

Schedule A

FAIR WAGE POLICY

§ 67-A1. Definitions.

All terms defined in § 67-1 of this chapter have the same meanings in this Schedule A, Fair Wage Policy.

§ 67-A2. City of Toronto Council references.

A. City of Toronto Council, by the adoption of Corporate Services Committee Report 13, Clause 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, boards 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 7, Clause 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 5, Clause 2, at its meeting of June 24, 25 and 26, 2003, directed that certain further changes be made to the Fair Wage Policy and Procedures, and to the Fair Wage Rate Schedule.

D. City of Toronto Council, by the adoption of Government Management Committee Item 8.9, at its meeting of October 22 and 23, 2007, directed that certain changes be made to the Fair Wage Policy.

§ 67-A3. Purpose and history of Fair Wage Policy.

A. The Fair Wage Policy has as a central principle the prohibition of the City doing business with Contractors, Sub-Contractors and suppliers who discriminate against their Workers.

B. The policy prohibits Contractors and Sub-Contractors from failing to pay their Workers in accordance with the applicable Fair Wage Schedule, or at a Rate of Wages determined by the Manager, Fair Wage Office.

C. 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.

D. The policy also requires compliance with acceptable number of working hours and conditions of work in order to protect the rights of Workers.

§ 67-A4. Intent of Fair Wage Policy.

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

A. To produce stable labour relations with minimal disruption;

B. To harmonize the Wages of organized and unorganized labour, including vacation pay and Fringe Benefits;

- C. To create a level playing field in competitions for City work;
- D. To protect the public; and
- E. To enhance the reputation of the City for ethical and fair business dealings.

§ 67-A5. 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.
- B. The Fair Wage rates do not apply to Owner Operators.
- C. It should be noted that under the above City of Toronto Council reference authorities, the conditions of the Fair Wage Policy cannot be waived, unless authorized by Council to do so.
- D. The Fair Wage Policy does not apply to Contractors and Sub-Contractors performing work pursuant to grant agreements with third parties.

§ 67-A6. 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 City Contracts.
- B. Certain construction-related Fair Wage rates, as determined by the Manager, Fair Wage Office, are based on the lowest applicable rate established by collective bargaining, while the Rate of Wages for other classifications, as determined by the Manager, Fair Wage Office, are based on market and industrial surveys in accordance with the prevailing wages for non-union Workers in the geographic area.
- C. The City encourages Contractors to hire and train Apprentices under approved Apprenticeship Programs. Apprentices/trainees will be assessed based on Provincial Qualification Apprenticeship Certification Criteria.
- D. Fair Wage rates, including Fringe Benefits and rates for Apprentices, are established by the Fair Wage Office through an assessment of various collective agreements and wage rates made available by industry stakeholders, comprising union and non-union members.
- E. The proper Wage rates to be paid to Apprentices/trainees are those specified by a particular industry program in which they are enrolled, expressed as a percentage of the journeyman rate on the Wage determination. In the event employees reported as Apprentices and trainees have not been properly registered, or are utilized at the jobsite in excess of the ratio of journeymen permitted under the approved program, they must be paid the applicable Fair Wage Schedule rate. The Manager, Fair Wage Office may assess established employee work history as to determine the appropriate Apprentice/trainee level.
- F. These rates are reviewed by the above-noted groups and approved by the Manager, Fair Wage Office, every three years commencing in 2013, as delegated under § 67-3.1 and are effective upon the enactment of the necessary by-law amendment. [Amended 2013-10-11 by By-law 1287-2013]

G. Where any rate established in this chapter is lower than any other legally required rate, such as the minimum wage established in the *Employment Standards Act, 2000*, the higher rate will be deemed to be the rate in this chapter.

H. All City Procurement documents issued prior to any revised Fair Wage Schedules coming into force will include the Fair Wage Schedules in force on the date of issuance. [Added 2023-02-08 by By-law 139-20232]

I. All City Contracts awarded prior to any revised Fair Wage Schedules coming into force will not be affected by the revised Fair Wage Schedules coming into force. [Added 2023-02-08 by By-law 139-20233]

§ 67-A7. Contractor and Sub-Contractor responsibilities.

A. Contractors will be responsible for any violations or Non-Compliance issues arising from the engagement of any Sub-Contractor on City work.

