

FAIR WAGE FAIR WORK COMPLIANCE

REAL ESTATE LEASES AND LICENSES

APPLICABILITY

Determine if FFWW policy applies to the lease or license using current guidelines effective May 1, 2016

- Make determination on Lease / License Checklist
- Obtain approval of determination via Checklist approval process
- Use approved lease/agreement forms (which incorporate FFWW requirements)
- Consult Facilities Manual for latest checklist, approval process, and lease/agreement forms

Standard: campus real estate department shall maintain an updated list of all leases and licenses that are subject to FFWW policy.



COMPLIANCE

The approved lease forms require tenants and licensees to provide an annual verification of compliance with FFWW requirements. Failure to provide the verification is a default under the lease.

- Use sample verification form, unless a specific form is attached to the lease (currently only the student housing P3 ground leases have specific forms)
- Verification should be collected on an annual basis unless otherwise approved by the Executive Director, Capital Asset Strategies

COMPLIANCE CONT'D

- Incorporate FFWW verification requirement into the lease / license management process used by campus
 - Prompt tenant/licensee of deadline to provide annual verification.
 - Failure to submit the annual verification triggers a notice of default under the lease/license agreement.
 - Initiate remedies of the lease/license agreement for default if the verification is not received within 3 months after appropriate notice.
- If a lease / license mistakenly incorporates FFWW requirements – either because the original determination was incorrect or because of a mistake in the agreement preparation – the agreement should be amended to remove the requirements.

Standard: campus real estate departments shall be able identify if the FFWW verification is current for each lease / license subject to the FFWW policy and the status of efforts to obtain 100% compliance for all leases and licenses.



REPORTING

Compliance with FFWW requirements will be reported with internal campus audits starting with FY2020. In addition, UCOP will require that annual reports on lease and license activity, due each July, include a summary of FFWW compliance.

- Information needed for the internal audits should be coordinated in advance with the campus audit team
- The annual report to UCOP on lease and license activity shall state the number of leases and licenses subject to the FFWW policy and the number of leases and licenses with current annual verifications (i.e. the FFWW compliance rate).

Standard: campus real estate departments furnish information in a timely fashion to allow the UC system to report on compliance with the FFWW policy.