



# Office of the Purchasing

## Harris County Contractor Minimum Wage Policy – FAQ

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### 1. What is the Contractor Minimum Wage Policy?

The policy establishes a **minimum wage of \$21.65 per hour** for workers directly assigned to eligible Harris County contracts. This wage will be **adjusted annually** based on the **MIT Living Wage Calculator** for a single adult with no dependents.

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### 2. Why was this policy adopted?

The policy is based on findings that higher wages:

- Attract more skilled workers
  - Improve work quality and productivity
  - Reduce turnover and training costs
  - Enhance workplace safety
  - Deliver better services to Harris County
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### 3. Who is Covered?

Any individual—whether a prime/general contractor or subcontractor—working on an applicable Harris County project that is **solicited after October 1, 2025**.

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### 4. What is the Minimum Wage?

The current minimum wage is **\$21.65 per hour**.

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### 5. When Does the Minimum Wage Go Into Effect?

The wage applies to **projects solicited after October 1, 2025**. Prime/general contractors must guarantee that all workers performing services on such projects are paid at least the current minimum wage. The policy is not retroactive.

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## 6. How Are Future Wage Adjustments Handled?

Adjustments will occur **annually on October 1st**. The **Office of Management and Budget** will announce the new rate to the **Purchasing Agent** by **May 31st** each year to allow timely vendor updates.

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## 7. How Will the Minimum Wage Change Over Time?

Annual adjustments will align with the **MIT Living Wage Calculator**, as of **May 31st** each year.

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## 8. Does the Policy Apply to Part-Time Workers?

Yes. The policy applies to **all contractors and subcontractors** performing **work** for Harris County, regardless of full-time or part-time status.

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## 9. How Will Vendors Be Informed of Changes?

- Vendors will be notified **at the time of project solicitation**.
  - **Purchasing** will also notify vendors of any wage updates **at the time of contract renewal**.
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## 10. Will Current Projects Be Affected?

No. The policy **does not apply** to projects that were awarded **prior to October 1, 2025**.

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## 11. Is the Policy Retroactive?

No. It only applies to **newly solicited contracts** after the **effective date of October 1, 2025**.

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## 12. Does the Policy Apply to All Contract Renewals?

No. If a contract was **initially solicited before October 1, 2025**, the policy does **not apply** to its renewal.

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## 13. What If My Current Contract Has Renewal Options?

If **Commissioners Court** chooses to renew the contract **under the same terms and conditions**, vendors are **not required** to adjust worker wages.

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## 14. Which Contracts Must Include the Minimum Wage?

All **contracts valued over \$100,000** must apply the Contractor Minimum Wage, unless exempted.

### Exemptions include:

- a) Interlocal Government Agreements;
  - b) Cooperative Purchasing Agreements;
  - c) Sole Source Contracts;
  - d) Emergency Contracts;
  - e) Contracts for purchases of goods and services considered to be ancillary to the purchases of goods. A business entity that only supplies goods (bricks, paper, fuel, office supplies, tools, clothing, food, etc.,) and such transportation services as may be incident to delivering those goods to County Property (including the use of common carriers (e.g., truck drivers)) is considered a "Supplier" and Suppliers are not subject to the Contractor Minimum Wage Policy.
  - f) Contracts for the sale of County Property or goods;
  - g) Contracts with a total value of less than \$100,000 per year;
  - h) Contracts paid using funds where a condition of those funds is that application of this policy is prohibited;
  - i) Services procured under Texas Government Code § 2254 (Professional and Consulting Services);
  - j) Contracts procured under the discretionary exemptions found in Texas Local Government Code § 262.024; or
  - k) Contracts expressly waived by Harris County Commissioners Court if determined to be in the best interest of the county.
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## 15. How is non-compliance reported?

Anyone who believes a Contractor or Subcontractor may be in violation of this policy **may report their concerns** through the County's Fraud, Waste, and Abuse Hotline by **calling 866-556-8181 or online at [HarrisCounty.ethicspoint.com](https://harriscounty.ethicspoint.com)**.

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## 16. What are the compliance requirements for contractors?

Contractors must:

- **Self-certify** compliance when submitting offers and at contract initiation or renewal
  - **Maintain records** (e.g., timesheets, payroll) demonstrating compliance
  - **Provide access** to records for County audits
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## 17. What happens if a contractor violates the policy?

Violations may result in:

- **Withholding of payment or contract termination**
  - Negative impact on future solicitations
  - Suspension or debarment
  - Compensation owed to underpaid workers
  - Legal action by the County
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## 18. Which Wage Rate Applies?

The Harris County policy states:

"This policy sets a wage floor. If any law, rule, regulation, or policy requires a higher minimum wage rate for work subject to this policy, then the higher minimum wage rate applies."<sup>1</sup>

**If the prevailing wage or Davis-Bacon wage is higher than the Harris County minimum wage, the higher rate must be paid.**

If the **Harris County minimum wage is higher**, then the **county rate applies**.



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## 18. I have a federally funded contract, does the Harris County minimum wage still apply?

Yes. The County's minimum wage policy does not create a compliance issue under 2 CFR §200.404. Cost-reasonableness determinations focus on whether costs are necessary and reasonable for the work performed, including whether staffing levels and qualifications are appropriate for the scope of services. The minimum wage is a County-wide policy and is not considered excessive or unjustified for entry-level labor. As with all federally funded procurements, Harris County will evaluate proposed rates against its independent cost estimate and will ensure that all costs are reasonable, necessary, and consistent with the scope of work and applicable federal requirements. Contractors remain responsible for proposing rates that reflect appropriate staffing and qualifications for the work being performed.

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### **Decision Flow:**

#### **1. Does the project have prevailing wage or Davis-Bacon requirements?**

- **Yes:**
  - Compare the prevailing/Davis-Bacon wage to the Harris County minimum wage (\$21.65/hr or current rate).
- If the prevailing/Davis-Bacon wage is higher, **use the higher prevailing/Davis-Bacon wage.**
- If the Harris County minimum wage is higher, **use the Harris County minimum wage.**
- **No:**
  - **Use the Harris County minimum wage.**

### **Note:**

Always pay the highest wage required by law or policy. Document compliance for every contract.

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### **Resources:**

[Harris County Contractor Minimum Wage Policy](#)

[Massachusetts Institute of Technology \(MIT\) Living Wage Calculator](#)

[County's Fraud, Waste, and Abuse Hotline by calling 866-556-8181 or online at HarrisCounty.ethicspoint.com](#)

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