B. The Contractor or Sub-Contractor shall pay or cause to be paid weekly or biweekly to every Worker employed in the execution of a Contract 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 of 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, taking into account the prevailing wages 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; and

(b) Where there is no such Contractual relationship, a rate not less than that set out for such work in the Fair Wage Schedule and filed by the Manager, Fair Wage Office, with the City Clerk in accordance with the authority delegated to the Manager, Fair Wage Office under § 67-3.1; and

(c) For any class of work for which there is no Fair Wage Schedule rate, the Rate of Wages shall be the Rate of Wages, as determined by the Manager, Fair Wage Office, taking into account the prevailing wages in the particular district or locality in which the work is undertaken.

C. Workers engaged in clerical or other office work are to be paid a Rate of Wages no less than the Rate of Wages, as determined by the Manager, Fair Wage Office, taking into account the prevailing wages 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 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.

(3) At all times furnish and disclose to the said Manager any other information respecting Wages of Workers that may be desired by the Manager in connection with the work.

(4) Ensure every Worker receives a copy or notice of this Fair Wage Policy; in doing so, the Contractor or Sub-Contractor may either display legible copies of the Fair Wage Policy in a prominent position at any worksite or workshop that are accessible to all Workers, or provide all Workers with a copy of the Fair Wage Policy in paper or electronic format.

§ 67-A8. Responsibilities of Manager, Fair Wage Office.

A. To fulfil the duties of the Manager, as set out in Chapter 67 of the Toronto Municipal Code, § 67-3.

B. In every Procurement call to which the Fair Wage Policy applies, the Manager, Fair Wage Office, will determine the applicable construction sector and Fair Wage rates for the work requested in the Procurement call, or whether unionized Workers need to be utilized for the work requested in the Procurement call as per Chapter 67, Schedule B, Labour Trades Contractual Obligations in the Construction Industry Policy.

C. Once the applicable Fair Wage rates are determined for a specific Procurement call, the Manager, Fair Wage Office will provide information about the applicable construction sector and/or Fair Wage rates to Purchasing & Materials Management Division to insert into the Procurement document, before the Procurement document is issued.

D. 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 or Apprentice, the decision of the Manager, Fair Wage Office, shall be final and binding upon all parties.

E. After the Procurement call closes, the Manager, Fair Wage Office, at the request of Purchasing & Materials Management Division, may send a Fair Wage declaration form to the lowest bidder or bidders, as requested by Purchasing & Materials Management Division, for the bidder(s) to declare that they will comply with the Fair Wage Policy and Fair Wage Schedules.

§ 67-A9. Penalty provisions.

A. If the Contractor or Sub-Contractor fails to pay any Worker Wages at the rate called for in § 67-A7, the City may:

(1) Charge an administrative fee not in excess of 15 percent of the balance necessary to make up the amount that should have been paid by cheque, from the Contractor's progress draw or holdback or any other means suitable to the Manager, Fair Wage Office; and

(2) Pay the Worker(s) directly for any back-wages owing directly from the Contractor's progress draw or holdback.

B. If a tenderer or bidder appears not to comply with the Fair Wage Policy, the Manager may withhold approval for Contract award and notify Purchasing & Materials Management Division in the following circumstances:

(1) On the declaration form discussed in § 67-A8E, a Contractor or Sub-Contractor does not meet the Fair Wage Schedules.

(2) An investigation is underway and the firm does not co-operate in providing timely information within 10 business days after being requested by the Manager, Fair Wage Office in fulfilling his or her responsibilities under the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry Policy and, operationally, the provision of goods and/or services cannot be delayed.

(3) A Contractor or Sub-Contractor is in violation of the Fair Wage Policy and has not paid restitution to its Workers.

(4) A Contractor or Sub-Contractor is unable to comply with the City of Toronto Labour Trades Contractual Obligations in the Construction Industry Policy.

(5) the Manager, Fair Wage Office will inform the Chief Procurement Officer of any instances of withholding approval for Contract award, as set out in section 67-A9B.

§ 67-A10. 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 appropriate Standing Committee that the said Contractor or Sub-Contractor be disqualified from conducting business with the City for a period of two years, inclusive.

B. When a Contractor or any Sub-Contractor has failed to submit records that are required under 67-A7 D (2) and 67-A7 D (3) the Manager, Fair Wage Office must report to the Chief Procurement Officer and may recommend to the appropriate Standing Committee that the Contractor or Sub-Contractor be disqualified from conducting business with the City for a period of two years.

C. The disqualification period will start from the day of the decision of Council.

D. After the disqualifying period is over, the said Contractor or Sub-Contractor will be placed on probation for the next year. If another Non-Compliance instance occurs within the probation year, the Manager, Fair Wage Office must report and may recommend to the appropriate Standing Committee that the said Contractor or Sub-Contractor be disqualified from conducting business with the City for an indefinite period of time.

E. 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 website.