



Wage and Benefits Parity Policy

Revised January 2012

The purpose of this policy is to ensure that when outsourcing is used, it should be pursued to increase quality and spark innovation, not to adversely affect the wages and benefits of Harvard's own service employees. Thus, contractors that provide security, custodial, or dining services to Harvard departments must pay their on-campus non-management employees total compensation comparable to the total compensation received by Harvard's in-house unionized employees performing the same work. This Policy shall apply to contractors whose services or contracts with the University exceed \$63,900¹ or more per annum and extend for nine months or more.

For the purposes of this policy, total compensation (which shall be based on an individual employee's seniority with the contractor company) includes: 1) hourly wage (plus any applicable differentials); 2) paid time off (sick leave, vacation, and holidays); 3) the employer's contribution to employee benefits (health, dental, and pension); 4) tuition assistance; and 5) child care assistance. Each year, Harvard Human Resources (HHR) will determine the total compensation for each job category/title by assigning a dollar value for wages and for the employers' contribution to the benefits outlined above.² Total compensation values will be assigned to each job category/title by matching the in-house job categories and/or titles with those of the contractors. Where job category/title matching cannot be accomplished, an evaluation of work performed will be conducted by HHR in order to "map" a contractor job category to an in-house job category performing the same or similar work.

In addition, consistent with operational requirements, contractors of employees that provide security, custodial, or dining services to Harvard departments shall allow such employees to participate in Harvard's Bridge to Learning and Literacy program, including providing paid release time. Contractors are required to reimburse Harvard, on a per capita basis, for each contract employee who participates in the Bridge program.

All contracts of \$63,900 or more to perform security, custodial and dining services with a term of nine months or longer shall contain the language reflected in Attachment "A". In no case is this policy intended to result in a reduction in wages or benefits provided by a contractor to its employees.

Compliance

To ensure compliance, contracts covered by this policy shall be co-signed by an authorized officer of the school or department in order to be considered binding and valid. Upon execution of the contract, a signed copy will be submitted to the Office of Procurement Management.

In the event that a contractor fails to comply with the policy described in the above paragraphs, Harvard reserves the right, at its sole discretion, to terminate its agreement with said contractor. Harvard may, in lieu of termination of said agreement, provide the contractor with an opportunity to remedy its noncompliance. In the event Harvard terminates the agreement for non-compliance with this policy, the

¹ The annual amount is indexed by the U.S. Consumer Price Index starting from \$50,000 in 2001

² For the purpose of this policy, the wage rates shall not be less than those found in the collective bargaining agreements of which Harvard is a party.

contractor may be ineligible to enter into any future agreements with Harvard for a period of two (2) years.

Strategic Procurement will issue annual reports that include: a listing of all Harvard contracts for security, custodial, and dining services; the amount and duration of each contract; and certification from contractors that their employees assigned to Harvard are receiving total compensation in keeping with the contract language. In addition, the University will conduct on-site audits of the wage and benefit records of selected contractors to ensure compliance.

This policy will be reviewed at the end of each collective bargaining cycle in order to make adjustments consistent with the environment, and circumstances at the time.

Contract Rider

Mandatory Contract Provisions for Contractors Who Provide Security, Custodial, or Dining Services

University policy requires written contracts with contractors who provide security, custodial or dining services on the Harvard campus, in the case of any contract in excess of \$63,900 per year (\$50,000 in 2001 dollars to be indexed by the U.S. Consumer Price Index) and extending for a period of nine months or more. Such contracts are required to include the following provisions:

