

Clause embodied in Report No. 5 of the Administration Committee, as adopted by the Council of the City of Toronto at its meeting held on June 24, 25 and 26, 2003.

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**Follow-Up Review of the Fair Wage Office,
Fair Wage Policy and Fair Wage Schedules - All Wards**

(City Council on June 24, 25 and 26, 2003, adopted this Clause, without amendment.)

The Administration Committee recommends:

- (I) the adoption of the report (May 21, 2003) from the Acting Manager, Fair Wage Office, subject to:**
 - (i) amending Recommendation No. (1) by adding thereto the following words “and that approval of the Fair Wage rates be submitted to City Council for approval every three years”;**
 - (ii) amending Recommendation No. (3) by deleting the words “including new job classifications for winter maintenance” so that the recommendations now read as follows:**
 - “(1) City Council adopt the revised Fair Wage Policy as set out in Attachment No. 1 to this report, effective August 1, 2003, and that approval of the Fair Wage rates be submitted to City Council for approval every three years;**
 - (2) the Manager, Fair Wage Office, communicate with all departments prior to August 1, 2003, to advise of the applicability of the Fair Wage Policy and Labour Trades Contractual Obligations (LTCO) in the construction industry to City contracts;**
 - (3) City Council adopt the Fair Wage Schedules 2003-2004, as attached to this report within Attachment No. 3, and that these Fair Wage Schedules become effective August 1, 2003, for new Tenders, Requests for Quotation, Requests for Proposals, Purchase Orders, and Departmental Purchase Orders issued by the City;**
 - (4) City Council enact a by-law substantially in the form of the draft by-law contained in Attachment No. 4, subject to any technical or other necessary changes, to codify the responsibilities of the Manager, Fair Wage Office, and codify the updated Fair Wage Schedules;**

- (5) **the Fair Wage Office include in its submission for the 2004 Operating Budget, a request for additional funding to increase staffing levels of the Office by one permanent position and temporary summer students; and**
- (6) **the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;”;**
- (II) **that all references to the winter maintenance trade, including the proposed seven job classifications for winter maintenance be deleted from the aforementioned report;**
- (III) **that Part C “Guidelines for Prospective Bidders” embodied in Attachment No. 2, entitled “Labour Trades Contractual Obligations in the Construction Industry”; and § 67-B4 “Decisions, Fair Wage Policy” embodied in Attachment No. 4 be amended to read as follows:**
- “The Fair Wage and Labour Trades Office will make final decisions with respect to:**
- (i) **work jurisdictions, in consultation with the industry;**
- (ii) **type of work involved**
- (iii) **whether or not union firms/workers must be used; and**
- (iv) **if Labour Trades Contractual Obligations apply;” and**
- (IV) **that the Commissioner of Corporate Services be requested to provide, at her discretion, a temporary summer student in the Fair Wage Office from within her existing budget.**

The Administration Committee reports, for the information of Council, having requested the Chief Administrative Officer to submit the report previously requested respecting Bill 139, the Labour Relations Amendment Act, 2000, to the Administration Committee as soon as possible.

The Administration Committee submits the following report (May 21, 2003) from the Acting Manager, Fair Wage Office:

Purpose:

The purpose of the report is to present the results from the recent review of the Fair Wage Office (FWO) and Fair Wage Policy. Recommendations are made to strengthen the Fair Wage Policy and Office practices, and adopt updated Fair Wage Schedules (2003-2004) for the City of Toronto.

Financial Implications and Impact Statement:

The recommendations contained in this report and associated improvements to the Fair Wage Office will be absorbed within the current operating budget for the Office in 2003. The Office’s operating budget is submitted through the Human Resources Division of the Corporate Services

Department. Subject to the adoption of Recommendation No. (5), a request will be made as part of the 2004 budget request for one additional permanent position for the Fair Wage Office and temporary student positions for 2004.

Implementing an increase in administrative fees charged by the Office for payroll audits under the Policy from “up to 10 percent” to “15 percent” will only have a slight positive impact on overall revenues, which are averaging \$3,700 per year since amalgamation. In addition, the Fair Wage Office receives payment for services provided to Exhibition Place amounting to \$2,577 per year. Formalizing service level agreements between the City of Toronto Fair Wage Office and other organizations utilizing the City of Toronto Fair Wage Policy could result in increased revenues. The Office will be exploring the potential for service level agreements and using revenues to offset the costs of industry and department Policy education and awareness campaigns. Any change from current practice will be reported to the Administration Committee.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) City Council adopt the revised Fair Wage Policy as set out in Attachment No. 1 to this report, effective August 1, 2003;
- (2) the Manager, Fair Wage Office, communicate with all departments prior to August 1, 2003, to advise of the applicability of the Fair Wage Policy and Labour Trades Contractual Obligations (LTCO) in the construction industry to City contracts;
- (3) City Council adopt the Fair Wage Schedules 2003-2004, including new job classifications for winter maintenance, as attached to this report within Attachment No. 3, and that these Fair Wage Schedules become effective August 1, 2003, for new Tenders, Requests for Quotation, Requests for Proposals, Purchase Orders, and Departmental Purchase Orders issued by the City;
- (4) City Council enact a by-law substantially in the form of the draft by-law contained in Attachment No. 4, subject to any technical or other necessary changes, to codify the responsibilities of the Manager, Fair Wage Office, and codify the updated Fair Wage Schedules;
- (5) the Fair Wage Office include in its submission for the 2004 Operating Budget, a request for additional funding to increase staffing levels of the Office by one permanent position and temporary summer students; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

History of Fair Wage Office and Policy:

Originally implemented in 1893 to ensure that contractors for the former City of Toronto paid their workers union rates, or, for non-union workers, the prevailing wages and benefits in their field, the Fair Wage Policy has expanded over the years to other non-construction classifications and all City purchases. The Policy also requires compliance with an acceptable number of working hours and conditions of work in order to protect the rights of workers.

While the former City of Toronto had its own Fair Wage Policy, so too did the former Municipality of Metropolitan Toronto, but enforcement was served by the former City's Fair Wage and Labour Trades Office using the same fair wage schedules and cost-shared by both municipalities. The former Borough of East York adopted the Metro Fair Wage Policy in 1981 for application to its construction contracts. The former City of Etobicoke adopted the Metro/City Fair Wage Policy in 1989 and applied it to all construction contracts. The former City of North York applied the Metro Fair Wage Policy to construction contracts between 1989-1995, but discontinued its use in 1995. The former City of Scarborough adopted the Metro Fair Wage Policy in 1989 and applied it to road cuts and sewer work only. The former City of York adopted the City of Toronto Fair Wage Policy in 1989 and applied it to construction contracts only.

The Fair Wage and Labour Trades Office (FWLTO) had been aligned with the Purchasing and Materials Supply Division of the former City of Toronto.

In 1991, the former City of Toronto conducted a review of the FWLTO. The review found that further resources were required to increase the level of inspection activities, additional space was required, and Office systems (i.e., records management and computer systems) were required to manage the growing files and information of the Office. Some of the issues identified for the Office in 1991 are still relevant issues today.

In October 1998, the new City of Toronto Council adopted a single Fair Wage Policy for the entire city, based largely on the former Metro Worker's Rights document (i.e., the Fair Wage Policy), by clearly separating and explaining a distinct Fair Wage Policy and Labour Trades Contractual Obligations (LTCO) document. City Council also changed the administrative reporting relationship of the FWLTO from the Finance Department to the Executive-Director, Human Resources in Corporate Services, and asked for a further review of the Office in one year. In March 2000, City Council adopted a new set of Fair Wage Schedules (2001-2002) for the City, among other recommendations.

In April 2000, City Council considered a further report on a review of the Office and need for further resources to stem the decline in service levels given significant increases in workload demands, specifically in the inspection activity. The staff report recommended the hiring of an additional staff person for the Office, and the Administration Committee referred the recommendation to the Budget Advisory Committee for consideration. The additional resource was not approved as part of the 2001 City budget.

In April 2001, City Council adopted a confidential report from the City Auditor, resulting from a review of the policies and procedures administered by the FWLTO to determine their efficiency and effectiveness in ensuring compliance with the City's Fair Wage Policy. The City Auditor made several recommendations addressing the following areas:

- (i) need for a review of Fair Wage Policy and By-law 51-71 to ensure the Office mandate, duties, authorities for settlement and other matters are clearly defined;
- (ii) requirement for the FWLTO to report all non-compliance incidents to the Administration Committee;
- (iii) request for a report on the proposed policy, procedure and resources to enforce the Fair Wage Policy, including:
 - (a) amendments to the Fair Wage Policy to strengthen enforcement (payroll audits);
 - (b) policy to deal with non-compliance (i.e., increasing City's administration fee from 10 percent; disqualification from future contract awards);
 - (c) roles of FWLTO, Purchasing Division and operating departments in authorizing awards and monitoring compliance;
 - (d) criteria and procedure used to determine bidder compliance with FWLTO requirements;
 - (e) feasibility of focusing enforcement for certain trades;
 - (f) feasibility of a corporate registry of non-compliance; conducting audits on certain types and value of contracts, and inclusion of fair wage compliance in corporate contract evaluation reports; and
 - (g) appropriate performance indicators.
- (iv) request a report on status of implementation of recommendations; and
- (v) ensure necessary staff training for the FWLTO.

A management response to the City Auditor's report was prepared and adopted by City Council in June 2002. The adopted recommendations proposed changes to the Fair Wage Policy, an implementing By-law, as well as proposed Office practices and procedures to address the recommendations from the Auditor's report. Many of the changes have not yet been implemented.

In September 2002, the Manager, FWO was arrested and is currently facing criminal charges. In response to the incident, Corporate Services appointed an interim Acting Manager and undertook a risk assessment of the Office to determine if any further improprieties existed with recent business dealings and procedures, and suggested a go forward approach for dealing with the Office. No further improprieties were identified and substantiated. As a result of the risk assessment, and the recent Council decisions in response to the Auditor's review, a further assessment of the Policy and Office was conducted to enhance the Fair Wage Policy, update the Fair Wage Schedules and improve Office practices and procedures. A new Acting Manager was appointed in January 2003.

Purpose of the Review:

The purpose of this review was to assess the City's Fair Wage Policy and Fair Wage Office (FWO) to: (i) confirm the Policy directions, statements, and schedules, (ii) confirm the governance responsibilities of the Office, and (iii) establish accountable Office practices and procedures.

As a result of this review, an enhanced Fair Wage Policy is recommended, as well as updated Fair Wage Schedules.

Review Process:

The review was conducted by the Acting Manager, Fair Wage Office, and staff of the Service Improvement and Innovation Division, Corporate Services, commencing in January 2003. A phased project plan was followed to achieve the following objectives:

- (i) to review the Fair Wage Policy and By-law 51-71, in light of the City Auditor's report, the FWLTO response report, and the risk assessment; to affirm the Policy direction; and identify necessary amendments to the Policy and By-law;
- (ii) to update and codify the enabling by-law (By-law 51-71) into the City's Municipal Code;
- (iii) to update the Fair Wage Schedules, as directed by Council;
- (iv) to consult with the industry, as directed by Council, on the Fair Wage Policy and Schedules;
- (v) to consult with various stakeholders on the Fair Wage Policy and Office practices and procedures;
- (vi) to review how the Office is managed and accountable to Council, the corporation, industry and workers;
- (vii) to review governance and organizational options for the Office within the City's corporate structure;
- (viii) to review resourcing requirements and options, including self-funding any additional resources from non-compliance fees;
- (ix) to document existing processes and practices regarding the enforcement of the Fair Wage Policy and functions of the Fair Wage Office;
- (x) to review the job functions for the FWO staff and ensure they are clearly defined in keeping with any proposed Policy and Office changes, and develop a training and development plan for the Office;
- (xi) to identify appropriate administrative systems required for the Office, including a file in-take tracking system and audit tracking system; and

- (xii) to develop an implementation and succession plan for the delivery of recommended Office practices and procedures.

To guide the study, a project sponsor group was established consisting of the Commissioner, Corporate Services, and the Executive-Director, Human Resources. The study findings were presented to EMT in May 2003.

An important part of the review was to consult with the construction industry and City departments about the Policy, schedules, and Office practices.

On March 4, 2003, the FWO convened a meeting, predominately of the construction industry, to review the proposed fair wage schedules and discuss changes with the Fair Wage Policy. This consultation session has been a regular facet of the FWO's process for updating the schedules. A consultation session with the industry last occurred in late 1999, as the FWO was updating its schedules for 2000. Invitations for the current consultation session were sent to over 110 firms, industry and union associations doing business with the City. Approximately 50 persons attended the consultation session. In addition to verbal comments provided at the meeting, a survey form was provided for attendees to provide their input.

At the session, staff provided an overview of the proposed Fair Wage Schedules, including the introduction of new job classifications and rates for winter maintenance work. Staff also identified potential new changes to the Fair Wage Policy resulting from Council's decisions in June 2002 and the current review process. There was general support and agreement on the proposed schedules and service provided by FWO staff and the direction of the changes. It should be noted that a small number of attendees were not supportive of the Policy and others made specific requests for proposed changes, such as more stringent disqualification procedures.

A total of 18 completed survey forms were returned to the Office. Although not statistically significant, the survey data and anecdotal comments suggest some industry support for the Fair Wage Policy.

Table 1
Fair Wage Office Survey

Question	(N = 18)		
	Yes	No	Undecided
Agreement with Wage Rates as Proposed	44 percent	39 percent	17 percent
	Very Satisfied / Satisfied	Very Dissatisfied / Dissatisfied	Neutral / No Comment
Satisfaction with the Fair Wage Policy	50 percent	28 percent	22 percent
Overall Satisfaction with the services of the FWO	66 percent	6 percent	28 percent

The lower than expected agreement with the proposed wage rates may be attributable to the proposed introduction of a new wage rate for winter maintenance work and the discussion which occurred at the meeting regarding the calculation of the applicable wage rates. Some adjustments were made based on the feedback.

In February 2003, a meeting was held with staff from the Auditor-General's Office, Labour Relations Division (Human Resources), and Legal Services to scope through the review process and discuss the issues identified during the City Auditor's review in 2001 and proposed enhancements to the Fair Wage Policy. During March 2003, several meetings were held with various operational groups across City departments responsible for procurement and management of construction-related services and other services and supplies, including Works and Emergency Services; Economic Development, Culture and Tourism; and Corporate Services. A meeting was also held with the Purchasing and Materials Management Division (Finance) in March to discuss the proposed Policy changes and explore better linkages between the Division and the FWO as part of the City's procurement process.

Generally speaking, the feedback received from the departmental consultations included support for the Policy and new wage schedules and interest in assisting the FWO enhance its Policy enforcement functions and education/awareness campaigns. There was support for the inclusion of disqualification provisions in the Fair Wage Policy. Some programs identified the need to better communicate the Policy to the industry and within the corporation, and were supportive of project manager training by the FWO. There was acknowledgement that implementing the Fair Wage Policy and the LTCO document were historically designed to address large construction related issues, and may not be as appropriate for smaller projects. It was suggested that perhaps some flexibility was required for practical application of the LTCO document. It was also suggested that the FWO look to the *Construction Lien Act* for guidance on FWO investigations and payroll audits for contract work, which has been substantially completed.

On May 15, 2003, a meeting was held between the FWO and CUPE Local 416 to garner their input into the review process. Issues raised included the need for enforcement of the occupational health and safety legislation, and consideration of infractions under the legislation as grounds for non-compliance with the Fair Wage Policy. A meeting is scheduled with CUPE Local 79 for May 22.

Comments:

The ensuing discussion is organized as follows:

- (1) The Fair Wage Policy;
- (2) The Labour Trades Contractual Obligations Document;
- (3) The Fair Wage Office;
- (4) Fair Wage Policy in Other Jurisdictions;
- (5) Revised Fair Wage Policy;
 - (i) Minor Changes to the Fair Wage Policy;
 - (ii) Substantive Changes to the Fair Wage Policy;
 - (iii) Application of the new Policy to City Contracts;
- (6) Revised Fair Wage Schedules;

- (7) Revised Fair Wage By-law;
- (8) Fair Wage Office Governance and Organizational Structure;
 - (i) Office Staffing Model;
- (9) Fair Wage Office Procedures and Systems;
 - (i) Review of City Purchasing Contracts;
 - (ii) Policy Enforcement and Inspections;
 - (iii) Policy and Fair Wage Schedules Management;
 - (iv) Fair Wage Policy Advice, Reporting and Office Management;
- (10) Go Forward Actions;
 - (i) Communications Strategy;
 - (ii) Strengthening the Organization; and
 - (iii) Evaluation of new Policy and Procedures.

The Fair Wage Policy:

The Fair Wage Policy is designed to ensure that businesses awarded contracts with the City pay their workers a “fair wage” for the work performed, and to ensure that workers are not exploited or discriminated against. Many of the workers employed through City contracts live and work in the City, so the Policy provides that workers are paid a living wage enabling them to afford to live in the City. The stated intent of the Policy is:

- (i) to produce stable labour relations with minimal disruption;
- (ii) to compromise between the wage differentials of organized and unorganized labour;
- (iii) to create a level playing field in competitions for City work;
- (iv) to protect the public; and
- (v) to enhance the reputation of the City for ethical and fair business dealings.

The Policy applies to all contracts entered into by the City, and applies equally to contractors and sub-contractors providing services and/or supplies to the City.

The key elements of the Policy state that:

- (i) a contractor shall not discriminate against workers and shall comply with the Occupational Health and Safety Act;
- (ii) a contractor shall pay workers;
 - (a) for shop work:
 - (i) union wages, or
 - (ii) the prevailing wage rate in the location the work is undertaken, if no union rate exists;

- (b) for field work:
 - (i) wages set out in a collective agreement between the contractor and a recognized union, or
 - (ii) where no contractual relationship exists, wages no less than the rates established in the Fair Wage Schedule;
- (iii) a contractor shall keep payroll records of workers employed in City work, and shall provide a copy of such information to the Manager, as requested. In case of a dispute as to the wage rate to be paid to workers, the decision of the Manager is final and binding on all parties;
- (iv) a contractor shall not allow workers to work more hours than the number of hours per day or week set out in the Fair Wage Schedule, except in the case of an emergency;
- (v) if a contractor does not pay a worker fair wages as established by this Policy, the City may pay the balance owing to the worker and may charge such balance, with an administrative fee of no more than 10 percent, to the contractor;
- (vi) if a contract is for the purchase of supplies or materials, for which shop work or field work wages do not apply, the Manager shall report to Council as to whether the contractor maintains a fair wage level;
- (vii) clerical office workers are to be paid a wage rate no less than the surveyed standard wages for that classification of worker at the time of tendering;
- (viii) a contractor must display copies of the Fair Wage Policy in their workshop accessible to employees; and
- (ix) a contractor shall attach to all accounts invoiced for payment, a declaration affirming that the requirements of this Policy have been met.

Six Fair Wage Schedules cover various aspects of City work, including:

- (i) General classifications;
- (ii) Heavy construction work;
- (iii) Industrial, Commercial, Institutional (I.C.I.) work;
- (iv) Road building work;
- (v) Sewer and watermain construction; and
- (vi) Utility work.

Included in the schedules is information by job classification, for wage rates, work hours, fringe benefits, and skills training (i.e., apprenticeship where applicable). The residential construction Fair Wage Schedules are no longer applicable to the City, as of January 1, 2003, since the City is no longer responsible for this type of work. The Toronto Community Housing Corporation (TCHC) is currently in the process of developing their own Fair Wage Policy and wage schedules.

The Labour Trades and Contractual Obligations Document:

When City Council adopted the Fair Wage Policy for the new City of Toronto, it also assumed its successor rights to the Labour Trades Contractual Obligations (LTCO) document. The LTCO document sets out the City's obligations in respect to eight collective agreements for Industrial Commercial Institutional (I.C.I) sector work. Under these obligations, the City is bound to use certified trade's labour from these signatory unions for all work performed by the City and covered by these labour trades. Attachment No.2 presents the City's LTCO document.

