



REPORT TO COUNCIL

To: **Mayor and Councillors**

Subject: Amendments to Living Wage Policy for City
Employees and Contract Instructors Policy CO-75
and Living Wage Policy for Service Providers and
Sub-Contractors Policy CO-76

File #: 0110.00

Doc #: 189075

From: Francis Cheung, P. Eng.
Chief Administrative Officer

Date: July 26, 2023

RECOMMENDATION:

1. THAT City Council approve the amendments to Living Wage Policy for City Employees and Contract Instructors Policy CO-75 and Living Wage Policy for Service Providers and Sub-Contractors Policy CO-76.
 2. THAT City Council direct staff to develop a Fair Wage Program for consideration and implementation commencing 2024.
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PURPOSE:

The purpose of this report is to seek approval from City Council to amend Living Wage Policy for City Employees and Contract Instructors Policy CO-75 and Living Wage Policy for Service Providers and Sub-Contractors Policy CO-76.

POLICY:

Living Wage Policy for City Employees and Contract Instructors Policy CO-75 applies to all City employees and Contract Instructors who work for the City and earn, at a minimum, a Living Wage.

Service Providers and Sub-Contractors Policy CO-76 applies to service providers and sub-contractors for service contracts having a total estimated annual value

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greater than \$50,000 and where services are to be performed on City Premises, and are provided on a regular, ongoing basis.

COMMENTS/ANALYSIS:

The City became a Living Wage Employer in 2021 by adopting Living Wage Policy for City Employees and Contract Instructors CO-75 and Living Wage Policy for Service Providers and Sub-Contractors CO-76.

What is a living wage? A living wage is the hourly amount a family needs to cover basic expenses. These basic expenses include:

- Food
- Clothing
- Rental housing
- Child care
- Transportation
- Small savings to cover illness or emergencies

The living wage is a regional calculation that looks at the amount that a family of four, with two adults working full year, full time (35 hours per week), needs to earn to meet their expenses. The living wage allows working families to support the healthy development of their children and participate in the social, civic, and cultural aspects of their communities.

A living wage does not cover additional expenses such as:

- Debt repayment on credit cards, loans, or other interest payments
- Future savings for home ownership, retirement, or children's university education
- Anything beyond minimal recreation, entertainment, and holiday costs
- Costs of caring for a disabled, seriously ill, or elderly family member

Exemptions to Living Wage Policies include:

- Casual employment of fewer than 120 hours of work per year
- Multiple small contracts
- Interns and students who are completing practicum placements or co-op terms
- Apprentices and trainees
- Staff on their probation period
- Social purchasing (up to 10% of the labour from qualified social enterprises)
- Organizations (like non-profits) that lease space

A Living Wage Employer pays all direct and contract staff the living wage rate for their region. The current living wage rate (2022) for the Metro Vancouver region is \$24.08 per hour. This was a \$3.56 (17.3%) per hour increase from the 2021 rate of \$20.52 per hour. Living wages also vary by region as costs fluctuate from place to place. There are only two classifications in the City where the hourly wage is below the living wage for the Metro Vancouver region.

The City plans to be recertified as a Living Wage Employer for 2023 with the proposed amendments to the current living wage policies in order to balance our commitment to being a Living Wage Employer and managing cost increases to the City.

Living Wage Policy for City Employees and Contract Instructors Policy CO-75

- Clarify that Casual employees that work more than 120 hours of work per year are eligible for living wage adjustment.
- A living wage adjustment will be paid annually at the end of the calendar year and will reduce any future retroactive collective agreement payments if applicable.

Living Wage Policy for Service Providers and Sub-Contractors Policy CO-76

- Increase for service contracts for service providers and sub-contractors, from having a total estimated annual value greater than \$50,000 to having a total estimated annual value greater than \$250,000.

Moving forward, the City plans on considering a Fair Wage Program like that of the City of Vancouver.

BUDGET IMPLICATIONS:

The fee associated with recertifying as a Living Wage Employer is \$400.

With respect to City employees, the financial impact is approximately \$20,000 for 2023.

With respect to contractors and vendors, the financial impact is approximately \$54,000.

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ALTERNATIVES:

1. That the City adopts a Fair Wage Program like that of the City of Vancouver for 2023.
2. That the City declines to be recertified as a Living Wage Employer.


Respectfully Submitted,



Francis Cheung, P. Eng.
Chief Administrative Officer

Attachments:

1. Amendment to Living Wage Policy for City Employees and Contract Instructors Policy CO-75
2. Amendment to Living Wage Policy for Service Providers and Sub-Contractors Policy CO-76
3. Living Wage Expenses
4. Living Wage Rate

	Title: Living Wage Policy for City Employees and Contract Instructors	Number: CO - 75
	Authority: Council	Section: Council
	Date Adopted: April 12, 2021	
	Historical Changes ()	

Purpose:

The purpose of this policy is to ensure that all City employees and contract instructors who work for the City earn, at a minimum, a Living Wage.

