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INFORMATION ON

# City Contractors' Pay or Play Program (POP)

Presented by

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CITY OF HOUSTON  
MAYOR'S OFFICE  
*of*  
BUSINESS OPPORTUNITY

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# Contractors' Pay or Play (POP)

Executive Order 1-7 and  
Ordinance 2007 -534



# POP Background and Purpose



**POP program mandates City Contractors to offer their employees a minimum level of health benefits OR Contribute prescribed amount towards “Contractors Responsibility Fund” to defray the costs of providing health care to uninsured people in the Houston and Harris County area.**

# POP Background and Purpose



## The purpose of the Pay or Play Program is to:

- Create a more level playing field among competing contractors.
- Recognize and account for the fact that there are costs associated with the health care of the uninsured.
- Enhance fairness in the competition for contracts between bidders that choose to offer health benefits to their workforce and those who do not.

# Contracts Covered Under POP



## **POP program applies to:**

- Contracts advertised after July 1, 2007.
- Contracts for:
  - Professional Services
  - Construction
  - Service Contracts
- Contracts valued at or above \$100K including contingencies.
- Subcontracts valued at or above \$200K including contingencies.

*Note: Program does not apply to any contract in which the primary purpose is procurement of property, goods, supplies, and or equipment.*

# Covered Employees



The program applies to employees of a covered contractor or sub-contractor, including contract labor, who are:

- Over the age of 18
- Work at least 30 hours per week
- Work any amount of time under a covered city contract or sub-contract.





## Contractors who opt to “play” will:

- Provide health benefits to covered employees.
  - The employer contributes no less than \$150 per covered employee per month toward the total premium cost;
  - The covered employee contributes, if any amount, no greater than 50% of the total month premium cost (excluding family).

# Play Continued...



## Contractors that opt to “Play” will:

- Provide periodic reports to the Contract Administrator showing continued proof of coverage on POP-7.
  - The self-insured contractors have to get approval from the Office of Business Opportunity (OBO) and furnish documents as required.
- Retain the following records for at least 3 years:
  - remittal forms with names of employees participating in health benefits plan, and amount paid by employer.
  - proof of coverage and/or proof of payment for each covered employee.
  - refusal of offer, signed by employee (if applicable).
  - report subsequent subcontracts to contract administrator within 30 days of date of subcontract agreement.

**Do all of the above for covered employees of subcontractors.**



## **Contractors who opt to “pay” will:**

- Contribute \$1.00 per covered employee per hour for work performed under the contract with the City.
- Provide monthly report on POP-5 listing the names of employees, hours worked, exemptions and amount owed to City.
  - POP liaisons and project managers will check and verify the details on POP-5.
- Submit an initial report with the second invoice to the department.
  - Payments based on each report will be submitted to the OBO within 30 days, along with copies of supporting documentation provided to contracting department.
  - Payment via wire transfer available upon request, however supporting documentation must be submitted to the OBO.



# Pay Continued



## **Contractors that opt to “Pay” will:**

- Retain POP program documents for at least 3 years.
- Report subsequent applicable subcontracts to contract administrator or within 30 days of date of subcontract agreement.

**Do all of the above for covered employees of subcontractors.**

***Note: Prime contractors are responsible for submitting applicable documentation for their subcontractors.***

# POP Web Page (Your Resource Center)



- OBO provides POP related help, POP forms and all the POP related updates through their website [www.houstontx.gov/obo/](http://www.houstontx.gov/obo/)
- Data management and POP reporting is facilitated with the help of the following POP- Forms:

Pay or Play (POP) Forms	
POP-1	Pay or Play Requirements
POP- 1A	Pay of Play Acknowledgment Form
POP-2	Certificate of Agreement to Comply with Pay or Play Program
POP-3	List of Participating Contractors
POP-4	Contractor/ Subcontractor Waiver Request
POP-5	Contractor/ Subcontractor Reporting Form (Payment Option)
POP-6	POP Quarterly Update- By City Departments
POP-7	Employee Health Benefits Update



# Thank You.

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