

## Living Wage Program

- I. **POLICY STATEMENT:** The County desires to encourage the improvement to the quality of life of its citizens through the payment of an adequate wage that promotes stability and quality in the workforce, and does not perpetuate underemployment, while at the same time not creating unemployment. As such, staff is directed to develop programs to support Living Wage Incentives (LWI) wherever possible.
- II. **PUBLIC BENEFIT:** As part of the Adopted Strategic Plan, the Board of County Commissioners has established two of the Board's priorities as "Grow and Diversify the County's Economy" and "Create Great Neighborhoods for the Future." In support of those priorities, a Living Wage Program will help to protect and promote the quality of life of our citizens. The public benefit of living wage jobs is that they provide for the earner's basic costs of living without the need for government support or poverty programs. Basic costs include provision of food, housing and utilities, child care, health care, household expenses, taxes, and some savings. Creation of new jobs/living wage jobs in Osceola County also supports the local economy and fosters commerce, sales tax revenue and economic growth.

III. **DEFINITIONS:**

*Board/BOCC* means the Osceola County Board of County Commissioners.

*Business* means a corporation, firm, association, syndicate, partnership, sole proprietorship, joint-stock company, joint venture, or any other legal entity.

*Cash Economic Stimulus Incentive Program* means a current program that the County's Economic Development uses to offer incentives for select targeted industries that locate a new or expand an existing business in Osceola County and create new, permanent full-time jobs through parameters approved by the BOCC.

*Cost Based Selection* means procurement methods where award is based solely on price from responsive, responsible bidder.

*County* means Osceola County, a political subdivision of the State of Florida.

*County Manager* means the Chief Executive Officer for the County, who oversees county operations.

*Health Benefit* means a plan, fund, or program established or maintained by the Service Contractor/Subcontractor for the purpose of providing for its participants or beneficiaries, through the purchase of insurance or otherwise, medical, surgical, or hospital care benefits.

*Letters of Interest (LOI)* means a non-binding method solicitation method used to obtain information for services or projects that cannot be quantified.

*Living Wage* means the U.S. Department of Health & Human Service Poverty Guidelines for a four person/family household, adjusted annually. The 2015 Guidelines are detailed in Appendix A.

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*Living Wage Certification (LWC)* means a form which indicates that a business has, a) applied to receive Living Wage Certification status by Osceola County, b) met all requirements, and c) received approval from the LWC Committee.

*Living Wage Incentive Program (LWI)* means an Osceola County program to incentivize Businesses to pay Living Wages to their employees through different mechanisms such as Certification, Cash Economic Stimulus and Procurement.

*Location* means resident office located within the boundaries of Osceola County that receives mail from the United States Postal Service and is serviced by public utilities such as electricity and water.

*LWC Committee* means a Committee made up of County Staff appointed by the County Manager with the responsibility of reviewing and determining eligibility of the Living Wage Certification applications.

*Procurement Code* means Chapter 3 of the Board of County Commissioners' adopted Administrative Code dictating the Policy under which the County's procurement activities are governed.

*Qualification Based Selection* means procurement methods where award is based on evaluation of proposals from interested respondents. Proposals are evaluated using various factors in order to award to the best qualified and most suitable respondent.

*Request for Proposals* means a solicitation method used to solicit proposals from potential providers where price is not the only determining factor.

*Services* means the furnishing of labor, time, and/or effort by professionals or Contractor, wherein the submission of goods or other specific end products other than reports, studies, plans, advisories, contractual documents or other documents relating to the required performance is incidental or secondary.

*Solicitation* means an invitation or request by which the County invites participation in the Procurement process. For the purposes of this Ordinance, the term Solicitation includes all methods as defined in Chapter 3 – Procurement Code of the Administrative Code.

*Vendor* means a supplier/seller of Goods, Services, and/or Construction. The term Vendor may be used interchangeably with provider, bidder or supplier.

### IV. PROGRAM:

**A. Living Wage Certification:** Establishing a certification program aims to reward existing and/or new Living Wage Certified (LWC) employers in our community, to provide employers with tools and incentives to increase workers' wages to a living wage, to connect consumers to employers that provide a living wage, and to promote a just and sustainable local economy.

1. Criteria for Certification -

a. Be a business with a location in Osceola County.