Scope:

This policy applies to all City employees and Contract Instructors who work for the City and earn, at a minimum, a Living Wage with the following exclusions:

- Volunteers; and
- Students seeking work experience for education purposes.

Definitions:

Casual refers to employees that work more than 120 hours of work per year are eligible for Living Wage adjustment.

City refers to the City of Langley

Employees are all Union and Exempt staff employed by the City in either a full-time, part-time, temporary full-time or Casual capacity excluding volunteers and students seeking work experience for educational purposes.

Contract Instructors are all instructors contracted by the City to provide contract services.

Living Wage is comprised of the hourly rate of pay a family needs to cover basic expenses. These basic expenses include:

- Food;
- Clothing;
- Rental housing;
- Child care;
- Transportation; and

- Small savings to cover illness or emergencies

The Living Wage is calculated annually in accordance with the Living Wage Campaign for Families methodology.

Policy is the Living Wage Policy for all City employees and Contract Instructors.

Premises are all City owned land, building, roadways, leased properties, parks and public rights-of-way.

Principles:

The Living Wage will be calculated annually in May based on the methodology developed by the Living Wage for Families Campaign and notice will be provided to staff affected by any changes by the Human Resources Division. The new rate will be applied to the living wage adjustment in the first full pay period after the new rate is published.

Under the rules established by the Living Wage for Families Campaign, non-mandatory benefits given or paid in lieu to employees are added to the hourly rate paid calculation. Non-mandatory benefit percentages vary for part-time, temporary full-time and casual employees as per the Collective Agreement and are used for calculating the “living wage adjustment” entitlement. The percentage of mandatory benefits paid to part-time employees that opt for benefits will use the same calculation as those that receive a percentage in lieu of all benefits. The “living wage adjustment” will be subject to all statutory and other deductions including union dues.

The Living Wage may increase or decrease each year and the living wage adjustment will be calculated based on the current living wage rate. If, however, the living wage rate decreases by \$1.00 or more in a given year, current employees that are receiving the living wage adjustment will be given six months’ notice of the reduced rate.

The living wage adjustment will be paid annually at the end of the calendar year, and will reduce any future retroactive collective agreement payments if applicable, and will be listed as a “living wage adjustment.”


The Living Wage is a poverty reduction strategy and not a bargained benefit and exists outside of the collectively bargained salary schedules contained within the City’s Collective Agreements.

The Living Wage rate is a directive of Council and may be revoked by Council at any time.

This Policy will be reviewed on an annual basis by the Chief Administrative Officer in consultation with City Council.

References:

Policy Number:	CO - 75
Policy Owner:	CAO
Endorsed by:	SMT
Final Approval:	COUNCIL
Date Approved:	April 12, 2021
Revision Date:	September 11, 2023
Amendments:	
Related Policies:	
Related Publications:	https://www.livingwageforfamilies.ca/become_a_living_wage_employer

	Title: Living Wage Policy for Service Providers and Sub-Contractors	Number: CO - 76
	Authority: Council	Section: Council
	Date Adopted: April 12, 2021	
	Historical Changes ()	

Purpose:

The purpose of this policy is to ensure that service providers and sub-contractors to the City who work on City premises for a specific period of time earn, at a minimum, a Living Wage.

Scope:

This policy applies to service providers and sub-contractors for service contracts having a total estimated annual value greater than \$250,000 and where services are to be performed on Premises, and are provided on a regular, ongoing basis, but will not include:

- Emergency or non-recurring repairs or maintenance services where no standing contract is in place;
- Services performed by organizations that are less than one continuous hour per occasion;
- Services performed by organizations that lease property from the City;
- Employees of Social Enterprises;
- Provider of supplies; and
- Employees of local amateur sports clubs and organizations.

Definitions:

City refers to the City of Langley

Declaration is a document signed by a service provider confirming their compliance in paying a living wage to their employees covered under this Policy.

Living Wage is comprised of the hourly rate of pay a family needs to cover basic expenses. These basic expenses include:

- Food;
- Clothing;
- Rental housing;
- Child care;

- Transportation; and
- Small savings to cover illness or emergencies

The Living Wage is calculated annually in accordance with the Living Wage Campaign for Families methodology.

Policy is the Living Wage Policy for Service providers and Sub-contractors.

Premises are all City owned land, building, roadways, leased properties, parks and public rights-of-way.

Service providers are companies and their employees that have a direct business relationship with the City. These employees are individuals that perform services to the City on City premises. Service providers are responsible for Sub-Contractors.

Sub-Contractors are companies and their employees that have been sub-contracted by the City's Service Providers. They do not have a direct business relationship with the City.

