

MINIMUM WAGE FOR THE COMMONWEALTH'S SERVICE PROVIDERS



Executive Order

- On June 8, Governor Beshear issued Executive Order 2015-370
- Posted at:

<http://finance.ky.gov/services/eprocurement/Pages/default.aspx>



Executive Order Directive

- EO 2015-370 sets the minimum wage paid to the Commonwealth's service providers at \$10.10/hour or \$4.90/hour for tipped workers
- Applies to contract workers providing a service at least 20% of their time during a work week
- Effective July 1, 2015

When does the EO apply?

- RFP's for Personal Service Contracts
- RFQ's for Non-professional Services
- Contracts (PO, PO2, CT, CT2) and Master Agreements for Services
- Contracts and Master Agreements for a commodity that includes a service element such as installation
- Renewals for all of the above
- Non-Grant MOA's

Non-Grant vs Grant MOA's

- **Grant MOA** – A MOA that involves funds, of any type, given by a state agency to a public entity or 501(c)(3) nonprofit for a purchase or a project without direct oversight by the state agency, except possibly provision of periodic reports.

Examples: A MOA between the Dept for Local Gov't and Knott Co. to provide funds for a water line extension OR a MOA between Homeland Security and local law enforcement to provide funds to purchase bullet proof vests.

- **Non-Grant MOA** – MOA by which a public entity or 501(c)(3) nonprofit receives funds from a state agency for a direct service for which the recipient has the responsibility of performing the service or ensuring the service is performed.



When does the EO not apply?

- Service contracts that are being modified
- Service contracts that expire before 7/1/15
- Commodity only contracts
- Contracts with venues for conferences, which may include lodging, meals, meeting rooms and other services, for a limited duration & frequency.
Example: An annual conference lasting up to a maximum of 5 days.



Affidavit

- A new Required Affidavit for Bidders, Offerors and Contractors was created for use specifically with service contracts or commodity contracts with a service component.
- The new Affidavit includes Section I (e) that applies to the Executive Order requirements.



Minimum Wage Clause

The offeror (substitute the word “contractor” for contracts), and all subcontractors therein, shall pay to any worker directly performing a service called for in the contract, and to any person who provides a service ancillary thereto for at least 20% of his or her working time in any given work week, a minimum of \$10.10 per hour, or \$4.90 per hour for tipped employees, for those hours worked in connection with the contract.



Execution of New Process

- Solicitations, MA's, Contracts, Contract Renewals and Non-Grant MOA's with a 501c3 nonprofit require:
 - ✓ Minimum Wage Clause
 - ✓ Affidavit for Services
 - ✓ Executive Order as an attachment
- Non-Grant MOA's with a Public Entity require:
 - ✓ Minimum Wage Clause
 - ✓ Executive Order as an attachment



Questions

