SPECIAL MEETING OF COUNCIL

AGENDA

(available also at www.citywindsor.ca)

Monday, January 16, 2017

6:00 o’clock p.m.

Council Chambers, 3rd Floor, Windsor City Hall

Members:

Mayor Drew Dilkens

Ward 1 - Councillor Fred Francis

Ward 2 - Councillor John Elliott

Ward 3 - Councillor Rino Bortolin

Ward 4 - Councillor Chris Holt

Ward 5 - Councillor Ed Sleiman

Ward 6 - Councillor Jo-Anne Gignac

Ward 7 - Councillor Irek Kusmierczyk

Ward 8 - Councillor Bill Marra

Ward 9 - Councillor Hilary Payne

Ward 10 - Councillor Paul Borrelli
1. ORDER OF BUSINESS
   1.1. In the event of the absence of the Mayor, Councillor Payne has been appointed Acting Mayor for the month of January, 2017 in accordance with By-Law 189-2014.

2. CALL TO ORDER

3. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

4. COMMITTEE OF THE WHOLE

5. REQUESTS FOR DEFERRALS, REFERRALS OR WITHDRAWALS

6. PRESENTATIONS AND DELEGATIONS
   6.1. Contracting Out: Huron Lodge Long-Term Care Caretaking (Janitorial) Services---City Wide (C 3/2017)

7. REGULAR BUSINESS ITEMS

8. BY-LAWS (First and Second Readings)

9. MOVE BACK INTO FORMAL SESSION

10. THIRD AND FINAL READING OF THE BY-LAWS

11. ADJOURNMENT
MISSION STATEMENT
“Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together”

REPORT #: C 3/2017  
Report Date: 1/6/2017  
Author’s Contact:  
Tom Graziano  
Senior Manager, Facilities  
519-253-2300 Ext. 2741  
tgraziano@citywindsor.ca

Date to Council: January 16, 2017  
Clerk’s File #: AS/12461

To: Mayor and Members of City Council

Subject: Contracting Out: Huron Lodge Long-Term Care Caretaking (Janitorial) Services

RECOMMENDATION:

THAT, in adherence with Council’s fiscal mandate of providing municipal services in the most economical manner, Council PROCEED with the contracting out of caretaking at Huron Lodge; and

THAT Council DIRECT ADMINISTRATION to achieve the outsourcing by way of Administration’s recommended Option 1 as described in this report, or PROVIDE DIRECTION to Administration regarding implementation of one of the other outsourcing options detailed in this report.

EXECUTIVE SUMMARY:
N/A

BACKGROUND:

In order to explore efficiencies aimed at reducing costs to taxpayers while maintaining services, the Facilities Department initiated a review of its caretaking operations, and the possibility of contracting that service out, and presented a report to Council on November 16, 2015 (Schedule C). The recommendation to investigate contracting out of caretaking was not approved.
At its budget meeting of December 21, 2015, City Council further directed administration as follows:

“That Administration report back to Council on a process to outsource caretaking without the need to lay any current employees off.”

On March 7, 2016, a report to council provided information regarding a process that could be implemented for contracting out of caretaking services currently being performed by City staff, in a phased approach that would avoid job losses for any Regular Full Time Caretaker. The Council resolution in this matter, CR129/2016, reads:

“That administration BE DIRECTED to pursue Option A as contained in the report of the City Engineer dated February 24, 2016 to outsource caretaking without job loss for any regular full time employees; and,

That administration EXCLUDE the CUPE Local 82 caretakers and to report back at a later date should attrition accelerate and should the outsourcing be recommended; and,

That administration BE AUTHORIZED to notify the CUPE Local 543 Union that administration is exploring the contracting out of caretaking services without job loss for any regular full time employees; and,

That administration BE AUTHORIZED to prepare and issue a Request for Proposal in accordance with the city's purchasing by-law for the contracting out of caretaking services; and,

That the recommendations of administration on whether and to whom to award the contracts BE REPORTED to City Council for tentative approval prior to entering into the union discussions; and,

That the collective agreement outsourcing steps including notice and provision of information to the respective Union BE FOLLOWED by administration with a confirmatory report to City Council.”

Option A, noted in the council resolution, refers to the contracting out of caretaking services at Huron Lodge.

Following an RFP process for Caretaking Services at Huron Lodge, the results were provided in a report to council titled “City Wide - Results of RFP 126-16: Huron Lodge Long-Term Care Caretaking (Janitorial) Services” on the November 7, 2016 (attached as Schedule B). The Council resolution in this matter CR666/2016 reads:

THAT Administration BE AUTHORIZED to formally notify the CUPE Local 543 Union that the contracting out of caretaking services is being explored; and,
THAT Article 28 – Contracting Out of the CUPE L543 Collective Agreement, including notice and provision of information to the respective Union BE FOLLOWED by Administration; and further

THAT this report detailing the various options as identified by Administration BE TABLED in order to allow for the required consultation process to take place, including any response that may be forthcoming from CUPE Local 543, after which a confirmatory report will be presented to City Council to provide direction as to the preferred option and any related award of tender.

DISCUSSION:

CUPE Local 543 Submission and Evaluation

On November 7, 2016, City Council authorized Administration to proceed with the Contracting Out provisions as outlined in Article 28 of the CUPE Local 543 Collective Agreement between the Corporation and CUPE Local 543. Notice under Article 28, was hand delivered to the Union on November 15, 2016 as well as the report and documents that were used to make the decision to explore contracting out, and which would have been made available pursuant to the Municipal Freedom of Information & Protection of Privacy Act, had an FOI request been made. Due to conflicting schedules, it was mutually agreed between the Union and the Corporation that the delivery of this notice and the information package fulfilled the requirement to have a meeting as set out in Article 28.02.

The Union, after reviewing the information provided to it on November 15, 2016, sent an email to the Corporation on November 18, 2016 advising that it did not agree that the information provided to it on November 15, 2016 fulfilled the Corporation’s obligation under Article 28.01 and requested additional information. This issue is presently before an Arbitrator.

On December 15, 2016, the Union provided a written submission in response to the proposal to contract-out caretaking services at Huron Lodge Long-Term Care Facility to Administration, attached as Schedule A. It should be noted that the Union’s submission is not a competing cost proposal, but rather a narrative that points out a number of service delivery related concerns or negative experiences related to contracting out in general as well as relative to the selected proponent. Based on the noted analysis it concludes that, therefore, contracting out would not be in the Corporation’s best interest. While Administration acknowledges the concerns brought forward by the Union, their submission has been duly considered and Administration is of the view that the concerns that have been raised can be avoided through proper contract management and supervision.
The detailed RFP that was issued for Caretaking Services will form the basis for the caretaking contract at Huron Lodge and was developed to ensure compliance with all Ministry Guidelines under the Long-Term Care Act. The Act dictates the service guidelines that must be in place in all Long-Term Care facilities. The Act also outlines inspection protocols that must be followed. These rules and detailed expectations were included in the RFP.

The contract will contain detailed checklists of the work to be performed by the contractor and requires that the same number of caretaking staff that are currently on-site be employed by the successful proponent in carrying out these duties. Further, management of the contract and outsourced employees will be retained in-house with existing, experienced managers being responsible to ensure that the contractor’s performance is equivalent to the service level that is currently enjoyed at Huron Lodge. Additionally, it is noted that references relevant to the proponent’s services being provided in other long-term care facilities were reviewed and found to be satisfactory to the evaluation team through a pre-qualification process.

Finally, based on past experience in the private sector, the Administrator of Huron Lodge indicates that a significant percentage of private long-term care facilities (which must meet the same stringent legislated requirements) successfully contract out caretaking service.

Options Available to Council for Approval and Implementation of Contracting Out

The November 7, 2016 Council report provided three options that could be implemented relative to contracting out caretaking services currently being performed by City staff at Huron Lodge if council were to approve outsourcing. These options were developed with the goal of avoiding job losses for Regular Full Time (RFT) and Regular Part Time (RPT) General Caretakers, as well as the Store Keeper and one General Staff position. It is noted however, that the various options would each impact the budgeted hours available to the RPT employees to a greater or lesser extent. The three options are detailed in Schedule B, but in summary they are:

**Option 1:** Huron Lodge RFT General Caretakers transitioned to General Caretaker positions outside of Huron Lodge utilizing one-time transitional funding and providing for a temporary enhanced service level.

Under this option, all RFT caretakers at Huron Lodge would be placed in general RFT caretaker vacancies throughout the corporation, with those caretakers yet to transition into permanent vacancies providing a temporarily enhanced level of service. The estimated one-time cost of this transition plan for RFT employees is **$1,893,015**. RPT caretakers from Huron Lodge would be absorbed into the existing general RPT caretaking pool and within existing available RPT caretaking hours at no additional cost. It should be noted that on average, RPT caretaker hours would be reduced from a
budgeted 24 hours per week of work, to approximately 20 hours per week until such time that the complement of RPT caretakers can be reduced to the currently approved staffing levels through attrition.

There are significant one-time costs associated with this option. However, given that it minimizes the impact on both the RFT and RPT employees, it is the option that is recommended by administration. It is noted however, that since the job classifications are different between the Huron Lodge and other City caretakers, the union would have to agree to this plan by way of an MOA. Furthermore, if it was Council’s intent to temporarily enhance services outside of the caretaking realm that are provided by members of CUPE local 82, in addition to the local 543 MOA, a similar MOA would be required with local 82.

**Option 2: Maintain Huron Lodge RFT caretaking employees as General Caretakers outside of Huron Lodge and absorb within the existing available RPT hours, with no service level enhancement.**

With this option, RFT caretaking employees at Huron Lodge would first be placed in available RFT General Caretaker vacancies throughout the corporation as they become available. Those RFT caretakers yet to be transitioned to other available RFT positions would work full time hours but be paid from the part time budget until such time that a full-time position becomes available.

Therefore, under this option, the available part time hours for existing Huron Lodge and other City RPT employees would be significantly reduced. On average, RPT caretaker hours will be reduced from a budgeted 24 hours per week of work, to approximately 7.5 hours per week until such time that all over complement RFT caretakers are placed into permanent positions and the complement of RPT caretakers can be reduced to existing, approved staffing levels. At that time, it is expected that all RPT caretakers will return to regular, part-time budgeted hours.

There would be no one-time costs for this option as the displaced RFT staff would be paid from existing part time budgets until attrition returned the RFT complement to the current levels.

Similar to Option 1, implementation of this scenario would require the Union to agree to sign an MOA.

**Option 3: Bumping process**

Should Council wish to proceed with the contracting out and agreement cannot be reached with the Union, the bumping process, as outlined in the Collective Agreement, could be followed. As noted in the November 7, 2016 report to Council, while there are associated challenges and costs related to bumping, they have not been analyzed for
financial impact at this time as Administration is hopeful that a successful agreement can be reached with the Union.

**NEW - Option 3B: Creation of additional RFT and RPT General Caretaker positions to facilitate the bumping process of affected employees at Huron Lodge**

Although not contemplated in the November 7, 2016 report to Council, Council may wish to consider a further option in the event that the Union elects not to enter into the agreement required to implement Option 1 or Option 2.