The eight collective agreements include:

- (1) The Carpenters' Employer Bargaining Agency and the Ontario Provincial Council, United Brotherhood of Carpenters and Joiners of America;
- (2) The Mechanical Contractors Association of Ontario and the Ontario Pipe Trades Council of the United Association of Journey-men and Apprentices of the Plumbing and Pipe-Fitting Industry of the United States and Canada;
- (3) The Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and The International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario;
- (4) The International Union of Bricklayers and Allied Craftsmen and the Ontario Provincial Conference of the International Union of Bricklayers and Allied Craftsmen, and The Masonry Industry Employers Council of Ontario;
- (5) The International Association of Heat and Frost Insulators and Asbestos Workers and The Master Insulators' Association of Ontario Inc.;
- (6) The International Brotherhood of Painters and Allied Trades and The Ontario Painting Contractors Association;
- (7) The Ontario Glazier Agreement between The Architectural Glass and Metal Contractors Association and The International Brotherhood of Painters and Allied Trades; and
- (8) The Environmental Sheet Metal Association Toronto and the Sheet Metal Workers' International Association and the Ontario Sheet Metal Workers' Conference.

The FWO has assumed responsibility, with assistance from Labour Relations (Human Resources), in enforcing these LTCO through procurement review and approval, as well as enforcement during contract execution as it relates to I.C.I. sector work carried out by the City.

It should be noted in 2000, the Province passed Bill 139, the *Labour Relations Amendment Act, 2000*, which allowed municipalities to decertify labour trades contractual obligations in the I.C.I. sector. To date, the City has not applied for such decertification. This report does not address the merits of the City's current labour trades obligations or decertification. The FWO's relationship to the LTCO document is only with respect to implementation and enforcement of the City's obligations, so long as they exist.

The Fair Wage Office:

Currently, the Fair Wage Office is comprised of three positions including the Acting Manager, Assistant Fair Wage Officer, and a Program Assistant. The approved 2003 Operating Budget for the FWO includes gross expenditures of \$238,660 with revenues of \$2,600.

The principal functions of the Office include four key areas:

- (i) Procurement review - as part of purchasing process, all City contracts are to be reviewed by the FWO for compliance with the Fair Wage Policy, before they are awarded;
- (ii) Policy enforcement and inspections - undertaking proactive and complaint-based investigations and payroll audits to ensure City contract compliance with the Fair Wage Policy and Labour Trades Contractual Obligations document;
- (iii) Policy and Fair Wage Schedules management - maintaining and updating the Policy and schedules; and
- (iv) Fair Wage Policy advice, reporting and office management - providing advice to ABCs and other jurisdictions, maintaining case management files, etc.

The workload of the FWO has been increasing steadily since amalgamation. The following tables illustrate the procurement review workload and Policy enforcement work for the Office as part of the City's procurement review. It should be noted that the degree of complexity can vary significantly between the different Tenders, RFQ, and RFPs reviewed and investigations undertaken. In the future more accurate workload indicators will be developed and reported.

Table 2
Fair Wage Office Procurement Review Statistics

Procurement Review Process	1998	1999	2000	2001	2002
Number firms reviewed	4,484	4,058	5,771	6,902	7,877
Number Tenders/RFQs/RFPs/DPOs reviewed*	1,578	1,368	2,103	3,041	3,135

*includes documents from external organizations utilizing the City of Toronto Fair Wage Policy and in some instances, the same document (Tender, RFP, RFQ) is returned to the FWO for review of firms other than the three lowest bidders.

Table 3
Fair Wage Office Enforcement Statistics

	1995	1996	1997	1998	1999	2000	2001	2002
Fair Wage Policy Enforcement								
Number investigations	259	234	241	219	209	204	211	36
Number payroll audits	25	40	33	15	16	18	29	30
Number non-compliant firms	14	38	20	13	9	3	14	20
Number workers receiving restitution	109	72	157	61	145	49	167	248
\$ value of non-compliance	\$41,995.25	\$114,111.41	\$205,060.67	\$81,214.39	\$141,640.63	\$32,444.25	\$85,206.18	\$182,678.11
\$ value of FWO administrative fees collected	\$4,259.94	\$7,011.75	\$21,447.73	\$6,195.87	\$3,746.46	0	\$4,583.27	\$4,454.44
Labour Trades Contractual Obligations Enforcement								
Number work jurisdiction reviews	218	219	227	239	307	311	204	201

Investigations by the FWO were down significantly in 2002 from previous years. The number of payroll audits has started to increase again to pre-amalgamation levels. The number of labour trades work jurisdiction reviews has remained stable.

Fair Wage Policy in Other Jurisdictions:

Fair wage policies are not unique to the City of Toronto. A survey of practices of other fair wage offices throughout Canada and the U.S. was conducted. The Federal Government, Provincial Governments in Ontario, Manitoba and British Columbia, City of New York and Municipalities of Oshawa, London, Hamilton-Wentworth, Mississauga, Montreal, Calgary, Edmonton and Greater Vancouver have fair wage policies. Windsor and Thunder Bay are currently considering adopting a Fair Wage Policy.

Many fair wage offices consider prior performance and adherence to Policy requirements in future contract awards. For example, the Ontario Ministry of Labour recommends the inclusion of the contractor's previous contract performance in the contract evaluation/award criteria. The City of Hamilton will disqualify a contractor or subcontractor for bidding on any City contract if a contravention was noted twice within a five-year period. In British Columbia, the disqualification period is one year for the first contravention and three years for the second contravention, and a list of non-complying contractors is maintained on its web site and updated weekly. Some offices either include in the Policy document a section on consequences for non-compliance, or establish a specific non-compliance Policy in this regard.

Some fair wage policies state the contractor's responsibilities, such as the contractor's obligation to make certain records available for inspection by the City representative upon request; the contractor's obligations with respect to subcontractors, particularly in ensuring their compliance with required labour conditions, and in paying employees of the subcontractors the difference between the amount of wages paid and the amount of wages that should have been paid pursuant to the fair wage rates; and the provision of a declaration(s) attesting to its compliance with required labour conditions.

Within Ontario, there are eighteen organizations including many Agencies, Boards and Commissions as well as the City of Vaughan, George Brown College, York University and University of Toronto that utilize the City of Toronto Fair Wage Policy and rely, in varying degrees on the City of Toronto FWO for advice and approvals.

Revised Fair Wage Policy:

The 2001 Auditor's review of the Fair Wage Policy concluded that action was necessary to more clearly define and cost effectively enforce the Fair Wage Policy, including Policy changes to:

- (i) strengthen the City's authority in enforcing the Policy, including standard terms and holdback provisions included in City contracts/tenders;
- (ii) specify the City's rights and authority with respect to auditing payroll records, including contractor and sub-contractor obligations; and
- (iii) deal with non-compliance, including the option of increasing the administrative fee charged by the office to more than 10 percent and introducing disqualification provisions.

The Council-adopted management response report recommended the following changes to the Fair Wage Policy:

- (i) increasing the administrative fee charged by the Office for non-compliance with the Policy from 10 percent to 15 percent;
- (ii) clear statements that the Policy applies to all sub-contractors working on city projects;
- (iii) statement that the City has the authority to investigate claims up to six months after the date of substantial completion of the contract; and
- (iv) including a disqualification clause stating that "where a contractor is found to be willfully or flagrantly in non-compliance in two separate instances over a period of three years inclusive, the said contractor will be disqualified from doing business with the City for a period of one year.

These changes have not yet been implemented given the events of last fall and the current review process. It was determined that any changes would wait until after this review so a comprehensive set of changes to the Policy could be made and then communicated to the industry. Notwithstanding the fact that these changes have not yet been implemented, they continue to have merit and are discussed and confirmed below.

Practical application of the Policy by the Acting Managers since the fall of 2002 has highlighted the need for Policy enhancements to achieve transparency and accountability in four key areas:

- (i) the inclusion of disqualification provisions from City contracts into the Policy means that the conditions for disqualification need to be included as well so firms working for the City understand the tests under which they could be found in non-compliance with the Policy and what the resulting consequences may be;
- (ii) the Policy is currently silent on its application during the procurement review process. The lack of clear Policy direction, coupled with the past practice of the Office, has pointed to the need to define the conditions under which a prospective contractor with the City may not be considered for work, even if the contractor is the lowest bid for the work;
- (iii) clarity around the ability of the FWO to conduct investigations and perform audits of payroll records of a firm after the work contracted by the City has effectively been completed and final payment has been paid to the firm; and
- (iv) although the Auditor's review recommended FWO reporting of all contractor non-compliance (as currently defined under the provisions of By-law No. 51-71), such reporting has not historically been occurring. While reporting every incidence of non-compliance would have meant reporting to Committee at least 20 times in 2002, more structured and regular reporting of the Office's activities is necessary.

The review has identified changes to the Fair Wage Policy in two categories: minor (housekeeping) changes and substantive Policy changes.

Minor Changes to the Fair Wage Policy:

A number of minor changes are recommended to the Policy, as follows:

- (i) changing the name of the Office from the Fair Wage and Labour Trades Office to the "Fair Wage Office", as adopted by Council in June 2002;
- (ii) amending the requirement for the Fair Wage Schedules to be updated every three years to "on a regular basis". Also, the proposed new schedules are not "voted on" by the industry, as currently stated in the Policy, but are reviewed by the industry through an industry consultation meeting. The Policy is changed to specify that the schedules are "reviewed" by the industry;
- (iii) referencing in the Policy the inclusion of an appropriate value in the Fair Wage Schedules for apprenticeship programs for construction-related trades;
- (iv) the inclusion of definitions for "Contract", "Contractor", and "Sub-contractor", and appropriate references in the Policy regarding Sub-Contractor compliance and Contractor accountability for Sub-Contractors;

- (v) clarity regarding the mandate of the Manager to determine wage rates for contract work where no union agreement exists or the work is not included in the Fair Wage Schedules;
- (vi) clarity regarding the definition of “wages” to include the hourly rate, vacation and holiday pay, as well as applicable fringe benefits;
- (vii) the requirement for Contractors and Sub-contractors to keep job classification information for its workers and the hourly rate and hours worked for each worker and provide to the Manager, upon request;
- (viii) a change to the administrative fee that may be charged by the Office, from 10 percent to 15 percent; and
- (ix) a change to the Policy to only require a declaration of Policy compliance on all invoices rendered for payment upon a contract as requested by the Manager and for final payment on the contract.

These changes are reasonable and provide more practical clarity to the Policy and its implementation. There was industry support for some of these changes. Based on the survey responses received from the industry, there was strong support for: clearer language regarding Sub-contractor compliance and Contractor accountability for Sub-contractors; increasing the Office’s administrative fees for payroll violations from 10 to 15 percent; and Contractor declaration stating compliance with the Fair Wage Policy.

Table 4
Fair Wage Office Survey

Question:	(N = 18)		
Changes to the City’s Fair Wage Policy under Consideration by the Fair Wage Office	Strongly Agree / Agree	Strongly Disagree / Disagree	Neutral / No Comment
Clear language regarding Sub-Contractor compliance and Contractor accountability for Sub-Contractors	77 percent	6 percent	17 percent
Increase in the Office’s administrative charge for payroll violations from “up to 10 percent” to “up to 15 percent”	77 percent	6 percent	17 percent
Contractor declaration stating compliance with the Fair Wage Policy	77 percent	6 percent	17 percent

Substantive Changes to the Fair Wage Policy:

Substantive changes to the Policy are required to address: clarity in application of new requirement during the procurement process; definition of non-compliance with the Policy; disqualification provisions for non-compliance; and Fair Wage Office investigations after substantial work completion.

Support for the types of substantive changes was high among the industry. Most supported the introduction of disqualification provisions; allowing the Office to inspect payroll records for work completed and where payment has been made by the City; and regular reporting to Council of the Office's activities.

Table 5
Fair Wage Office Survey

Question: Changes to the City's Fair Wage Policy under Consideration by the Fair Wage Office	Strongly Agree / Agree	(N = 18) Strongly Disagree / Disagree	Neutral / No Comment
Introduction of disqualification procedures	77 percent	17 percent	6 percent
Ability to inspect Contractor payroll records after the work is completed and final payment is made	82 percent	6 percent	12 percent
Regular reporting to City Council of Fair Wage Office activities and issues	82 percent	12 percent	6 percent

The Policy does not currently provide direction for circumstances where a firm has submitted a low bid on a City contract, but is currently the subject of an investigation by the Office. Under the current procurement process, a FWO recommendation for approval is required prior to award of all City contracts. Current and historical practice of the Office has been to hold off providing a favourable recommendation of a firm's compliance with the Policy, if a concurrent investigation is underway. Clear direction is required to advise firms and guide the Office on situations where a contract award is pending for a firm subject to a FWO investigation.

It is proposed that a new policy statement be included in the Fair Wage Policy stating that under the following conditions, a prospective Tenderer or Bidder for City work may be deemed not to comply with the Fair Wage Policy and the Manager may recommend to the PMMD the next lowest bidder for contract award:

- (i) an investigation is underway and the firm does not co-operate in providing timely information requested by the Manager, Fair Wage Office to fulfil responsibilities under the Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry document and operationally, the provision to goods and/or services cannot be delayed;
- (ii) a contractor or sub-contractor is in violation of the Fair Wage Policy and has not paid the appropriate restitution to its workers, as determined by the Manager (including non-compliance discovered up to 6 months after the work is completed and final payment is made); and
- (iii) a contractor or sub-contractor is unable to comply with the Labour Trades Contractual Obligations in the Construction Industry document.

The FWO procedures manual to be developed by October 2003, will establish the conditions for determining non-cooperation at the time of procurement review.

The Policy does not specifically define the circumstances in which a contractor or sub-contractor is in non-compliance with the Policy. Such conditions need to be defined to allow clarity and transparency to the introduction of disqualification provisions in the Policy. Based on practice and precedent of the Office, it is proposed that the Policy include the following conditions for finding a firm in non-compliance with the Policy:

- (i) The Contractor or Sub-contractor fails to co-operate with the Manager, Fair Wage Office, in fulfilling his/her responsibilities under the Fair Wage Policy and the Labour Trades Obligations in the Construction Industry document;
- (ii) The Contractor or Sub-contractor has been found to be in violation of the Fair Wage Policy (non-compliance applies to both Contractor and Sub-contractor); and
- (iii) The Contractor or Sub-contractor has been found to be in violation of the Labour Trades Contractual Obligations in the Construction Industry.

The first test above pertains to situations where a firm is not co-operating with the Office in an investigation to determine compliance with the Policy. The Manager is establishing procedures to guide Office staff in conducting investigations, and will set out a process after which, a lack of co-operation will be deemed to be "failure to co-operate" and identification of the firm as being in non-compliance with the Policy. The second and third tests, refer to situations where the Manager has documented a violation of the Fair Wage Policy or the LTCO document. Again, Office procedures are being defined to guide the Manager in making such a finding.

It has also been suggested through the review consultations that the Office should enforce infractions under the Occupational Health and Safety Act, and any such infractions should also be grounds for the non-compliance designation of a firm. Currently, any complaints (none within last few years) received by the Office are reported to the responsible departments. While the merits of this proposal are sound, the Office does not currently have the resources or expertise to effectively enforce the legislative requirements. The Manager will be consulting in the future with departments and Human Resources about effective implementation of this section of the Policy.

The Fair Wage Policy will also be amended to state that all firms in non-compliance and on the disqualified list will be reported publicly to City Council on an annual basis, as part of the Office's regular reporting requirements.

Disqualification provisions were suggested by the Auditor in his 2001 review of the Office, and are used in some other jurisdictions for enforcing a Fair Wage Policy. The management response report from June 2002 did include a recommendation for a 3-step disqualification process for firms found to be in non-compliance with the Policy. Under these provisions, a firm found willfully or flagrantly in violation of the policy in two separate instances over a three-year period, would be recommended by the Manager for disqualification from conducting business with the City for a one-year period. After the one-year disqualification, the firm would be placed on probation and permitted to once again bid on City work. If another instance of non-compliance were identified for the firm, then the Manager would recommend to Committee that the firm be disqualified from conducting business with the City for a two-year period. After the two-year disqualification, the firm would once again be placed on probation and permitted to bid on City work. However, if another non-compliance is identified for the firm, then the Manager would recommend to Committee that the firm be removed indefinitely from conducting business with the City.

This three-step approach to disqualification would be cumbersome and lengthy to manage. Also, the disqualification wording recommended by the Office is considered too onerous to enforce and would place a burden of proof on the Office that would be extremely difficult to implement. Specifically, the disqualification wording stated that a contractor had to be found "willfully or flagrantly" in non-compliance. Defining conditions of willful and flagrant violation of the Policy would be extremely onerous to prove and, therefore, is no longer considered an appropriate statement.

Instead, the approach proposed through the review is to be clear about the conditions that define non-compliance, simplify the disqualification process, and allow some discretion to the Manager to not automatically recommend disqualification for "innocent" non-compliance where a firm has erred and is co-operative in resolving its violations. It is proposed that the following disqualification provisions be included in the Fair Wage Policy:

- (i) when a Contractor or Sub-contractor is found to be in non-compliance with the provisions of the Fair Wage Policy in two separate instances over a period of three years inclusive, the Manager, Fair Wage Office, must report non-compliance and may recommend to the Administration Committee that said Contractor or Sub-contractor be disqualified from conducting business with the City for a period of two years inclusive; and
- (ii) after the disqualifying period is over, the Contractor or Sub-contractor will be placed on probation for the next contract year. If another non-compliance violation occurs, then the Manager will report and may recommend to the Committee that said Contractor or Sub-contractor be disqualified from conducting business with the City work for an indefinite period of time.

During the probationary contract year, the Office would conduct a proactive audit on the contract(s) awarded to the firm. All disqualified contractors and sub-contractors names will be published on the City's website.

A practical issue requiring clarity of the Policy is the extent of its application to contracted City work that has been completed. In some cases, a worker complaint concerning unpaid or low paid wages may be made after the work has been completed. Currently, the Office has no authority to investigate and enforce the Fair Wage Policy after the work has been completed and the City has made final payment. The Auditor identified this issue in his 2001 review, and the management response to Council was to include provisions in the Policy to allow the Office to investigate claims up to six months after the date of substantial completion of a contract. The review has confirmed the need for this Policy statement and proposes that it be included in the recommended Fair Wage Policy. Given that the Fair Wage Policy is based on contract law, by including the Policy in all quotation, proposal and tender documents, the contractor is bound by the conditions as outlined in the Policy for that contract. Allowing for Office investigations to occur for City contracts up to six months past the date of substantial completion of work for the City and after final payment is made (a date determined by the client department), Policy enforcement is strengthened. The Office will be working with departments to establish the effective date for the six month time line (e.g., date when staff signs off the project as "fully complete," or in the case of construction work, the authorization date of hold back payment release).

Attachment No. 1 sets out the proposed Fair Wage Policy incorporating the minor and substantive Policy changes discussed above. It is recommended that City Council adopt the revised Fair Wage Policy as set out in Attachment No. 1 to this report, effective August 1, 2003.

Application of the new Policy to City Contracts:

The Fair Wage Policy applies to all City contracts. It applies to all PMMD procurements, including the purchase of construction services (e.g., Tenders, RFQs), non-construction services (e.g., RFQs, RFPs), and supply contracts. The Policy also applies to all Departmental Purchase Orders (DPOs) managed directly by the departments and outside the PMMD procurement process. Some jurisdictions have only enforced their Fair Wage Policy with respect to construction related work. There may be opportunities in the future to explore exempting certain service and commodity sectors from the Fair Wage Policy and/or pre-approving certain types of City work. The Manager, Fair Wage Office, in consultation with the Director, Purchasing and Materials Management Division, will be considering possible opportunities to streamline application of the Fair Wage Policy to City work, including possible exemptions from the Policy for certain services (based on contract commodity/services and/or value) and/or pre-approval of certain sectors, and will report such changes to the Administration Committee in its first annual reporting in 2004.

For City contracts outside, the PMMD procurement process, including DPOs, the Fair Wage Policy continues to apply, but it is impractical and unnecessary to expect the Office to review all DPOs issued by departments (approximately 66,000 in 2002). Instead, the Manager, Fair Wage Office will communicate with all departments to advise of the applicability of the Fair Wage Policy and LTCO document to all City contracts, including DPOs, and discuss opportunities for pre-approvals and/or exemptions and report findings in its first annual reporting in 2004.

Beyond City contracts, there are circumstances where the City enters into lease arrangements as a lessor or lessee, or receives donated in-kind services and materials. The applicability of the Fair Wage Policy in these situations is investigated, in conjunction with advice from Legal Services, on a case by case basis.

Revised Fair Wage Schedules:

Fair wage rates and schedules are established through discussion with employee and employer groups and associations (having both union and non-union members). The most recent industry consultation was held March 4, 2003, to update the Fair Wage Schedules for the time period 2003-2004. In particular, advice was sought from several industry and departmental sources in determining new classifications and rates for winter maintenance.

