

**UNIVERSITY OF CALIFORNIA, DAVIS
AUDIT AND MANAGEMENT ADVISORY SERVICES**

**Fair Wage/Fair Work
UC Davis Real
Estate Services
Audit & Management Advisory Services Project #21-05**

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Background

In July 2015, the University of California (UC) announced a new minimum wage plan for UC employees entitled “UC Fair Wage/Fair Work Plan” (“the FW/FW Plan”, or “the Plan”). Under this directive, a wage schedule assured a minimum wage of \$15 per hour by 2017. The Plan requires that contractors doing business with UC on UC owned or leased property guarantee hourly wages per a designated wage schedule. The Plan includes provisions to ensure compliance with its terms for employees who are not subject to prevailing wage¹ requirements. In addition, landlords must provide certification that ensures a wage of at least \$15 per hour on an annual basis.

Purpose and Scope

As part of the fiscal year 2020-2021 audit plan, Audit and Management Advisory Services (AMAS) conducted a review of Fair Wage/Fair Work. Each UC campus was asked to perform audit procedures at the direction of the Office of the President (UCOP). The purpose of this review was to determine compliance with the UC FW/FW Plan. This report addresses UC Davis Real Estate Services (Real Estate Services). We interviewed administrators, reviewed processes, examined lists of leases/licenses, and conferred with audit colleagues from UCOP and other campuses.

Conclusion

Real Estate Services should be commended for their efforts to ensure compliance with the Fair Wage/Fair Work plan. During our review, we determined that Real Estate Services:

- Actively monitors leases and licenses to ensure completeness of their list of leases/licenses with the Fair Wage/Fair Work provision;
- Ensures the Fair Wage/Fair Work provision is included in their leases and licenses; and
- Actively follows-up with landlords to ensure annual verifications are received for all leases and licenses with an anniversary date in the last contract year.

¹ The prevailing wage is a base compensation rate paid on public works projects that guarantees that certain classes of workers are paid fairly for the services performed.