1. **Wage and Benefits Parity.** Contractor agrees that, at all times during the life of this Agreement, it will pay to any of its nonmanagement employees that perform security, custodial, or dining services on the Harvard campus (the "Covered Employees") total compensation that is equal to the total compensation paid by Harvard to its in-house unionized employees for the equivalent sector. For purposes of this Agreement, "total compensation" means hourly wage (including but not limited to any applicable differentials) and the employer's dollar contribution to designated employee benefits (specifically, medical, dental, pension, tuition assistance and child care assistance). On an annual basis, Harvard will determine the total compensation for each job category or job title of Covered Employees (a) by assigning a dollar value to the wages stipulated in the applicable collective bargaining agreement (including any differentials based on length of employment) for Harvard's in-house unionized security, custodial, or dining services employees and (b) by assigning an additional dollar value to Contractor's contribution to any of the above-designated employee benefits for its Covered Employees. Contractor agrees to pay to its Covered Employees total compensation that is at least equal to Harvard's determination of total compensation for the applicable job categories or titles, as described in the preceding sentence, and subject to adjustment based on Harvard's annual determination. In the event that Contractor's job categories or job titles for its Covered Employees do not match to Harvard's job categories or job titles, then Harvard will evaluate the work performed by the Covered Employees and determine Total Compensation for the Covered Employees based on the Harvard job categories or titles that perform the same or similar work. Contractor further agrees to provide Covered Employees with paid time off for sickness, vacation, and holidays that is at least equal to the provisions for such paid time off in Harvard's applicable collective bargaining agreements.

2. **Bridge to Learning and Literacy Program.** The Contractor agrees that any of its Covered Employees shall be given time off at his or her regular pay to participate in the Bridge to Learning and Literacy Program ("the Bridge Program"). Contractor agrees to actively encourage its Covered Employees to participate in the Bridge Program and to reimburse Harvard for the reasonable costs incurred by Harvard in offering the Bridge Program to the Contractor's Covered Employees, including the cost of classes, registration, and books (which amounted to approximately \$731.00 per employee per semester in 2011). Contractor acknowledges that Harvard may limit the participation of Contractor's Covered Employees based on the number of slots available in the applicable Bridge Program classes offered by Harvard, and further that Harvard may in advance reserve a number of slots, determined at Harvard's sole discretion, for Covered Employees of certain contractors that had previously

participated in Harvard's Bridge Program. Nothing in this agreement requires that Harvard continue the Bridge Program if Harvard, for whatever reason, determines that discontinuance is appropriate.

3. **Obligation to Maintain and Produce Records for Audit.** Contractor is responsible for keeping accurate and reasonable payroll and employment records related to this Agreement, including but not limited to payroll and personnel records containing the following information for each Covered Employee: name and address, date of hire, job title and category, number of hours worked each day and workweek, gross wages, deductions made, actual wages paid, entitlement to paid time off, benefits eligibility, evidence of payment, or such other data as Harvard may require. Contractor agrees that Harvard or its duly authorized representative has the right to audit the foregoing payroll and employment records and any other directly pertinent books, documents, papers, and records related to Contractor's performance with respect to the terms and conditions of the Agreement. Contractor shall cooperate to make available to Harvard or its representatives all such records and documents for audit on the contractor's premises during regular and reasonable working hours or, on Harvard's request, Contractor agrees to submit copies of such records to Harvard. Contractor agrees that Harvard may interview Contractor's Covered Employees to determine Contractor's compliance with the wage and benefits parity provision of this Agreement.

Harvard's right to audit shall include periodic examinations of records throughout the term of the Agreement. The right to audit shall also apply to agents hired by Contractor for the purpose of fulfilling the contract. In the event that an audit reveals that a Contractor has engaged in fraud, misrepresentation or nonperformance, Harvard may recoup the costs of the audit work from Contractor.

4. **Certification.** By signing this Agreement, the Contractor represents and certifies that it will compensate its Covered Employees in full compliance with the wage and benefits parity provision of this Agreement. Upon request from Harvard, the Contractor agrees to certify its current compliance with the wage and benefits parity provision of the Agreement.
5. **Remedies for Violation of the Agreement's Wage and Benefits Parity and Related Provisions.** In the event that Contractor fails to comply with its contractual obligations under this Agreement to provide wage and benefits parity to Covered Employees or to maintain and produce records for audit by Harvard, then Harvard reserves the right, at its sole discretion, to terminate this Agreement. Harvard may, in lieu of termination of this Agreement, provide the Contractor with an opportunity to remedy its noncompliance. In the event that Harvard terminates the Agreement for any of the grounds specified in this paragraph, the Contractor agrees that it may be ineligible to enter into any future agreements with Harvard for a period of two years.

The Contractor's representations and certifications regarding its compliance with the wage and benefits parity provision are of the essence of this Agreement.

6. **Validity of Agreement.** Contractor acknowledges and agrees that this Agreement is not valid or binding unless signed by an authorized Officer of the applicable Harvard Department.