While it would be Administration’s preference that an acceptable MOA be achieved with the Union, in the event that this is not possible, Option 3B provides a workable alternative. Essentially it would require an addition to the annual operating budget to establish the creation of up to 10 RFT and 6 RPT General Caretaker positions. This would provide all laid off employees with a position that they can choose to bump into, and that they would be qualified for, essentially guaranteeing them work.

This would have similar financial impacts as those identified in Option 1 (approximately $1.9 million) with one-time transitional funding being required as bridge financing until such time that all RFT Caretaker employees from Huron Lodge are redeployed into existing positions and the newly created positions can be eliminated. RPT employees would be managed within existing part time hours and budgets and would therefore reduce the available hours by similar amounts as noted for option 1.

This option would become the preferred administrative option if the union should refuse to sign the MOA required to implement Option 1.

**Options Summary**

In summary, with any of the above options Administration would follow the requirements of Articles 4.11, 28.03, and other applicable sections of the Collective Agreement, providing written notice of lay off to affected employees and make efforts to provide alternative work. Options 1 and 2 provide alternative work for all affected employees, but are subject to reaching an agreement with CUPE Local 543. Option 3B could be explored if the union does not agree to an MOA. Option 3 would have the most impact on employees not only at Huron Lodge but across the corporation as the bumping unfolds. The least impact on RPT employees hours would be achieved by either option 1 or option 3B.

Alternatively, options to enhance services in other areas of the Corporation other than caretaking could be explored, but would require an MOA with local 543. In the case where the desired enhanced services fall within the realm of Local 82, an agreement with and between the local unions would also be required.
Options available to council and required corresponding resolutions

A - Direct Administration to NOT outsource caretaking at Huron Lodge and approve the following:

THAT the report on Contracting Out: Huron Lodge Long-Term Care Caretaking (Janitorial) Services, dated January 6, 2017 BE NOTED and FILED.

B – Direct Administration to outsource caretaking at Huron Lodge

If Council does direct the outsourcing of caretaking at Huron Lodge, direction as to the preferred option and approval of the necessary corresponding recommendations is required. The resolutions are dependent upon the negotiation of a successful agreement with the Union with respect to the affected employees and Council’s desire to provide one-time transitional funding.

As it is Administration’s recommendation to proceed with Option 1 (or Option 3B in the absence of a successfully negotiated MOA), the following resolutions are required for these recommended options:

I. THAT Council AUTHORIZE Administration to enter into an agreement with Aramark Canada Ltd. for Caretaking (Janitorial) Services at Huron Lodge Long-Term Care Home in the amount of $1,199,253.64 per year, inclusive of non-recoverable HST; and,

II. THAT the Chief Administrative Officer and the City Clerk BE AUTHORIZED to sign the agreement, satisfactory in form to the City Solicitor, in technical content to the City Engineer and Executive Director of Huron Lodge, and in financial content to the City Treasurer, and

III. THAT Council APPROVE the elimination of fourteen (14) Regular Full Time and eighteen (18) Regular Part Time General Caretaker HL (Job Code 543181) positions; one (1) Regular Full Time Storekeeper and one (1) Regular Part Time Storekeeper (Job Code 543186) positions; and one (1) General Staff (Job Code 543197) position; and

IV. THAT administration BE AUTHORIZED to enter into discussions with CUPE Local 543 to attempt to enter into an agreement to move employees affected by the elimination of positions to the classification of Caretaker (Job Code 543085); and

V. THAT Council APPROVE one-time transitional funding from the Budget Stabilization Reserve estimated at approximately $1.9 million (subject to
the actual attrition rate) to maintain ten (10) Regular Full Time Caretaker (Job Code 543085) over complement positions to facilitate the continued employment of Regular Full Time employees affected by the elimination of positions at Huron Lodge, by redeploying these employees to those Caretaker (Job Code 543085) positions; and,

VI. THAT Council APPROVE the over complement placement of six (6) Regular Part Time Caretaker (Job Code 543085) positions to facilitate the continued employment of Regular Part Time employees affected by the elimination of positions at Huron Lodge, by redeploying them to the RPT Caretaker (Job Code 543085) positions within the existing Regular Part Time Caretaker hours and budgets;

And, FURTHER,

THAT should an agreement not be reached with the Union relative to transfer the affected employees THAT Resolutions V & VI noted above BE REMOVED and REPLACED by the following:

V. THAT Administration BE AUTHORIZED to issue layoff notices to employees affected by the elimination of positions if required; and,

VI. THAT Council APPROVE the addition of ten (10) Regular Full Time Caretaker (Job Code 543085) positions to the staff establishment; and,

VII. THAT Council APPROVE the addition of six (6) Regular Part Time Caretaker (Job Code 543085) positions to the staff establishment; and

VIII. THAT Council APPROVE one-time transitional funding from the Budget Stabilization Reserve Fund estimated at $1.9 million (subject to the actual attrition rate) to fund the 10 RFT positions, and that the funding for the 6 RPT position be drawn from a reduction to the existing RPT budget; and

IX. THAT Council APPROVE the addition of the noted positions above, with the understanding that future elimination of the over-complement caretaking positions will be achieved through attrition, as outlined in the transition plan/retirement analysis presented in Report C188/2016.
Should Council wish to proceed with contracting out, **but without the cost of the one-time transitional funding** the following resolutions would be required in order to proceed with Option 2. It should also be noted that this Option would require a MOA with the Union. If a MOA cannot be achieved, then the appropriate resolution to proceed with bumping, which could include potential lay-off, is also included (Option 3).

I. **THAT** Council **AUTHORIZE** Administration to enter into an agreement with Aramark Canada Ltd. for Caretaking (Janitorial) Services at Huron Lodge Long-Term Care Home in the amount of $1,199,253.64 per year, inclusive of non-recoverable HST; and,

II. **THAT** the Chief Administrative Officer and the City Clerk **BE AUTHORIZED** to sign the agreement, satisfactory in form to the City Solicitor, in technical content to the City Engineer and Executive Director of Huron Lodge, and in financial content to the City Treasurer, and

III. **THAT** Council **APPROVE** the elimination of fourteen (14) Regular Full Time and eighteen (18) Regular Part Time General Caretaker HL (Job Code 543181) positions; one (1) Regular Full Time Storekeeper and one (1) Regular Part Time Storekeeper (Job Code 543186) positions; and one (1) General Staff (Job Code 543197) position; and

IV. **THAT** administration **BE AUTHORIZED** to enter into discussions with CUPE Local 543 to attempt to enter into an agreement to move employees affected by the elimination of positions to the classification of Caretaker (Job Code 543085); and

V. **THAT** Council **APPROVE** the over complement placement of ten (10) Regular Full Time Caretaker (Job Code 543085) positions to facilitate the continued employment of Regular Full Time employees affected by the elimination of positions at Huron Lodge, by redeploying them to available RFT and RPT Caretaker positions within existing hours and budgets; and,

VI. **THAT** Council **APPROVE** the over complement placement of six (6) Regular Part Time Caretaker (Job Code 543085) positions to facilitate the continued employment of Regular Part Time employees affected by the elimination of positions at Huron Lodge, by redeploying them to the RPT Caretaker (Job Code 543085) positions within the remaining Regular Part Time Caretaker hours and budgets.

And, **FURTHER,**

**THAT** should an agreement not be reached with the Union relative to transfer the affected employees **THAT** Resolutions V & VI noted above **BE REMOVED** and **REPLACED** by the following:
V. Should an agreement with the Union not be achieved, **THAT administration BE AUTHORIZED** to issue layoff notices to employees affected by the elimination of positions.

**RISK ANALYSIS:**

The detailed risk analysis has already been provided in the report attached as Schedule B.

Additionally, should the new Option 3B be selected, Council should note that while it is expected that bumping will occur into the newly established Caretaker positions, there is a risk that the affected employees may successfully bump into alternative positions. This could impact the expected transitional plan and would require additional Human Resources involvement, including the requirement for additional training for those employees who may be impacted.

**FINANCIAL MATTERS:**

The estimated annual savings that can be achieved by contracting out the caretaking services at Huron Lodge are estimated to be approximately $605,000 per year.

The one-time costs associated with implementing either of Options 1 or 3B are approximately $1.9 million and would be funded from the City’s Budget Stabilization Reserve Fund. The amount could be greater or smaller depending on the actual attrition rate versus the projected attrition rate. The estimate has been made based on historical attrition rates.

There are no specific additional costs associated with options 2 or 3. However, indirect costs and operational challenges that could impact service delivery are associated with option 3 (layoff and bumping process).

For more detailed financial information please refer to Schedule B: City Wide - Results of RFP 126-16: Huron Lodge Long-Term Care Caretaking (Janitorial) Services council report, November 7, 2017, for financial information previously provided.

**CONSULTATIONS:**

Vincenza Mihalo, Executive Director, HR
John Lechicky, Manager Employee Relations
Mark Spizzirri, Acting Manager Financial Planning
Alina Sirbu, Executive Director, Huron Lodge
CONCLUSION:

This report is submitted to Council in response to a Council question asking Administration to revisit the possibility of contracting out caretaking, and provide a potential process for doing so without incurring regular full time job losses, and obtain pricing through a Request for Proposals process.

The analysis presented in the November 7, 2016 report indicates that it is possible to outsource caretaking in full at Huron Lodge without job loss for RFT employees.

Depending on the option chosen, retention of RFT staff could result in “one time” incremental costs to the city, as in prior outsourcing efforts. The impact on the budgeted hours of the RPT employees would depend on which option is chosen. The least impactful option in that regard would be either Option 1 or Option 3B. Options 1, 2, would require the agreement of the union by way of an MOA.

PLANNING ACT MATTERS:

N/A

APPROVALS:

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<tr>
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<tbody>
<tr>
<td>Jelena Payne</td>
<td>Community Development &amp; Health Commissioner</td>
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<tr>
<td>Valerie Critchley</td>
<td>City Clerk</td>
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<td>Joe Mancina</td>
<td>City Treasurer</td>
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<td>Shelby Askin Hager</td>
<td>City Solicitor</td>
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<tr>
<td>Mark Winterton</td>
<td>City Engineer</td>
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<td>Onorio Colucci</td>
<td>Chief Administrative Officer</td>
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## NOTIFICATIONS:

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<th>Name</th>
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<tbody>
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<td>Service Master Clean of</td>
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## APPENDICES:

1. Schedule A – Windsor CUPE L543 Cover Letter and Response to Contracting Out Caretaking Services
2. Schedule B - Report C 188 -2016 - Results of RFP 126-16: Huron Lodge Long-Term Care Caretaking (Janitorial) Services
December 15, 2016

RE: Canadian Union of Public Employees (CUPE) Local 543 Response to the Proposal to Contract-Out Services at Huron Lodge Long-Term Care Facility

To Whom It May Concern,

Please find enclosed, under the Collective Agreement Article 28, the Union’s submission for Request for Proposal (RFP) NO. 126-16 — the proposal to contract-out services at Huron Lodge Long-Term Care Facility.

It is the Union’s position that the City and Council should not progress further on this tender. Moving ahead to contract with the multi-national Aramark for caretaking services, will have the effect of losing control, escalating costs over time, increasing risk and will result in service issues. Our submission concludes the City is best served by continuing public control of all aspects of Huron Lodge.

