

**Supplemental Specification:  
City of Southfield Living Wage Ordinance**

The Contractor shall comply with the terms of the City of Southfield “Living Wage Ordinance”, Chapter 14 of Title I, of the Code of the City of Southfield (the “Ordinance”).

The Contractor shall pay its “covered employees” (a person employed full-time to perform services in connection with the Contractor’s contract(s) with the City, including related subcontracts) and at least 90% of all the employees working on behalf of the Contractor in connection with a contract with the City, no less than a “Living Wage”.

A “Living Wage” means an hourly rate which, on an annual basis (based on forty hours per week, fifty weeks per year) is equivalent to either of the following:

- a) One Hundred Twenty-Five percent (125%) of the federal poverty guideline, or
- b) One Hundred percent (100%) of the federal poverty guideline if Health Care Benefits are provided to the covered employee - (“Health Care Benefits” means comprehensive, medical coverage for the covered employee fully paid for by the Contractor, whether provided on an insured or self-funded basis. “Health Care Benefits” may include membership in a health maintenance organization (HMO) or similar entity, if the membership or subscription fee is fully paid by the Contractor).

The Contractor shall be required to certify both at the commencement of the Contract and upon request for final contract payment that it is in compliance with the requirements of the Living Wage Ordinance.

The Contractor shall post a notice of its obligation to comply with the Living Wage Ordinance in a conspicuous place in any work place where a covered employee is employed. The notice shall also state that if the Contractor has failed to pay a living wage to a covered employee, such employee may file a notice of non-compliance with the City of Southfield Purchasing Agent. The Purchasing Agent, based on such notice or, on his or her own initiative if a possible violation of the Ordinance is discovered by other means, shall forward a notice to the Contractor by first class mail describing the violation, requesting the submission of proof of compliance within thirty (30) days of mailing. Failure by the Contractor to submit proof of compliance within such thirty (30) day period shall result in termination of the Contract.

In addition, a violation of the Ordinance is a civil infraction, punishable by a fine of not more than \$500.00 plus all costs of the action. The Court may issue and enforce any judgment, writ, or order necessary to enforce the Ordinance, including payment to the affected covered employee or employees of the difference between wages actually paid and the living wage that should have been paid, plus interest, and other relief deemed appropriate.

The Contractor shall not reduce the compensation, wages, fringe benefits, or leaves available to

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any covered employee or other employee in order to pay the living wage required by the Ordinance.

The following exemptions from compliance with the Ordinance shall apply:

1. The provisions of the Ordinance shall not apply to a contract with another unit of government.
2. The provisions of the Ordinance shall not apply to a covered employee who is:
  - (a) younger than (18) years of age;
  - (b) employed during summer months in a student or youth employment program;
  - (c) engaged in any training program, not to exceed a time period of ninety (90) days, that qualifies the person either to begin employment with the covered employer or to receive an employment promotion within the covered employer;  
or
  - (d) engaged or participating in a bona fide, student internship program.
3. The provisions of the Ordinance shall not apply where a covered employee is subject to the terms of a collective bargaining agreement.
4. The provisions of the Ordinance shall not apply where federal or state law requires the payment of a prevailing wage.
5. A non-profit covered employer, which is recognized by the Internal Revenue Service as tax exempt under the Internal Revenue Code, shall be exempt from the provisions of the Ordinance, provided that this exemption shall only apply to non-profit, covered employer if it employs ten (10) or fewer employees on a continuous basis. A continuous basis is defined as employing ten (10) or fewer employees on each working day in each twenty (20) or more calendar weeks in the current or preceding year.
6. The provisions of the Ordinance shall not apply to contracts entered into prior to the effective date of this Chapter.

**2026 Applicable Living Wage Rates**

For employees <u>not</u> covered under health care benefits	<b>\$20.78/hour</b>
For employees covered under health care benefits	<b>\$16.63/hour</b>