The Fair Wage Schedules are updated and recommended to Council for approval every three years. Certain designated construction related rates are based on the lowest rate established by collective bargaining, while the wage rates for other classifications are based on market and industrial surveys in accordance with the prevailing wages for non-union workers in the geographic area. Similarly, the City encourages contractors to hire and train apprentices under approved programs. In this regard, guidance on appropriate fair wage rates will be sought from employee and employer groups as part of establishing Fair Wage Schedules.

The Fair Wage Office has developed the following Fair Wage Schedules:

- (i) General classifications;
- (ii) Heavy construction work;
- (iii) Industrial, Commercial, Institutional (I.C.I.) work;
- (iv) Road building work;
- (v) Sewer and water main construction; and
- (vi) Utility work.

Effective wage increases for the proposed new schedules in comparison with the current schedules represent roughly a three percent increase for the General classifications schedule, and three percent annually for the other construction-related schedules in accordance with prevailing union collective agreements.

During a recent audit of a firm in 2002, the issue arose that the Fair Wage Schedules do not include wage and job classification information for winter maintenance work (i.e., snow plowing, salting, etc.). Subsequent discussions with the industry and the Works and Emergency Services Department resulted in the proposal to include winter maintenance wage rates in the Fair Wage Schedules based on industry and departmental practices.

It is recommended that City Council adopt the Fair Wage Schedules 2003-2004, including new job classifications for winter maintenance, as attached to this report within Attachment No. 3, and that these Fair Wage Schedules become effective August 1, 2003. It should be noted that these proposed schedules would be effective only for new bid documents and quotes secured released after this date. The new schedules would not be binding on current City contracts in progress or contract awards in progress based on the former Fair Wage Schedules.

Revised Fair Wage Office By-law:

Former City of Toronto By-law No. 51-71 sets out the appointment of the Manager, Fair Wage Office, and the duties of the position. By-law No. 51-71 empowers the Manager to:

- (i) collect and maintain information regarding wage rates for job classifications for City contracts;
- (ii) receive and investigate complaints relates to wages paid to workers and alleged discriminatory practices in connection with City contracts;
- (iii) prepare and submit to Committee the Fair Wage Schedules;
- (iv) investigate labour conditions and workplaces under which City contracts are performed;
- (v) investigate and inspect the books and records of firms engaged in City contracts; and
- (vi) ensure the City's contractual obligations in the construction industry with respect to using certified labour trades are being met.

Under the by-law, the Manager is required to report to Committee for:

- (i) complaints on fair wage issues;
- (ii) an annual schedule of fair wage schedules;
- (iii) contractors who failed to pay fair wages; and
- (iv) other matter deemed appropriate.

It is proposed that the by-law be amended to update the responsibilities to reflect current practices, be consistent with the Fair Wage Policy and proposed changes recommended through this report. Also, the by-law needs to be incorporated into the City Municipal Code as a new chapter. A draft Bill to update By-law No. 51-71 was presented to City Council as part of the June 2002 management response report, but did not incorporate these responsibilities into the City's Municipal Code structure. Attachment No. 4 sets out the proposed Bill to codify the Manager's responsibilities and also incorporates the Fair Wage Schedules for inclusion in the Municipal Code.

It is recommended that Council enact a by-law substantially in the form of the draft by-law contained in Attachment No. 4, subject to any technical or other necessary changes, to codify the responsibilities of the Manager, Fair Wage Office, and codify the updated Fair Wage Schedules.

Proposed additions to the by-law to reflect the new Fair Wage Policy and current Office practices include:

- (i) incorporating the Manager's duties to review and approve all necessary Contractors and Sub-contractors as part of the City's procurement process;

- (ii) incorporating Manager responsibilities to conduct site inspections and interview workers on City contracts as part of the Office's investigations;
- (iii) incorporating clear reference to the Manger's responsibilities regarding the LTCO document;
- (iv) specifying annual reporting by the Manager to the Administration Committee on Office activities and issues; and
- (v) specifying reporting responsibilities of the Manager to the Administration Committee with respect to the disqualification provisions of the Fair Wage Policy.

The annual reporting of the Office activities by the Manager will incorporate the Office's accomplishments and enforcement performance, and annual work plan priorities (e.g., targeted sectors for audit during coming year).

Fair Wage Office Governance and Organizational Structure:

The Manager has reported directly to a Committee of Council since 1931. The reasoning behind this reporting relationship was to guarantee the autonomy and integrity of that authority, and provide a forum for resolving potential conflicts. In 1998, City Council confirmed that the Manager would continue to report directly to the Administration Committee on Fair Wage Policy matters, after having consulted with Human Resources and other appropriate staff. The Manager and Office would report to the Executive Director, Human Resources, for administrative purposes only, such as routine personnel matters including the provision of clerical services, attendance vacation scheduling, sick pay authorization, increment recommendations, recording and control of budget allocation and petty cash authorization.

As stated in the current by-law, the Manager is required to report to Committee complaints on fair wage issues and contractors who have not paid their workers fair wages on City contracts. Since amalgamation, the Office has reported to Committee on various Policy and Fair Wage Schedule matters, but there has been no reporting of complaints, negotiated settlements with contractors and non-complying contractors, as required by this by-law. No explanation can be found for why such reporting has not occurred. At the time of the Auditor's review of the Office, the former Manager had advised that, historically, only contractors who refuse to pay workers fair wages for City contracts being tendered would be reported before the contract award to the PMMD. Therefore, only indirect reporting of non-compliant firms at the time of contract award is reported to the PMMD, which then incorporates the FWO's comment in a report to Committee and FWO staff have attended Committee meetings to address questions of Committee members. This practice has continued through to today, pending this current review.

Given the volumes of complaints received by the Office, and the number of investigations and findings of non-compliance by the Office, reporting these instances to Committee, as prescribed by the by-law, would necessitate at least one report to every Administration Committee meeting. Instead of following this ad hoc approach, it is recommended through the proposed Policy and by-law changes that the Manager report annually to Committee.

In reviewing the governance structure of the FWO, two questions need to be answered:

- (i) should the Manager, Fair Wage Office, continue to report directly to City Council through the Administration Committee? and
- (ii) where should the Fair Wage Office be aligned administratively within the organization?

The tradition of the Fair Wage Office reporting directing to Committee results from the belief that the autonomy and integrity of the Office needs to be maintained to ensure worker's rights are protected, in regard to the Fair Wage Policy, and the contractual obligations of the City's LTCO document are met. Restructuring the Office so that it reports through a Departmental Commissioner could be viewed as a potential conflict if the Office is required to address matters pertaining to the work of the department. Possible organizational options considered included Corporate Services (Human Resources Division), Finance (Purchasing and Materials Management Division), and the CAO's Office (new internal audit function). However, it is recognized that there could be a perception of bias when weighing the interests of a department in comparison to the interests of a worker performing work for the City. The direct reporting relationship between the Manager, Fair Wage Office, and City Council, through the Administration Committee should continue.

The administrative alignment of the Fair Wage Office to a department and program has changed over time. Prior to amalgamation, the Office was administratively aligned with the Purchasing and Materials Supply Division of the former City of Toronto. In 1998, the Office was re-aligned by City Council with Corporate Services, Human Resources Division. The reasoning for the re-alignment was that better co-ordination of the issues facing the City could be provided from direct collaboration between the Office and the Labour Relations function of the Human Resources program. Also, the purpose of the Fair Wage Office is consistent with the goals of the Human Resources program, such as ensuring workers' rights, prompting equal opportunity, and establishing practices that support employment standards and compensation issues. These are reasonable arguments for the Office's current alignment. Currently, the Fair Wage Office is a separate unit within the Human Resources Division, and the Manager participates in the management team meetings of the Division.

As part of the review, other options for administrative alignment were explored. These included re-alignment within:

- (i) the Labour Relations unit of Human Resources;
- (ii) the PMMD; and
- (iii) the new Internal Audit unit within the CAO's Office.

There is an affinity for alignment with the Labour Relations unit, specifically as it relates to the resolution of complaints filed by labour trades unions over work jurisdictions under the LTCO document. For PMMD, there is an argument for alignment with the procurement function given the Office's involvement in reviewing all purchasing contracts. However, under this scenario there may be a perception of undue influence exerted for PMMD approval of purchasing contracts when the Fair Wage Office has yet to make a recommendation as to a firm's compliance with the Policy or LTCO document. The new internal audit unit is still being

established within the CAO's Office and it would not be appropriate to consider incorporation of the Fair Wage Office at this time. Overall, the real and perceived requirement for impartiality of the Office in implementing the Fair Wage Policy and LTCO document precludes it from being considered for other re-alignment options at this time. The current fit within Human Resources continues to make sense.

An accountability framework for the Manager and Office is maintained through regular administrative reporting and meetings with the Executive-Director, Human Resources, and the proposed new requirement to report annually to the Administrative Committee on the activities and issues of the Office, on a case-by-case basis as a firm is subject to the disqualification provisions of the Fair Wage Policy, and on a regular basis as the Policy and Fair Wage Schedules require updating.

Office Staffing Model:

The Fair Wage Office is currently staffed with three positions (Manager, Assistant Fair Wage Officer and Program Assistant). The addition of new resources was approved by City Council in 2000 and 2001, subject to funding being provided by the budget review process and subsequently not approved through the operating budgets due to other corporate priorities. In 2003, a similar request was included in the operating budget submission, but was not approved through the budget review process. Temporary staff (co-op students) have been hired to assist with system and procedural improvements of the Office over the summer and fall terms.

Office staffing levels are the same as before amalgamation. The predominant focus of the Office prior to amalgamation was on the purchasing functions of the former City of Toronto and Municipality of Metropolitan Toronto. With amalgamation, the Fair Wage Policy and the labour trades contractual obligations functions expanded and extended to include all seven former municipalities. The activity levels have increased (see Table 2, page 10) and issues are more complex with no corresponding increase in staffing levels. In fact, current workload demands have resulted in investigations being solely driven by reactive complaints instead of proactive investigation of industry sectors. The City Auditor's review had identified a need to increase the Office's proactive payroll audit activity to ensure that firms are complying with the Fair Wage Policy. The addition of another permanent Fair Wage Officer position would allow the Office to begin focusing on strategic policy compliance for certain sectors, as well as proactive education and awareness campaigns for contractors and departments. An annualized, proactive and targeted work plan for Policy awareness and enforcement will be instituted for the Office, allowing for a more balanced approach between proactive and complaint-drive investigations. The first work plan will be in place for January 2004.

The job functions for the Manager, Fair Wage Officer and Program Assistant are being reviewed, in conjunction with Human Resources, in the context of the proposed Policy enhancements and procedural and system reviews. Similarly, a training and development plan and succession plan has been developed for the Fair Wage Office staff. The current Manager position is an Acting assignment and it is expected that the permanent job position will be posted in the summer/fall of 2003.

It is recommended that the Fair Wage Office include in its submission for the 2004 Operating Budget cycle, a request for additional funding to increase staffing levels of the Office by one permanent position and temporary summer students.

Fair Wage Office Procedures and Systems:

Review of City Purchasing Contracts:

The workflow for the Fair Wage Office commences with the insertion of the Fair Wage Policy and Labour Trades Contractual Obligations Document to all call documents (RFQs, RFPs, Tenders) issued by the Purchasing and Materials Management Division (PMMD).

The review of the Office workflow and procedures will investigate a process to pre-approve bidders to the bidders list, as well as an annual review of lists of firms providing goods and services as part of workflow efficiency. A database of current and historical information will allow the staff to more quickly approve firms who are in compliance with the Fair Wage Policy, depending on the scope of work and whether the labour trades obligations apply. An annual workplan will assist in planning for compliance reviews in particular industries according to a specific list of criteria, in addition to responding to complaints received by the Office. It should be noted that the majority of complaints are received regarding contracts within the construction, garment, cleaning and security sectors.

Prior to the closing date, the Fair Wage Office fields calls from potential bidders regarding the Fair Wage Policy and LTCO. After the public opening of the responses to RFQs, RFPs, and Tenders, PMMD summarizes the bids received and forwards a report including, at a minimum, the lowest three bids to the FWO for review and approval respecting compliance with the Fair Wage Policy. On occasion, depending on the services or supplies being contracted for, the buyer will request review of more than three bids. In addition, the Fair Wage Office reviews all sole source requests for fair wage compliance. Currently, departments are instructed on the applicability of the Fair Wage Policy (as the DPO document includes instructions for departments to ensure compliance with the Fair Wage Policy), however the Office does not review all DPOs issued by operating departments. The FWO will undertake in its communication strategy an educational awareness campaign for operating departments regarding compliance with the Fair Wage Policy when issuing DPO's.

The Fair Wage Office review, as part of the procurement process, involves the following steps:

- (1) review of the scope of work for the project and if required, an assessment of the labour trades required;
- (2) liaise with departments and PMMD to discuss scope of work and evaluation of bid summaries;
- (3) requesting each firm to complete a Fair Wage Policy and Labour Trades Requirements – CONFIDENTIAL form (referred to as the Fair Wage Confidential) within five business days. In practise, the form is faxed to bidders and returned within 24 to 48 hours. The new format for the Fair Wage Confidential asks the following questions, as previously identified in the management response report to the Auditor's review:

- (i) Does your Firm have a Union Agreement?
 - (ii) If yes, state Union name, Local Number and Worker Group represented;
 - (iii) Will your Firm be engaging any Sub-contractors?
 - (iv) If yes, state names, addresses and telephone numbers and type of sub-contracting work;
 - (v) Has your Firm fully reviewed the provisions under the Fair Wage Policy?
 - (vi) Does your Firm understand your obligations under the provisions of the Fair Wage Policy?
 - (vii) Will your Firm agree to fully comply with all of the provisions of the Fair Wage Policy?
 - (viii) List hourly wage rates, hourly benefits (not including payroll burden deductions), and vacation and holiday pay for City work;
 - (ix) This information and wage rates shall be effective until (state expiry date); and
 - (x) Signature, title and date required.
- (4) reviewing the Fair Wage Confidential forms to ensure compliance with the Fair Wage Policy and Labour Trades Contractual Obligations;
 - (5) liaising with the Firm representatives to discuss any issues arising from the completed Confidential forms – for example, a requirement for a unionized sub-trade if the scope of work falls under one of the eight provincial collective agreements or conducting an analysis to determine the rate of wages prevailing in the particular district or locality in which the work is undertaken if there is a class of work for which there is no applicable Union rate or Fair Wage Schedule;
 - (6) the Office completes the report received from PMMD, signing off that the Firm(s) either:
 - (i) Do(es) Comply;
 - (ii) Do(es) Not Complyand in the case of non-compliance, clearly indicating the reasons for non-compliance;
 - (7) forwarding the report back to PMMD for next steps in the procurement process; and
 - (8) reviewing other low bidders if, after the departmental evaluation the three low bidders are not recommended.

All documents that are received from PMMD, external organizations and departments are tracked by the Office on a spreadsheet. Inspection files are created for all firms requested to complete a Fair Wage Confidential form and copies are made of all documents received from PMMD and signed off by the Fair Wage Office.

The circumstances under which a firm would not be approved for Fair Wage compliance include:

- (i) an investigation is underway and the firm does not co-operate in providing timely information requested by the Manager, Fair Wage Office in fulfilling his/her responsibilities under the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry and operationally, the provision of goods and/or services cannot be delayed;
- (ii) a Contractor or Sub-contractor is in violation of the Fair Wage Policy and has not paid restitution to its workers; and
- (iii) a Contractor or Sub-contractor is unable to comply with the City of Toronto Labour Trades Contractual Obligations in the construction industry.

If a contractor is in violation of the Fair Wage Policy, as long as restitution is paid to the workers or the contractor signs an undertaking to pay restitution, the pending contracts will be approved. In some circumstances, the Fair Wage Office requests departments to hold back payments and pay the balance necessary to make up the amount that should have been paid to workers and charge the balance, together with an administrative fee to the Contractor. Currently this fee is not applicable to violations of the Labour Trades Contractual Obligations enforcement.

For bidders reviewed by the Office and found to be in compliance with the Policy, standard language is inserted into all City service and supply contracts which states the following: "The Fair Wage and Labour Trades Office has reported favourably on the firm recommended". In June 2002, Council approved a recommendation to change the standard wording to "The Fair Wage and Labour Trades Office reported that the recommended firm indicated they have reviewed and understand the conditions under the Fair Wage Policy and have agreed to fully comply". If a firm is not recommended by the FWO, the reasons for not recommending the firm will be stated. On occasion, circumstances may arise that result in additional conditions being recommended by the Office prior to contract award. These conditions are used to ensure the recommended firm will comply with the Policy and/or co-operate with the Office's investigations, and are discussed with PMMD and operating departments.

The Fair Wage Office monitors the award of contracts through the various committees (i.e., Bid Committee, Works Committee, Transportation and Planning Committee) and Council and staff make themselves available to answer any fair wage questions that may arise, if required.

A number of issues have been identified about the current functions of the Office in supporting the procurement process:

- (i) exploring opportunities for enhanced communications and information sharing between the Fair Wage Office and departments, with respect to the review of bidding firms and communicating the Office's recommendations;

- (ii) the need to better track PMMD reports received for Office review and recommendation;
- (iii) opportunities for FWO pre-approval of certain commodity and services groups from the PMMD bid lists to streamline the fair wage review process;
- (iv) opportunities for streamlining the FWO review process with bidding firms by not requiring a FWO Confidential Form for every bid received for review; and
- (v) the need for clearly defining the FWO's role after the procurement recommendation has been provided by the Office, and follow-through to ensure a firm complies with the Policy through the life of and up to six months after completion and final payment of the City contract.

A number of steps are being taken to address these issues and improve Office procedures to better support the procurement process. A procedures manual is in development to provide guidance to staff regarding the steps and actions required to review and approve firms for Policy compliance. The procedures will include the conditions/circumstances for non-compliance determination. The manual will be completed by Fall 2003.

The Manager, Fair Wage Office, will be meeting with PMMD staff to enhance communication and information sharing between both work areas and investigate possible areas for FWO pre-approvals (e.g., consulting services). The outcomes of these discussion will be reported to Committee as part of the Office's first annual report in February 2004.

The Office will be more selective in requiring low bid firms to complete a FWO Confidential form. For all construction-related services, the Confidential form will still be required for each contract, largely because of the prevalent use of sub-contractors in this sector and the need to continually monitor compliance with the Policy and LTCO document. For non-construction services or supply contracts, the Office will require the completion of a FWO Confidential form once every two years, unless sub-contractors are involved in the work or the firm has been found in non-compliance previously.

To ensure due diligence with the Fair Wage Policy and LTCO requirements, the Manager will be working with PMMD, departments and Legal Services to develop and include standard language in all City services/supply contracts and agreements prior to work proceeding and in departmental work completion documents (e.g., substantial completion of work documents, work performance documents), reiterating contractor obligations to comply with the Fair Wage Policy and labour trades requirements.

Finally, a file tracking system is being developed by the Office this summer to better manage procurement review workloads.

Policy Enforcement and Inspections:

The Fair Wage and Labour Trades Office has a monitoring role for the duration and (as recommended in the proposed Policy) up to six months after contract completion and final payment. The monitoring role includes:

- (i) monitoring of the contract for compliance with the requirements of the Fair Wage Policy – i.e., workers are being paid the appropriate hourly wages, fringe benefits, vacation and holiday pay within the prescribed weekly hours; and
- (ii) monitoring of the contract for adherence to the Labour Trades Contractual Obligations – i.e., Contractors or Sub-Contractors have the appropriate union affiliations when performing work within the industrial, commercial and institutional sectors of the construction industry.

Due to limited resourcing, monitoring and enforcement of the Policy has been strictly complaint-based. Complaints are generally received by the Office from workers, unions, and competing firms. The Fair Wage Office maintains a hotline for complaints to be lodged in a confidential manner. Depending on the nature of the complaint, an initial investigation is commenced to determine if a complaint has merit. An investigation can take the form of a communication with the principals and/or workers over the telephone, a worksite inspection and/or an unannounced head office visit to inspect payroll records. With the exception of grievances against the City of Toronto pursuant to the Labour Trades Contractual Obligations, the origin of complaints, are kept confidential and follow-up is only provided if the complainant is a worker.