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- b. A LWC employer that does not provide Health Benefits to its employees must pay at least the current Living Wage to all regular full and part-time employees.
  - c. A LWC employer that provides Health Benefits to its employees shall pay the Living Wage less \$1.50 per hour, designated to cover a portion of the cost of the employee's health insurance expenses.
  - d. An employer may pay less than a living wage to apprentices, temporary or project-based employees, minors working part-time, interns, tipped employees, and a new hire in a probationary period not to exceed 90 days. All of these circumstances will require additional information to be reviewed by the County's LWC committee.
2. Benefits for Certification -
- a. "Living Wage Certified" emblem for display at place of business.
  - b. Special profile of the business on the Osceola County Website.
  - c. Qualifies the business for the other two components of Osceola County's LWC Program.
  - d. Being part of a growing network of local employers dedicated to building more sustainable economy.
3. LWC Employer Responsibilities -
- a. Each LWC Employer is asked to post a "Living Wage Certification Information" poster provided by Osceola County, in an area that is highly visible to the employees and near the required Florida labor law poster.
  - b. If an employer is no longer able to pay a living wage, the County must be notified.
4. Living Wage Certification Procedure - While comprehensive procedures will be developed for staff, the following are key components.
- a. *Determining Eligibility* - The basic requirement to become Living Wage Certified is whether a business is paying employees at least the living wage rate as defined under III. DEFINITIONS.
  - b. *Application Fee* – If a fee is collected for certification, it will be due at the time of submission of the application for certification or at the time of re-certification. Re-certification is required every 2 years in order to remain in the program. The fee shall be designed to help offset the costs of promoting the program and will be incorporated in the Board's Annual Fee Resolution.
  - c. *Processing the Certification* - Once the application has been submitted for certification and the application fee (if required) has been paid, staff will process the application. If any additional information is required in determining certification the applicant will be contacted. For example, if there are tipped employees, the County may request tipped employee interviews, etc..

Once all necessary information has been received, the application will be submitted to the LWC Committee. The LWC Committee meets quarterly, if needed, to review applications for certification. Following the LWC

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Committee meeting, the applicant will receive notification of certification status. After approval the applicant will be added to the County's online and printed directory, and will receive a packet with the certification sticker, certificate and other related information.

5. LWC Compliance -

- a. In order to ensure accurate information from employers, the County reserves the right to randomly review employers' records to include, but not limited to, a review of payroll records and/or interviewing a percentage of covered employees.
- b. It is important that the employer understand that the employees may have questions or concerns about the program, and that an employer must agree to not take retaliatory action against an employee raising concerns.
- c. If a concern is raised, the County will request additional information. If an employer is found not to be paying a living wage and is unable to adjust their wages, the County will remove them from the official LWC list. In addition, if warranted and appropriate, impacted employees may be informed of the County's Wage Theft Ordinance.

**B. Cash Economic Stimulus Living Wage Incentive (LWI):** The Living Wage Incentive (LWI) Program is intended to promote the creation of Living Wage jobs within Osceola County, including those jobs performing a direct service to the County. As a result, this incentive will be incorporated into the County's current Cash Economic Stimulus Incentive Program.

1. Current Program - The current program has BOCC approved parameters for Economic Development to use to offer incentives to select targeted industries that locate a new or expand an existing business in Osceola County, and create new, permanent full-time jobs. The creation of new permanent full-time, high-wage, value-added jobs is the goal of this incentive.
2. Revised Program - The current program only considers the wages paid for the new jobs being created. As a component of this LWI Program, however, the County acknowledges the benefit of revising the eligibility requirements to include paying a Living Wage as defined in III. Definitions herein. As a result, effective upon implementation of the LWI Program, the eligibility requirement in the Cash Economic Stimulus Incentive Program Procedure currently listed under "Section 3 c." will be replaced with the following:

"Be a Living Wage Certified employer and pay all employees a Living Wage pursuant to the Osceola County Living Wage Incentive Program."

**C. Procurement Living Wage Incentives (LWI):** Businesses that provide a Living Wage to all employees are encouraged to participate in the County's Procurement process. As such the County shall use its best efforts to award Contracts as described below to eligible Living Wage Certified vendors. Upon adoption of this program, staff will prepare a revision to Chapter 3 of the Procurement Code for the BOCC's consideration that will include a new Section 3.11 Living Wage Incentives.

