

## **LIVING WAGE AND BENEFIT GUIDELINES FOR STANFORD CONTRACTORS**

**Effective September 1, 2007**

Stanford University recognizes the importance of paying a living wage to all service workers at Stanford, whether they are directly employed by Stanford or by contractors. Stanford further recognizes that a living wage and other benefits enhance the quality of an individual's work experience. Stanford already pays a living wage to its employees and now adopts this living wage and benefit policy to guide its procurement of such services from contractors. Through these guidelines, Stanford seeks to establish minimum pay, access to healthcare benefits and compensated time off for service workers. These guidelines are not intended to prevent contractors from providing wages and benefits in excess of the minimums created here.

The wage guidelines are two tiered, with an identified minimum living wage established if the employer provides a health plan, and a higher minimum living wage required if no health benefits are provided. For contractor employees not represented under a collective bargaining relationship, the initial living wage is set at a minimum of \$11.15 per hour if health benefits are provided and a minimum of \$12.59 if no health benefits are provided.

The guidelines establish at least 10 compensated days off annually for full time employees who have worked for the contractor for at least one year. This includes holidays and other paid time off such as vacations, sick and personal days.

In addition, contractors shall comply with state and federal law in providing employees with a safe working environment that is free from unlawful discrimination and harassment.

Employees of contractors will be eligible to participate in English as a Second Language (ESL) classes, on their own time, provided at Stanford.

When Stanford changes contractors, it will require that the new contractor accept applications from employees of the previous contractor and consider those who are qualified for any existing openings.

Stanford further recognizes that federal law provides that "employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities . . . ." Stanford will continue to honor these rights.

The wage and benefit levels set under these guidelines will be reviewed on an annual basis and adjusted as appropriate based on staff recommendations, informed by input from affected

contractors and other interested parties. The recommendations will be submitted to the President for his final decision.

#### APPLICABILITY:

These guidelines will apply to contractors whose employees provide basic services such as maintenance, grounds keeping, housing and food services directly to Stanford University\* when all of the following conditions apply:

1. The services are those performed on the core campus premises (including the Stanford Linear Accelerator Center) that Stanford might otherwise perform with directly hired hourly paid employees, such as basic service jobs.
2. The workers are regular employees of contractors with agreements with Stanford University.
3. Such workers are not represented under any existing collective bargaining relationship.
4. The aggregate value of the contract(s) exceeds \$100,000 per year. Note: This means that a contractor with several small contracts that are individually smaller than \$100,000 but when totaled are at or above \$100,000 will be covered by this policy.

#### IMPLEMENTATION:

1. These guidelines will be made applicable to Requests for Proposals that are sent out after the adoption of this policy.
2. For existing contracts, they will be made applicable upon the renewal, after expiration of contracts, or if contract extensions are requested.
3. All such contracts entered into by Stanford will contain a clause that states that the contractor has been given a copy of the living wage and benefit guidelines and certifies compliance with those guidelines. Failure to comply is deemed a material breach of the contract. Contractor will agree to provide evidence of compliance as requested by Stanford.

4. Because these are new guidelines, there may be unforeseen circumstances where an exception is appropriate, upon a finding that special circumstances necessitate it or because additional wages or benefits provided to the workers satisfy the intent of the living wage requirement. Such exceptions are expected to be rare.
5. Stanford will establish a list of Preferred Contractors who have agreed to pay the living wage even if they are not covered by this Policy. That list of preferred contractors will be made available to all University departments and the departments will be strongly encouraged to use one of the Preferred Contractors if one is available that performs the services needed. Departments that want to hire a contractor not on the preferred list will be required to provide the reasons for that decision to the Procurement Department. Modest differences in price should not be the sole reason for using a contractor who is not on the preferred list.

\* Excludes tenants or other entities doing business on Stanford owned land. This includes Stanford Hospital and Clinics and Lucile Packard Children's Hospital.