If the initial investigation suggests to the Manager that a firm may be in non-compliance, an audit of the firms payroll records (“payroll audit”) regarding City contracts is performed by Office staff. The payroll audit identifies workers, their job classifications, hours worked, wage rates and benefits paid, and wage rates and benefits required under the Fair Wage Policy. The payroll audit identifies whether specific workers have been compensated in accordance with the Policy. If a firm has not been paying its workers the proper wage, the Manager deems the firm to be in non-compliance with the Policy and instructs the firm to pay its workers the appropriate monetary restitution to make up the proper wage and benefit rate. The Office currently also has the discretion to charge an administrative fee of 10 percent (the proposed new Policy increases the fee of 15 percent). The FWO requires the firm to provide copies of the cancelled cheques provided to its workers as proof of compliance with the Managers’ findings from the payroll audit. After resolution of a payroll audit, the firm is identified by the Office to be in good standing with the Fair Wage Policy.

With regard to enforcement of the LTCO document, the Fair Wage Office provides support to Labour Relations staff regarding grievances filed against the City by a labour trades union for infractions of the Labour Trades Contractual Obligations by contractors, sub-contractors, or other unions on City contracts. Meetings are convened with all parties (departmental representatives, contractor and/or sub-contractors, the union filing the grievance) present with the aim of resolving the dispute, settling any claims, before a grievance is formally lodged to the Ontario Labour Relations Board (OLRB). If the grievance cannot be resolved amongst the parties, the grieving party has the right to petition the OLRB for resolution of the grievance. Fair Wage Office staff sometimes are required to attend the OLRB, with City Legal Services and Labour Relations staff to represent City interests before the Board.

The principal issues identified around Policy enforcement and inspections include:

- (i) the lack of resources to more proactively enforce the Fair Wage Policy and LTCO document;
- (ii) the need for better communication with complainants and firms regarding the Office investigations, their status and resolution; and
- (iii) the need for better internal case management and tracking on pending investigations and payroll audits conducted by the FWO, and better information sharing with departments and PMMD.

This report recommends approval in principal for an additional position for the Office to focus on proactive enforcement and awareness of the Policy. With additional resourcing, monitoring will be proactive with annual audit objectives established for specific contracts and/or industries/commodity groups. The objectives and activities will be reported annually to Council.

The FWO is improving its administrative systems, including the development and use of standard acknowledgment letters and follow-through communication with complainants, firms, and impacted departments within specific time frames to improve overall communication. This work is scheduled for completion in the Fall of 2003.

The Fair Wage Office's procedures manual, currently in development, will set out the conditions, steps and timelines for Office staff in dealing with complaints, conducting investigations (complaint-driven and proactive), undertaking audits of firm payroll records (including standardized audit templates), completing LTCO investigations, and communication strategies for dealing with matters. Steps in reviewing and resolving complaints (about wages, fringe benefits, hours or labour trades work jurisdictions), conducting investigations (including site inspections and payroll audits) will also be clearly outlined. The Manager will be consulting with the Auditor-General's Office, the new Internal Audit function within the CAO's Office, Legal Services, the Labour Relations Unit, and PMMD regarding this procedures manual for Policy enforcement. These procedures will be used by the Manager to guide the determination of a firm's compliance with the Policy. The Office will begin reporting to Council (through annual reports) all firms found to be in non-compliance with the Fair Wage Policy and the LTCO document, effective with Council approval of the new Fair Wage Policy.

Case management practices are being instituted to manage the Office's investigation and payroll audit procedures. Checklists are being established for each case file (e.g., a contractor) to track and monitor Office actions and progress to resolve Policy and LTCO investigations and payroll audits.

Policy and Fair Wage Schedules Management:

The Fair Wage Schedules are updated by the Office and approved by Council every three years or more frequently, as determined by the Fair Wage Manager to reflect prevailing industry rates. Industry representatives (unions, contractors, ABC's, departments) are consulted on all updates to the schedules (and Policy) and regular communication is maintained with unions, labour

groups, Boards of Trade, departments, associations, other municipalities and governments in the collection and maintenance of information and data. New classifications are added to the schedules as required and are developed in consultation with the industry and departments, in the same manner described above. If issues arise during the monitoring and compliance phases of contracts where a classification is not identified in the Fair Wage Schedules, the Fair Wage Manager applies the prevailing wage rate in the particular district or locality, as outlined in the Fair Wage Policy.

The proposed changes to the Fair Wage Policy will continue to require the Manager to update the Schedules on a regular and present the Schedules to Council for approval. Also, as Policy or wage schedule issues arise, the Manager will report these matters to Committee and Council as part of the annual reporting by the Office.

Fair Wage Policy Advice, Reporting and Office Management:

The Fair Wage Manager and staff attend and report to Bid Committee, Standing Committee and City Council meetings, as required, to provide advice on Fair Wage Policy and LTCO matters. The Office provides advice and guidance to firms bidding on and engaged in City of Toronto contracts, departments involved in the procurement of supplies and services and approximately eighteen organizations (including some ABCs) utilizing the City's Fair Wage Policy. Of the eighteen organizations utilizing the Policy, four are proactive, to varying degrees, in seeking approval for contracts from the Fair Wage Office (Exhibition Place, Toronto Public Library Board, Toronto Zoo and University of Toronto). Currently, Exhibition Place is the only organization that provides payment for Fair Wage Office services (\$644.25 per quarter/\$2,577 annually). These revenues are budgeted annually but allocated to the general revenue account for the City. Depending on additional resourcing availability, the Fair Wage Office has the option of re-establishing former relationships with some of these organizations to review and Policy enforcement services, through appropriate service level agreements, on a cost recovery basis. The Office's procedures manual will include conditions, steps and time lines for its involvement in non-city contracts.

The Fair Wage Office is committed to ongoing communication with industry and department representatives involved in monitoring and ensuring compliance with the Fair Wage Policy and Labour Trades Contractual Obligations. The following are a number of initiatives (with timelines) that are underway by the Office:

- (i) development of a comprehensive communication plan regarding changes to the Fair Wage Policy and procedures (prior to August 1, 2003);
- (ii) development of a simple "Guide to the Fair Wage Policy and Labour Trades Contractual Obligations Documents" to be distributed with all bid call documents (prior to August 1, 2003);
- (iii) development of a "Fair Wage Policy Kit" for all contractors that will include posters and multilingual brochures for posting and distribution at all work sites (prior to August 1, 2003);

- (iv) distribution of information packages and contact names/numbers for all departments that describe the role and activities of the Fair Wage Office (prior to August 1, 2003);
- (v) establishing annual meetings with departments and organizations involved in the monitoring of City of Toronto contracts (commencing September 2003);
- (vi) incorporating the Fair Wage Schedules into the Municipal Code; and
- (vii) investigating opportunities to automate of the approval process between PMMD and the Fair Wage Office providing access to departments to monitor the status of pending awards and status of contractor compliance with the Fair Wage Policy (ongoing).

The revenues collected by the Office from the administrative fees have been averaging approximately \$3,700 annually. Currently, these revenues are allocated to the City's general revenues. If the Office had access to these funds, it could be more proactive in its educational and awareness campaigns to communicate the City's Fair Wage Policy and LTCO. The Office will be consulting with Finance staff to explore revenue opportunities for use by the Office for communication and education campaigns. Any proposed changes will be reported to the Administration Committee.

Reporting Office activities will be regularized as a result of this review. Activities and issues will be reported to Council on an annual basis within the first quarter of each new year. As required, recommendations for disqualification of firms from bidding on City of Toronto work will be forwarded to Council for approval.

Performance indicators and measures are in development to track Office activity and performance. Standard service levels are being established for procurement review and Policy enforcement functions. Targets for achieving these service levels will be established and reported annually.

To improve Office management practices and accountability, two internal management systems are in development by the Office:

- (i) a procurement approvals tracking system to manage the Office's purchasing review functions; and
- (ii) a Fair Wage Office case management system to manage investigations and audits of payroll records.

The new file tracking/case management system will document all activities (in a checklist format) taken with firms/contracts in the approval, monitoring and investigation stages. Easily accessible data will be available on:

- (i) firms currently in-compliance/not in-compliance (and how many violations);
- (ii) pending investigations and status of the investigation – site inspection, payroll audit;

- (iii) pending labour trade jurisdictional investigations; and
- (iv) pending labour trade jurisdictional grievances.

These will be implemented by Fall 2003 and activities will be reported to the Administration Committee in the first quarter 2004.

Go Forward Actions:

Communications Strategy:

The new Council-adopted Fair Wage Policy and 2003-2004 Fair Wage Schedules will be extensively communicated to the public through the City of Toronto website, correspondence to industry representatives and through revisions to the City's bid call documents, to ensure all affected parties are aware of the new Policy and Schedules. On an ongoing basis a simple "Guide to the Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry" will be included with the call documents.

Specific initiatives, such as distribution of a "Fair Wage Policy Kit" to all contractors that will include posters and multilingual brochures for posting and distribution at all work sites. Fair Wage Office staff will provide general training on the changes to the Fair Wage Policy to all relevant departments and role specific training for department Project Managers/Inspectors in assisting with monitoring compliance with the Fair Wage Policy.

The Fair Wage Manager will provide the first annual report to Council in the first quarter of 2004.

Strengthening the Organization:

The FWO staff development and training plan will be implemented during the summer and fall of 2003 to ensure appropriate training for staff. Two co-op students have been hired to assist the Office establish its procedures manual and management systems. The Manager position will be posted in the summer. The report includes a recommendation to authorize a request for one additional permanent position and temporary student positions through the 2004 budget process to further strengthen the organization and provide more effective service delivery.

Evaluation of new Policy and Practices:

An evaluation of the new Fair Wage Policy and practices recommended and described in the report will be included in the annual reporting to Committee. As part of the evaluation considerations, the FWO will be convening annual consultation meetings with affected departmental programs to ensure open and constructive communication occurs with respect to implementation of the Policy and LTCO document. Regular consultations with the industry, as updates to the Fair Wage Schedules are being considered, will continue and be reported to Committee as well.

Conclusions:

This review set out to accomplish three objectives:

- (i) review and update the Fair Wage Policy and Fair Wage Schedules;
- (ii) address FWO governance issues; and
- (iii) address procedural matters of the FWO.

The report provides an enhanced policy framework and updated schedules to continue City's long tradition of ensuring workers rights are safeguarded and enforced. Report describes operational improvements in place and in development to ensure the Office continues to service the interests of workers involved in City contracts and fulfil Council's policy.

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List of Attachments:

- Attachment No. 1 – Proposed Fair Wage Policy (May 2003).
- Attachment No. 2 – Labour Trades Contractual Obligations in the Construction Industry.
- Attachment No. 3 – Proposed Fair Wage Schedules 2003-2004.
 - General Classifications
 - Heavy Construction Work
 - Industrial, Commercial, Institutional (I.C.I.) Work
 - Road Building Work
 - Sewer and Watermain Construction
 - Utility Work
- Attachment No. 4 – Draft By-law.

Attachment No. 1
Proposed Fair Wage Policy
(May 2003 – proposed changes are shown in bold italics for reference)

(A) The Purpose of Fair Wage Policy:

The Fair Wage Policy has a central principle the prohibition of the City doing business with Contractors, *Sub-contractors* and suppliers who discriminate against their workers. Originally implemented in 1893 to ensure that contractors for the City paid their workers the union rates or, for non-union workers, the prevailing wages and benefits in their field,

the Fair Wage Policy has expanded over the years to other non-construction classifications such as clerical workers. The Policy also requires compliance with acceptable number of working hours and conditions of work in order to protect the rights of workers. *Incidences of non-compliance, as defined by the Fair Wage Policy are reported to Council annually.*

The intent of the Fair Wage Policy can be summarized as follows:

- (i) to produce stable labour relations with minimal disruption;
- (ii) to compromise between the wage differentials of organized and unorganized labour;
- (iii) to create a level playing field in competitions for City work;
- (iv) to protect the public; and
- (v) to enhance the reputation of the City for ethical and fair business dealings.

Establishing fair wage rates and schedules are intended to minimize potential conflicts between organized and unorganized labour in the tendering and awarding of civic contracts. Fair Wage rates are established through discussion with employee and employer groups and associations (having both union and non-union members). These rates are *reviewed* by the above-noted groups and are recommended to Council, by the Manager, Fair Wage Office for approval *on a regular basis*. Certain designated construction related rates are based on the lowest rate established by collective bargaining, while the wage rates for other classifications are based on market and industrial surveys in accordance with the prevailing wages for non-union workers in the geographic area. Similarly, the City encourages Contractors to hire and train apprentices under approved programs. In this regard, guidance on appropriate fair wage rates (*including an appropriate factor for apprenticeship programs for construction related trades*) will be sought from employee and employer groups as part of establishing Fair Wage Schedules.

The fair wage rates do not apply to small businesses, typically those with owner-operators, or partnerships, or principals of companies as long as they undertake the work themselves.

(B) City of Toronto Council Reference:

The City of Toronto Council on October 1 and 2, 1998, adopted the recommendation of The Corporate Services Committee (Report 13, Clause No. 1) which states: “the Fair Wage Policy...be adopted for all City Departments, Agencies, Boards and Commissions and replace all existing fair wage policies of the former local municipalities”

It should be noted that under the above authority, the conditions of the Fair Wage Policy cannot be waived, unless authorized by Council to do so.

(C) Fair Wage Definitions:

- (i) Field Work: “field work” shall mean all work in performance of the Contract that is not shop work;
- (ii) Shop Work: “shop work” shall mean any work in performance of the Contract that is done in or at any factory, foundry, shop or place of manufacture not located at or upon the site of the work, and not operated solely for the purpose of the work;
- (iii) Workers: “workers” shall include mechanics, workers, labourers, owners and drivers of a truck or other vehicle employed in the execution of the Contract by the Contractor or by any Subcontractor under them and clerical staff;
- (iv) Fair Wage Schedule: “Fair Wage Schedule” shall mean stipulated rates of pay for different classifications of work produced and obtainable from the Fair Wage and Labour Trades Office;
- (v) *Contract*: “*Contract*” shall mean a legal, business agreement between the City of Toronto and the Contractor to perform work or services or in the provision of materials and supplies”;
- (vi) *Contractors*: “*Contractors*” shall mean the prime contractor with the City of Toronto performing work or services in the execution of the Contract;
- (vii) *Sub-contractors*: “*Sub-contractors*” shall mean any agent of the prime contractor or any Sub-contractor hired to perform any of the work or services in the execution of the Contract;
- (viii) *Non-compliance*: “*Non-compliance*” shall mean occurrence of any of the following conditions:
 - (a) contractor fails to co-operate with the Manager, Fair Wage Office in fulfilling his/her responsibilities under the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry;
 - (b) sub-contractor fails to co-operate with the Manager, Fair Wage Office in fulfilling his/her responsibilities under the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry;

- (c) *contractor or Sub-contractor has been found in violation of the Fair Wage Policy (non-compliance applies to both Contractor and Sub-Contractor);*
- (d) *contractor has been found in violation of the Labour Trades Contractual Obligations in the Construction Industry; and*
- (e) *sub-contractor has been found in violation of the Labour Trades Contractual Obligations in the Construction Industry.*

All non-compliance activities will be reported to Council annually.

- (ix) Fringe Benefits: “Fringe Benefits” shall include such benefits as company pension plans, extended health care benefits, dental and prescription plans, etc. It does not include *legislated* payroll deductions such as C.P.P., E.H.T., W.S.I.B. or E.I.C.

(D) Fair Wage Policy and Provisions:

(a) *Application:*

The provisions of the Fair Wage Policy apply equally to Contractors and all Sub-contractors engaged in work for the City of Toronto. It is understood that Contractors cannot sub-contract work to any Sub-contractor at a rate lower than called for in the Fair Wage Policy. Contractors or general contractors will be responsible for any violations or non-compliance issues arising from the engagement of any Sub-contractor on City work.

(b) Contractor and Sub-contractor Responsibilities:

- (1) the Contractor or *Sub-contractor* shall not discriminate against workers or applicants for employment as workers because of race, creed, colour, national origin, political or religious affiliation, sex, sexual orientation, age, marital status, family relationship, and disability;
- (2) the Contractor shall at all times comply with the Occupational Health and Safety Act and its regulations and take every precaution reasonable in the circumstances for the protection of workers. If the Contractor sub-contracts any or all of the work or services to be performed, the Contractor will ensure the Sub-contractors are qualified to perform the work or services and comply with the Occupational Health and Safety Act and its regulations;

- (3) the Contractor or Sub-contractor shall pay or cause to be paid weekly or biweekly to every worker employed in the execution of the Contract (and shall see that every owner of a truck or other vehicle employed by the Contractor or by any subcontractor in the execution of the Contract shall pay, or cause to be paid, weekly or biweekly to each of the owner's drivers) wages at the following rates, namely:
- (i) for workers employed in shop work, the Union rate of wages in the particular district or locality in which the work is undertaken for any class or work in respect of which there is such Union rate, and for any class of work for which there is no such Union rate, the rate of wages shall be the rate of wages, *as determined by the Manager, Fair Wage Office* prevailing in the particular district or locality in which the work is undertaken;
 - (ii) for workers employed in field work;
 - (a) where the Contractor or Sub-contractor is in contractual relationship with a Union recognized by the Ontario Labour Relations Board as the bargaining agent for the relevant workers, the applicable rate of wages set out in the collective agreement; and
 - (b) where there is no such contractual relationship, a rate not less than that set out for such work in the Schedule of Wage Rates filed by the Manager, Fair Wage Office, with the City Clerk of the Corporation after being first approved by Toronto Council (hereinafter called "the Fair Wage Schedule") *and for any class of work for which there is no rate, the rate of wages shall be the rate of wages, as determined by the Manager, Fair Wage Office, prevailing in the particular district or locality in which the work is undertaken,*

and for the purpose of this paragraph, "wages" or "rate of wages" shall include the *hourly rate, vacation and holiday pay* and any applicable amount for fringe benefits shown in the current Fair Wage Schedule, to be paid to the worker as part of the worker's wages or for the worker's benefit as provided in any collective agreement as aforesaid applicable to such worker.

- (4) The Contractor and Sub-contractor shall:
- (i) at all times keep a list of the names *and classifications* of all workers employed in the Work, *the hourly rate and hours worked per day* and a record of the amounts paid to each;

- (ii) from time to time, if demanded by the Manager, Fair Wage Office, furnish a certified copy of all paysheets, lists, records and books relating to the work and keep the originals thereof open at all times for examination by the Manager; and
 - (iii) at all times furnish and disclose to the said Manager any other information respecting wages of workers that may be desired by the Manger in connection with the Work.
 - (iv) *the Fair Wage Office will have the authority to request any information respecting wages of workers, names of workers, records of amounts paid to each, paysheets, original books, etc. that may be desired by the Manager in connection with a contract that has been substantially completed within the past six months; and*
 - (v) *failure to co-operate will be considered Non-compliance with the Fair Wage Policy.*
- (5) the Contractor or Sub-contractor shall not compel or permit any worker engaged for the Work to work more than the number of hours per day and the number of hours per week set out in the Fair Wage Schedule for the particular type of work involved except in case of emergency, and then only with the written permission of the Commissioner or head of the Department having charge of the Work or the person then acting as such.
- (c) Manager, Fair Wage Office, Responsibilities:
- (1) in case of a jurisdictional dispute or dispute as to rate of wages to be paid under the Contract or as to the amount to be paid to any worker, the decision of the Manager, Fair Wage Office, shall be final and binding upon all parties;
 - (2) if the Contractor or Sub-contractor fails to pay any worker (or if any owner of a truck or other vehicle fails to pay any driver) wages at the rate called for in paragraph (D), the Corporation may charge an administrative fee not in excess of *fifteen percent* of the balance necessary to make up the amount that should have been *paid from the Contractor's progress draw or holdback, and may pay the worker(s) directly for any back-wages owing directly from the Contractor's progress draw or holdback;*
 - (3) if the Contract is to be for the purchase of supplies or materials to which the provisions in paragraph (D) respecting the rates of wages to be paid to workers engaged in shop work and field work do not apply, Toronto Council will, before awarding same, cause to be secured from the Manager, Fair Wage Office, *a recommendation* as to whether or not the tenderer or bidder maintains a fair wage level;

- (4) *if a Tenderer or Bidder is found not to comply with the Fair Wage Policy the Manager may recommend the next lowest bidder for Contract award in the following circumstances:*
- (i) *an investigation is underway and the firm does not co-operate in providing timely information requested by the Manager, Fair Wage Office in fulfilling his/her responsibilities under the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry and operationally, the provision of goods and/or services cannot be delayed;*
 - (ii) *a Contractor or Sub-contractor is in violation of the Fair Wage Policy and has not paid restitution to its workers; and*
 - (iii) *a Contractor or Sub-contractor is unable to comply with the City of Toronto Labour Trades Contractual Obligations in the construction industry.*
- (5) workers engaged in clerical office work are to be paid a rate of wages no less than the surveyed standard for each classification of worker for the particular industry at the time of tendering.
- (6) the Contractor and Sub-contractor must display legible copies of this “Fair Wage Policy” in a prominent position in his/her workshop(s), accessible to all employees.
- (7) the Contractor shall attach to all accounts rendered for payment of money upon the contract, *as requested by the Manager, Fair Wage Office and for the final account*, a declaration affirming that the requirements of the foregoing paragraphs have been fully complied with.
- (d) *Disqualification Provisions:*
- (i) *when a Contractor or any Sub-contractor is found to be in Non-compliance with the provisions of the Fair Wage Policy in two separate instances over a period of three years inclusive, the Manager, Fair Wage Office must report and may recommend to the Administration Committee that the said Contractor or Sub-Contractor be disqualified from conducting business with the City for a period of two (2) years inclusive;*
 - (ii) *after the disqualifying period is over, the said Contractor or Sub-contractor will be placed on probation for the next contract year. If another Non-compliance violation occurs, the Manager, Fair Wage Office must report and may recommend to the Administration Committee that the said Contractor or Sub-contractor be disqualified from conducting business with the City for an indefinite period of time.*

All non-compliance activities (including firm names) and disqualification statistics will be reported to Council annually. Disqualified firms will be published on the City's web site.