Social Enterprises are business that: (i) are owned or operated by a non-profit organization; (ii) are directly involved in the production and/or selling of goods and services for the combined purposes of generating income and achieving social, cultural, and/or environmental aims; and (iii) have a defined social and/or environmental mandate.

Principles:

Existing contracts still in force at the time of implementation will be grandfathered until such time as the contract expires or is renegotiated, whichever comes first.

The Living Wage will be calculated annually based on the methodology developed by the Living Wage for Families Campaign.

The City requires all Service Providers and Sub-Contractors, whose services fall within the scope established within this Policy, to be compliant for the duration of their contract with the City.

The City will incorporate into all its competitive bid documents (e.g. Invitations to Tender, Requests for Proposal, Quotes, etc.) a sample declaration to be signed as part of the Service Provider's contract with the City.

The City will enforce the Policy by performing audits of its Service Providers and Sub-Contractors when notification of non-compliance is received by the City. These audits may take the form of a review of paystubs issued by the vendor

under review or any other means pertinent to arriving at a determination.

Non-compliance may result in the cancelation of the Contract at the discretion of the City.

The Living Wage rate is a directive of Council and may be revoked by Council at any time.

This Policy will be reviewed on an annual basis by the Chief Administrative Officer in consultation with City Council.

References:

Policy Number:	CO - 76
Policy Owner:	CAO
Endorsed by:	SMT
Final Approval:	COUNCIL
Date Approved:	April 12, 2021
Revision Date:	September XX, 2023
Amendments:	
Related Policies:	
Related Publications:	https://www.livingwageforfamilies.ca/become_a_living_wage_employer



**INSTRUCTIONS TO TENDERERS
LIVING WAGE DECLARATION**

DECLARATION – LIVING WAGE EMPLOYER

I, _____ by or on behalf of the Contractor, or by its duly authorized signatory or signatories (if the Service Provider is a corporation)

Company: _____

Address: _____

_____, confirm that all employees and sub-contractors under contract with the City as outlined below, are paid not less than the “Living Wage” as calculated by the Living Wage for Families Campaign.

I understand that this requirement extends only to those employees and sub-contractors’ employees that perform work while on City premises and property for durations in excess of one continuous hour per occasion and the total annual value of the service contract is greater than \$250,000.

I understand the City will conduct audits if and when notification of breach of this compliance is received by the City. All relevant audit information requests will be provided in a timely manner.

I understand that in the event of any breach of this declaration is found to be true, the City reserves the right to cancel its contract without penalty at any time once said authentication of the breach is made.

Contract Name: _____ Contract No.: _____

Authorized Signatory(ies):

Print Name

Date

Print Name

Date

Print Name

Date



To: Mayor and Councillors

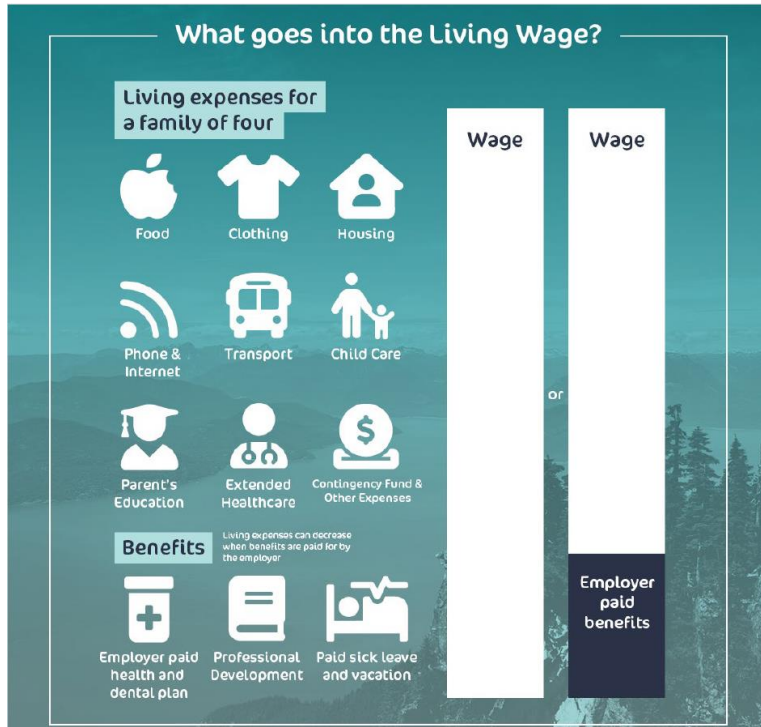
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Attachment 3

Living Wage Expenses



What is the Living Wage?

Family of 4

- 2 parents working full-time (35 hours a week)
- 2 children – a 4 year old and a 7 year old

Basic Living Expenses

Does not include savings, debt repayment, cost of caring for a family member

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Attachment 4

2022 Living Wage Rate