In addition to the merits of the case to continue public operation in whole, there is a larger issue. The City of Windsor, has experienced challenges following the 2008 financial collapse more acutely than other municipalities. This underscores the importance of the City as being a positive financial actor in the local economy. This means the City must be a good employer. The information available on the contract cleaning and laundry industry is clear. It is an industry that is marred with all types of violations and poor treatment of workers.

We trust this submission will be taken into account for the upcoming decision making process on RFP NO. 126-16.

Thank you,

Mark Vander Voort, President CUPE Local 543
mvvoort@cupe543.ca

Copy: Catherine Barrett, CUPE National Representative
Canadian Union of Public Employees (CUPE)  
Local 543

Submission on City of Windsor (Employer)  
Request for Proposal Tender NO. 126-16 —  
Huron Lodge Long Term Care Facility-Caretaking (Janitorial) Services

December 2016
COPE491:dk
Canadian Union of Public Employees (CUPE) Local 543 Submission on City of Windsor (Employer) Request for Proposal Tender NO. 126-16 — Huron Lodge Long Term Care Facility—Caretaking (Janitorial) Services

This submission is being provided under Article 28 of the Collective Agreement between the Union and the Employer.

Please accept this submission from the Canadian Union of Public Employees (CUPE) Local 543 on Request for Proposal (RFP) 126-16. The Union will lay out our case for the continued investment in public services. Retaining an effective, robust, accessible and quality public service is essential to a high functioning community. The Union views the proposal to contract-out caretaking and laundry services at Huron Lodge as another step to a more inequitable society.

The Union’s concerns revolve around the following three key issues:

- **Job quality and service expectation:**
  The current level of service provides a high level of investment and service quality. A contracted-out company will not be able to meet these standards. With contracting-out there are also additional risks associated with health, safety and security.

- **Decision history and process:**
  This has been an unorthodox and politicized process. A tender process is not the most effective way of evaluating the costs and benefits of service contracting-out. The process which has been directed by Council is also a cumbersome plan which will take many years to execute and come with additional costs.

- **Tendering, costing and the long-term plan:**
  There are a number of problems with the costing and plan design of the contracting-out. Despite some of the well-articulated advice staff gave to Council in their reports, the current costing does not take all factors into consideration. Moreover, the private sector will be given a disproportionate voice in the tendering process. This will prejudice any future decision making by staff and Council and set the pre-text to carrying-out the contracting-out without a full review of all available information.

In addition to the data presented by the Union, it is also clear that there is not enough information available at this time to come to a decision. Options 1 and 2 are contingent on the Union agreeing to a separate process with the city and moreover, Option 3 presented by staff states that savings will not likely be achievable and layoffs would occur.¹
At the time of this submission, members of Local 543 cannot agree to either of the first two scenarios (Option 1 and Option 2). This puts into question any available savings even if the figures in the aforementioned Options were accurately depicted. Moreover, the will to execute this RFP remains unclear. Council is split on the decision and even required a second vote to move ahead with a market test and tender. The Union’s conclusions are that contracting-out of these services will not achieve the objectives put forward by staff and therefore this proposal and tender should be withdrawn.

The Value of Public Services — Public versus Private

City of Windsor caretakers provide an excellent service. Our members provide this service under the direction of the city, which provides the highest levels of accountability and control. Our members do not just perform their regular duties, but are also important to other priorities of the city. Our caretakers know their workplaces well and this allows them to provide a level of health, safety and security that private contractors cannot. Some of our members were hired as long as 15 years ago, demonstrating their commitments to the service at Huron Lodge.

Our members are more highly trained than counterparts in the private sector and the investment the city has made in this public service has many benefits. For example, the enhanced training public sector workers receive comes with increased competency on the job and less risk for the city. Risk can be broadly defined but often includes issues related to health, safety and security. This risk cannot simply be transferred just by altering the employment relationship and adding a contractor. These concerns are especially acute in workplaces such as police stations and in long-term care setting, where there is an increased expectation and sensitivity to security and the well-being of those in the institutions.

There are many examples over the years of public employers looking to the ‘low-hanging fruit’ of services like cleaning and maintenance to contract-out in an attempt to save a little money. Given what we know about contracting-out it is unlikely we will achieve the desired outcomes. The contract cleaning and maintenance industry does not have a good reputation. Here in Ontario and in other jurisdictions, we have learned that the drive for a little in savings comes with a high cost. Contract workers are put in precarious positions, service quality becomes an issue, and the city must deal with costly and cumbersome contract maintenance. In the case of specialised services like police, long-term care, and recreation, the problems can become even more acute and severe given the special needs those services require. Giving up control of these services is simply not worth the risk.

Windsor has already had its experimentation with contracting-out services and the outcome is not good. We have seen costs escalate and service quality suffer in residential solid waste collection, residents have been subject to increased fines from
the Commissionaires and parents were left without child care services. The following examples are worth noting:

- In 2013, as a result of the contracting-out of residential solid waste collection, the city experienced challenges in park maintenance. Parks benefitted by filling vacant positions there with former solid waste workers and services were improved as a result of filling vacant positions. However, through workers attrition, positions became vacant again and were not filled, which had the consequence of a protracted staffing challenge and service issues at the city’s parks.³

- In a 2013 city staff review of the contracting-out of parking enforcement, a number of issues were identified. Staff identified issues with resident complaints; the contractor was unfamiliar with expectations, policies and procedures; and significant staff turnover in frontline staff and management.⁴

- Windsor’s decision to close its child care centres in 2010 left the community unprepared and unable to respond to upcoming challenges. When the expected pressure from the implementation of the provincial early learning program arrived, the city’s centres were already shuttered, which added to skyrocketing local waiting lists. In 2012, local waiting lists were growing as much as 20 children a day.⁵

Let’s not repeat the same mistakes in Windsor and ensure we have the ability to provide quality and safe public services.

Considering caretaking and maintenance jobs, a useful framework from the Canadian Centre for Policy Alternatives (CCPA):

_While many view cleaners as having a menial job, which “anyone could do,” this stereotype is a poor misconception: municipal cleaning staff receive specialized training, equipment, and supervision to ensure that important public spaces such as daycare centres, health facilities, police stations, and other facilities remain safe, healthy, and clean. They face important and largely unrecognized risks in the course of their work. Supporters of outsourcing argue that the private sector is capable of providing adequate services at lower cost. In other jurisdictions where cleaners have been privatized, however, research has documented public health, safety, and quality of work concerns in the wake of the transfer of delivery to private sector providers. As a result of an unduly narrow focus on apparent short-term cost savings, policy-makers may be led to make undesirable and unintended trade-offs that impose significant, often unmeasured costs on public service consumers, on governments at all levels, on local communities, and (of course) on the cleaners themselves and their families._⁶
Often the narrative of contracting-out public services focuses (unjustifiably) on wages. First, public services have multiple objectives, although delivering the service efficiently and affordably is a goal, all staff are utilized to meet the municipality and its resident’s goals. For example, in a long-term care home, cleaners and maintenance staff are part of the continuum of care for residents and caretakers in recreation facilities often have a relationship with residents/users of the facility and even act as an additional layer of safety and security.

Maintaining the control over city services is an investment. However, even if the value public cleaning and maintenance staff is discounted and solely wage costs are considered, there are revealing conclusions. Below are some points on wage differential between the public and private services:

When comparing public and private sector pay occupation data, it is clear that:

1) relatively higher public sector wages are concentrated among lower paid occupations, the large majority with annual pay below $60,000;

2) there are more women in occupations with a positive public sector wage differential, particularly at relatively lower income levels; and

3) the opposite holds true for the private sector: positive wage differentials are concentrated at higher income levels and mostly represent men.7

In CUPE’s research, the wage differential between public and private sector pay (when comparing the occupation code janitors, caretakers and building superintendents) is about 10% (9.8). The average public sector pay is $36,796 and in the private sector $33,509.

For a larger context, the largest wage differentials for the public sector (compared to private) are for relatively lower paid jobs, such as cleaners and janitors. For these types of occupations with a pay differential of 10 per cent or higher, the average private sector wage is $30,800. By contrast, the largest wage premiums for the private sector (or penalties in the public sector) are for relatively higher paid occupations, such as lawyers, financial auditors and accountants, information system analysts, human resource specialists and computer programmers. The average pay in these five occupations with a private sector pay premium of 10 per cent or higher is $77,500, two and a half times the average wage of the occupations with the substantial public sector pay premiums.

In other words, the public/private sectors pay gap is less with higher paid professions. This underscores the importance of public sector compensation for lower paid occupations. Those workers — our members in this case — are compensated at higher rates than the private sector equivalents, which promotes other desirable goals such as a healthy local economy and overall job security.
Making this point even clearer are some of the equity issues tied to the public/private sectors compensation matter. In all industry groups, average wages for women in the public sector are higher than average wages for women who work in similar occupations in the private sector. In contrast, average pay for men is lower at all levels of government and the broader public sector than for men who work in similar jobs in the private sector.

At the local government level, the largest occupational groups for men are both in lower paid labour and janitorial jobs, where average pay is higher in the public sector, and in relatively higher paid engineering, planning, and heavy equipment occupations, where pay is lower in the public sector. The top 10 occupational groups for women at the local government level include both relatively lower-paid clerical positions, but also social workers, community and social service workers, and land use planners. Average pay for women in local government is higher than for women in the private sector for all these occupations by 6%.

Analysis of Census data at the most detailed level available shows that overall average salaries for comparable occupation are very similar between public and private sectors in Canada. The small overall “pay premium” of 0.5 per cent for all public sector workers, is entirely because of a smaller pay gap for women in the public sector. On average, women employed in public sector jobs are paid 4.5 percent more than women in comparable occupations in the private sector, while men in the public sector are paid an average of 5.3 percent less than men employed in similar occupations in the private sector. Women are paid persistently less than men working in the same specific jobs in all age groups, although the pay gap is substantially smaller in the public sector. When identical jobs and age groups are compared, in the public sector women are paid an average of 11.6 percent less than men of a similar age working in the same jobs, but in the private sector this pay gap averages 17.9 percent.

If wages and salaries in the public sector followed private sector norms, the result would be much larger pay gaps for women, and much greater income inequality between different age groups, regions and between top and lower income earners. Public sector pay for senior officials would escalate, while some of those at the bottom of the scale would be paid less than poverty level wages. If public sector pay reflected private sector standards, annual pay for women in the public sector would be about $2,000 a year less. Those in lower paid occupations would lose out the most, while many of those in higher paid occupations would get a pay raise. Average pay for men in the public sector would be about $3,200 higher. Those in higher paid occupations would benefit the most, while those in the lowest paid occupations would lose out.\textsuperscript{8}

It is also important in this evaluation to understand what the City of Windsor and Huron Lodge is paying for. CUPE Local 543 members are competitive with other major census metropolitan areas (CMAs) in wages and well ahead of even unionized jobs in the private sector. The following chart examines selected jurisdictions\textsuperscript{9}: 
Graph notes: Local 543 Huron Lodge wages range are as follows: starting rate is $20.70 and the end rate is $24.37. For the graph the following job classifications were used: Lead Hand-Caretaker, Heavy Duty Cleaner, Program Assistant/Janitor, Caretaker, Cleaner/Porter and Janitor. Extendicare is a private for-profit operator.