Attachment No. 2

Labour Trades Contractual Obligations in the Construction Industry

(A) Legislative Applicability of Labour Trades Obligations:

The mandatory Labour Trades provisions for municipalities bound by province-wide collective agreements are separate from Fair Wage Policy established, monitored and enforced by the City. Central to any understanding of municipal obligations to Labour Trades, is that the City has no discretion in setting wage rates or in using union labour for certain trades performing work for the City. This is by virtue of the Province-wide collective agreements applicable to trades in the Industrial, Commercial and Institutional (ICI) and Residential sectors and other negotiated collective agreements in other sectors of the construction industry.

The Province-wide collective agreements are binding on all employers in the sector. The former City of Toronto was first considered an "employer" when the relevant unions obtained bargaining rights beginning in 1978. As a result, subject to the jurisdiction of the collective agreements, union workers must be used for contracted-out work. The use of union sub-contractors for municipal building projects is also required in most cases.

(B) Current Labour Trades Contractual Obligations in the Construction Industry:

(1) the City of Toronto is bound by the current province-wide collective agreements with respect to the Industrial, Commercial and Institutional sectors of the construction industry between:

- (i) The Carpenters' Employer Bargaining Agency and the Ontario Provincial Council, United Brotherhood of Carpenters and Joiners of America;
- (ii) The Mechanical Contractors Association of Ontario and the Ontario Pipe Trades Council of the United Association of Journey-men and Apprentices of the Plumbing and Pipe-Fitting Industry of the United States and Canada;
- (iii) The Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and The International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario;
- (iv) The International Union of Bricklayers and Allied Craftsmen and the Ontario Provincial Conference of the International Union of Bricklayers and Allied Craftsmen, and The Masonry Industry Employers Council of Ontario;

- (v) The International Association of Heat and Frost Insulators and Asbestos Workers and The Master Insulators' Association of Ontario Inc.;
 - (vi) The International Brotherhood of Painters and Allied Trades and The Ontario Painting Contractors Association;
 - (vii) The Ontario Glazier Agreement between The Architectural Glass and Metal Contractors Association and The International Brotherhood of Painters and Allied Trades; and
 - (viii) The Environmental Sheet Metal Association Toronto and the Sheet Metal Workers' International Association and the Ontario Sheet Metal Workers' Conference.
- (2) Exhibition Place is bound by collective agreements in all sectors of the construction industry between:
- (i) (a) The Carpenters' Employer Bargaining Agency and The Ontario Provincial Council, United Brotherhood of Carpenters and Joiners of America;
 - (b) The Mechanical Contractors Association of Ontario and The Ontario Pipe Trades Council of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada;
 - (c) The Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and The International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario; and
 - (d) Letters of Understanding between the Board and, respectively, Local 506 of the Labourers International Union of North America and The International Brotherhood of Painters and Allied Trades.

Any non-maintenance part(s) of the Work that is the work of Union members for whom the said Council, Brotherhood, Association or Local is the collective representative under the provisions of any one of the said collective agreements or the said Letters shall in each case be performed only by an employer owing contractual obligations to such representative, unless such obligations do not prohibit performance of such part(s) of the Work by others.

(C) Guidelines for Prospective Bidders:

This summary is an overview of the current status of trades' certifications and the relevant construction sectors for which firms and workers with the appropriate union affiliations must be used when performing the following work for the City of Toronto and Exhibition Place.

Type of Work	City of Toronto	Exhibition Place
	*I.C.I	
Asbestos/Insulation	<input checked="" type="checkbox"/>	
Bricklaying/Masonry	<input checked="" type="checkbox"/>	
Carpentry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Electrical	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Glazing	<input checked="" type="checkbox"/>	
Labourers		<input checked="" type="checkbox"/>
Mechanical	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Painting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sheet Metal	<input checked="" type="checkbox"/>	

* (Industrial, Commercial, Institutional sector)

The Fair Wage and Labour Trades Office will make final decisions with respect to:

- (i) work jurisdictions;
- (ii) type of work involved;
- (iii) whether or not union firms/workers must be used, and
- (iv) if Labour Trades Contractual Obligations apply.

Attachment No. 3
Fair Wage Schedule

2003 - 2004

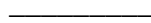
[To become the Schedule to City of Toronto Municipal Code, Chapter 67, Fair Wage]

General Classifications

Trade	Effective Date	Hourly Rate	*Vacation and Holyday Pay	*Fringe Benefits	Weekly Hours of Work
Security Guards (Basic and Night Watchperson)	May 1/03	\$8.75	4%	\$0.30	44
Security Guards (Alarms, CCTV Control, Etc.)	May 1/03	\$10.81	4%	\$0.30	44
Security Guards (K-9 Unit)	May 1/03	\$13.46	4%	\$0.30	44
Security Guards (Armed)	May 1/03	\$14.50	4%	\$0.30	44
<u>Building Cleaning and Maintenance</u>					
Cleaner (Light Duty)	May 1/03	\$9.78	4%	\$0.42	40
Cleaner (Heavy Duty)	May 1/03	\$11.33	4%	\$0.42	40
Handyman/Woman (General Maintenance and Snow Removal)	May 1/03	\$14.16	4%	\$0.50	50
<u>Window Cleaners:</u>					
Interior/Exterior	May 1/03	\$10.04	4%	-	44
Ladder	May 1/03	\$12.87	4%	-	44
High Rise	May 1/03	\$18.54	4%	-	44

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<u>Landscaping</u>					
Labourers (New) (first 1200 hours only)	May 1/03	\$19.40	10%	\$5.99 \$6.39	50
Labourers (including sod roller operators)	May 1/03	\$22.05	10%	\$6.39	50
Landscape Gardeners, Farm Tractors without excavating attachments fork lifts, truck drivers, load bearing boom truck Operators, machine driven tools on any other equipment that is operated by remote control	May 1/03	\$22.20	10%	\$6.39	50
Form setters, concrete finishers, landscape stone setters of all types, landscape brick setters, landscape irrigation, pipe layers, float drivers, reinforcing steelperson, drillers of all types, high pressure water equipment, small trenchers, mini-skid steel loaders, and all other similar small equipment	May 1/03	\$22.55	10%	\$6.39	50
Drivers of Farm Tractor with pulverizing or fine grading equipment	May 1/03	\$23.35	10%	\$6.39	50
Dozer and Loader Operator and Backhoe Operator	May 1/03	\$23.50	10%	\$6.39	50
Grader Operator	May 1/03	\$23.60	10%	\$6.39	50

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Garage Concrete Repairs and <u>Restoration</u>					
Carpentry and Hydro Demolisher	Oct 1/03	\$25.10	10%	\$4.00	40
Skilled Workers	Oct 1/03	\$21.60	10%	\$4.00	40
Unskilled Labourer	Oct 1/03	\$16.10	10%	\$4.00	40



Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits
<u>Winter Maintenance</u>				
<u>Loading Operators</u> Front End Loader, Backhoe Operator, Skid Steel Loader	May 1/03	\$25.46	4%	
<u>Snow Removal Operator</u> Truck with Plough Operator, Grader, Front End Loader, Truck Driver Salt Spreader, Driveway Snow Removal Operator, Bob Cat Operator	May 1/03	\$24.69	4%	

		Weekly Rate	Hourly Rate		
<u>Standby Operators</u>					
Single axle epoke salt spreader, Tri axle salt spreader, Anti-icing truck grader, Truck with plough operator, Driveway cleaning equipment, Skid steer loader	May 1/03	\$309.16	\$23.10	4%	
		Weekly Rate + Living Expenses	Hourly Rate		
<u>Camp Operators</u>					
Front end loader, Truck driver/salt spreader, Truck driver with plough andader	May 1/03	\$893.38	\$21.00	4%	
<u>Parking Lots</u>					
Truck Driver/Salt Spreader, Truck Driver with Plough	May 1/03	\$23.00		4%	.50
3/4 Ton Pickup Truck with Plough	May 1/03	\$14.16		4%	.50
Labourers, snow removal	May 1/03	\$15.50		4%	.50

For wage rates of classifications not covered by this Schedule, contact the Fair Wage and Labour Trades Office.

*Fringe Benefits: “Fringe Benefits” shall include such benefits as company pension plans, apprenticeship training, extended health care benefits, dental and prescription drugs, etc. It does not include payroll burden deductions such as C.P.P., E.H.T., W.S.I.B., E.I.C., etc.

* Vacation And Holiday Pay – 10 percent of the hourly rate.

For contractors that do not offer “fringe benefits” to their workers, the fringe benefits hourly rate shall be added to the hourly or weekly rate as shown above.

Fair Wage and Labour Trades Office
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Fair Wage Schedule

2003 - 2004

[To become the Schedule to City of Toronto Municipal Code, Chapter 67, Fair Wage]

Heavy Construction Work

This Schedule is applicable to the Construction, Reconstruction, Rehabilitation, Repair of Bridges, Overpasses, Underpasses, etc.

This Schedule is not applicable to Resurfacing or New Road Construction, otherwise covered by the Road Building Agreement.

Trade (Excluding Tunnelwork)	Effective Date	Hourly Rate	*Vacation and Holiday Pay	Fringe Benefits	Weekly Hours of Work
<p><u>Labourers:</u></p> <p><u>Group 1</u></p> <p>Labourers, including labourers on stripping on all form work, erecting and dismantling of all tubular scaffolding, and wire mesh installers, carpenter's labourers, epoxy injector, group-pointer-painter, mortarperson, dinky motorperson, small mixers (under 1 yard), concrete workers (screed-person, puddler, floatperson) farm tractor driver, mixer person and route group pump person including non-self propelled slurry pumps, mini skid steer loaders and mini backhoes of 45 h.p. and under and similar small equipment, pitbottom person, signal person, all machinery-driven tools by gas, electric and air, in open cut work, pipelayer's helper pumps - 3" and under, heater person (under 500,000 BTU and in groups of 4 or less), fork lift operator, grout plant operator on surface</p>	<p>May 1/03 Jan 1/04</p>	<p>\$28.68 \$28.68</p>	<p>10%</p>	<p>\$7.05 \$7.30</p>	<p>45</p>
<p><u>Group 2</u></p> <p>Scootcrete, sheeting and shoring person, timberperson in trench, labourers on wellpoints, pipelayers, maintenance hole constructor and valve chamber constructor</p>	<p>May 1/03 Jan 1/04</p>	<p>\$28.93 \$28.93</p>	<p>10%</p>	<p>\$7.05 \$7.30</p>	<p>45</p>
<p><u>Group 3</u></p> <p>Reinforced concrete workers, and form setters, jackhammerperson, concrete vibrator person, hydro demolisher person</p>	<p>May 1/03 Jan 1/04</p>	<p>\$28.98 \$28.98</p>	<p>10%</p>	<p>\$7.05 \$7.30</p>	<p>45</p>

Trade (Excluding Tunnelwork)	Effective Date	Hourly Rate	*Vacation and Holiday Pay	Fringe Benefits	Weekly Hours of Work
<u>Group 4</u> Pile Installation - all types, steel strut installer and dismantler, concrete-cement finisher precast installer, erector and finisher including post-tensioning, rigging of components and sandblasting, rigger burner, pit miner, drillers, wagon drillers in caissons, underpinning or shaft sinking, lead man - pile driving, grout person, gunnite and shotcrete person, sandblasters, mixerperson and grout pump person including non-self propelled slurry pumps, shear-stud installer	May 1/03 Jan 1/04	\$29.08 \$29.08	10%	\$7.05 \$7.30	45
<u>Group 5</u> Carpenter Form-builder, Fabricator, Erector and welder (certified), (Rod or Semi-Automatic)	May 1/03 Jan 1/04	\$30.68 \$30.68	10%	\$7.05 \$7.30	45
<u>Group 6</u> Welder with own rig (rod or semi-automatic)	May 1/03 Jan 1/04	\$50.16 \$50.16	10%	\$7.05 \$7.30	45
<u>Group 7</u> Flag Person	May 1/03 Jan1/04	\$15.77 \$15.77	10%	\$7.05 \$7.30	50
<u>Group 8</u> * Casual Watchperson	May 1/03 Jan 1/04	\$708.50 /wk. \$708.50 /wk.	10%	\$6.55 \$7.05 \$7.30	50

* An employee working as a labourer who is required to do casual watching or work as a flagperson on a casual or intermittent basis will not have their rate reduced thereby.

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<p><u>Tunnel Work</u></p> <p><u>Group 1</u></p> <p>Labourers (on surface) including labourers on stripping and tabular scaffolding, erectors, carpenter's helpers (on surface), classified labourers; (on surface) Dinky motorperson, small mixers (under 1 yard) sheeting and shoring person, pipelayers helper, mortarperson, concrete workers (screedperson-puddler- floatperson) form setters, farm tractor driver (no excavating attachment), mixer person and grout pump person including non-propelled slurry pumps mini skid steer loaders and mini backhoes of 50 h.p. and under and similar small equipment, signal person, deck person, pumps - 3" and under, hopperperson (when needed) heater person (under 500,000 B.T.U. and in groups of 4 or less); carpenter improver, fork lift operator</p>	<p>May 1/03</p> <p>Jan 1/04</p>	<p>\$30.98</p> <p>\$30.98</p>	<p>10%</p>	<p>\$7.05</p> <p>\$7.30</p>	<p>45</p>

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<p><u>Group 2</u></p> <p>Pitbottom person, caulkers, cage-signalperson, plain and reinforced concrete work person, scootcrete, underground labourers, muckers, loco-driver, labourers on well - points in tunnel, concrete vibrator person, pipelayer in tunnel, maintenance hole constructor and valve chamber constructor in tunnel, rigger burner, chucktender, concrete smother</p>	<p>May 1/03 Jan 1/04</p>	<p>\$31.53 \$31.53</p>	<p>10%</p>	<p>\$7.05 \$7.30</p>	<p>45</p>
<p><u>Group 3</u></p> <p>Operators of Jackhammers and air-spades in tunnel, miners including jack-leg and stopper person, drillers - all types, locktenders, track person, yard and materials person, diamond-driller, wagon driller, pit miner on caisson, underpinning or shaft sinking, sandblaster gunite person, shotcrete person, powder person, lead concrete person, lead caulker (where four or more caulkers are employed on one contract)</p>	<p>May 1/03 Jan 1/04</p>	<p>\$31.83 \$31.83</p>	<p>10%</p>	<p>\$7.05 \$7.30</p>	<p>45</p>

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<u>Group 4</u> Slush driver, muck-machine driver, grout machine person and driver of concrete placing machine in tunnel, Scoop-Tram	May 1/03 Jan 1/04	\$32.13 \$32.18	10%	\$7.05 \$7.30	45
<u>Group 5</u> Lead miner, T.B.M. and micro tunnel operators, tunnel shield driver, tunnel mole driver, carpenter form builder-fabricator-erector, welder (certified) in tunnel (rod or semi-automatic)	May 1/03 Jan 1/04	\$34.23 \$34.23	10%	\$7.05 \$7.30	45
<u>Group 6</u> Welder (certified) with own rig (rod or semi-automatic)	May 1/03 Jan 1/04	\$52.26 \$52.26	10%	\$7.05 \$7.30	45
<u>Group 7</u> Flagperson	May 1/03 Jan 1/04	\$15.77 \$15.77	10%	\$7.05 \$7.30	50
<u>Group 8</u> Watch Person	May 1/03 Jan 1/04	\$708.50 \$708.50	10%	\$7.05 \$7.30	50
Operating Engineers: 1.1 (A) Engineers operating: cranes with a manufacturers rating of 200 ton capacity and over	May 1/03	\$30.38	10%	\$8.01	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
1.1 (B) Engineers operating: cranes with a manufacturers rating of 100 ton capacity and up to 199 ton capacity	May 1/03	\$29.93	10%	\$8.01	40
1.2 (A) Engineers operating: all conventional and hydraulic type cranes, save and except those set out in Article 1 above 15 ton capacity and over boom truck, clams, shovels, gradalls, backhoes, draglines, piledrivers, all power derricks gantry cranes, caisson boring machines (over 25 HP), and similar equipment working on land or water, overhead cranes, chimney hoists, and all similar equipment working on land or water, overhead cranes, chimney hoists, multiple drum hoists, single drum hoists (over 12- stories), single drum hoists of manual friction and brake type, and all similar equipment, dredges – suction and dipper, hydraulic jacking equipment on vertical slip forms, hydraulic jacking poles, creter cranes, and scooper. Heavy duty mechanics, qualified welders and 2 nd Class Stationery Engineers. Mobile pumcrete 42 metre boom and over	May 1/03	\$29.18	10%	\$8.01	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
1.2 (B) Pitman type cranes of 10-ton capacity and over	May 1/03	\$28.70	10%	\$8.01	40
1.3 Operators of: air tuggers used for installation of vessels, tanks machinery and for steel erection; side booms on land or water; man and material hoist and single drum hoists 12-stories and under not of a manual friction and brake type; elevators, monorails, bullmoose type, equipment of 5-ton capacity or over; air compressor feeding low pressure into air locks, tunnel mole, 3 rd Class Stationery Engineers. Mobile pumpcrete save and except those listed in 1.2(A) above	May 1/03	\$28.23	10%	\$8.01	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<p>1.4 Operators of: bulldozers (including 815 type) tractors, scrapers, graders emcos, overhead and front-end loaders side loaders, industrial tractors with excavating attachments, trenching machines, and all similar equipment. Pitman type cranes under 10-ton capacity, mobile pressure grease units, mucking machines, hydraulically operated utility pole hoe diggers, and Dinky locomotive type Engineers 4th Class Stationery Engineers. Kubota type backhoe and skid steer loader</p>	May 1/03	\$28.06	10%	\$8.01	40
<p>1.5 Operators of : batching and crushing plants, 6" discharge pumps and over. Wellpoint systems and all similar systems, concrete mixers of 1 cubic yard and over, gas, diesel, or steam driven generator over 50 HP (portable), fork lifts over 8' lifting height, air tuggers except those in Group 1. Caisson boring machines (25 HP and under), drill rigs, post hole diggers, portable air compressors 150 CFM and over, and concrete pumps. Signalperson</p>	May 1/03	\$25.73	10%	\$8.01	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
1.6 Operators of: boom trucks, "A" Frames driver mounted compaction units, bullmoose type equipment under 5-ton capacity fork, lifts 8' and under in lifting height and conveyors. Fireperson. Permanent automatically controlled elevators on commercial and institutional buildings	May 1/03	\$24.73	10%	\$8.01	40
1.7(A) Operators of : Pumps under 6" discharge where 3 or more pumps are employed on the same job site, hydraulic jacking equipment for underground operations, portable air compressors under 150 CFM where attendant is required, and driver mounted power sweepers. Attendants for forced air, gas or oil burning temporary heating units of 500,000 BTU's or over per hour, or 5 or more on the same job site. Oilers, Oil-Drivers, and Mechanics Helpers	May 1/03	\$23.54	10%	\$8.01	40
1.7(B) 1st Year Oilers	May 1/03	\$23.19	10%	\$8.01	40
Surveyors					
Party Chief	May 1/03	\$26.70	10%	\$8.01	40
Instrument Person	May 1/03	\$25.45	10%	\$8.01	40
Senior Rodperson	May 1/03	\$22.79	10%	\$8.01	40
Junior Rodperson	May 1/03	\$20.12	10%	\$8.01	40

All working foreperson will receive a minimum of ninety cents (\$0.90) per hour above the trade rate of the majority of the employees in the group supervised.

