the Contract. For purposes of the Requirement, a person is not considered to be performing work under a Contract if his or her work: is limited to providing general support for the Contractor's operations; does not directly relate to the services to be provided under the Contract; and is included in the Contract price as overhead, unless such person's regular work location is on CHA property or at the jobsite of a CHA project.

For purposes of the Requirement, the term "Employee" does not include persons subject to subsection 4a(2), subsection 4(a)(3), subsection 4(d), subsection 4(e), or Section 6 of the Minimum Wage Law. However, notwithstanding the foregoing exclusions, for purposes of this Minimum Wage Requirement, the term "Employee" does include the categories of workers described in subsections 4(a)(2)(A) and 4(a)(2)(B) of the Minimum Wage Law.

d. "Minimum Wage Law" means the Illinois Minimum Wage Law, 820 ILCS 105/1 et seq., in force on the effective date of this Minimum Wage Requirement and as thereafter amended.

2. Minimum Wage Rate for Contracts

a. Every Contract solicited or advertised on or after the December 1, 2015 effective date of the CHA Minimum Wage Requirement shall contain a provision or provisions stipulating that, except as provided below in subsection 2(b) of this Requirement, the Contractor will: (i) pay its



Employees no less than Thirteen Dollars per hour (\$13.00/hr.) for work performed under the Contract; and (ii) require any subcontractors of the Contractor-to pay their Employees no less than Thirteen Dollars per hour (\$13.00/hr.) for work performed under the Contract. Beginning on July 1, 2015, and every July 1 thereafter, this hourly wage shall increase in proportion to the increase, if any, in the Consumer Price Index for All Urban Consumers most recently published by the Bureau of Labor Statistics of the United States Department of Labor. On or before June 1, 2015, and on or before every June 1 thereafter, the CHA shall make available to CHA Contractors a bulletin announcing the adjusted minimum hourly wage for the upcoming year. Any hourly wage increase pursuant to this subsection 2(a) shall be rounded up to the nearest multiple of \$0.05. Such increase shall become effective for contracts solicited after the CHA's publication of the wage bulletin, and shall remain in effect until any subsequent adjustment is made.

b. Nothing in this Minimum Wage Requirement shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages or other conditions of work in excess of the applicable minimum standards of the provisions of this Requirement. If a Contract formed under a *bona fide* collective bargaining agreement that is in force on the effective date of this Requirement includes salary requirements that are different from those required by the Requirement, the collective bargaining agreement shall control. After the effective date of the Requirement, its requirements may be waived in a *bona fide* collective bargaining agreement, but only if the waiver is set forth explicitly in such agreement in clear and unambiguous terms.

c. The CHA Director of Procurement may promulgate administrative rules, procedures or regulations to implement this Minimum Wage Requirement.

d. If the CHA Director of Procurement has reason to believe that any Employee has been paid less than the wage required under this Minimum Wage Requirement, or upon receipt of a written verified complaint from such Employee, the CHA Director of Procurement is authorized to conduct an investigation to determine whether this Minimum Requirement has been violated.

e. In addition to any other penalty, sanction or remedy authorized by law, any Contract negotiated, entered into, or performed in violation of any of the provisions of this Minimum Wage Requirement shall be terminable by the CHA. Any bid or proposal submitted in violation of any of the provisions of this Requirement shall be subject to rejection by the CHA.

3. Effective Date

This Minimum Wage Requirement shall take effect on December 1, 2015.



3. Application

Contractors must pay the specified minimum wage in this Requirement to those employees who are considered to be providing work to the CHA under the Contract. The specified minimum wage will apply primarily to contracts for services to the CHA, though some employees (or contractors) on supply contracts may be covered.

3.1 Under the CHA Minimum Wage Requirement, the following Employees are to be paid at least Thirteen Dollars per hour (\$13.00/hr.) (as indexed to inflation):

- a. Any employee regularly working on CHA property or at a CHA jobsite, whether directly employed by the Contractor or employed by a subcontractor of a Contractor at any tier. Example: The Requirement covers a security guard or landscaping worker at a CHA jobsite.
- b. On a contract for services, whether the contract pricing is based on hours worked, tasks performed, or a fixed overall price, where a certain number of workers are to be provided, those employees regularly performing that work.

Examples: On a contract to provide telephone-based translation services or Help-desk services, the Requirement covers a translator or help-desk phone operator. On a contract to provide data entry services, the Requirement covers a clerical worker performing data entry of CHA data. On a contract for offsite repair of CHA equipment, the Requirement covers the repair technician performing work on CHA equipment.

- c. On a contract for the provision of supplies, when the contract requires for its performance an account representative directly in support of the service of supply of the required goods to the CHA, the Requirement covers those employees regularly performing that work.

3.2 However, the Minimum Wage Requirement does not apply to employees whose work is in support of the Contractor's general operations or which would ordinarily be considered overhead. Examples: An employee preparing invoices for the employer's goods or services, or an employee manufacturing a product to become employer inventory to be sold to the CHA or other customer, are not by the Requirement.

3.3. Minimum Wage Rate Policy and Prevailing Wage Preemption

Federal wage determinations (either Davis-Bacon or HUD-Determined Wage Rates) preempt any conflicting State prevailing wage rate or the Minimum Wage Requirement when the State prevailing wage rate or the Minimum Wage Requirement is higher than the Federally-imposed wage rate (24 CFR 965).