Not only is the wage differential between public and private sector negligible, but there would likely be a further cost if our community continues to rid itself of good jobs. In short there are additional costs to this decision, which is also not factored in to the decision before Council. The Union asserts that this small differential is also worth it when considering the high value service, which is provided by our members in comparison to the transient risky private cleaning and maintenance industry.

**The Contract Cleaning Industry**

The contract cleaning and maintenance industry is in many ways a complex industry, which is dominated by large sophisticated players globally. In many urban markets, there is a spectrum of operators that includes small regional players up to the large multi-national corporations. Unfortunately, there is one thing that stitches together this component of the services industry — a persistent history of precarity and questionable business practices.

This industry is unfortunately one that has led the way in methods to take advantage of public procurement tender competitions. This has been articulated well by activists and academics alike; the practices of the private cleaning industry has helped drive some of
the most creative employment relationships to further drive down costs:

Many cleaning-service firms in highly competitive markets have a financial incentive to employ workers as “independent contractors” rather than as employees. For example, additional expenses mandated by the employer–employee relationship, such as Canada Pension Plan/Quebec Pension Plan (CPP/QPP) premiums, Employment Insurance (EI), and workers health and safety premiums, can increase the cost of labour by nearly 20%. Therefore, firms that hire workers as independent contractors and are not subject to these additional costs tend to underbid competitors that hire workers directly as employees.\(^{10}\)

Hebb et al also commented directly on the use of tenders:

Unlike utility expenses, where costs are externally determined, the costs of services to buildings are variable within property management budgets and are subject to competitive bidding processes. Competitive bidding allows managers to keep costs low by encouraging contractors to compete on variables such as price, quality, and service. The bidding process is an essential tool for controlling the costs of property-service contracts, allowing property managers to ensure they are receiving the lowest price bid for service contracts. However, the effects of highly competitive bidding are felt throughout the service supply chain, and can play a role in facilitating a race to the bottom in terms of wages and benefits for workers as well as intensification of work for cleaners.\(^{11}\)

Aside from taking advantage of the processes used by public and private sector contractors in the contract cleaning and maintenance industry, workers are also put at risk. Indeed, across North America and even globally there has been intense push back by workers in this industry in a fight for improved working conditions. Whether it the Justice With Janitors campaign or local community groups, there is a now a decades old concerted struggle to in this industry.

Here in Ontario there are dedicated advocacy groups on this matter. One of the prime examples is The Workers Action Centre, which is dedicated to assisting workers in precarious situations, who are often not union members. There work focuses on issues that are ever-present in the contract cleaning industry such as sub-contract and temporary work as well as employers who don't follow basic employment rules.\(^{12}\)

Hebb et al also clearly identified these trends in the industry:

The use of self-employed workers and independent contractors can be problematic from the perspective of labour rights and fair employment, since these workers are often unprotected by employment standards
regulations and are particularly vulnerable to exploitation and labour rights violations. In addition, self-employed workers have fewer avenues for recourse in the case of a violation of labour rights, because the relationship with the cleaning firm is considered to be contractual not between an employer and an employee.\textsuperscript{13}

They also addressed the insecurity of this work:

The cyclical nature of service contracts inherently creates job insecurity. Generally, cleaning contracts are renewed or renegotiated every 12 to 18 months, although it may vary from property manager to property manager. Contract turnover is largely dependent on factors such as contract duration and tendering timelines, which are distinctly out of the control of individual workers and can be a source of significant levels of uncertainty and job insecurity.\textsuperscript{14}

If the city carries out this proposal they will not only be contributing to an erosion of secure and gainful employment, but they will also expose the city to additional ancillary costs and risks that are also inherent in this industry. There are a number of ways to ‘cost’ something. It is too simple to just take the expenses of the city and measure it against the charges of the contractor for a specific service. If Aramark takes over, the city needs to calculate for some of the characteristics of this industry. Dryden and Stanford explore this and the following is good technical explanation and connection of how contracting-out is connected specifically to negative outcomes. It connects the drive for lower costs with the how the service changes for the worse and delivers less value.

The argument in favour of privatizing cleaning services assumes that private contractors are more efficient and less costly, driven by the competitive bidding process. This competition drives contractors to complete the job in the quickest and least costly way possible. This begs the question as to precisely how private contractors reduce the apparent costs of their operations, as reflected in their bids. Are those savings really the result of private-sector “efficiency”? Do they result simply from a transfer of costs, as opposed to a reduction in costs (by reducing wages, benefits, and compensation, thus shifting a fiscal burden from the City to cleaners and their families)? Do the savings reflect deterioration in the quality of service provision, due to poorer standards regarding training, safety, equipment, or supplies? No presumption can be made that simply because a private contractor submits that they can perform the service for cheaper, that the service is in fact being provided more efficiently. In fact, due to operational problems such as extremely high staff turnover and a general failure to provide adequate training and supervisory systems, it is more likely the case that private cleaning services are in fact less efficient
in a pure economic sense. Instead of arising from an inherent operational efficiency, the reduction in apparent price associated with outsourcing more likely reflects a fiscal transfer (from the service consumer, in this case the City of Toronto), to other stakeholders — such as cleaners who experience reduced compensation and working conditions, or citizens who experience reduced service.\textsuperscript{15}

This matter becomes even more acute when it comes to healthcare institutions. Dryden and Stanford make this validation:

*Healthcare is another area in which cleaners’ work is vital to broader public health. Consider, for example, the increase in nosocomial, drug-resistant infections and the costs that they entail. These superbugs are transmitted very easily in a hospital or clinic setting, and it is therefore of the utmost importance to maintain a clean and sterile environment. Many healthcare patients have weakened immune systems; they face particular risks from improper cleaning of washrooms, equipment, floors, bedding, doorknobs, and other implements, and inadequate cleaning has been documented as a central contributing factor to this problem. It is therefore imperative to public health that cleaners in health care and similar facilities be provided with the best in training and equipment, so as to mitigate the frequency and severity of outbreaks.*\textsuperscript{16}

The city is moving to entrust a private contractor with the safety security of not just a valuable city asset, but also the well-being of its residents. As it stands, the city maintains control over this, but the risk does not transfer or discount just because the city contracts-out daily activities and duties. When we consider the management practices of the private contract cleaner and maintenance industry already laid out, it is no wonder contracting-out comes at a steep price:

*Reliance on a continually changing and precarious workforce can also create security concerns for property managers and their tenants, who must rely on the professionalism of property-service companies to maintain building security. Firms that face continually high turnover rates or that use subcontracted and temporary labour may expose tenants, investors, property managers, and asset owners to increased security risks, particularly if cleaning is performed at night.*\textsuperscript{17}

If there is a catastrophic incident, or even something more minor, the city is ultimately responsible for Huron Lodge and its residents. Part of risk management is calibrating for outcomes and safeguarding against them; having a contractor in the workplace will only make this more difficult. This picture of the contract cleaner and maintenance industry makes it hard to understand why the city would complete this tender process.
Aramark — Responsible Contractor or Bad Actor?

It is also worthwhile to identify Aramark’s place in the contracted services industry. A U.S.-based multi-national, Aramark’s global reach is huge. The corporation’s website notes that they are active in 21 countries and have 270,000 workers which provide food, facility, cleaning and uniform services. Headquartered in Philadelphia (U.S.A.), Aramark most recently earned revenues of over $14-billion.\(^{18}\)

One of the biggest concerns the Union wants to raise is the business practices of Aramark. The company has a history across all of its divisions of questionable activities that go back years. Even a cursory search of the company reveals serious issues:

- Engaging in anti-union behaviour: an Alberta Federation of Labour (AFL) post details how Aramark engaged in anti-union practices at the Rogers arena by informing union members how refuse union membership. AFL President Gil McGowan characterized the behaviour as meant to ‘misinform, pressure and scare workers’.\(^{19}\)

- Alleged overcharging and service issues: This summer, the Illinois Governor Bruce Rauner referred an Aramark school custodial contract to the Start Inspector General for investigation after $22 million or more in over-billing was revealed. School officials and students have complained of “filthy” conditions.\(^{20}\)

- Cancelled contracts: last year, neighbouring State of Michigan cancelled a three-year $145 million contract with Aramark citing service issues. Prior to the cancellation, the company was fined by the State ($200,000) for unapproved menu changes, staffing issues and cleanliness problems, including rodent problems.\(^{21}\)

- Corporate subsidy: as part of Ryerson University’s contract with Aramark for food services, the institution had to cover company losses of over $5 million over five years. This situation instigated a conflict with students and made the news in 2013.\(^{22}\)

The union raises these concerns as there appears to be specific risks associated with doing business with Aramark. These are serious allegations and problems and it remains unclear, even with local management, what would stop similar instances in Windsor. Moreover, these risks have not been calculated or accounted for in any costing or contingency. Residents should not be ‘on the hook’ for poor contractor behaviour and business practices. Given that a pattern exists, it is hard to comprehend why this was not accounted for in the bid submitted to the city for this tender.
Cost and Value — an Analysis of Windsor’s Proposal

This has been a cumbersome and confusing exercise. Initially, Council decided not carry out a privatization of Huron Lodge services; this decision was then reversed; and instead of a more traditional ‘market test’ or Request for an Expression of Interest (REOI) the city decided to move ahead with a tender. The Union notes this distinction as a Request for Proposal (RFP) was a signal that a decision to contract-out had already been made.

The process becomes even more frustrating when the staff have identified three options. Two of these options prescribe the Union come to an agreement outside our Collective Agreement, which is currently being negotiated and the third admits there will be no savings. Moreover, only one option contains any consideration for adjustment programs and all of them are inadequately costed. Finally, confounding this is the city has not provided comprehensive responses to the Unions requests for information. This is a proposal based on a redeployment plan that is not agreed to; an attrition plan that has no details; and costs money that is not part of regular accounting as savings.

CUPE has considerable expertise in evaluating service needs, costing and contracting-out. It has completed evaluations on multiple forms of proposed privatization, of which contracting-out is one example. We have learned there is a multitude of costs that are not often considered during the tendering process and can cause significant issues later on. This is more problematic when considering that there is an enhanced service with greater control provided by the public sector.

The perception of how this plan was agreed to is under suspicion. This is compounded when Council has seemingly not heeded the warnings that staff have issued. The initial city staff report on this matter from November 2015 advised of some of the dangers:

Past experience has also indicated occasions in which the narrowly defined duties of a private cleaning contract did not cover occasional functions or maintenance tasks that must subsequently be undertaken by the City anyway (and which, when the service is provided in-house, could be completed through the discretionary assignment of City staff). Finally, some of the savings associated with lower wages and benefits paid to cleaners are naturally absorbed in the profit margins that are now charged on the cleaning work by the new private contractors — profit margins that are not present for in-house delivery.23

Other municipalities have looked at ways to equalize the decision making in these types of initiatives and provide a fair process for evaluation. Although still being implemented, one example of this is the Job Quality Assessment Tool in the City of Toronto. This
process seeks to enable city staff to examine a host of criteria when embarking on a major contracting-out. They include:

- Updating the wage schedule in fair wage regulations;
- Updating contract requirements to reflect best practices;
- Establish a “living wage standard and consider other dimensions of job quality, including skills and training opportunities, and working conditions.”24

The Committee would urge staff to embark on a process that would establish a fair airing of the plan Council has decided on instead of a tender that favours the private sector that includes and incomplete costing analysis.

