

UPDATE TO THE CITY OF PHILADELPHIA
SSE TERMS AND CONDITIONS OF BIDDING AND CONTRACT

Pursuant to the Philadelphia Code (the, “Code”), paragraph 29 a. of the SSE Terms and Conditions of Bidding and Contract is hereby amended to read as follows:

a. Chapter 17-1300 of The Philadelphia Code: Philadelphia 21st Century Minimum Wage and Benefits Standard.

(i) If the Provider or any Subcontractor at any tier is an Employer subject to the requirements of Chapter 17-1300, as that term is defined in Section 17-1302 and described in Section 17-1303 of the Code, then, absent a waiver, during the Initial Term and any Additional Term, in addition to any applicable state and federal requirements, it shall provide and cause any subcontractors at any tier that are also Employers to provide their respective covered Employees with at least the minimum wage standard and minimum benefits standard and notice thereof, as required under applicable law. A summary of the current requirement is as follows:

(1) Term of Contract and Effective Date of Minimum Wage Rates.

(A) For contracts with a term of one year or less, the rate applicable on the effective date of the contract is the rate for the entire term of the contract.

(B) For renewals and amendments with a term of one year or less, the rate applicable on the effective date of the renewal or amendment is the rate for work performed during the term of the renewal or amendment and remains the rate throughout the term of the renewal or amendment.

(C) For contracts, renewals and amendments with a term longer than one year, the applicable rate on the effective date of the contract shall apply until the next June 30. On the next July 1, the new rate effective on that July 1 date shall apply during the period from July 1 through the following June 30. Each July 1, the rate may increase.

(2) Minimum Wage Rates.

Absent a waiver, an Employer subject to Chapter 17-1300 shall pay each Employee an hourly wage, excluding benefits, equal to:

Effective Date between April 19, 2019, and June 30, 2019, \$12.40;

Effective Date between July 1, 2019, and June 30, 2020, \$13.25;

Effective Date between July 1, 2020, and June 30, 2021, \$13.75;

Effective Date between July 1, 2021, and June 30, 2022, \$14.25;

Effective Date between July 1, 2022, and June 30, 2023, \$15.00; and

Effective Date starting July 1, 2023, and thereafter, \$15.00 multiplied by the CPI Multiplier, provided that the minimum wage shall not be less than the previous year's minimum wage. The CPI Multiplier is calculated annually by the City's Director of Finance by dividing the most recently published Consumer Price Index for all Urban Consumers All Items Index for Philadelphia, Pennsylvania, by the most recently published Consumer Price Index for all Urban Consumers (CPI-U) of each calendar year. The then current minimum hourly wage applicable to City contractors and subcontractors will be posted on the City's website.

(3) Minimum Benefits.

Absent a waiver, if the Employer is subject to Chapter 17-1300, to the extent the employer provides health benefits to any of its employees, the Employer shall provide each full-time, non-temporary, non-seasonal covered Employee with health benefits at least as valuable as the least valuable health benefits that are provided to any other full-time employees of the Employer. The Employer shall also provide to each covered Employee at least the minimum number of earned sick leave days required by Section 17-1305(2) of the Code.

(ii) Absent a waiver, if Provider is subject to Chapter 17-1300, Provider shall promptly provide to the City all documents and information as the City may require verifying its compliance and that of all covered Employers providing Services under the Contract with the requirements of Chapter 17-1300. Each covered Employer shall notify each affected Employee what wages and benefits are required to be paid pursuant to Chapter 17-1300.

(iii) Absent a waiver, if Provider is subject to Chapter 17-1300, Provider shall take such steps as are necessary to notify its covered Subcontractors of the requirements of this Section 14.10 and to cause such covered Subcontractors to notify lower-tier covered subcontractors of these requirements, including, without limitation, by incorporating this Section 14.10, with appropriate adjustments for the identity of the parties, in its Subcontracts with such covered Subcontractors.

(iv) A Provider or Subcontractor at any tier subject to Chapter 17-1300 that fails to comply with these provisions may, after notice and a hearing before the Director of Finance or such other officer or agency designated by the Mayor, be suspended from receiving financial assistance from the City or from bidding on and/or participating in future City contracts, whether as a prime contractor or a subcontractor, for up to three (3) years. City Council may also initiate a similar suspension or debarment process. Such suspension or debarment shall be in addition to any of the other sanctions or remedies set forth in Chapter 17-1300 or this Contract.

(v) Without limiting the applicability of Articles XI (Events of Default) and XII (Remedies) above, the failure of a Provider or Subcontractor at any tier subject to Chapter 17-1300 to comply with these provisions shall constitute a substantial breach of this Contract entitling the City to all rights and remedies provided in this Contract or otherwise available at law or in equity.

(vi) Provider's covered Employees shall be deemed third-party beneficiaries of Provider's representation, warranty, and covenant to the City under this Section 14.10 only, and the covered Employees of a Subcontractor at any tier that is also a covered Employer performing Services directly or indirectly under a Subcontract at any tier shall be deemed third-party beneficiaries of their Employer's representation, warranty, and covenant to Provider or such Subcontractors at any tier, as the case may be, under this Section.

(vii) The City may grant a partial or total waiver of Chapter 17-1300 based on specific stipulated reasons elaborated in Section 17-1304 of the Code.