If an employee works more than fifty percent (50 percent) of their shift on a higher rated job than their regular classification, they will be paid the higher rate for the whole shift.

Hours of Work and Overtime

- (A) The regular working day shall be nine (9) hours/day and subject to variation by mutual consent of the parties, shall be between 7:00 a.m. and 5:00 p.m., from Monday to Friday inclusive.
- (B) The standard hours of work for all employees other than watchpersons, shall be forty-five (45) hours/week, exclusive of travelling time to and from the job.
- (C) All work performed in excess of the regular working day of nine (9) hours from Monday to Friday, inclusive, shall be deemed overtime work. The rate of wage shall be time and one-half (1 ½) the regular day shift rate.

All work on Saturday shall be paid for at double (2) the regular day shift rate. On a three shift operation, the 15th shift may be worked at straight time on Saturday until 7:00 a.m. and the applicable shift premium shall be paid.

Note:

Overtime at the rate of double (2) the employees' current hourly rate shall be paid to all employees, other than watchperson for all work performed on Sundays and the following Statutory Holidays:

New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day.

*Fringe Benefits: "Fringe Benefits" shall include such benefits as company pension plans, apprenticeship training, extended health care benefits, dental and prescription drugs, etc. It does NOT include payroll burden deductions such as C.P.P., E.H.T., W.S.I.B., E.I.C., etc.

* Vacation and Holiday Pay: 10 percent of the hourly rate.

For contractors that do not offer "Fringe Benefits" to their workers, the Fringe Benefits Hourly Rate shall be added to the hourly or weekly rate as shown above.

Fair Wage and Labour Trades Office

18th Floor, West Tower, City Hall

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Fair Wage Complaints Hotline: (416) 392-FAIR

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Fair Wage Schedule

2003 - 2004

[To become the Schedule to City of Toronto Municipal Code, Chapter 67, Fair Wage]

* I.C.I. WORK

* Industrial, Commercial, Institutional

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Asbestos Mechanics	May 1/03	\$30.44	10%	\$6.92	40
Asbestos Remover Beginner	Nov 1/03	\$12.00	10%	\$4.85	44
Asbestos Remover/Mould Removers	Nov 1/03	\$21.00	10%	\$4.85	44
Bricklayers and Stonemasons	May 1/03	\$30.19	10%	\$7.34	40
Bricklayers Labourers	May 1/03	\$28.41	10%	\$5.86	42.5
Builders Labourers	May 1/03	\$27.05	10%	\$5.86	40
Carpenters	May 1/03	\$29.61	10%	\$7.29	37.5
Cement (Finishers)	May 1/03	\$28.94	10%	\$5.20	40
Cement (Masons)	May 1/03	\$30.29	10%	\$3.91	40
Caulkers (Carpenters)	May 1/03	\$27.22	10%	\$5.04	37.5
Combustion Mechanics (Boilermakers)	Jun 29/03	\$30.40	12%	\$7.63	40
Concrete Labourers	May 1/03	\$27.42	10%	\$5.86	40
Demolition Labourers	May 1/03	\$20.56	10%	\$4.55	40
Demolition Qualified Burners	May 1/03	\$21.79	10%	\$4.55	40
Demolition Truck Drivers and Machine Operators	May 1/03	\$21.80	10%	\$4.55	40
Drywall Taper (Plasterer)	May 1/03 May 1/04	\$30.05 \$30.60	10%	\$4.50 \$4.60	40
Electrical Workers	May 1/03	\$30.81	13%	\$6.83	37.5
Elevator Constructors	May 1/03	\$36.57	12%	\$3.56	40
Formwork Labourers	May 1/03	\$27.42	10%	\$5.86	42.5

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Foreman Swamper	May 1/03	\$27.74	10%	\$5.86	42.5
Glaziers	May 1/03	\$29.11	10%	\$4.82	37.5
Iron Workers (Ornamental)	May 1/03	\$29.54	10%	\$7.45	40
Iron Workers (Structural)	May 1/03	\$29.54	10%	\$7.45	40
Jackhammer Operations Labourers	May 1/03	\$27.42	10%	\$5.86	40
Labourer-Cleaner (Sorter Labourer)	May 1/03	\$20.97	10%	\$5.86	40
Landscape Irrigation Pipelayers	May 1/03	\$22.55	10%	\$7.39	50
Landscape Labourers	May 1/03	\$22.05	10%	\$7.39	50
Lathers (Drywall Acoustics, Boards, Insulation)	May 1/03	\$28.81	10%	\$6.23	50
Marble Masons	Nov 1/03	\$28.47	10%	\$5.34	40
Marble and Tile Helpers	Nov 1/03	\$26.90	10%	\$5.34	40
Millwrights	May 1/03	\$29.99	10%	\$6.95	40
Mortarperson Labourers	May 1/03	\$28.41	10%	\$5.86	40
Painters and Decorators	May 1/03	\$28.35	10%	\$4.85	40
Pavement Markers - Labourers	Jan 1/03	\$16.37	10%	\$2.10	40
	Jan ¼	\$16.69		\$2.20	
Pavement Markers – Heavy Equipment Operators	Jan 1/03	\$19.35	10%	\$5.04	40
	Jan ¼	\$19.74		\$5.14	
Traffic Sign – Labourers	Jan 1/03	\$19.35	10%	\$4.04	40
	Jan ¼	\$19.74		\$4.44	
Pit Miner Driller, Caissons and Wagon Driller	May 1/03	\$27.35	10%	\$5.86	40
Plasterers' Labourers	May 1/03	\$27.25	10%	\$5.96	40
Plumbers and Steamfitters	May 1/03	\$30.81	10%	\$8.43	37.5

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Refrigeration Mechanics	May 1/03	\$34.47	10%	\$6.99	37.5
Resilient Floor Workers	May 1/03	\$27.91	10%	\$6.34	37.5
Restoration Steeplejacks	May 1/03	\$24.80	10%	\$2.71	40
Rod Installer	May 1/03	\$28.57	10%	\$7.53	40
Roofer (Foreperson)	May 1/03	\$31.52	10%	\$3.91	40
Roofer (Journeyperson)	May 1/03	\$30.45	10%	\$3.91	40
Roofer (Material Handler)	May 1/03	\$29.20	10%	\$3.91	40
Sheet Metal Workers	May 1/03	\$28.94	10%	\$8.09	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Sheet/Decker Mechanic	May 1/03	\$28.75	10%	\$8.04	40
Sheeter/Decker Assistant	May 1/03	\$25.18	10%	\$8.04	40
Sheeter/Decker Material Handler	May 1/03	\$22.60	10%	\$8.04	40
Sheeter/Decker: Probationary Employee	May 1/03	\$15.22	10%	\$8.04	40
Sprinkler (Automatic Fire)	May 1/03	\$33.14	10%	\$5.43	40
Tile and Terrazzo Mechanics	May 1/03	\$27.85	10%	\$5.34	40
	Nov 1/03	\$28.30			
Tile and Terrazzo Helpers	Nov 1/03	\$26.99	10%	\$5.34	40
Vibrator Labourers	May 1/03	\$27.56	10%	\$5.96	42.5
Watchperson and Flagperson when Labourers are employed as Watchperson	May 1/03	\$25.05	10%	\$5.96	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Waterblasters	May 1/03	\$27.05	10%	\$5.46 \$5.96	40
Waterproofers	May 1/03	\$28.67	10%	\$5.54	40
Welders (Acetylene, Electric, etc.)	Same rate as the highest trade with whom they are working.				
Welder (Certified)	May 1/03	\$29.13	10%	\$5.84	40
Working Foreman/Woman	May 1/03	\$30.48	10%	\$5.84	40
<u>Truck Drivers Classifications</u>					
Class No.1 - Warehouse and storekeeper, float truck and trailer, load bearing boom truck, haulpack driver	May 1/03	\$26.67	10%	\$5.75	50
Class No. 2 – Ready mix, euclid type, DW 20 and 21 rear end, ejectors, and belly dumps, farm tractor, driver with 5 th wheel hook up, ready mix	May 1/03	\$26.63	10%	\$5.75	50
Driver classification working from a portable batch plant set up by the Prime or General Contractor	May 1/03	\$26.63	10%	\$5.75	50
Class No. 3 – Dumpcrete, fork lift driver, 5 ton and over in warehouse, compound and storage area	May 1/03	\$26.57	10%	\$5.75	50

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Class No. 4 – Dump truck, service trucks, flat and stake trucks, fuel trucks, bulk lift, form tractor operators, warehouse helper, fork lift driver and 5 tons	May 1/03	\$26.53	10%	\$5.75	50

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Foreman/Woman: \$1.00/Hour Over All Class Rates Drivers Hours of Work: ICI - 40 Hours Site Preparation – 45 Hours					
<u>General Contractors Section</u>					
<u>Operating Engineers:</u> 1.1(A) Engineers operating: cranes with a manufacturers rating of 200 ton capacity and over.	May 1/03	\$30.38	10%	\$8.01	40
1.1(B) Engineers operating: cranes with a manufacturers rating of 100 ton capacity and up to 199 ton capacity, skyway, climbing, G.C.I., hammerhead and kangaroo type cranes	May 1/03	\$29.93	10%	\$8.01	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<p>1.2(A) Engineers operating: all conventional and hydraulic type cranes, save and except those set out in Article 1.1 above, 15 ton capacity and over boom truck, clams, shovels, gradalls, backhoes, draglines, piledrivers, all power derricks, gantry cranes, caisson boring machines (over 25 HP), and similar drill rigs, mine hoists, and all similar equipment working on land or water, overhead cranes, chimney hoists, multiple drum hoists, single drum hoists (over 12-stories), single drum hoists of manual friction and brake type, and all similar equipment, dredges - suction and dipper, hydraulic jacking equipment on vertical slip forms, hydraulic jacking poles, creter cranes, and hydraulic scooper. Heavy duty mechanics, qualified welders and 2nd Class Stationary Engineers. Mobile pumpcrete with 42 metre boom and over.</p>	<p>May 1/03</p>	<p>\$29.18</p>	<p>10%</p>	<p>\$8.01</p>	<p>40</p>
<p>1.2(B) Pitman type cranes of 10-ton capacity and over.</p>	<p>May 1/03</p>	<p>\$28.70</p>	<p>10%</p>	<p>\$8.01</p>	<p>40</p>

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
1.3 Operators of: air tuggers used for installation of vessels, tanks machinery and for steel erection; side booms on land or water; man and material hoist and single drum hoists 12-stories and under not of a manual friction and brake type; elevators except as set out in Article 1.6, monorails, bullmoose type, equipment of 5-ton capacity or over; air compressor feeding low pressure into air locks, tunnel mole, 3 rd Class Stationery Engineers. Mobile pumpcrete save and except those listed in 1.2(A) above.	May 1/03	\$28.23	10%	\$8.01	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
1.4 Operators of: bulldozers (including 815 type) tractors, scrapers, graders, emcos, overhead and front-end loaders side loaders, industrial tractors with excavating attachments, trenching machines, and all similar equipment. Pitman type cranes under 10-ton capacity, mobile pressure grease units, mucking machines, hydraulically operated utility pole hole diggers, and Dinky locomotive type engines. 4th Class Stationery Engineers. Kubota type backhoe and skid steer loader.	May 1/03	\$28.06	10%	\$8.01	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
1.5 Operators of: batching and crushing plants, 6" discharge pumps and over, wellpoint systems and all similar systems, concrete mixers of 1 cubic yard and over, gas, diesel, or steam driven generator over 50 HP (portable), fork lifts over 8' lifting height, air tuggers except those in Group 1.3, Caisson boring machines (25 HP and under), drill rigs, post hole diggers, portable air compressors 150 CFM and over, and concrete pumps, signal person.	May 1/03	\$25.73	10%	\$8.01	40
1.6 Operators of: boom trucks, "A" Frames driver mounted compaction units, bullmoose type equipment under 5-ton capacity, fork lifts 8' and under in lifting height and conveyors. Fireman/Woman. Permanent automatically controlled elevators on commercial and institutional buildings.	May 1/03	\$24.73	10%	\$8.01	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
1.7(A) Operators of: Pumps under 6" discharge where three or more pumps are employed on the same job site, hydraulic jacking equipment for underground operations, portable air compressors under 150 CFM where attendant is required, and driver mounted power sweepers. Attendants for forced air, gas or oil burning temporary heating units of 500,000 BTU's or over per hour, or 5 or more on the same job site. Oilers, oil- drivers, and mechanics helpers.	May 1/03	\$23.54	10%	\$8.01	40
1.7(B) 1 st Year Oilers.	May 1/03	\$23.19	10%	\$8.01	40
<u>Surveyors:</u>					
Party Chief	May 1/03	\$26.70	10%	\$8.01	40
Instrument Person	May 1/03	\$25.45	10%	\$8.01	40
Senior Rodperson	May 1/03	\$22.79	10%	\$8.01	40
Junior Rodperson	May 1/03	\$20.12	10%	\$8.01	40

Hours of Work and Overtime:

(A) For Building Construction (Operating Engineers):

Eight (8) hours/day, 40 hours/week, Monday to Friday, inclusive, time and one-half of the regular day shift rate shall be paid for the first hour of overtime; all work in excess of hours noted and Saturday, Sunday and Holidays, double the regular day shift rate.

(B) Excavations, Site Preparation, Sewers and Watermains:

Site preparation shall mean the excavating of ground to sub-grade level and shall not include pile-driving, drilling, boring ductwork or tunnel work.

Ten (10) hours/day, 50 hours/week, Monday to Friday inclusive.

Iron Workers

(Structural, architectural): includes Riveters, Riggers, Heaters, Sash Erectors and Machinery Movers.

*Fringe Benefits: “Fringe Benefits” shall include such benefits as company pension plans, apprenticeship training, extended health care benefits, dental and prescription drugs, etc. It does not include payroll burden deductions such as C.P.P., E.H.T., W.S.I.B., E.I.C., etc.

* Vacation and Holiday Pay:

For contractors that do not offer “fringe benefits” to their workers, the fringe benefits hourly rate shall be added to the hourly or weekly rate as shown above.

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Fair Wage Schedule

2003 - 2004

[To become the Schedule to City of Toronto Municipal Code, Chapter 67, Fair Wage]

Road Building Work

This schedule is applicable to Resurfacing and New Road Construction, including Parking Lots. This schedule is not applicable to bridge coverleaf or construction work, otherwise covered by Heavy Construction Agreement.

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Construction					
Labourers:					
Labourers (incl. Wiremesh and steel reinforcing), Operators of pumps three inches in diameter and under.	May 1/03	\$26.19	10%	\$6.74	50
Interlocking stone and Gabion Installers.	Jan 1/04	\$26.19		\$6.99	
Labourers' (operating all machine-driven tools by gas, air or electricity, including plate tempers), operators of self-propelled hand compactors (walk behind);					

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Concrete Workers Screedperson, Puddlers,Floatper son. Fence Erectors (chain link and other types including snow fences). Guard Rail Installers. Diamond Saw Operators (jackhammerpers on) Sound Barrier Erectors. Maintenance Hole Builders.	May 1/03 Jan 1/04	\$26.19 \$26.19	10%	\$6.74 \$6.99	50
Grade Person, Asphalt Rakers Concrete Road, curb and side walk finisher, Form Setters. Curb Setters. Brick Setters. Pipe Layers. Curb Machine Operators. Concrete Paving Track Setters. Tail End Paver and Asphalt Grinder.	May 1/03 Jan 1/04	\$27.69 \$27.69	10%	\$6.74 \$6.99	50
Traffic Control Person; Casual Watch Person	May 1/03 Jan 1/04	\$18.19 \$18.19	10%	\$6.74 \$6.99	50

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
*Watchperson (for six nights duty/10 hours/day 50 hours/week).	May 1/03 Jan 1/04	\$626.50 per wk \$626.50 per wk	10%	\$6.74 \$6.99	50
* An employee working as a labourer who is required to do casual watching or work as a flagperson on a casual or intermittent basis will not have their rate reduced thereby.					
Truck Drivers: Truck Drivers – Including off Highway	May 1/03 Jan 1/04	\$28.75 \$28.98	10%	\$4.50 \$4.50	50
Fuel Truck Drivers	May 1/03 Jan 1/04	\$28.75 \$28.98	10%	\$4.50 \$4.50	50
Load Bearing Boom Drivers, Dumpcrete Drivers, and Pup Dump Trailer Drivers, Flo Boy and Tractor Trailer; Dump Truck Tag-a-long over 15 Ton	May 1/03 Jan 1/04	\$28.85 \$29.08	10%	\$4.50 \$4.50	50
Truck Train Drivers, Custom Mobile Mixer Units (truck or trailer mounted)	May 1/03 Jan. 1/04	\$28.95 \$29.18	10%	\$4.50 \$4.50	50
Float Drivers	May 1/03 Jan. 1/04	\$29.35 \$29.58	10%	\$4.50 \$4.50	50
<u>Operating Engineers:</u> Shovels, backhoes, Dragline, Gradall Clams (on site), Grader Operator “A”	May 1/03 Jan. 1/04	\$28.32 \$28.55	10%	\$7.85 \$7.85	50

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Clam Operator (yard), Mechanics, Welders	May 1/03 Jan. 1/04	\$28.06 \$28.29	10%	\$7.85 \$7.85	50
Pitman-Type Operator (hydraulic lift, truck-mounted hydraulic crane)	May 1/03 Jan 1/04	\$27.86 \$28.09	10%	\$7.85 \$7.85	50
Bulldozer Operators (D-4 equiv. or over), Front-end Loader Operators (1 cu. yd. and over), Scrapers – self-propelled. Mixer Person on Asphalt Plant. Concrete Curb Machine Operator. Asphalt Spreader Operator (self-propelled)	May1/03 Jan 1/04	\$27.72 \$27.95	10%	\$7.85 \$7.85	50
Concrete Paver Operators, Asphalt Plainer Operators “A”, Engineers on Boilers (with papers)	May 1/03 Jan 1/04	\$27.62 \$27.85	10%	\$7.85 \$7.85	50

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Farm and Industrial - type tractor with excavating attachments Operators, Grader Operator "B", Asphalt/Rollerperson "A", Boiler Fireperson (without papers)	May 1/03	\$27.46	10%	\$7.85	50
	Jan 1/04	\$27.69			
Roller Operator (asphalt) "B"	May 1/03	\$27.10	10%	\$7.85	50
	Jan 1/04	\$27.33			
Bulldozer Operators (under D-4 or Equivalent), Front-end Loader Operator (under 1 cu. yd.) Packer with blade	May 1/03	\$27.06	10%	\$7.85	50
	Jan. 1/04	\$27.25			
Farm and Industrial Type Tractor Operator (towing compaction units), Grade Rollerperson, including self-propelled rubber tire rollers. Asphalt Planer "B" (max. 2' wide)	May 1/03	\$25.32	10%	\$7.85	50
	Jan 1/04	\$25.55			

Shift Premium:

A shift premium of \$1.75/hour will be paid for all work performed on a shift starting after 4:00 p.m.

Hours of Work and Overtime:

- (A) The standard hours of work for all employees, other than watchperson and engineers on boilers shall be based on 50 hours/week exclusive of travelling time to and from the job.
- (B) Overtime at the rate of time and one-half the employee's current hourly rate shall be paid to all employees, other than watchperson, for all work performed in excess of 10 hours/day, or in excess of 50 hour/week or on Saturdays. On a three shift operation, the 15 shift may be worked at straight time on Saturday until 7:00 a.m. and the applicable shift premium shall be paid.
- (C) Overtime at the rate of double the employee's current hourly rate shall be paid to all employees, other than watchperson and Engineers on boilers for all work performed on Sundays and on the following Statutory Holidays: New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

The provision of this sub-paragraph do not apply to repairer in emergency.

- (D) Watchperson and engineers on boilers shall receive overtime payment at the rate of time and one-half the employee's current hourly rate for all work performed on such employee's seventh consecutive shift.

*Fringe Benefits: "Fringe Benefits" shall include such benefits as company pension plans, apprenticeship training, extended health care benefits, dental and prescription drugs, etc. It does not include payroll burden deductions such as C.P.P., E.H.T., W.S.I.B., E.I.C., etc.

* Vacation and Holiday Pay: 10 percent of the hourly rate.

For contractors that do not offer "fringe benefits" to their workers, the fringe benefits hourly rate shall be added to the hourly or weekly rate as shown above.

