

RE: LETTER FROM MRS. ELIZABETH ELWOOD WHICH APPEARED ON THE AGENDA  
FOR THE FEBRUARY 22 MEETING OF COUNCIL (ITEM 2 F)  
CONTRACT PROCEDURES

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Engineering be adopted.

\* \* \* \* \*

**TO: MUNICIPAL MANAGER** 1988 APRIL 27

**FROM: DIRECTOR ENGINEERING**

**SUBJECT: CORRESPONDENCE FROM ELIZABETH ELWOOD REGARDING CONTRACTS**

RECOMMENDATION:

THAT Elizabeth Elwood of 8134 14th Avenue Burnaby, B.C., V3N 2B8, be provided with a copy of this report.

R E P O R T

At its meeting of 1988 February 22, Council received a letter from Mrs. Elwood in which she asked several questions concerning Municipal contracts. At that meeting, Council was advised that the matters raised by Mrs. Elwood would be addressed following Council's receipt of the report then under preparation on Municipal tendering procedures. Council received and acted upon the recommendations in that report from the Director Engineering at its meeting of 1988 March 28.

To now address Mrs. Elwood's questions, we will repeat them in the same order as they were originally posed and the replies are given to each in turn. To a large extent, the replies represent the best judgement of your Director Engineering as to how contracts will be handled in the future, bearing in mind the findings and recommendations of the Director Engineering's main report of 1988 March 28.

- (1) Q. Is there, in fact, to be a policy change with regard to the awarding of contracts?
  - A. The report on Municipal Tendering Procedures for Construction Contracts sets out in some detail in the section called "Tendering Procedures" the many factors that will be used in the evaluation of tenders.
- (2) Q. If so, what exactly will this new policy be?
  - A. The application of the factors does not create the need for a "new policy".

- (3) Q. If contracts do not automatically go to the lowest bidder, then what will be the selection process?
- A. It will be recommended that contracts be awarded to the lowest bidder meeting all of the bidding and specification requirements as well as demonstrating an ability to successfully complete the work of the contract.
- (4) Q. Who will be responsible for selection of a contractor?
- A. The applicable Director(s) and the Municipal Manager recommend the tenderer to whom the contract should be awarded. However, the ultimate decision on the selection of a contractor rests with the Municipal Council.
- (5) Q. How many uncertified laborers at present receive employment opportunities through contracts with Burnaby?
- A. There are no practicable means of determining how many "uncertified" laborers receive employment through construction contracts with Burnaby.
- (6) Q. If all workmen employed by a contractor must have tradesmen's qualification certificates, will this specification also exclude the hiring of university students for summer employment?
- A. A report on trades qualification certificates is now being finalized for presentation to Council. It is therefore premature to speculate on the possible effects of a matter which has not yet been addressed by Council.
- (7) Q. Why is the existing appeal process for the assessment of fair wages considered inadequate?
- A. The existing appeal process under Section 939 of the Municipal Act appears to your Director Engineering to be cumbersome and time-consuming. In addition, the "...wages and remuneration that are generally current in each trade for competent workers in the Municipality..." would be extremely difficult to determine with any acceptable degree of accuracy and, also, would be extremely subjective in nature.
- (8) Q. Who will decide fair wages under an alternate system?
- A. Council has adopted a recommendation from the Director Engineering that a range of wages plus remuneration comprised of the wages plus remuneration paid Burnaby's employees under the current CUPE contract as a minimum and the wages plus remuneration paid to workers under building trade union contracts on the top end would constitute the definition of a scale of "fair wages" under Section 939 of the Municipal Act.
- (9) Q. Will fair wages be decided by Council, by CUPE or by the bureaucracy?
- A. The policy described above and adopted by Council forms the basis of the determination of fair wages. Any change or variation of that policy would require the specific approval of Council.

- (10) Q. Will fair wages turn out to be the equivalent of union wages?
- A. The range for fair wage determination lies between wages and remuneration paid under two existing union scales as already described, because those wages and remuneration are considered to be reasonable for any contractor to pay.
- (11) Q. Will these specifications ultimately exclude all but union companies from bidding with Burnaby?
- A. No one is excluded from bidding on Burnaby contracts, provided the many other contract prerequisites are met (for such things as bonding and fair wages for example).
- (12) Q. If there are to be periodic inspections to ensure fair wages are being paid, who will carry out these inspections?
- A. The "inspections" and periodic audits concerning fair wages will be carried out by municipal employees and/or agents.
- (13) Q. Will this task be added to the job specifications of our existing bylaw inspectors?
- A. Works inspectors, whether municipal employees or agents, are required to enforce all aspects of contracts specifications and conditions and this duty would certainly include fair wages as just one more contract stipulation requiring enforcement.
- (14) Q. If so, will these inspectors be given pay increases?
- A. It should not be necessary to implement pay increases for the inspectors because fair wage adherence is just one part of their total duties concerning contract administration. In any event, processes are available to resolve such matters.
- (15) Q. Or alternatively, will such a system mean that the taxpayers will be funding an entirely new troupe of inspectors?
- A. A "new troupe of inspectors" will not be required.
- (16) Q. Could a change of policy mean that the Burnaby taxpayers will be faced with prohibitive price tags for major construction projects?
- A. It is the opinion of your Director Engineering that the fair wage range recommended to and adopted by Council will in no way cause "prohibitive price tags for major construction projects."
- (17) Q. Could the cost of future major projects increase to the degree that there will be longer delays before funds can be allocated for such projects?
- A. It is the opinion of your Director Engineering that longer delays in allocation of funds for projects will not result from adoption of the fair wage policy.


ITEM 13  
MANAGER'S REPORT NO. 32  
COUNCIL MEETING 88/05/02

It is trusted that Mrs. Elwood's questions have been satisfactorily answered.

It should be noted that all contracting procedures, practises, and fair wage provisions are subject to on-going review but, in any event, a progress report will be submitted to Council within one year from adoption of the report on tendering procedures.

139

This report is for the information of Council.

  
DIRECTOR ENGINEERING

EEO:dp

cc: Director Finance