Commonwealth of Kentucky
FINANCE AND ADMINISTRATION CABINET
Office of the Controller
Office of Procurement Services
Room 096 Capitol Annex
Frankfort, Kentucky 40601
(502) 564-4510
(502) 564-1434 Facsimile

STEVEN L. BESHEAR
Governor

Lori H. Flanery
Secretary

Ed Ross
Executive Director

Don Speer
Executive Director

TO: All Agency Purchasing Contacts

FROM: Donald R. Speer, Executive Director DRS
Office of Procurement Services

DATE: June 8, 2015

SUBJECT: Minimum Wage for State Employees and the Commonwealth's Service Providers

On June 8, 2015, Executive Order 2015-370, Minimum Wage for State Employees and the Commonwealth's Service Providers, was issued. This Executive Order concerns the minimum wage paid to State Employees and individuals providing a service through a contract to the Commonwealth. This applies to only contracts for services or contracts for a commodity where a service is also a part of the contract. An example of a contract for a commodity where a service is also a part would be the purchase of a generator which includes installation. Installation is considered a service.

For all solicitations for services issued by a state agency including Requests for Quotes for non-professional services, Requests for Bids, Requests for Proposals including those that will result in a Personal Service Contract, and all contracts including non-grant MOA's executed or renewed on or after July 1, 2015 the following provisions shall be included:

> **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.**

State agencies must include as a part of the applicable solicitation, contract or MOA a copy of Executive Order 2015-370. Additionally, offerors and contractors must sign the Required Affidavit for Bidders, Offerors and Contractors that applies to Contracts and Solicitations for Services. This affidavit contains Section I (e) that applies to Executive Order 2015-370.

This minimum wage requirement applies only to Non-grant MOA's. "Non-grant MOA's" are defined as MOA's where the public entity is providing a direct service to the Commonwealth opposed to "Grant MOA's" where the Commonwealth grants funding to a public entity to complete a community project. The new clause above must be inserted within all Non-grant MOA's. Contractors for non-grant MOA's are not required to sign the affidavit.

The signed and notarized affidavit must be attached to any new or renewed eMARS Purchase Order, Contract, or Personal Service Contract that is effective on or after July 1, 2015.

These provisions will be included in the applicable Terms and Conditions templates in eMARS and will be available on the Office of Procurement Services and the eProcurement websites:
http://finance.ky.gov/offices/controller/Pages/ops.aspx
http://finance.ky.gov/services/eprocurement/Pages/default.aspx

The above language and the requirements of this memo **only** apply to solicitations and contracts that are for services or commodities that include services.

Please contact the Office of Procurement Services at (502)564-4510 with any questions.