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1. Cost Based Selection - As identified under III. DEFINITIONS, the Cost Based Selection solicitation process is determined by price.
  - a. Eligibility - Types of eligible solicitations would include Annual Requirements, Invitation to Bid and Request for Quotes. In addition, the following eligibility criteria apply:
    - 1) Services only contracts (doesn't apply to the purchase of products/commodities)
    - 2) Contracts valued in excess of \$10,000.
    - 3) Active Living Wage Certification under this LW Program.
    - 4) Has indicated, as a part of their bid solicitation response, that they are a Living Wage Certified employer.
  - b. Incentive - Should a solicitation and vendor meet the criteria listed above, and the vendor submits a bid that is within the established range (below) of the lowest bidder, whether or not that bidder is the next lowest bidder, the affirming Living Wage vendor may be deemed the lowest bidder if they agree to reduce its bid to match the bid or quote of the lowest bidder.
    - 1) The allowable Established Range will adjust depending on the estimated value of the service as shown in the table below:

<b>Value of the Service:</b>	<b>LWC Bidder is within "X%" of the lowest bidder:</b>
\$ 10,000 - \$ 500,000	5%
\$ 500,001 - \$1,000,000	3%
\$1,000,001 - \$5,000,000	1%

- 2) If the prices are provided via a lump sum bid, the LWC vendor will be provided the option to match the lowest lump sum bid.
- 3) If the prices are provided via a line item bid, the LWC vendor will be provided the option to reduce individual line items' bid prices so that the total bid price matches the lowest total bid. The LWC vendor will not be permitted to increase some line item bid prices while reducing other line item bid prices on their revised bid.
- 4) Upon notification by Procurement staff, the LWC vendor will have three (3) business days to respond in writing to the opportunity to match request.
- 5) If the lowest affirming Living Wage vendor does not elect to reduce its bid, then the next lowest affirming Living Wage vendor will be given the opportunity to match the bid or quote using the aforementioned process, providing that bidder is also within the established range of the lowest bid or quote.

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2. Qualification Based Selection - Procurement methods where an award is based on evaluation of proposals from interested respondents using various factors in order to award to the best qualified and most suitable respondent may or may not have a Living Wage Incentive component. The following indicates eligibility and applicability for different types of solicitations.
  - a. Requests for Letters of Interest (LOIs) may be eligible if labor services represent the majority of the proposed cost of performance. Eligibility will be determined on a case by case and included in the solicitation documents if LWC will be considered. LWC proposers will be considered favorably throughout evaluation of the proposals received.
  - b. Request for Proposals (RFPs) may or may not be eligible and will be determined on a case by case basis. In instances where certification will be considered as part of the evaluation criteria, the solicitation documents will stipulate such. When applied, the incentive will provide for up to five (5) points for a LWC vendor as one component of the established evaluation criteria. The solicitation documents will specifically identify the amount of available points. A Living Wage Certified vendor would then be eligible for the specified points.
  - c. Request for Proposals for Professional Services that are dictated by State Statutes will not be eligible for the Living Wage Incentive.
  
3. Apprenticeship Program - The Osceola County Board of County Commissioners has established an incentive program to promote the importance of apprenticeship opportunities. Apprenticeship programs enable employers to develop and apply industry standards to training programs for apprentices that can increase productivity and improve the quality of the workforce.

During the solicitation of certain Construction Manager at Risk (+\$5 million) services, should a LWC vendor affirm and provide required documentation of a viable apprenticeship program, the County may add up to five (5) points to the evaluation criteria, where not prohibited by law.
  
4. Tie-Breaker - In the event two or more vendor submittals are identical in price and meet all the requirements and criteria set forth in the solicitation and both affirm and hold a Living Wage Certification, the following criteria shall be used to break a tie in order of importance:
  - a. Service Disabled Veteran's Business Enterprise (SDVBE), Minority/Women Business Enterprise (M/WBE) or Local Small Business Enterprise status;
  - b. Prompt payment discounts;
  - c. Delivery time;
  - d. Drug Free Workplace Program;
  - e. Coin toss, if all other criteria are equal.

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**REFERENCES:** Chapter 3 – Procurement Code of the Administrative Code, Cash Economic Stimulus Incentive Program

APPENDIX A

U.S. Department of Health & Human Services Poverty Guidelines

**2015 POVERTY GUIDELINES**  
for the 48 Continuous States & the District of Columbia

<b>Persons in Family/ Household:</b>	<b>Poverty Guideline:</b>	<b>Hourly Rate:</b>
1	\$11,770.00	\$5.66
2	\$15,930.00	\$7.66
3	\$20,090.00	\$9.66
<b>4</b>	<b>\$24,250.00</b>	<b>\$11.66</b>
5	\$28,410.00	\$13.66
6	\$32,570.00	\$15.66
7	\$36,730.00	\$17.66
8	\$40,890.00	\$19.66