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Fair Wage Schedule

2003 - 2004

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Sewer and Watermain Construction

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<p>Schedule "A" "Open Cut" Sewer</p> <p><u>Classification:</u></p> <p><u>Labourers:</u></p> <p>Labourers; Pump person, (3" discharge and under); Heater person (up to five heaters)</p>	<p>May 1/03 Jan. 1/04</p>	<p>\$26.79 \$26.79</p>	<p>10%</p>	<p>\$6.50 \$6.75</p>	<p>50</p>
<p>Small Mixer Driver (under one yard); Dinky Mortar person; Sheeting and Shoring person; Miners and Driller's Helper; Power person helper; Motor person; Scootcrete Driver; Screed person; Puddlers; Float person on Concrete; Jackhammer person; Well-point installer; Encasement Form Setters; Signal person; Rammax Tamper</p>	<p>May 1/03 Jan. 1/04</p>	<p>\$27.39 \$27.39</p>	<p>10%</p>	<p>\$6.50 \$6.75</p>	<p>50</p>

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Pipelayer's Helper; Concrete finishers; Concrete Patcher Inside Pipe; Catch Basin Installer; Diamond saw cutter; Watermain Tapper; Precast Manhole Installer; Manhole Builders, Drillers, All types including associated equipment	May 1/03 Jan. 1/04	\$27.53 \$27.53	10%	\$6.50 \$6.75	50
Caulker (cast iron, tile, concrete, asbestos, cement, plastic, etc.); Wagon Driller; Box Sewer Constructor Form Setter and Reinforcing person and Fusion Welder	May 1/03 Jan. 1/04	\$27.79 \$27.79	10%	\$6.50 \$6.75	50
Pipelayers (including use of laser for pipe-laying); Manhole and Valve Chamber Constructor; Top person; Miners; Drillers, Shaft Sinker Timber person; Grout-Machine person; Powder person Blaster; Welder	May 1/03 Jan. 1/04	\$28.79 \$28.79	10%	\$6.50 \$6.75	50
Watch person (for six nights duty)	May 1/03 Jan. 1/04	\$833.00 per wk. \$833.00 per wk.	10%	\$6.50 \$6.75	50

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<u>Labourers:</u>					
*Traffic Control person and Casual Watchperson	May 1/03	\$20.94	10%	\$6.50	50
	Jan. 1/04	\$21.39		\$6.75	
* All employees working as a labourer who is required to do casual watching or work as a flagperson on a casual or intermittent basis will not have his/her rate reduced thereby.					
<u>Truck Drivers:</u>					
Drivers of dump trucks, pickup service trucks, bulk lift trucks, farm tractors without attachments and off highway trucks	May 1/03	\$29.12	10%	\$4.50	50
	Jan. 1/04	\$29.35		\$4.50	
Fuel Truck Drivers and Load bearing Boom Truck Drivers	May 1/03	\$29.22	10%	\$4.50	50
	Jan. 1/04	\$29.45		\$4.50	
Float Drivers, Custom Mobile Mixer Units, Truck or Traylor Mounted	May 1/03	\$29.52	10%	\$4.50	50
	Jan. 1/04	\$29.75		\$4.50	
<u>Operating Engineers:</u>					
Engineers operating cranes, clams, shovels, backhoes, derricks, pile-drivers, gradalls, mobile cranes, caisson boring machines 25 HP and over, side booms and similar equipment	May 1/03	\$29.17	10%	\$7.95	50
	Jan. 1/04	\$29.40		\$7.95	
Grade "A" and fine grade bulldozer Operators	May 1/03	\$28.92	10%	\$7.95	50
	Jan. 1/04	\$29.15		\$7.95	

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Heavy-duty field mechanics, equipment repair welders, operators of pitman type crane (Hydra-Lift truck Mounted hydraulic)	May 1/03 Jan 1/04	\$28.67 \$28.90	10%	\$7.95 \$7.95	50
Operators of bulldozers, tractors, scrapers, emcos, graders "B", overhead loaders and similar Equipment, farm and industrial tractors with excavating attachments, trenching machines, and caisson boring machines under 25 HP	May 1/03 Jan. 1/04	\$28.57 \$28.80	10%	\$7.95 \$7.95	50
Service person on shovels; compressors, Pumps, Boom Truck Drivers; Operators of five or more heaters; Packer with Blade	May 1/03 Jan 1/04	\$27.82 \$28.05	10%	\$7.95 \$7.95	50
Self propelled Rollers	May 1/03 Jan 1/04	\$25.70 \$25.93	10%	\$7.95 \$7.95	50
Oilers, Greasers, Mechanics' Helpers					
Third Year:	May 1/03 Jan. 1/04	\$26.60 \$26.83	10%	\$7.95 \$7.95	50
Second Year:	May 1/03 Jan. 1/04	\$25.60 \$25.83	10%	\$7.95 \$7.95	50
First Year:	May 1/03 Jan. 1/04	\$24.60 \$24.83	10%	\$7.95 \$7.95	50

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<p><u>Hours of Work and Overtime:</u></p> <p>(A) Overtime at the rate of time and one-half the employee's hourly rate shall be paid to all employees, except watchperson, for all work performed in excess of forty-eight hours/week, made up of four ten hour days, Monday to Thursday inclusive, and one eight-hour day on Friday, excluding travelling time to and from the job. It is understood that if there is inclement weather during the week, that Friday will be a ten-hour day, if required.</p> <p>(B) Overtime at the rate of time and one-half the employee's current hourly rate shall be paid to all employees, except watchperson and float drivers, for all work performed on Saturdays. Operating Engineers double time for Saturdays.</p> <p>(C) Overtime at the rate of double the employee's current hourly rate shall be paid for all employees except watchperson, for all work performed on Sundays or the Statutory Holidays listed namely (Labourers and Teamsters): New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, and Boxing Day.</p> <p>(D) Watchpersons shall receive overtime payment at the rate of time and one-half the employee's current hourly pay rate for all work performed on such employee's seventh consecutive shift.</p> <p><u>Shift Premium - Operating Engineers:</u></p> <p>A shift premium of \$1.00/hour will be paid for all work performed on any shift commencing after 12:00 o'clock noon or before 5:30 o'clock a.m.</p>					

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<p>Schedule "B" Tunnel Work</p> <p>A schedule applying to "Tunnel Work" which is to be interpreted to mean project called as a Tunnel, and may not include Tunnel Work which is incidental to "Open Cut" work for Sewer and Watermain Construction up to 50 feet in length</p> <p><u>Classification:</u></p> <p><u>Labourers:</u></p> <p>Labourers (surface); Signal person; Dock person; Pump person (3"); Hopper person; Heater person (up to five heaters); Yard and Material person; Gage Tender; Wellpoint Installers; Drillers, all types including associated equipment</p>	<p>May 1/03 Jan. 1/04</p>	<p>\$29.09 \$29.09</p>	<p>10%</p>	<p>\$6.50 \$6.75</p>	<p>40</p>
<p>Locktender</p>	<p>May 1/03 Jan. 1/04</p>	<p>\$30.39 \$30.39</p>	<p>10%</p>	<p>\$6.50 \$6.75</p>	<p>40</p>

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Miner; Driller; Diamond Driller; Timber person; Jackleg person; Mucking Machine Driver; Shaft Sinker; Pipe Jacker Slush Drivers; Wagon Driller (under- ground); Cole Cutter Driver; Powder person Blaster Lead Concrete person; all labourers on pile-driver operations; Miner for caisson and underpinning; Maintenance hole Constructor; Operators of air spades and jackhammer at the face; Nozzle person and Concrete Pump; Reinforcing Rod Placer; Cement Mason; Welder; Shotcrete person; Stopper person; Auger person; Carpenter	May 1/03 Jan. ¼	\$31.04 \$31.04	10%	\$6.50 \$6.75	40
Lead Miner; Tunnel Shield, Mole and similar equipment Drivers; Working Fore person	May 1/03 Jan. ¼	\$31.89 \$32.04	10%	\$6.50 \$6.75	40
* Watch person (for six nights duty)	May 1/03 Jan. ¼	\$833.00 per wk. \$833.00 per wk.	10%	\$6.50 \$6.75	50

* An employee working as a labourer who is required to do casual watching or work as a flagperson on a casual or intermittent basis will not have his/her rate reduced thereby.

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
<u>Truck Drivers:</u> Drivers of Dump Trucks, pickup service trucks, bulk lift trucks and farm tractors without attachments, off highway trucks	May 1/03 Jan. 1/04	\$29.64 \$29.87	10%	\$4.50 \$4.50	40
Fuel Truck Drivers, Load bearing boom truck drivers and drivers of dump trucks with tag along attachments over 15 tons	May 1/03 Jan. 1/04	\$29.74 \$29.97	10%	\$4.50 \$4.50	40
Float Drivers, custom mobile mixer units, truck or trailer mounted	May 1/03 Jan. 1/04	\$29.42 \$29.64	10%	\$4.50 \$4.50	40
<u>Operating Engineers:</u> Engineers operating all hoists, hoisting materials out of shafts, tuggers and derricks with lifting capacity over 2,000 lbs.; compressor hose set-up person	May 1/03 Jan. 1/04	\$29.14 \$29.37	10%	\$7.95 \$7.95	45
Heavy-duty Field Mechanics; Engineers operating shaft hoist, tuggers and derricks 2,000 lbs. or less; Compressor Operators 500 CFM or over	Jan 1/04	\$29.12	10%	\$7.95	45

Premium Rates In Compressed Air:
(Labourers and Truck Drivers Classifications Only):

The following sliding scale of premium rates shall apply to workers in compressed air:

<u>Air Pressure</u>	<u>Premium Per Shift May 1/00</u>
1 to 14 pounds	\$16.00
15 to 20 pounds	\$19.50
21 pounds	\$23.50

- (A) For air pressure over twenty-one pounds (21 lbs.), the employer agrees to pay two dollars (\$2.00) per pound compressed air premium for each pound over twenty-one pounds (21 lbs.), in addition to the twenty-one pound (21 lb.) rate.
- (B) Where employees are required to work in compressed air, they shall receive a minimum of nine (9) hours/day or shift; it being understood and agreed that the ninth (9th) hour shall be paid at straight time rates.
- (C) It is understood and agreed that air pressure premium will be paid/shift regardless of the time spent by an employee in compressed air, save and except when an employee voluntarily leaves the air. Rest periods as required by law when working under air pressure are to be paid, and no deduction will be made for a meal break falling in the rest period between the two working periods.
- (D) Hot Beverages:
- (i) The employer shall, at his own expense, supply sugar and hot beverages for employees working in compressed air during rest periods.
 - (ii) Containers and cups for the beverages required as outlined above, shall be maintained in a clean and sanitary condition and kept stored in a closed container.

Premium Rates in Compressed Air:
(Operating Engineers Classification Only):

<u>Air Pressure</u>	<u>Premium Per Shift May 1/00</u>
1 to 14 pounds	\$16.00
15 to 20 pounds	\$19.50
21 pounds	\$23.50
Over 21 pounds	\$2.00/lb over and above the rate for 21 lbs.

Hours of Work and Overtime:

- (A) Overtime at the rate of time and one-half the employee's current hourly rate shall be paid to all employees, except watchpersons, for all work performed in excess of eight hours/day, Monday to Friday inclusive, excluding travelling time to and from the job, and excluding work in compressed air where overtime at the rate of one and one-half shall be paid for work in excess of nine (9) hours/day.

- (B) Overtime at the rate of time and one-half the employee's current hourly rate shall be paid to all employees except watchperson, for all work performed on Saturday. All Operating Engineers classifications will be paid double the employees hourly rate for all work performed on Saturday.
- (C) Overtime at the rate of double the employee's current hourly rate shall be paid to all employees except watchperson, for all work performed on Sundays and on the following Statutory Holidays - namely (Labourers): New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, and Boxing Day.
- (D) Watchpersons shall receive overtime payment at the rate of time and one-half the employee's current hourly rate for all work performed on such employee's seventh consecutive shift.

Shift Premium

(Labourers and Teamsters Only)

Second Shift and Third Shift. \$2.50

Operating Engineers

\$2.45/hour for second and third shift.

*Fringe Benefits: "Fringe Benefits" shall include such benefits as company pension plans, apprenticeship training, extended health care benefits, dental and prescription drugs, etc. It does not include payroll burden deductions such as C.P.P., E.H.T., W.S.I.B., E.I.C., etc.

* Vacation and Holiday Pay: 10 percent of the hourly rate.

For contractors that do not offer "fringe benefits" to their workers, the fringe benefits hourly rate shall be added to the hourly or weekly rate as shown above.

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Utility Work

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Labourers (unskilled)	May 1/03 Jan. 1/04	\$26.79 \$26.79	10%	\$6.30 \$6.40	40
Powderperson Helper	May 1/03 Jan. 1/04	\$26.84 \$26.84	10%	\$6.30 \$6.40	40
Labourers (semi-skilled) strippers; scootcrete and calf dozer; driver; portable compressor; small mixer and pump person (4" discharge and under); groutperson; mortar person; job site storeperson and lumber yard attendant; farm tractor driver	May 1/03 Jan. 1/04	\$26.89 \$26.89	10%	\$6.30 \$6.40	40
Labourers (skilled - Group No. 1) pipelayers (excluding conduit); jack hammer operator; air auger person; form setters; concrete finishers	May 1/03 Jan. 1/04	\$26.94 \$26.94	10%	\$6.30 \$6.40	40
Labourers (skilled - Group No. 2) drillers (all types); wagon drills, etc.; powderperson	May 1/03 Jan. 1/04	\$26.99 \$26.99	10%	\$6.30 \$6.40	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Labourers (skilled - Group No. 3) Carpenters; lineperson; float driver; truck driver	May 1/03 Jan. 1/04	\$27.29 \$27.29	10%	\$6.30 \$6.40	40
Labourers (skilled - Group No. 4) tunnel workers; where tunnel is in excess of ten feet in length, excluding shallow tree tunnels	May 1/03 Jan. 1/04	\$27.79 \$27.79	10%	\$6.30 \$6.40	40
Working foreperson	May 1/03 Jan. 1/04	\$27.64 \$27.64	10%	\$6.30 \$6.40	40
Flagperson	May 1/03 Jan. 1/04	\$18.92 \$18.92	10%	\$6.30 \$6.40	40
Watchperson (48 hours per week) <u>Note:</u> An employee working as a labourer who is required to do casual watching or work as a flagperson on a casual or intermittent basis will not have his/her rate reduced thereby.	May 1/03 Jan. 1/04	\$849.28 per wk. \$849.24 per wk.	10%	\$6.30 \$6.40	48
<u>Operating Engineers:</u> Engineers operating cranes, including Austin Western type and Pitman-type (over eight ton), backhoes, hydraulic or cable type side booms, gradalls and similar equipment	May 1/03 Jan. 1/04	\$27.91 \$28.14	10%	\$7.92 \$7.92	40

Trade	Effective Date	Hourly Rate	*Vacation and Holiday Pay	*Fringe Benefits	Weekly Hours of Work
Mechanics and welders (on site), operators of bulldozers D4 and over; front-end loaders, 1cu. yd. And over; industrial type backhoes with excavating attachments; trenching machines over Davis 300 and similar equipment to foregoing	May 1/03 Jan. 1/04	\$27.43 \$27.66	10%	\$7.92 \$7.92	40
Operators of bulldozers, under D4; well points and all types of dewatering systems, 6" discharge and over; Front-end loaders under 1 cu. yd; augers and boring equipment other than air activated under 8" (save as excluded in memorandum between I.U.O.E., and Labourers' International Union)	May 1/03 Jan. 1/04	\$27.23 \$27.45	10%	\$7.92 \$7.92	40
Shop and standby time	May 1/03 Jan. 1/04	\$27.08 \$27.30	10%	\$7.92 \$7.92	40
<p>** Trainees shall be employed at a percentage of the applicable journeyman rate as follows:</p> <p style="padding-left: 40px;">First 1500 hours = 75%</p> <p style="padding-left: 40px;">Second 1500 hours = 90%</p>					

*Fringe Benefits: "Fringe Benefits" shall include such benefits as company pension plans, apprenticeship training, extended health care benefits, dental and prescription drugs, etc. It does not include payroll burden deductions such as C.P.P., E.H.T., W.S.I.B., E.I.C., etc.

* Vacation and Holiday Pay: 10 percent of the hourly rate.

For contractors that do not offer "fringe benefits" to their workers, the fringe benefits hourly rate shall be added to the hourly or weekly rate as shown above.

Fair Wage and Labour Trades Office
18th Floor, West Tower, City Hall

Telephone: (416) 392-7300

Facsimile: (416) 392-0801

Fair Wage Complaints Hotline: (416) 392-Fair

E-Mail: Fairwage@Toronto.Ca

ATTACHMENT NO. 4

Authority: Administration Committee Report No. ____, Clause ____, as adopted by
Council at its meeting of _____, 2003

Enacted by Council:

CITY OF TORONTO

Bill No.

BY-LAW No.

To adopt a new City of Toronto Municipal Code Chapter 67, Fair Wage.

Whereas the Council wishes to clarify the role of the Fair Wage Office and to harmonize the Fair Wage policy for the City of Toronto;

The Council of the City of Toronto HEREBY ENACTS as follows:

1. The City of Toronto Municipal Code is amended by adding the attached Schedule to this By-law as Chapter 67, Fair Wage.
2. By-law No. 51-71, of the former City of Toronto, being "A By-law to provide for the appointment of the Manager, Fair Wage and Labour Trades Office and to define the duties of the person so appointed", as amended, is repealed.

3. The Fair Wage policy of the former Municipality of Metropolitan Toronto as adopted by Council by the amendment to Corporate Services Committee Report No. 13, Clause 1, at its meeting of October 1 and 2, 1998 was made to apply to the former Borough of East York, the former City of Etobicoke, the former City of North York, the former City of Scarborough, the former City of Toronto and the former City of York. That policy was further modified by the adoption of Administration Committee Report No. 7, Clause 1, as amended, by Council at its meeting of June 18, 19 and 20, 2002, is replaced by the provisions of this By-law.
4. Despite sections 2 and 3 of this By-law, the provisions By-law 51-71, as amended, and the fair wage policy of the former Municipality of Metropolitan Toronto shall remain in full force and effect for the purposes of any review, actions, claims, proceedings, etc. until that review, action, claim, proceeding, etc has been concluded... Sections 2 and 3 of this By-law shall not affect any offence committed against, any penalty incurred in respect to, nor any investigation, legal proceeding or remedy under By-law No. 51-71 and the fair wage policy of the former Municipality of Metropolitan Toronto.
5. Any investigation or legal proceeding commenced under or in respect of By-law 51-71 and the former Municipality of Metropolitan Toronto policy prior to the in-force date of this By-law shall be taken up and continued in conformity with By-law 51-71 and the former Municipality of Metropolitan policy.
6. This By-law comes into force on August 1, 2003, except that certain portions of the Fair Wage Schedule may come into force at a later date, as indicated in the Schedule.

ENACTED AND PASSED this day of , A.D. 2003.

Mayor

City Clerk

Schedule

Chapter 67

Fair Wage

Article I

Manager Fair Wage Office

§ 67- 1 . Definitions.

For the purposes of this chapter, the following terms shall have the meanings indicated:

FAIR WAGE OFFICE – The office responsible for administering the provisions of this Chapter.

MANAGER, FAIR WAGE OFFICE – The officer appointed, from time to time, to oversee the Fair Wage Office and to ensure compliance with this Chapter.

§ 67-2. Appointment, Manager Fair Wage Office; Reporting

- A. The person appointed Manager, Fair Wage Office for the City of Toronto, is deemed to be a member of Corporate Services and under the control of the Commissioner of Corporate Services for administrative purposes, including routine personnel matters such as provision of clerical services, attendance, vacation scheduling, sick pay authorization, increment recommendations, recording and control of budget allocation and petty cash authorization.
- B. The Manager, Fair Wage Office, shall report directly to the Administration Committee on matters arising from this Chapter.