The contracting-out process Council has so far endorsed could take years to fully complete. In fact, the level of disruption this process may cause was another key point noted by city staff in some of their advice to Council. A multi-year staff redeployment exercise will have both real costs as well as a significant toll on staff morale. Casting the organization into a multi-year chaotic process will make city policy and service objectives much more difficult to achieve. This is an item that will need to be costed appropriately.

As it stands in Council and staff’s current plan there has been no discussion on the myriad of risks facing the city with this proposed contracting-out. If the facility services are contracted-out, the city will ultimately continue to share the blame if something goes wrong and have limited control to remedy any problems.

Finally, city caretakers have a high level of personal investment in their work. The stresses and hardships on contract cleaners and facilities workers are well-documented. Contract facilities workers endure duties that include working at multiple locations, short-term and sub-contract work arrangements, low wages and poor working conditions. These established hallmarks of the contract industry hurt the quality of the work as contract workers cannot give the same amount of focus on their jobs as public sector counterparts which have more secure employment relationships. This can cause failings in many areas, such as in health and safety. On example on health and safety concerns and costs:

_A recent example where the private cleaning sector was found negligent in protecting the health and safety of their employees was a 2011 incident involving the Hurley Corporation, a private cleaning company in Toronto. The company was recently fined $60,000 for violating health and safety standards by improperly storing chemicals. In the Hurley case a “supervisor poured a floor cleaning chemical from a properly labeled_
commercial container into a water bottle and left the bottle on a table in the worker’s area. There were no markings on the bottle to identify it as floor cleaner. The worker found the bottle, assumed it was filled with water, and drank from it.” The worker was hospitalized. This is one example of sub-standard safety practices that put cleaning workers at greater risk of injury or work-related illness in the private sector.25

Other consequences of this can create a ‘race to the bottom’ not just in terms of service standards, but also how workers are treated. Even if the result of competitive bidding is lower overall costs, this comes at a long-term cost. Both service and labour standards are often the causality of this process. Contract property maintenance has the ability to control their costs through a variety of methods and when only driven to keep getting contracts by the lowest possible price the continued downward pressure on working conditions will be proliferated.26

The process Council and staff have embarked on is complex and lengthy. It is not clear what the long-term impacts of tenders like this will be and we would assert the costing submitted by staff is incomplete and does not reflect the true savings. Examples include the costing of redeployment and contract compliance and monitoring. These two examples alone can add significant costs to the city and can exceed the benefits of contracting-out.

The final issue is knowing the value of contracting-out versus providing the service ‘in-house’. In both city staff reports examining this issue there has been no cost savings threshold for the city established. There needs to be a benchmark cost determined to measure the success of any contracting-out. Ultimately, if contracts exceed this threshold and provide inferior service, the city can take action. Ensuring accountability controls like this will also surely effect the final decision to contract-out as well.

The city needs to be clear on its long-term objectives with this endeavour and it must be to serve the residents of Windsor in the best way possible. This means that cost is not considered in isolation, but together with all other factors. In the end, it remains unclear whether the contracting-out of caretaking will deliver the best outcome.

Examples of the problems in contracted services are amplified in settings such as long-term care. There is not a full airing or comprehensive accounting or costing completed on this proposal. Council does not have all the information, which is even acknowledged in components of the staff reports. Given the lack of crucial costing data this tender should be recalled and the process to contract-out halted.
The Local Economy and Municipal Services

In any decision like this, there are many considerations. One of the issues which must be always considered by a community’s leadership is how its community members will be impacted. The city is a chief actor in the local economy. The City of Windsor is a major regional employer and purchases a significant large amount of goods and services every year. These two illustrations demonstrate that the city’s economic reach and impact is enormous.

Moving ahead with this contracting-out would contribute to increasing the casualization and precarity of the workforce in Windsor, just as there appears to be a positive news in the local economy. The regional economic outlook has seen many positive indicators that position Windsor well. It is noteworthy though that public administration — a category our members would fit into — have been partly responsible for the negative offset of employment gains.27

Continuing to make an investment in workers and services will have corresponding positive outcomes in the broader community. When the city provides effective training and creates a workplace that values services, all residents benefit. Creating the same positive work environment in a contracted-out workplace is simply not possible. City staff need to include this in the costing and evaluation of how to move forward.

Municipalities always face challenges in finding the right balance between providing services and setting tax rates. This challenge has become more profound since the 2008 financial collapse as other levels of government have cut back on support for municipalities and the economy was slow to recover. Residents of Windsor have felt this crunch even more as the overall economy is stubbornly lagging behind when compared to other places in the province. However, the country and the province has recovered and Windsor has a lot of strengths.

The city government also has a role in the economy of Windsor. It is an employer, a funder and a facilitator of our local economy. The city government has a responsibility. The city needs to be a contributor to the local economy and should be seen as a model employer. It also has a responsibility to deliver quality services.

- Already almost 20% (17.5%) of Windsor Essex’s population is considered low-income, which is well ahead — 25% — of the provincial average (13.9%).28
- The literature is very clear — contracting-out of cleaning and maintenance work has negative consequences to both workers and the contractor (in this case the city).
- One-third of Ontario workers have no access to employer medical/dental benefits.29
The Windsor Essex Health Unit is clear in identifying the importance of various issues and their effect on health. The following points are important to remember as the lives of cleaners are illustrated — particularly those in the private sector:

- On income: “Those with the lowest income were less likely to report that they had good to excellent health and are less likely to eat five or more servings of fruit and vegetables a day in comparison to those in the highest income group. Those in the lowest income group were also more likely to report that they have arthritis, a mood disorder, smoke, and are inactive in comparison to those in the highest income group.”

- On determinants of health: “Determinants of health do not act on health in isolation. They interact with each other in complex ways (Raphael, 2009a). Because of this, the more domains in which an individual is disadvantaged, the more their health may be negatively impacted. For example, individuals who live in low income may also have lower levels of education or literacy, or they may be recent immigrants or members of a minority ethnic group.”

As noted in the examination of the so-called public sector wage premium, these are professions which are often dominated by female workers. Dryden and Stanford included this equity lens in their analysis: “Census data indicates that women cleaners experience a large gender gap in their pay, and this gap is especially acute in private sector positions; the outsourcing of cleaning work will thus impose a double burden on women cleaners, since they will experience both a substantial reduction in overall pay, and an increase in the gender pay gap which suppresses their earnings.” There are a number of women in this workforce that are affected.

Another major issue that the staff report has not contemplated is contract oversight and compliance and social costs. The latter is critical to the consideration of broader impacts on this contracting-out. Private sector contract maintenance can be rife with pitfalls, some of which have considerable community and fiscal consequences. Dryden and Stanford explored this:

“The fiscal “blowback” to governments resulting from the outsourcing of cleaning work would take numerous forms, including costs of contract tendering, monitoring, and compliance; the profit margin collected by cleaning contractors, over and above the low wages that they build into their bids; costs associated with the expected deterioration in quality and health performance; direct fiscal costs associated with the elimination of good jobs in our community; and fiscal costs arising from the resulting deterioration of economic and social well-being. One specific example of this latter, broader impact is provided in the paper, based on further analysis of census data. The incidence of social assistance recipiency
among private-sector cleaners is 4 times higher than among those working in the public sector. Shifting work from the public sector to private contractors will certainly impose higher social assistance costs on government….\textsuperscript{32}

Further validation on the benefit to broader society and family life that come with an investment in employees:

\textit{An important stabilizing force that can help an individual or family avoid falling into poverty is the benefit package offered through their employer. Benefits such as supplementary health benefits, insurance coverage, and pensions help to stabilize life-cycle incomes, and to weather crises such as illness or injury without devastating a family’s financial and emotional stability. Municipal cleaners employed directly by public sector agencies are entitled to a defined-benefit pension and an adequate health and insurance package. This benefit package provides the cleaners and their families with a level of security and confidence in the event of illness or injury, and helps them to prepare for a financially stable retirement.}\textsuperscript{33}

As detailed, the private cleaning and maintenance industry is not known for its generous — or even fair — compensation packages. These hard-driving industry standards impact people’s health — our community members. The research on the outcomes of contracted services is clear, undesirable and severe. In a study completed by The Wellesley Institute which followed up with workers after a contracting-out episode of cleaners/maintenance in Toronto, the following was found:

- Reduced hours and/or rate of pay meant workers struggled to meet costs as basic as housing and daily transportation.
- Work hours were no longer guaranteed.
- Poor health outcomes were reported including high blood pressure, skin rashes and headaches as well as mental health issues such as anxiety.\textsuperscript{34}

Staff and Councillors have crafted a situation where they must make a decision to continue with a service that is predictable and of high quality or take a high risk that is directly connected to negative outcomes, both economically and to the wellbeing of their constituents.
Conclusions

There is a cost to handing over control. The recent report by the British Columbia municipal research and engagement organization the Columbia Institute details these at length. This report reviews the national and world-wide trend of contracting-in for lower costs and improved service outcomes.\(^35\) What this might mean locally is, for example, losing the high ratings long-term care in Windsor enjoys. The most recent Municipal Benchmarking Network Canada Performance Measure shows Windsor — at 96% resident and family satisfaction — is one of the highest rated municipalities in the province. Our city is only behind Halton and Ottawa and ahead of Durham Region, Hamilton, London, Thunder Bay, Toronto, Waterloo and York Region.\(^36\)

The so-called public sector pay premium is an exchange — one gets what they pay for. We have quality jobs were our members do more than just clean and ensure things are safe. We look out for our neighbours and contribute to our communities. We know from examples all over the province and the world that contracting cleaning is fraught with struggling precarious workers this is more than a decision on small cost savings, this is a decision to continue building and investing in our services and the people who deliver them.

In making a commitment to contract-out, the city would be repeating mistakes of past administrations and face similar challenges. These decisions have real impacts on people — our members, the residents of Huron Lodge, local families. In addition to the personal hardship some might experience there will also be systemic issues that the city will have to deal with — more risk, poorer service, higher costs. The choice that needs to be made is clear — keep our services public and accountable.
3 Schmidt, Doug. Level of parks care may shrink, council warned; City workers reassigned. The Windsor Star; Fri. May 10, 2013; Page: A1/Front; Section: News.
7 Battle of the Wages: Who gets paid more, public or private sector workers? Published by CUPE, Ottawa, Ontario; December 2011
8 Ibid
9 Wage data from internal CUPE database.
11 Ibid.
12 http://www.workersactioncentre.org
14 Ibid.
16 Ibid.
18 Aramark corporate website and Yahoo finance.
23 City of Windsor staff report.
28 2014 Social Determinants of Health in Windsor-Essex County. Windsor-Essex County Health Unit Department of Epidemiology, Planning, Evaluation, and Quality
30 2014 Social Determinants of Health in Windsor-Essex County. Windsor-Essex County Health Unit Department of Epidemiology, Planning, Evaluation, and Quality.
33 Ibid.
MISSION STATEMENT
“Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together”

REPORT #: C 188/2016 Report Date: 10/3/2016
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To: Mayor and Members of City Council

Subject: City Wide - Results of RFP 126-16: Huron Lodge Long-Term Care Caretaking (Janitorial) Services

RECOMMENDATION:

THAT Administration BE AUTHORIZED to formally notify the CUPE Local 543 Union that the contracting out of caretaking services is being explored; and,

THAT Article 28 – Contracting Out of the CUPE L543 Collective Agreement, including notice and provision of information to the respective Union BE FOLLOWED by Administration; and further.

