

# Make CoV a Living Wage Employer

## Council Presentation



September 21, 2016.

# Today's Discussion

Actions Taken to Date

Living Wage Overview

Where is CoV today

Other CoV Agencies

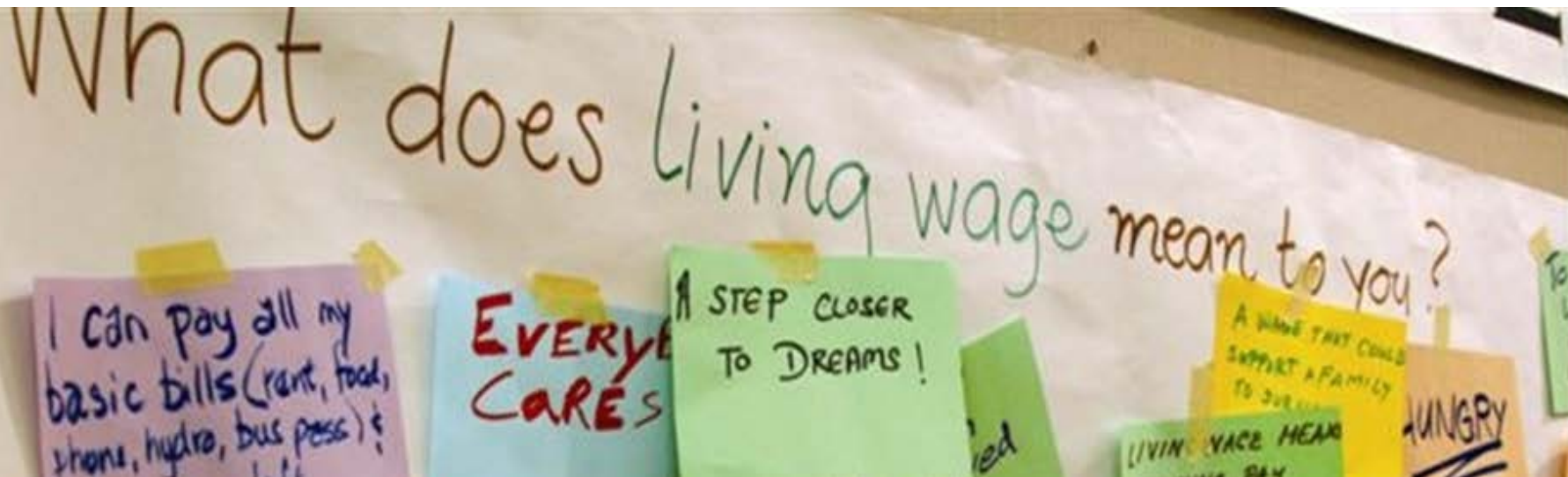
Next Steps

Questions?

# ACTIONS TAKEN TO DATE

July 7, 2015

“Vancouver City Council affirm[ed] its commitment to have the City of Vancouver be certified as a **Living Wage Employer** by the **Living Wage for Families Campaign** and direct staff to report back on the steps necessary to achieve that goal.”



# Healthy City Strategy (July 2015)



## Making Ends Meet and Working Well

The action plan includes:

- Educate the Leadership Table and CoV staff on the **Living Wage** Employer certification process
- Assess the steps which need to be taken to implement a **Living Wage** policy at the CoV

# CoV Objectives

*Our residents have adequate income to cover the costs of basic necessities, and have access to a broad range of healthy employment opportunities.*



**2025 target: Reduce the city's poverty by 75%  
Increase median income by at least 3% every year**

# What We Know

- BC Child poverty rates are the highest in the country at 20.6%
- Vancouver's child poverty rate even higher at almost 22%
- Almost one-third of the poor children in BC live in families with at least one adult who works at a full-time/full-year job



- More and more families are working for low wages facing impossible choices:
  - Buy food or pay rent
  - Feed the children or pay the rent
- Low wages hurt child development
- Low income kids leave school early





# LIVING WAGE OVERVIEW

# What is a Living Wage?

According to The Living Wage for Families Campaign a **living wage** is the hourly amount a family needs to cover basic expenses, these include:

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



LIVING WAGE BUDGET	
Food	
Clothing & Footwear	\$ 831
Shelter	\$ 184
Transportation	\$ 1,652
Child Care	\$ 505
MSP Premiums	\$ 1,356
Non-MSP Health Care	\$ 150
Parent...	

A **living wage** does not include:

- Debt repayment - credit cards / loans
- Savings for future - plans, home ownership / university
- Costs of caring for a disabled, seriously ill or elderly family member

# What is Living Wage?



## Living expenses for a family of four



food



clothing + footwear



shelter



transportation



child care



household expenses



social participation



Medical Services Plan



extended healthcare



parents' education



contingency fund  
*2 weeks pay per adult*

## benefits

living expenses decrease when benefits are paid for by the employer



Medical Services Plan



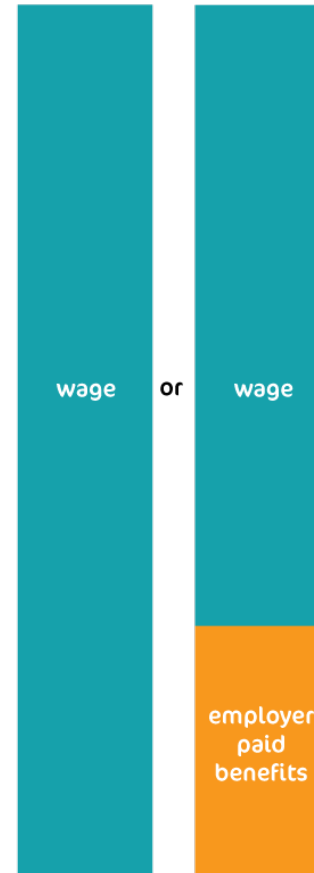
extended healthcare



professional development



paid sick leave + vacation



The current living wage rate for Metro Vancouver is **\$20.64** per hour

To become certified as a **Living Wage** Employer, an organization must commit that:

