

28. Re: Letter dated October 26, 1972 from Mr. B. Robson,
Secretary-Treasurer, District Council of Carpenters
J. Cewe Ltd. - Contract #15

Appearing on the Agenda for the November 6, 1972 Council meeting is a letter dated October 26, 1972, from Mr. B. Robson, Secretary-Treasurer, District Council of Carpenters re a J. Cewe contract.

On October 25, 1972, a Mr. Colin Snell, Business Agent of the Vancouver Carpenter's Union telephoned the Purchasing Agent enquiring about a firm known as Mountain Form Rentals Ltd., who were working at 9:30 a.m. October 24, 1972 constructing retaining walls on North Holdom, North of Hastings Street. According to Mr. Snell the men at work were schoolboys and on being questioned by Mr. Snell they advised that they were working for \$5.00 per hour. Mr. Snell's complaint was that these were non-union men and that he proposed to put up a picket line at the job site.

The matter was immediately referred to the Municipal Engineer who has submitted the following report:

The first knowledge of the situation concerning Mountain Form Rentals Ltd. came to my attention when Acting Mayor T. Constable telephone me just before 5 p.m. on Friday 20 October, 1972.

I immediately got in touch with the Company (Cewe) to enquire as to whether or not in fact Mountain Form Rentals Ltd. were acting as a sub-contractor on the subject contract. I was not able to reach the General Manager of the Company or any of the other senior representatives, but I did leave word concerning the subject and asked to be advised as soon as they were able to and left both my telephone number at work and at home. Not having heard from the Company by Monday morning, 23 October, 1972, I put in a call to the General Manager of the Company and not having heard from them by 5 p.m. Monday, I once again telephoned and spoke to a representative who in turn promised to get in touch with the General Manager and return my call. The returned call advised me that Mountain Form Rentals were, to the best of their knowledge, not acting as a sub-contractor, whereupon I asked them to be certain of their facts and to get in touch with me the next day.

On Tuesday morning, 24 October, 1972, I was advised that the Company was hiring Mountain Form Rentals Ltd. for primarily the supply of forms, but they had also requested that some assistance in labour be provided for erection of the forms. I advised the representative of the Company that our definition of sub-contracting was that a sub-contract existed if there was any amount of labour content involved in the subject work, and I further advised them that we were not prepared to approve a sub-contract, and further that any work on the contract, whatever it might be, must be carried out by Company forces. I was advised later in the day on Tuesday, 24 October, 1972, that all of the work being carried out under the contract, but with particular reference to the erection of forms for retaining walls, was being carried out by employees who were on the Company's payroll as of Tuesday morning; I asked that the Company be prepared to prove this with certified copies of their payroll which they promised would be available when requested.

The difficulty in this instance, I am advised by the Company, arose as to the interpretation of what constitutes a sub-contract. The Company stated that they were under the impression that a sub-contract existed only if a complete segment of the contract were being done by another person or firm, and that their understanding of a complete segment was at least one pay unit under the contract. In this case, only a portion of a segment was involved, namely, the provision of forms and a portion of the labour required to erect them, with the Company supplying the concrete and the finishing. Similarities were drawn by Company representatives to the provision of hired trucks or equipment which form only a portion of a single segment of the work, but nevertheless requires provision of labour in such supply. I believe that our definition in the above paragraph is one and that is, that a sub-contract would be constituted in any event, however

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big or small, of labour were involved; our definition would be in much closer conformity to the dictionary definition of sub-contracting.

As you are aware, Clause 36 of our General Conditions of Contract requires that all workmen employed by the contractor or sub-contractor shall be paid wages as are generally accepted by the Provincial Government under the "Public Works Fair Wages and Conditions of Employment Act" and which are generally current in each trade for competent workmen in the municipality with the further proviso that where current rates are in excess of either of the two previously mentioned measures, then the contractor shall pay the current union rates for such labour. We do not have the practice of requiring contractors to submit certified payrolls (except for certain Federal and Provincial Incentives Programs), and it would take a goodly sized addition to staff to adequately check out all workmen employed to see that they are on the payroll of the contractor and to follow through to the extent of assuring that such men are paid in conformity with Clause 36. It would be necessary, if this task were to be undertaken, for us to have someone familiar with all of the various union agreements in order to be certain in all cases that Clause 36 is being strictly adhered to.

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MUNICIPAL ENGINEER

RECOMMENDATION:

THAT a copy of this report item be forwarded to Mr. Robson.