THAT this report detailing the various options as identified by Administration BE TABLED in order to allow for the required consultation process to take place, including any response that may be forthcoming from CUPE Local 543, after which a confirmatory report will be presented to City Council to provide direction as to the preferred option and any related award of tender.

EXECUTIVE SUMMARY:

In an attempt to reduce costs for taxpayers while maintaining service levels, on March 7, 2016, a report to council provided information regarding a process that could be implemented for contracting out of caretaking services currently being performed by City staff. This process was based on a phased approach that would avoid job losses for any Regular Full Time (RFT) Caretaker. It was reported at that time that outsourcing caretaking services at the Huron Lodge Long Term Care home could save an estimated $403,000 annually. Council directed Administration to prepare and issue a Request for Proposal (RFP) to confirm the actual savings of outsourcing caretaking services at the
Huron Lodge and report back to Council while also providing notification to CUPE Local 543 Union that administration is exploring the contracting out of caretaking services.

An RFP was prepared and advertised on Saturday, August 6, 2016, and closed on September 2, 2016 with four submissions being received. The evaluation process resulted in Aramark Canada Ltd achieving the highest combined technical and financial score. Aramark’s price for caretaking services, including laundry and housekeeping supplies, is $1,199,254, compared to the City’s current annual budget of $1,803,850, which would result in an annual savings of $604,596.

Should Council choose to eventually approve the outsourcing of caretaking services at Huron Lodge, the following positions would be eliminated:

<table>
<thead>
<tr>
<th>16 Regular Full Time Positions</th>
<th>19 Regular Part Time Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 14 General Caretakers</td>
<td>• 18 General Caretakers</td>
</tr>
<tr>
<td>• 1 Storekeeper</td>
<td>• 1 Storekeeper</td>
</tr>
<tr>
<td>• 1 General Staff</td>
<td></td>
</tr>
</tbody>
</table>

In order to avoid job losses for RFT caretaking employees if outsourcing were to eventually be approved, the Facilities division imposed a hiring freeze on L543 RFT and RPT caretaking positions at Huron Lodge and other City facilities pending a final resolution in this matter. Utilizing the resulting vacancies and attrition through retirements, Administration has proposed a potential transition plan to outsource caretaking services at Huron Lodge without job losses for RFT caretaking employees if Council were to eventually choose to do so. There is no guarantee that employees will retire in the year they are eligible so it is difficult to predict the pace of retirements. The transitional analysis presented assumes that a third of employees will retire in the year they are eligible, resulting in the transition taking five years.

In compliance with Article 4.11 of the CUPE Local 543 Collective Agreement, all impacted RFT and RPT employees will have bumping rights. In order to provide a smooth transition of RFT caretaking staff to City facilities outside of Huron Lodge, an agreement would need to be reached with CUPE Local 543, as currently the caretaking staff at Huron Lodge are a separate classification from the Caretakers in the rest of the Corporation. The bumping process comes with significant challenges, some of which are described in the report.

Although council’s mandate was for a plan that would secure positions for all of the RFT caretaking staff, there are also RPT positions at Huron Lodge that would be impacted by outsourcing. Should Council wish to accommodate the continued employment of those RPT employees as caretakers, and an agreement can be reached with CUPE
Local 543, those employees could be redeployed and added to the existing complement of RPT Caretakers at other City facilities, and the bumping process may be averted. Two options are presented in the report for the redeployment of caretaking staff whose positions are eliminated.

Subject to Council approval, Administration would proceed to meet with the Union and provide notice and information regarding the submission from Aramark. The Union will be afforded the opportunity to make a written submission within thirty (30) calendar days of the meeting in accordance with the Collective Agreement. Administration will review the Union’s submission within two weeks of receiving it and make a recommendation to council.

BACKGROUND:

In order to explore efficiencies aimed at reducing costs to taxpayers while maintaining services, the Facilities Department initiated a review of its caretaking operations, and the possibility of contracting that service out, and presented a report to Council on November 16, 2015 (attached for reference). The recommendation to investigate contracting out of caretaking was not approved.

At its budget meeting of December 21, 2015, City Council directed administration as follows:

“That Administration report back to Council on a process to outsource caretaking without the need to lay any current employees off.”

On March 7, 2016, a report to council provided information regarding a process that could be implemented for contracting out of caretaking services currently being performed by City staff, in a phased approach that would avoid job losses for any Regular Full Time Caretaker. The Council resolution in this matter, CR129/2016, reads:

“That administration BE DIRECTED to pursue Option A as contained in the report of the City Engineer dated February 24, 2016 to outsource caretaking without job loss for any regular full time employees; and,

That administration EXCLUDE the CUPE Local 82 caretakers and to report back at a later date should attrition accelerate and should the outsourcing be recommended; and,

That administration BE AUTHORIZED to notify the CUPE Local 543 Union that administration is exploring the contracting out of caretaking services without job loss for any regular full time employees; and,

That administration BE AUTHORIZED to prepare and issue a Request for Proposal in accordance with the city’s purchasing by-law for the contracting out of caretaking services; and,
That the recommendations of administration on whether and to whom to award the contracts BE REPORTED to City Council for tentative approval prior to entering into the union discussions; and,

That the collective agreement outsourcing steps including notice and provision of information to the respective Union BE FOLLOWED by administration with a confirmatory report to City Council.”

Option A, noted in the council resolution, refers to the contracting out of caretaking services at Huron Lodge.

DISCUSSION:

In compliance with the Purchasing Bylaw 93-2012, RFP 126-16 was written then distributed to potential proponents and advertised on Saturday, August 6, 2016. The Request for Proposal is included in the appendices as Appendix 1. A mandatory site meeting was held on August 17, 2016 with five potential proponents in attendance. The RFP closed on September 2, 2016 with four submissions being received.

The evaluation team scored the technical submissions from all four proponents. Three of the four proponents passed the technical scoring, and one of the three was eliminated for non-compliance. The two remaining submissions were then scored based upon their financial submission. The highest combined technical and financial score was achieved by the proposal from Aramark Canada Ltd.

According to their proposal, Aramark has over 50 years of experience in Canadian Healthcare and Long Term Care environments, including experience in all of the caretaking and laundry services required at Huron Lodge.

The cost proposal submitted by Aramark is significantly less costly than the current operating budget for the same services performed by City employees. A complete financial analysis is included in the Financial Matters section of this report.

Next Steps

Subject to council approval, administration would proceed to meet with the Union and provide notice and information regarding the submission from Aramark. The Union will be afforded the opportunity to make a written submission within thirty (30) calendar days of the meeting in accordance with the Collective Agreement. Administration will review the Union’s submission within two weeks of receiving it and make a recommendation to council.

Regular Full Time (RFT) Employees
In accordance with Council’s direction, the outsourcing of caretaking services at Huron Lodge would be implemented with no job losses for any regular full time employees. The Facilities department has frozen RFT and RPT hiring of caretakers in 2016 pending a final resolution in this matter; temporary part time general caretakers continue to be hired to assist with absences that may occur. There are currently thirteen (13) Regular Full Time General Caretakers at Huron Lodge. There is also one (1) RFT General Staff position and one (1) Storekeeper position performing caretaking duties. One (1) General Caretaker position is currently vacant. Those RFT employees may be redeployed from Huron Lodge to Caretaker positions at other City facilities. Of those fifteen, five (5) can be placed immediately in existing vacant positions. In order for this to occur, an agreement will need to be reached with CUPE Local 543, as currently the General Caretakers at Huron Lodge are a separate classification from the Caretakers in the rest of the Corporation, thus not allowing the redeployment of the Huron Lodge General Caretakers into the other classification of Caretaker. This agreement would also need to address the General Staff and Storekeeper positions.

As previously reported, there are a number of caretakers eligible to retire over the next few years. Most immediately, there are two (2) regular full time staff eligible to retire in 2016, seven (7) in 2017, and one (1) in 2018. Those ten (10) positions when vacated will provide positions for the remaining eight (8) RFT general caretakers, the one (1) General Staff and the one (1) Storekeeper. There are no guarantees that employees will retire in the year they are eligible. If employees retire at a slower rate than anticipated, savings would be reduced in the short-term.

Regular Part Time (RPT) Employees

Although council’s mandate was to secure positions for all of the regular full time caretaking staff at Huron Lodge, there are also nineteen (19) regular part time positions at Huron Lodge that would be eliminated with outsourcing. Nine of those positions are filled and ten are currently vacant.

There are currently three vacant RPT caretaker positions at City facilities outside of Huron Lodge, which will be considered in the transition. Should Council wish to accommodate the continued employment of those RPT employees as caretakers, there are several options to consider. These options are outlined in the Financial Matters section of this report.

Staffing Implications

Should City Council decide to proceed with outsourcing the caretaking positions from Huron Lodge, and the union agrees to move the current RFT Huron Lodge General
Caretaking employees to existing vacant Caretaking positions, staffing levels would be over complement during the attrition stage and consideration regarding the RPT caretaking employees will need to be explored.

In compliance with Article 4.11 of the CUPE Local 543 Collective Agreement, all impacted RFT and RPT employees will have bumping rights. With a transition plan in place, this provision would not need to be exercised should Agreement be reached with the Union to place impacted employees in the Caretaking job classification.

Currently, Article 27 of the CUPE Local 543 Collective Agreement provides for job security for any member of the bargaining unit whose seniority date is prior to December 31, 1997. A significant number of RFT General Caretakers at Huron Lodge have job security, however following Council’s direction the options considered in this report do not consider job loss for any of these employees. There are no RPT Caretakers at Huron Lodge with job security at this time, with the latest seniority date being 1999 for a RPT Huron Lodge General Caretaker.

Should an agreement not be reached, L543 employees will have the right to bump according to their skills and abilities and in accordance with Article 4.11 of their collective agreement. At this time, the Huron Lodge General Caretakers have a total of 3 employees on some form of modified duties that will also need to be accommodated, 2 of which are RFT.

The difficulty of RPT employees successfully bumping into alternate RPT positions should not be underestimated. RPT employees can only bump into RPT positions of which the Corporation has a limited number of L543 RPT positions (e.g. RPN; Caretaking; Kitchen Staff) wherein specific qualifications may be required. There are very limited opportunities to minimize staffing impacts through retirements, as there are not a significant number of eligible retirements for RPT Caretakers. Also, as previously noted, with the end of mandatory retirement, possible retirement dates of employees may not be realized. Further, the clarification as to how many vacant RPT positions currently exist in the Corporation will not be realized until after the 2017 budget process. Every opportunity to provide displaced employees with vacant positions will be explored should bumping occur with RPT employees.