§ 67-3. Duties, Manager Fair Wage Officer

The duties of the Manager, Fair Wage Office shall include:

- A. To collect and keep accurate information respecting:
 - (1) the rate of wages and fringe benefits from time to time paid to each worker and each classification of worker engaged in the performance of any City contract, and,
 - (2) the number of hours per day worked by each such class or worker.
- B. To review and approve all necessary Contractors and Sub-Contractors as part of the City's contract approval process:
 - (1) for compliance with the Fair Wage Policy, and

- (2) for compliance with Labour Trades Contractual Obligations in the Construction Industry.
- C. To receive and investigate complaints:
- (1) on any matter or thing relating to the rate of wages, hours of labour per day or conveniences provided for workers;
 - (2) on alleged discriminatory practices in connection with the performance of any City contract; and,
 - (3) on any other matter relating to the Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry.
- D. Prepare schedules setting out:
- (1) the rates of wages which in his or her opinion should be paid to each classification of worker (including drivers of vehicles) engaged in the performance of City contracts;
 - (2) the number of hours which should constitute a day's work for each such class;
- (2) for the purposes of preparing any such schedule, to confer with representatives of employers and labour, as necessary.
- E. To investigate and obtain full and accurate information:
- (1) on labour and conditions under which all City contracts are performed, including:
 - (a) the name of any Contractor or Sub-contractor whom he or she has found has failed to pay or cause to be paid to any worker wages according to the provisions of his or her contract with the City
 - (b) the name and address of such worker, his or her occupation, the time he or she was employed, the amount of wages payable according to the terms of the contract, and the amount of wages actually paid to such worker.
- F. (1) To investigate and inspect from time to time, as he or she may consider necessary, the books and records of Contractors and Sub-contractors employed or engaged in the performance of any City contract to ensure that each such Contractor and Sub-contractor is keeping proper books and records as required by the contract, and,
- (2) To report in respect thereto to the Administration Committee as may be necessary.

- G. (1) To inspect and view from time to time the place or premises where any City Contract is being executed to ensure that the Contractor has posted and kept posted in a conspicuous place, open to the view of all workers, the schedule of rates of wages and hours of labour contained in the contract and a copy of the Fair Wage Policy.
- (2) Site inspections may include interviews with workers to ensure work conditions are in compliance with the Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry.
- H. To ensure that the City's contractual obligations in the construction industry, with respect to using certified labour trades are being met.
- I. To ensure compliance with the conditions under the Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry Document.
- J. To perform such other duties as may from time to time be assigned to him or her by the Administration Committee or the City Council.
- K. To report annually to the Administration Committee activities and any issues relating to the Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry Document or recommended revisions that are deemed appropriate.
- L. To report to the Administration Committee all issues respecting the Disqualification Provisions under the Fair Wage Policy.

ARTICLE II

Fair Wage Policy

§ 67-4. Schedule A

The City's Fair Wage Policy attached as Schedule A to this Chapter, as adopted by City Council and amended from time to time, shall be used in the City's procurement documents where necessary.

ARTICLE III

Labour Trades Contractual Obligations in the Construction Industry

§ 67-5. Schedule B

The City's Labour Trades Contractual Obligations in the Construction Industry attached as Schedule B to this Chapter, as adopted by City Council and amended from time to time, shall be used in the City's procurement documents where necessary.

ARTICLE IV

Fair Wage Schedule

§ 67-6. Schedule C

The City's Fair Wage Schedule attached as Schedule C to this Chapter, as adopted by City Council and amended from time to time, shall be used in the City's procurement documents where necessary, for the following classifications:

- (1) General Classifications
- (2) Heavy Construction Work
- (3) Industrial, Commercial and Institutional Work
- (4) Road Building Work
- (5) Sewer and Watermain Construction
- (6) Utility Work

TORONTO MUNICIPAL CODE FAIR WAGE

SCHEDULE A -- CHAPTER 67

Fair Wage Policy

§ S67-A1. Definitions.

As used in this Fair Wage Policy, the following terms have the meaning indicated:

Contract - A legal, business agreement between the City of Toronto and the Contractor to perform work or services or in the provision of materials and supplies.

Contractors - The prime contractor with the City of Toronto performing work or services in the execution of the Contract.

Fair Wage Schedule - Stipulated rates of pay for different classifications of work produced and obtainable from the Fair Wage and Labour Trades Office.

Field Work - All work in performance of the Contract that is not shop work.

Fringe Benefits - Includes such benefits as company pension plans, extended health care benefits, dental and prescription plans, etc. It does NOT include legislated payroll deductions such as C.P.P., E.H.T., W.S.I.B. or E.I.C.

Non-Compliance – The occurrence of any of the following conditions:

- (1) Contractor fails to co-operate with the Manager, Fair Wage Office in fulfilling his/her responsibilities under the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry;
- (2) Sub-contractor fails to co-operate with the Manager, Fair Wage Office in fulfilling his/her responsibilities under the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry;
- (3) Contractor or Sub-contractor has been found in violation of the Fair Wage Policy (non-compliance applies to both Contractor and Sub-Contractor);
- (4) Contractor has been found in violation of the Labour Trades Contractual Obligations in the Construction Industry;
- (5) Sub-contractor has been found in violation of the Labour Trades Contractual Obligations in the Construction Industry;

Shop Work - Any work in performance of the Contract that is done in or at any factory, foundry, shop or place of manufacture not located at or upon the site of the work, and not operated solely for the purpose of the work;

Sub-Contractors - Any agent of the prime contractor or any Sub-contractor hired to perform any of the work or services in the execution of the Contract.

Wages or Rate of Wages - Includes the hourly rate, vacation and holiday pay and any applicable amount for fringe benefits shown in the current Fair Wage Schedule, to be paid to the worker as part of the worker's wages or for the worker's benefit provided for in any collective agreement applicable to that worker.

Workers - Includes mechanics, workers, labourers, owners and drivers of a truck or other vehicle employed in the execution of the Contract by the Contractor or by any Subcontractor under them and clerical staff.

§ S67A-2. Purpose; History Fair Wage Policy

- A. The Fair Wage Policy has a central principle the prohibition of the City doing business with Contractors, Sub-contractors and suppliers who discriminate against their workers.
- B. Originally implemented in 1893 to ensure that contractors for the City paid their workers the union rates or, for non-union workers, the prevailing wages and benefits in their field, the Fair Wage Policy has expanded over the years to other non-construction classifications such as clerical workers.
- C. The Policy also requires compliance with acceptable number of working hours and conditions of work in order to protect the rights of workers.

§ S67-A3. Intent, Fair Wage Policy.

The intent of the Fair Wage Policy can be summarized as follows:

- (1) To produce stable labour relations with minimal disruption;
- (2) To compromise between the wage differentials of organized and unorganized labour;
- (3) To create a level playing field in competitions for City work;
- (4) To protect the public; and
- (5) To enhance the reputation of the City for ethical and fair business dealings.

§ S67-A4. Establishment of Rates.

- A. Establishing fair wage rates and schedules are intended to minimize potential conflicts between organized and unorganized labour in the tendering and awarding of civic contracts.
- B. Fair Wage rates are established through discussion with employee and employer groups and associations (having both union and non-union members).
- C. These rates are reviewed by the above-noted groups and are recommended to Council, by the Manager, Fair Wage Office for approval on a regular basis.
- D. Certain designated construction related rates are based on the lowest rate established by collective bargaining, while the wage rates for other classifications are based on market and industrial surveys in accordance with the prevailing wages for non-union workers in the geographic area.
- E. Similarly, the City encourages Contractors to hire and train apprentices under approved programs.
- G. In this regard, guidance on appropriate fair wage rates (including an appropriate factor for apprenticeship programs for construction related trades) will be sought from employee and employer groups as part of establishing Fair Wage Schedules.

§ S67-A5. City of Toronto Council References.

- A. City of Toronto Council, by the adoption of Corporate Services Committee Report No. 13, Clause No. 1, as amended, at its meeting of October 1 and 2, 1998, directed that the Fair Wage Policy of the former Municipality of Metropolitan Toronto be adopted for all City Departments, Agencies, Board and Commissions and replace all existing fair wage policies of the former local municipalities.

- B. City of Toronto Council, by the adoption of Administration Committee Report No. 7, Clause No. 1, as amended, at its meeting of June 18, 19 and 20, 2002, directed that certain changes be made to the Fair Wage Policy and Procedures.
- C. City of Toronto Council, by the adoption of Administration Committee Report No. _____, Clause _____ [for Council consideration at its meeting ofJune 24, 2003]

§ S67-A6. Application.

- A. The provisions of the Fair Wage Policy apply equally to Contractors and all Sub-contractors engaged in work for the City of Toronto. It is understood that Contractors cannot sub-contract work to any Sub-contractor at a rate lower than called for in the Fair Wage Policy. Contractors or general contractors will be responsible for any violations or non-compliance issues arising from the engagement of any Sub-contractor on City work.
- B. The fair wage rates do not apply to small businesses, typically those with owner-operators, or partnerships, or principals of companies as long as they undertake the work themselves.
- C. It should be noted that under the above City of Toronto Council Reference authority, the conditions of the Fair Wage Policy cannot be waived, unless authorized by Council to do so.

§ S67-A7. Contractor and Sub-contractor Responsibilities.

- A. The Contractor or Sub-contractor shall not discriminate against workers or applicants for employment as workers because of race, creed, colour, national origin, political or religious affiliation, sex, sexual orientation, age, marital status, family relationship, and disability.
- B. The Contractor shall at all times comply with the Occupational Health and Safety Act and its regulations and take every precaution reasonable in the circumstances for the protection of workers. If the Contractor sub-contracts any or all of the work or services to be performed, the Contractor will ensure the Sub-contractors are qualified to perform the work or services and comply with the Occupational Health and Safety Act and its regulations.
- C. The Contractor or Sub-contractor shall pay or cause to be paid weekly or biweekly to every worker employed in the execution of the Contract (and shall see that every owner of a truck or other vehicle employed by the Contractor or by any subcontractor in the execution of the Contract shall pay, or cause to be paid, weekly or biweekly to each of the owner's drivers) wages at the following rates, namely:

- (1) For workers employed in shop work:
 - (a) the Union rate of wages in the particular district or locality in which the work is undertaken for any class or work in respect of which there is such Union rate; and,
 - (b) for any class of work for which there is no such Union rate, the rate of wages shall be the rate of wages, as determined by the Manager, Fair Wage Office prevailing in the particular district or locality in which the work is undertaken;
 - (2) For workers employed in field work:
 - (a) where the Contractor or Sub-contractor is in contractual relationship with a Union recognized by the Ontario Labour Relations Board as the bargaining agent for the relevant workers, the applicable rate of wages set out in the collective agreement;
 - (b) where there is no such contractual relationship, a rate not less than that set out for such work in the Schedule of Wage Rates filed by the Manager, Fair Wage Office, with the City Clerk of the Corporation after being first approved by Toronto Council (hereinafter called “the Fair Wage Schedule”); and,
 - (c) for any class of work for which there is no rate, the rate of wages shall be the rate of wages, as determined by the Manager, Fair Wage Office, prevailing in the particular district or locality in which the work is undertaken.
- D. The Contractor and Sub-contractor shall:
- (1) At all times keep a list of the names and classifications of all workers employed in the Work, the hourly rate and hours worked per day and a record of the amounts paid to each;
 - (2) From time to time, if demanded by the Manager, Fair Wage Office, furnish a certified copy of all paysheets, lists, records and books relating to the work and keep the originals thereof open at all times for examination by the Manager; and
 - (3) At all times furnish and disclose to the said Manager any other information respecting wages of workers that may be desired by the Manger in connection with the Work.
 - (4) The Fair Wage Office will have the authority to request any information respecting wages of workers, names of workers, records of amounts paid to each, paysheets, original books, etc. that may be desired by the Manager in connection with a contract that has been substantially completed within the past six months.
 - (5) Failure to co-operate will be considered Non-compliance with the Fair Wage Policy

- E. The Contractor or Sub-contractor shall not compel or permit any worker engaged for the Work to work more than the number of hours per day and the number of hours per week set out in the Fair Wage Schedule for the particular type of work involved except in case of emergency, and then only with the written permission of the Commissioner or head of the Department having charge of the Work or the person then acting as such.

§ S67-A-8. Manager, Fair Wage Office, Responsibilities.

- A. In case of a jurisdictional dispute or dispute as to rate of wages to be paid under the Contract or as to the amount to be paid to any worker, the decision of the Manager, Fair Wage Office, shall be final and binding upon all parties
- B. If the Contractor or Sub-contractor fails to pay any worker (or if any owner of a truck or other vehicle fails to pay any driver) wages at the rate called for in paragraph (D), the Corporation may charge an administrative fee not in excess of fifteen percent of the balance necessary to make up the amount that should have been paid from the Contractor's progress draw or holdback, and may pay the worker(s) directly for any back-wages owing directly from the Contractor's progress draw or holdback.
- C. If the Contract is to be for the purchase of supplies or materials to which the provisions in Subsection A7 respecting the rates of wages to be paid to workers engaged in shop work and field work do not apply, Toronto Council will, before awarding same, cause to be secured from the Manager, Fair Wage Office, a recommendation as to whether or not the tenderer or bidder maintains a fair wage level.
- D. If a Tenderer or Bidder is found not to comply with the Fair Wage Policy the Manager may recommend the next lowest bidder for Contract award in the following circumstances:
- (1) an investigation is underway and the firm does not co-operate in providing timely information requested by the Manager, Fair Wage Office in fulfilling his/her responsibilities under the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry and operationally, the provision of goods and/or services cannot be delayed;
 - (2) a Contractor or Sub-contractor is in violation of the Fair Wage Policy and has not paid restitution to its workers;
 - (3) a Contractor or Sub-contractor is unable to comply with the City of Toronto Labour Trades Contractual Obligations in the construction industry.
- E. Workers engaged in clerical office work are to be paid a rate of wages no less than the surveyed standard for each classification of worker for the particular industry at the time of tendering.
- F. The Contractor and Sub-contractor MUST display legible copies of this "Fair Wage Policy" in a prominent position in his/her workshop(s), accessible to all employees.

- G. The Contractor shall attach to all accounts rendered for payment of money upon the contract, as requested by the Manager, Fair Wage Office and for the final account, a declaration affirming that the requirements of the foregoing paragraphs have been fully complied with.

§ S67-A9. Disqualification Provisions.

- A. When a Contractor or any Sub-contractor is found to be in Non-compliance with the provisions of the Fair Wage Policy in two separate instances over a period of three years inclusive, the Manager, Fair Wage Office must report and may recommend to the Administration Committee that the said Contractor or Sub-Contractor be disqualified from conducting business with the City for a period of two (2) years inclusive;
- B. After the disqualifying period is over, the said Contractor or Sub-contractor will be placed on probation for the next contract year. If another Non-compliance violation occurs, the Manager, Fair Wage Office must report and may recommend to the Administration Committee that the said Contractor or Sub-contractor be disqualified from conducting business with the City for an indefinite period of time.
- C. All non-compliance activities (including firm names) and disqualification statistics will be reported to Council annually. Disqualified firms will be published on the City's web site.

TORONTO MUNICIPAL CODE
FAIR WAGE

SCHEDULE B -- CHAPTER 67

Labour Trades Contractual Obligations in the Construction Industry

§ S67-B1. Legislative Applicability of Labour Trades Obligations

The mandatory Labour Trades provisions for municipalities bound by province-wide collective agreements are separate from Fair Wage Policy established, monitored and enforced by the City. Central to any understanding of municipal obligations to Labour Trades, is that the City has no discretion in setting wage rates or in using union labour for certain trades performing work for the City. This is by virtue of the Province-wide collective agreements applicable to trades in the Industrial, Commercial and Institutional (ICI) and Residential sectors and other negotiated collective agreements in other sectors of the construction industry.

The Province-wide collective agreements are binding on all employers in the sector. The former City of Toronto was first considered an "employer" when the relevant unions obtained bargaining rights beginning in 1978. As a result, subject to the jurisdiction of the collective agreements, union workers must be used for contracted-out work. The use of union sub-contractors for municipal building projects is also required in most cases.

§ S67-B2. Current Labour Trades Contractual Obligations in the Construction Industry.

A. The City of Toronto is bound by the current province-wide collective agreements with respect to the Industrial, Commercial and Institutional sectors of the construction industry between:

- (1) The Carpenters' Employer Bargaining Agency and the Ontario Provincial Council, United Brotherhood of Carpenters and Joiners of America;
- (2) The Mechanical Contractors Association of Ontario and the Ontario Pipe Trades Council of the United Association of Journey-men and Apprentices of the Plumbing and Pipe-Fitting Industry of the United States and Canada;
- (3) The Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and The International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario;
- (4) The International Union of Bricklayers and Allied Craftsmen and the Ontario Provincial Conference of the International Union of Bricklayers and Allied Craftsmen, and The Masonry Industry Employers Council of Ontario;
- (5) The International Association of Heat and Frost Insulators and Asbestos Workers and The Master Insulators' Association of Ontario Inc.;
- (6) The International Brotherhood of Painters and Allied Trades and The Ontario Painting Contractors Association;
- (7) The Ontario Glazier Agreement between The Architectural Glass and Metal Contractors Association and The International Brotherhood of Painters and Allied Trades; and
- (8) The Environmental Sheet Metal Association Toronto and the Sheet Metal Workers' International Association and the Ontario Sheet Metal Workers' Conference.

B. Exhibition Place is bound;

- (1) By collective agreements in all sectors of the construction industry between:
 - (a) The Carpenters' Employer Bargaining Agency and The Ontario Provincial Council, United Brotherhood of Carpenters and Joiners of America;
 - (b) The Mechanical Contractors Association of Ontario and The Ontario Pipe Trades Council of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada;

- (c) The Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and The International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario; and
- (2) By Letters of Understanding between the Board and, respectively, Local 506 of the Labourers International Union of North America and The International Brotherhood of Painters and Allied Trades.
- C. Any non-maintenance part(s) of the Work that is the work of Union members for whom the said Council, Brotherhood, Association or Local is the collective representative under the provisions of any one of the said collective agreements or the said Letters shall in each case be performed only by an employer owing contractual obligations to such representative, unless such obligations do not prohibit performance of such part(s) of the Work by others.

§ S67-B3. Guidelines for Prospective Bidders.

This summary is an overview of the current status of trades' certifications and the relevant construction sectors for which firms and workers with the appropriate union affiliations must be used when performing the following work for the City of Toronto and Exhibition Place.

Type of Work	City of Toronto	Exhibition Place
	*I.C.I.	
Asbestos/ Insulation	X	
Bricklaying/ Masonry	X	
Carpentry	X	X
Electrical	X	X
Glazing	X	
Labourers		X
Mechanical	X	X
Painting	X	X
Sheet Metal	X	

* (Industrial, Commercial, Institutional sector)

§ S67-B4. Decisions, Fair Wage Policy.

The Fair Wage and Labour Trades Office will make final decisions with respect to:

- (i) work jurisdictions;
- (ii) type of work involved;
- (iii) whether or not union firms/workers must be used; and
- (iv) if Labour Trades Contractual Obligations apply.

TORONTO MUNICIPAL CODE
FAIR WAGE

SCHEDULE B -- CHAPTER 67

FAIR WAGE SCHEDULE

2003 - 2004

[To be added – See Attachment No. 3 to Report]

The Administration Committee reports, for the information of Council, having also had before it a communication (June 3, 2003) from Mr. Brian Cochrane, President, Toronto Civic Employees' Union, Local 416, CUPE respecting the Review of the Fair Wage Office.

Ms. Mary Kutarna, Acting Manger, Fair Wage Office, Mr. Peter Fay, Senior Policy and Planning Analyst, and Mr. Mark Piplica, Assistant Fair Wage Officer, gave a presentation to the Administration Committee respecting the Fair Wage Office and Policy Review and filed a copy of their presentation material pertaining thereto.

The following persons appeared before the Administration Committee in connection with the foregoing matter:

- Mr. Mike Yorke, Business Representative, Carpenters Regional Council, and filed a written submission with respect thereto;
- Mr. Andy Manahan, Universal Work Group Union, Local 183, and filed a written submission with respect thereto;
- Mr. Ken Lew, Labour Relations Manager, Operating Engineers' Union, and filed a written submission with respect thereto;
- Mr. Tom Szuty, Labour Relations, Operating Engineers' Union;
- Mr. Jeff David Smith, Delinquency Control Office, Operating Engineers' Union;
- Mr. John Cartwright, Toronto and York Region Labour Council;
- Mr. Arthur Potts, Vice President, Openshop Contractors Association;
- Mr. Jay Peterson, Business Manager, Toronto-Central Ontario Building and construction Trades Council;
- Mr. Jerry Coelho, General President, Brick and Allied Craft Union of Canada;

- Mr. Donovan Aldrish, Member, Local 2;
- Mr. Cosmo Mannuella, Director, L.I.U.N.A., Canadian Tri-Fund;
- Mr. Carlo DiBlasio, Regional Organiser, L.I.U.N.A.; and
- Mr. Robert Gullins, Local Union 353.