

**REGULATIONS OF THE CHICAGO TRANSIT AUTHORITY’S PURCHASING
DEPARTMENT
FOR
MINIMUM HOURLY WAGES FOR CONTRACTS**

1. GENERAL PROVISIONS

1.1. Statement of Authority

These Chicago Transit Authority (“Authority”) regulations are issued by the Vice President, Purchasing and Supply Chain, pursuant to Transit Board Ordinance 014-124 (“Ordinance”) and Section 1.10(D) of the Authority’s Procurement Policy and Procedures (“PPPs”). The Ordinance established minimum hourly wages for certain Employees performing work or services under Authority Contracts advertised on or after November 15, 2014, which the Ordinance added to the PPPs as Section 1.10.

1.2. Statement of Purpose

These regulations (“Regulations”) clarify:

- 1.2.1 The formula for calculating the annual increase, if any, in the minimum wage rate for covered Employees as set forth in Section 1.10(B) of the PPPs.
- 1.2.2 The complaint and investigation procedures for suspected or alleged non-compliance as set forth in Section 1.10(E) of the PPPs.

2. DEFINITIONS

Unless otherwise defined in these Regulations, capitalized terms in these Regulations have the definitions set forth in the Ordinance and Section 1.10(A) of the PPPs.

“CPI” is parenthetically defined in Section 1.10(B) of the PPPs as the Consumer Price Index for All Urban Consumers – Midwest Region.

3. Calculation of Annual Increase

- 3.1 The Ordinance, which was passed in October 2014, required Employees to be paid at least \$13.00 per hour for Contracts advertised on or after November 15, 2014. The Ordinance and Section 1.10(B) of the PPPs provided that the minimum wage rate would be subject to increase on July 1st of each year based on the CPI most recently available prior to June 1st, which is the April CPI. The

September 2014 CPI of 226.913 was in effect on the date the Ordinance was passed establishing \$13.00 as the base minimum wage rate. Therefore, the annual determination of the minimum wage rate to be effective on July 1st is made using the following formula:

$$(\text{April CPI of current year}/226.913) \times \$13.00$$

If the calculation results in an amount less than \$13.00, the minimum wage rate remains \$13.00. If the calculation results in an amount more than \$13.00, it is rounded up to the nearest multiple of \$0.05 to arrive at the new minimum wage rate. Once the rate is increased, it will not be decreased. However, the annual calculation is still performed using the original \$13.00 base rate, even if there has been an increase in prior years. [For example, if the calculation in Year 1 results in \$13.02, the rate would increase to \$13.05. In Year 2, the formula calculation would still be based on the \$13.00 base rate. If the result is less than \$13.05, the rate would remain \$13.05. If the result is greater than \$13.05 but less than \$13.10, the rate would increase to \$13.10.]

- 3.2 In the event that there is an increase in the rate, the Department of Purchasing and Supply Chain will post the new minimum wage rate on the Authority website by June 1st, and it will be effective for any Contract advertised on or after July 1st. Unless a Contract provides otherwise, the minimum wage rate in effect on the date it was advertised will not change during the term of the Contract, even if there are subsequent increases.

- 3.3 The April 2017 CPI was 229.682, and therefore the minimum wage rate for Contracts advertised on or after July 1, 2017, until June 30, 2018, will be \$13.20. The April 2018 CPI was 233.913, and therefore the minimum wage rate for Contracts advertised on or after July 1, 2018 will be \$13.40.

4. COMPLIANCE AND COMPLAINT PROCEDURES

4.1 Investigations

- 4.1.1 Investigations undertaken pursuant to Section 1.10(E) of the PPPs may include requests for information and documents (“Requests for Information” or “RFIs”) from Contractors, Employees, and other persons or entities reasonably believed to have the requested information or documents (hereinafter referred to collectively as “Knowledgeable Persons”).

- 4.1.2 Knowledgeable Persons shall have 10 business days in which to respond to an RFI, which time limit may be extended at the Vice President’s, Purchasing and Supply Chain, discretion.

- 4.1.3 If the Vice President, Purchasing and Supply Chain, determines that the Ordinance has been violated, the default provisions of the applicable Contract will dictate the subsequent actions to be taken.

4.2 Complaints

- 4.2.1 An Employee's written verified complaint alleging a violation of the Ordinance must include the following information, unless otherwise specified:
- a. Employee's name, address, phone number;
 - b. Employee's email address (optional);
 - c. Employer's name, address, and phone number;
 - d. Supervisor's name;
 - e. Employee's title;
 - f. Location of the work performed by the Employee;
 - g. Description of the work performed by the Employee;
 - h. If known, the P.O., Specification number, and/or description of the Contract under which the Employee performed work;
 - i. Start and end dates of employment with employer;
 - j. Start and end dates of work on the Contract by the Employee;
 - k. Hourly wage paid to the Employee while working on the Contract;
 - l. Documentation of the hourly wage paid to the Employee while working on the Contract; and
 - m. A statement by the Employee affirming under penalties of perjury that the information provided in the Complaint is true and correct, e.g., "I do solemnly declare and affirm under penalties of perjury that the contents of the foregoing document are true and correct," followed by the Employee's printed name, signature, and the date.
- 4.2.2 An Employee's written verified complaint must be signed by the Employee, dated, and notarized.
- 4.2.3 All complaints must be submitted within one year of the first date of the alleged violation.
- 4.2.4 The Vice President, Purchasing and Supply Chain, reserves the right to investigate any alleged or suspected violation at any time.

4.3 Audits

The Vice President, Purchasing and Supply Chain, in his/her discretion, may periodically audit any Contractor to verify compliance with the Ordinance.

4.4 Cooperation and False Statements

4.4.1 Failure to cooperate in any investigation or audit conducted pursuant to the Ordinance and these regulations shall be grounds for:

- a. In the case of a bid or proposal that may be in violation of the Ordinance, rejection of such bid or proposal; and
- b. In the case of a Contract that may have been negotiated, entered into, or performed in violation of the Ordinance, termination of the Contract.

4.4.2 Any person who provides any false or fraudulent information or documents to the Authority is subject to the debarment or suspension by the Authority.

4.5 Final Decision

The Vice President, Purchasing and Supply Chain, or designee shall make the final determination regarding compliance with the Ordinance.