It should, however, be noted, that RPT employees are not guaranteed any number of hours per week as long as the maximum is not beyond 25 hours per week without a signed waiver. Specifically Article 4.03 (iii) indicates..."Regular Part Time employees shall only be required to work up to twenty-five (25) hours per week,” Provided hours are scheduled for the RPT employees a layoff notice would not be required.

Additionally, it should be noted that temporary employees do not possess bumping rights nor do they have job security. Temporary Part Time General Caretakers at Huron Lodge will be separated as a result of contracting out caretaking.
Finally, it is also important to note that if a layoff occurs, as with any lay off scenario, the displacement of employees will likely impact the Paid and Unpaid Student & Work Placement Agency Participation should we not be able to find alternate employment for the employee. In 2015 the Corporation was able to place a total of 108 participants in paid programs and 148 participants in our unpaid programs. The opportunity to benefit from unpaid placements for all involved (Corporation, Community, Students, Schools, and Agencies) could be lost for Local 543 positions should alternate employment not be achieved for employees served with a layoff notice.

The Corporation would continue to participate in CUPE L82 placements that are provided for in the L82 collective agreement and any additional agreements that L82 would entertain. In 2015, the Corporation placed 6 unpaid participants in L82 positions and 139 paid participants in L82 positions.

If RFT employees are laid off and sent home as placements cannot be located, the Corporation could consider placing the laid off employees in student positions, specifically for the spring and summer sessions, for which they qualify, at their current rate of pay.

Other Staffing Considerations

Should outsourcing be recommended, in our effort to provide employees with the appropriate coping skills to deal with the stress and anxiety that may be experienced as layoff notices are posted, professional debriefing sessions should be provided to the employees. We would recommend a professional counselor be on site to provide debriefing sessions to our employees should they seek this service. The cost to provide 3 additional one day debriefing sessions by our EFAP provider, FGI, is noted to be approximately $3,000 for all 3 days.

Staff Development Considerations

As we attempt to place employees into alternate positions within the Corporation, inclusive of vacant positions, if the employee is served with a layoff notice, it is realized that many of our General Caretakers do not possess qualifications for alternate employment. In an effort to assist our staff obtain technological training on the Microsoft Suite of Products, we would recommend that should all the laid off General Caretakers request to complete the Computer Proficiency Certificate, or upgrade their technological skills the Corporation provide the employees with this opportunity at a total cost of approximately $10,000.
Accommodations can be made to provide separate sessions for the staff, on a fast track basis, by providing the workshops days, evenings and weekends. Aside from offering these courses to the General Caretakers in order to satisfy the eligibility for clerical positions, Staff Development is also exploring an online/downloadable typing tutorial. It is anticipated that this service is free and is designed to measure speed through timed drills.

Further, we need to make available Employee Development workshops inclusive of resume writing, interviewing skills and communication skills for our displaced employees.

Once we are able to determine individualized plans for our staff, we will be in a much better position to provide detailed information as to what additional funds, if any, are required through our Educational Assistance Program.

**RISK ANALYSIS:**

There is risk in outsourcing as future tender prices may come back higher once the contract expires. However, under a contracting out scenario, we would still maintain a mixed model of service delivery, which should aid in mitigating the cost to provide that service to Huron Lodge in the future.

There is also risk that an agreement will not be reached with the Union and therefore, bumping would occur. This may impact the hiring of temporary, seasonal and/or student workers within CUPE L543. However, to mitigate this risk, employees laid off and at home would be offered student positions, should the employee be qualified. The rate of pay for our employees performing student work would be at their current rate of pay.

With respect to the attrition rate and placement of displaced employees into permanent positions, there are no guarantees that employees will retire in the year they are eligible. If employees retire at a slower rate than anticipated, the costs to transition displaced employees would be marginally higher in the short-term.

Finally, with any transition plan that contemplates the transition of employees, service levels may be enhanced until attrition occurs and employees are permanently placed. There is a risk that these enhanced service levels will be expected to be maintained despite staffing levels returning to approved levels at the end of the transition period.
FINANCIAL MATTERS:

As a result of Council Resolution 129/2016, administration was authorized to prepare and issue a Request for Proposal (RFP), in accordance with the City’s purchasing by-law, for the contracting out of caretaking services at Huron Lodge.

The results of the RFP, based on the recommended proponent, are as follows:

<table>
<thead>
<tr>
<th>Description of Service</th>
<th>‘2017 City Budget for Huron Lodge Caretaking</th>
<th>Annual Cost from RFP</th>
<th>Annual Budget Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>$1,695,850</td>
<td>$1,107,156</td>
<td>$588,694</td>
</tr>
<tr>
<td>Housekeeping Supplies and Equipment</td>
<td>$108,000</td>
<td>$92,098</td>
<td>$15,902</td>
</tr>
<tr>
<td>Total Caretaking Services</td>
<td>$1,803,850</td>
<td>$1,199,254</td>
<td>$604,596</td>
</tr>
</tbody>
</table>

*Projected 2017 City of Windsor budget based on corporate provision for wages and estimated 3% increase for fringe benefits.

As highlighted in the chart above it is expected that a total annual budget savings of $604,596 could be achieved by contracting out. This annual savings is higher than the preliminary projected savings of $403,000 estimated in the “Response to City Council Inquiry - Caretaking” report dated March 7, 2016.

The total weekly, all inclusive price provided in the proposal for caretaking (including laundry) services at Huron Lodge is $23,062.57/week, for a total annual cost of $1,199,253.64 (including non-recoverable portion of HST), with no annual increase for CPI or other inflationary pressures during the term of the contract. The length of the contract is for three (3) years, with two 1-year extension options available, if mutually agreed upon by both sides.

While the projected 2017 operating budget for Caretaking Services at Huron Lodge is as noted above, the projected 2017 operating budget for the full Huron Lodge caretaking and maintenance services is $2,933,565. If Council decides to move forward with the contracting out of caretakers at Huron Lodge, three (3) positions would remain in place. Two (2) maintenance engineers would remain on-site to be responsible for general maintenance of the building and related equipment. One junior clerk typist
would remain to continue to process work orders, invoices, and other clerical responsibilities. Additionally, the Facilities Department would continue with one (1) supervisor that would oversee the caretaking contract, facility maintenance and projects and the remaining Facility Operations staff in place at Huron Lodge. Other related costs to support the area and these employees have been retained and have not been included in this analysis.

**Regular Full-Time Caretakers**

In order to outsource caretaking without job loss for any regular full-time (RFT) employees, a transition plan will be required to enable impacted employees to move into other available regular full-time positions.

Currently, there are sixteen (16) budgeted full-time caretaker positions for Huron Lodge, with one of those positions vacant. This leaves fifteen (15) full-time positions that must be transitioned.

In anticipation of the potential contracting out of the service, Administration has not filled certain vacant Local 543 caretaker positions which provide service to other City facilities outside of Huron Lodge. As a result, there are currently five (5) vacant caretaking positions at other City facilities.

<table>
<thead>
<tr>
<th>Regular Full-time positions at Huron Lodge</th>
<th>16</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Less</em>: Vacant General Caretaker position at Huron Lodge</td>
<td>(1)</td>
</tr>
<tr>
<td>Total number of RFT employees impacted at Huron Lodge</td>
<td>15</td>
</tr>
<tr>
<td><em>Less</em>: Vacant Caretaker positions at Other City facilities</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Number of RFT Huron Lodge Caretakers to transition</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

In order be able to transition the remaining number of RFT caretaking positions at Huron Lodge by way of attrition and considering the current caretaking vacancies within the Facilities department, ten (10) Local 543 RFT caretakers would have to be vacated in order to accommodate the transition.

It should be noted that in order to successfully incorporate the transition of Huron Lodge regular full-time caretaking employees to other City facilities, an Agreement will need to be reached with CUPE Local 543 as currently the General Caretakers at Huron Lodge fall under a separate job classification from the Caretakers in the rest of the
Corporation. Without an agreement, the employees must be given layoff notices which would then begin the bumping process. This process would require these laid off employees to “bump” into other Local 543 positions.

Regular Part-Time Employees

There are a total of 49 regular part-time (RPT) caretaking positions budgeted for within the City’s Facilities Department (19 – Huron Lodge; 30 – other City facilities). Currently, 13 of those part-time positions are vacant, leaving a total of 36 regular part-time employees (9 - Huron Lodge; 27 - other City facilities) working within the Department. The nine (9) RPT employees at Huron Lodge will need to be considered in the options that are presented. It should be noted that there are three (3) vacant RPT Caretaker positions in other City facilities that are currently vacant.

<table>
<thead>
<tr>
<th>Regular Part-time (RPT) General Caretaker and Storekeeper positions at Huron Lodge</th>
<th>19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Less</strong>: Vacant RPT General Caretaker and Storekeeper positions at Huron Lodge</td>
<td>10</td>
</tr>
<tr>
<td>Total number of RPT caretakers impacted at Huron Lodge</td>
<td>9</td>
</tr>
<tr>
<td><strong>Less</strong>: Vacant RPT Caretaker positions at Other City facilities</td>
<td>3</td>
</tr>
<tr>
<td>Number of RPT Huron Lodge Caretakers to transition</td>
<td>6</td>
</tr>
</tbody>
</table>

Part-time caretakers do not have guaranteed hours, so they may not actually work the hours they are allocated for budgeting purposes. However, there is currently an agreement in place with Local 543, allowing for part-time workers to work more hours than budgeted. This has resulted in many regular part-time employees working up to 40 hours per week as a result of positions being held vacant pending a resolution on the outsourcing of caretaking services.

Given that part time employees are not guaranteed hours, if there is no work for them, they will not be scheduled and as a result, will not be paid; however, they do continue to add cost to the Corporation for benefit costs if they are eligible. RPT employees are eligible for health benefits after 90 working days at 50% of the premium cost should they wish to have coverage.
**Employee Retirement Analysis**

The following chart outlines pending retirement eligibility and projected retirements for Local 543 Caretakers to be factored into the transition analysis of regular full-time caretakers.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>TOTAL RFT STAFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative # of L543 RFT eligible to retire</td>
<td>2</td>
<td>9</td>
<td>7</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL Projected Retirements</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Employees to transition at year-end</td>
<td>10</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

It should be noted, that while eligible to retire, there are no guarantees that employees will retire in the year they are eligible.

Although difficult to predict, on average, 30 to 35% of Local 543 employees retire in the year they are eligible. As a result, an average retirement rate of 33% has been used in this analysis for the purpose of forecasting when retirements **MAY** occur.

While this projection does come with a number of risks and assumptions, such an approach may help to mitigate some of the risk related to contracting out through the use of attrition, rather than lay-offs. In light of these considerations, Administration has developed the following options:

**Option 1:** Huron Lodge RFT caretakers transitioned to General Caretaking positions utilizing transitional funding and providing for a temporary enhanced service level.

With this option, the RFT general caretakers would be placed in RFT vacancies as they become available, with those caretakers yet to transition being utilized by the Facilities Department to temporarily enhance the level of service in a manner to be presented to Council at a later date, should the outsourcing occur.