- All direct employees and contractors and subcontractors that provide regular, ongoing services on the **Living Wage** employer's premises are compensated at the current **Living Wage** rate
- A process for an annual adjustment in wages for direct staff and contractors and subcontractors to the current **Living Wage** is implemented

# We are in good company

Over 65 employers in B.C. have achieved **Living Wage** certification



MORRISON HERSHFIELD



arbutus tree service

vanouver  
foundation

# WHERE COV IS TODAY

## Direct Employees

- All CoV employees are presently compensated at or above the current **Living Wage** rate of \$20.64 per hour
- With the CoV's current collective agreements and the anticipated settlements for collective agreements that are subject to renewal, staff expects compensation levels for all employees to remain in excess the **Living Wage** rate
- The unions that represent CoV staff have been advised and have provided feedback regarding Council's commitment to pursue this certification. The five unions will continue to be informed throughout the process

## Contracted Service Providers

- The *Living Wage for Families Campaign* recognizes that it is not feasible to apply the **Living Wage** clause to every CoV contractor (approximately 4,000)
- CoV staff benchmarked two other **Living Wage Employers**: Vancity and City of New Westminster
- Focus on suppliers from sectors that are particularly vulnerable to low wages
- CoV are not required to renegotiate any pre-existing contracts



## Contracted Service Providers

The *Living Wage for Families Campaign* acknowledges a number of criteria on which specific employees or contractors are appropriately exempted from consideration in the certification process



## Contracted Service Providers

### Exemptions include:

- Students, interns and practicum placements
- Workers providing <120 hours of service per year
- Ad hoc contract work (e.g. emergency or non-recurring repairs or maintenance)
- Volunteers
- Organizations that lease property from the CoV
- Social enterprise
- Multiple small contracts - a contract makes up no more than half of a percentage of its annual purchasing budget (over a \$1 million contract size for the CoV)

## Contracted Service Providers

CoV staff developed the following parameters for service contracts to be considered in-scope:

- Annual service contract value in excess of \$250,000
- Service is provided on CoV sites
- Contractor or its subcontractors provide regular and on-going services to the CoV
- Work must last longer than one continuous hour per occasion
- Service is provided on a regular ongoing basis; contractor must perform services over 120 hours per year

## Contracted Service Providers

- Staff analysed spend reports, vendor lists and individual contracts
- Approximately 120 contracts are in-scope, with a cumulative spend of \$135 million per annum
- Representing about 45% of the CoV's total annual spend of approximately \$300 million for third party goods and services

## Contracted Service Providers

- 4 contracts identified whereby contactors' employees are compensated below the 2016 **Living Wage** rate
- These contracts are related to janitorial services, security services and graffiti removal services which expire within over the next 2-3yrs
- An additional **\$590,000** per year is estimated to meet compliance with the **Living Wage** guidelines for these service contracts



# OTHER COV AGENCIES

- VPD will be seeking approval from their Board to pursue certification to become a **Living Wage** employer
- To bring the 200 casual workers up to the 2016 **Living Wage** rate would require an additional \$127,000 per year
- The approximate impact on security and facility-related services is \$60,000 per year
- Total estimated impact for VPD is roughly **\$187,000** per year

- VPL will be seeking approval from their Board to pursue certification to become a **Living Wage** employer
- To bring one classification of worker up to the 2016 **Living Wage** rate would require an additional \$161,000 per year
- To bring the security services contract up to the 2016 **Living Wage** rate would require an additional \$105,000 per year
- Total estimated impact for VPL is estimated at roughly **\$266,000** per year



- Pursuant to the *Vancouver Charter* the Park Board does approve contracts for external service contracts - staff recommend that Council seek endorsement from the Park Board for the **Living Wage** Policy and Implementation Plan

As a second phase of work in relation to **Living Wage** certification:

- CoV staff will work with the management of other CoV agencies to review the certification requirements and assess the implications of certification on each agency
- As independent legal entities, these agencies would necessarily pursue their own certification applications separately from the CoV

# NEXT STEPS

## Submit a *Living Wage Implementation Plan* to the Living Wage for Families Campaign by January 31, 2017

- Provide communications to vendors
- Communicate **Living Wage** information to all CoV staff
- Develop or amend existing CoV policies to reflect the **Living Wage** requirements
- Incorporate **Living Wage** clauses in bidding and contracting documents
- Define metrics, audit and tracking procedures



## Healthy City for All Leadership Table and City Staff

- At the upcoming Healthy City Leadership Table (HCLT) meeting on September 28, 2016, City staff will partner with the *Living Wage for Family Campaign* and *Vancity* to conduct a Living Wage certification workshop
- The HCLT is comprised of senior executive staff from business, public health, education, NGOs, health etc., who champion the implementation of the Healthy City goals
- City staff will have the opportunity to attend internal Living Wage workshops



# Questions?

