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COMMUNICATION
FAA - DECEMBER 5/2016
ITEM - 3

DATE: December 1, 2016

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: DANIEL KOSTOPOULOS, CITY MANAGER
LAURA MIRABELLA-SIDDALL, CHIEF FINANCIAL OFFICER AND CITY TREASURER
ASAD CHUGHTAI, DIRECTOR OF PROUREMENT SERVICES

RE: FINANCE, ADMINISTRATION AND AUDIT COMMITTEE – DECEMBER 5, 2016
FEASIBILITY ASSESSMENT – FAIR WAGE POLICY FOR CITY OF VAUGHAN

Recommendation

The City Manager, Chief Financial Officer and City Treasurer and the Director of Procurement Services recommend:

1. That this communication be received.

Purpose

The purpose of this communication is to provide supplemental information for the Finance, Administration & Audit Committee Report 12, Item 3 on December 5, 2016. This Communication provides information on the Ontario's Fair Wage Policy and Schedules and update on current City practices.

Background

The Government Contracts Hours and Wages Act was enacted by the Province of Ontario in 1936, and was repealed effective September 4, 2001.

In 1995, Fair Wage Schedules and Labour Conditions under Ontario's Fair Wage Program, which is separate from the Government Contracts Hours and Wages Act, was put into force by the Province through Order-in-Council 773/95 (OIC), effective April 1st, 1995. These schedules applied to government contracts for construction, security, and cleaning services. For construction, fair wage schedules are set out for the industrial, commercial and institutional (ICI), sewer and water main, and roads construction sectors. In the ICI sector, wage rates were set out for each trade for 27 different urban and non-urban zones across the Province of Ontario.

Section 4 of the OIC 773/95 directed the Ministry of Labour to update the schedules on April 1st of every year, however, this section was repealed later that year. As a result, Ontario's fair wage schedules have not been updated since 1995, but are still enforceable. Compliance with Ontario's Fair Wage Schedules and Labour Conditions is achieved through self-policing. Any complaints received are administered by the Employment Practices Branch of the Ministry of Labour. The Province is currently undergoing a review and update of the Fair Wage Policy and Schedules lead by the Employment, Labour and Corporate Policy Branch of the Ministry of Labour.

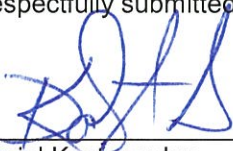
Similar to City of London and City of Greater Sudbury, City of Vaughan contracts include a clause that where a collective agreement does not exist, all workers shall be paid in accordance with Ontario's Fair Wage Schedules.

In 2003, Council passed a resolution that a Task Force be established to review the City's tender documentation requirements and related policy and procedures. The Tendering Task Force members included the City Manager, 3 representatives from industry associations, and external legal counsel. The

Task Force reviewed and revised the Construction Tender Document, which included "Payment of Workers" clause. Since the approval, few updates were made to the Document as approved by the City Council or Legal Services. No changes were made to the "Payment of Workers" clause which referred to Fair Wage Schedules of the Labour Standards Branch, of the Ontario Department of Labour. The Ontario Department of Labour was renamed as the Ministry of Labour.

The City will update the Payment of Workers clause in the City's contract documents to refer to "Ontario's Fair Wage Schedules as per the Ministry of Labour". Additionally, as part of the Procurement Modernization project, the City will be conducting a comprehensive review of all Procurement documentation, and making updates as necessary.

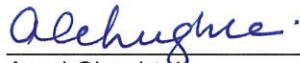
Respectfully submitted,



Daniel Kostopoulos
City Manager



Laura Mirabella-Siddall
Chief Financial Officer and City Treasurer



Asad Chughtai
Director of Procurement Services