Under this scenario, it is expected that transition funding will be provided for the displaced RFT employees and that only the six (6) additional part-time caretakers (from
Huron Lodge) would be absorbed in the part-time corporate caretaking staff establishment, thus minimizing the impact on the available RPT hours worked.

Currently, with respect to the part-time positions, nineteen (19) positions are budgeted for 20 hours per week at Huron Lodge, resulting in 18,720 hours per year available for work. Meanwhile, the remaining 30 regular part-time employees were budgeted for 24.56 hours per week at other City facilities, resulting in 38,314 hours per year available for work.

The chart below illustrates the reduction in available budgeted hours to be worked by RPT caretakers in the first year of the transition. The caretakers that provide service to other City facilities will face a reduction of approximately four (4) budgeted hours per week by absorbing the six (6) RPT caretakers from Huron Lodge into the corporate caretaking pool.

### Option #1 - Impact to Regular Part-time Caretakers in Facilities Department

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPT Caretakers Wages -</td>
<td>$935,372</td>
<td>$949,403</td>
<td>$963,644</td>
<td>$978,099</td>
<td>$992,770</td>
<td>$1,007,662</td>
</tr>
<tr>
<td>Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RPT Caretakers Fringe</td>
<td>168,367</td>
<td>170,893</td>
<td>173,456</td>
<td>176,058</td>
<td>178,699</td>
<td>181,379</td>
</tr>
<tr>
<td>Benefits - Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of RFT employees</td>
<td>$1,103,739</td>
<td>$1,120,295</td>
<td>$1,137,100</td>
<td>$1,154,156</td>
<td>$1,171,469</td>
<td>$1,189,041</td>
</tr>
<tr>
<td>transitioned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remaining wage &amp;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>benefit dollars available for RPT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,103,739</td>
<td>$1,120,295</td>
<td>$1,137,100</td>
<td>$1,154,156</td>
<td>$1,171,469</td>
<td>$1,189,041</td>
</tr>
</tbody>
</table>

|                        |          |          |          |          |          |          |
| Remaining # of part-time hours available for RPT | 38,314 | 38,314 | 38,314 | 38,314 | 38,314 | 38,314 |
| Budgeted # of annual hours for 36 RPT | 1,064 | 1,064 | 1,064 | 1,064 | 1,064 | 1,064 |
| Budgeted # of hours per week for 36 RPT | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 |

Ultimately, as the transition of RFT caretakers progresses and taking into consideration additional retirements and/or potential departures amongst the RPT caretakers, the Department will be able to return to their original complement of thirty (30) RPT caretakers in the area budgeted for 24.56 hours of work per week. This option is viable if an agreement is reached with CUPE L543.

**Option 2:** Maintain Huron Lodge RFT caretaking employees & absorb within RPT hours, with no service level enhancement.

With this option, RFT caretaking employees would be placed in RFT vacancies as they become available, with those caretakers yet to transition absorbing part-time hours until such time that a full-time position opens up. Under this scenario, the requirement to retain RFT employees until they are able to be placed into other vacant Local 543 full
time caretaking positions, along with other one-time costs to support the transitioned employees, would be mitigated through a corresponding reduction in part-time caretaking staff hours.

The chart below illustrates the impact on the budgeted number of hours for regular part-time caretakers in each year of the transition as regular full-time caretaking employees from Huron Lodge yet to transition to RFT vacancies elsewhere in the Corporation absorb regular part-time hours until such time that they are placed. This option is viable if an agreement is reached with CUPE L543.

<table>
<thead>
<tr>
<th>Option #2 - Impact to Regular Part-time Caretakers in Facilities Department</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RPT Caretakers Wages - Budget</strong></td>
</tr>
<tr>
<td>$935,372</td>
</tr>
</tbody>
</table>

| **RPT Caretakers Fringe Benefits - Budget**       |       |       |       |       |       |  
| 168,367                                         | 170,893 | 173,456 | 176,058 | 178,699 | 181,379 |

| **Cost of RFT employees transitioned**           | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
| (700,799)                                       | (487,878) | (353,526) | (281,371) | (139,807) | - |

| **Remaining wage & benefit dollars available for RPT** | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
| $402,940                                        | $632,417 | $783,574 | $872,785 | $1,031,662 | $1,189,041 |

| **Remaining # of part-time hours available for RPT** | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
| 13,987                                          | 21,628 | 26,401 | 28,973 | 33,741 | 38,314 |

| **Budgeted # of annual hours for 36 RPT**        | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
| 389                                             | 601    | 733    | 805    | 937    | 1,064 |

| **Budgeted # of hours per week for 36 RPT**      | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
| 7.5                                             | 11.6   | 14.1   | 15.5   | 18.0   | 20.5   |

Similar to the projections involving the regular full-time staff, there are a number of risks and assumptions. However, the chart above does not factor in the potential for any regular part-time employees who may decide to leave the Corporation or potential retirements (two RPT employees become eligible during the transition period), accelerating the return of regular part-time employees back to their previously budgeted number of hours.

If RFT retirements are either delayed or accelerated, this will alter the impact and timing of available part-time hours.

**Option 3: Bumping process**

With respect to the financial impacts of this option, it was not analyzed given the fact that it was not part of Council’s original direction, which was to ensure there is no job loss for regular full-time caretakers. It should be noted that if this particular option is chosen, it may reduce the budget savings amount due to the potential impact of layoffs.
As for RPT employees, if they are not placed in caretaker positions outside of Huron Lodge, they would commence the bumping process. These employees are members of their respective union and have rights to bump other part-time employees only. As part-time employees are not guaranteed hours, if there is no work for them, they will not be scheduled and as a result, will not be paid. However, they do have recall rights should they receive layoff notice and they do continue to add cost to the Corporation for health benefits (where they have elected to do so) if they are displaced and without work.

**Transition Funding Requirements**

**Option 1: Maintain part-time hours and provide funding**

This option comes with a requirement for one-time funding of $2,026,381. Should City Council select this option it will be necessary for administration to designate a funding source for the one time funds. This option does achieve no layoffs and meets Council’s request to consider the outsourcing of caretaking services without job loss for any regular full-time employees. In addition, there is only a minor reduction in budgeted hours for regular part-time caretakers, while City facilities will enjoy a temporary enhanced level of service due to the additional number of full-time caretakers devoted to them until the transition plan is fully completed.

The following chart outlines the one-time transition funding needs under this particular option:

<table>
<thead>
<tr>
<th>One-Time Transition Funding Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of RFT employees to transition</strong></td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Cost of RFT employees</td>
</tr>
<tr>
<td>Skills Upgrade Training</td>
</tr>
<tr>
<td>EFAP Sessions</td>
</tr>
<tr>
<td>Contingency</td>
</tr>
<tr>
<td><strong>Total Funding Required per year</strong></td>
</tr>
<tr>
<td><strong>TOTAL TRANSITION FUNDING</strong></td>
</tr>
</tbody>
</table>

**Option 2: Maintain RFT through usage of RPT hours**
This option comes with no transitional cost to the City and meets Council’s request to outsource caretaking without job loss for any regular full time employees; however, a significant reduction to regular part-time hours takes place in the short-term.

**Option 3: Bumping Process**

This option was not costed at this time, however it should be noted that layoffs could impact other areas of the corporation (ie. seasonal staff, temporary students, etc...) in that such positions would be required to be replaced with the higher paid laid off employees resulting in additional costs to the corporation.

**Other Considerations**

**Post-Retirement Benefits**

These savings have been calculated on the assumption that positions that are lost through attrition will not be replaced. Were they to be replaced, the replaced positions would be eligible for post retirement benefits up to the age of 65. Based on past actuarial calculations, the present value savings for each position approximates $13,000. With sixteen (16) regular full-time positions not being replaced, this would result in savings of $208,000.

For the purpose of simplicity, only the first generation of these job replacements has been included in the analysis. However, these are savings that are recurring for each generation of employees following the previous group’s retirement.

**Program Support Costs**

These costs represent the portion of internal services that are allocated to the cost of doing business. These internal services include areas such as Finance, Human Resources, Payroll, Purchasing, Legal, Clerks and Information Technology. Various cost drivers related to the service being provided drive the allocation method. For example, Human Resources and Payroll costs are allocated based on the number of employees in a given area, while Information Technology costs are allocated based on the number of computers.

The program support allocation amount is not budgeted as part of the Operating Budget, but rather it is allocated to the area as part of the year-end process when preparing the City’s annual Financial Information Return (FIR) to the Province. The total amount of program support allocated to General Caretaking at Huron Lodge averages $110,000 per year.

The amount allocated from each internal services area represents a very small fraction of the internal service areas’ total budget. As such, no reductions related to internal
service staff has been recommended at this time. The level of internal service support will be reviewed and proposed reductions will be brought forward as part of the annual Operating Budget process. As such, for this particular analysis, the program support allocation will not be reduced.

**Summary:**

In order to adhere to Council’s previous direction of potentially pursuing the outsourcing of caretaking at Huron Lodge without job loss for any regular full-time employees, the City will have to transition ten (10) regular full time caretakers and enter into a MOA with CUPE L543. Based on projected retirement rates for Local 543 employees, the completion of this transition would take place in 2021.

Administration has brought forward options to meet this mandate. For comparative purposes, the following chart outlines the total amount of savings to the City over the potential five year term of the contract for both options.

<table>
<thead>
<tr>
<th>Total City Savings due to contracting out over the term of the contract</th>
<th>Option #1</th>
<th>Option #2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Annual City Savings in Costs due to Contracting Out</strong></td>
<td>$ 604,596</td>
<td>$ 604,596</td>
</tr>
<tr>
<td>Net Annual City Savings in Costs due to Contracting Out over the potential 5 year term of the contract</td>
<td>$ 3,022,980</td>
<td>$ 3,022,980</td>
</tr>
<tr>
<td><strong>Less:</strong> One-Time (Costs)/Revenues over the term of the Contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transitional Funding Requirements to accommodate RFT caretakers</td>
<td>(2,026,381)</td>
<td></td>
</tr>
<tr>
<td>Post-Retirement Benefit savings - Local 543</td>
<td>208,000</td>
<td>208,000</td>
</tr>
<tr>
<td>Technological Skills Training</td>
<td>(10,000)</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Additional EFAP sessions</td>
<td>(3,000)</td>
<td>(3,000)</td>
</tr>
<tr>
<td><strong>Savings due to Contracting Out over the term of the Contract</strong></td>
<td>$ 1,191,599</td>
<td>$ 3,217,980</td>
</tr>
</tbody>
</table>

* *Additional savings due to potential City wage increases in 2018 and 2019 have not been factored into this chart. If there are increases for those years, the savings noted above would increase by the amount of those increases.*
CONSULTATIONS:
Vincenza Mihalo, Executive Director, HR
John Lechicky, Manager Employee Relations
Mark Spizzirri, Acting Manager Financial Planning
Josie Gualtieri, Acting Financial Planning Administrator, Facilities
Alina Sirbu, Executive Director, Huron Lodge

CONCLUSION:
This report is submitted to Council for information in response to a Council question asking Administration to revisit the possibility of contracting out caretaking, and provide a potential process for doing so without incurring regular full time job losses, and obtain pricing through a Request for Proposals process.

The analysis presented in the report indicatesthat it is possible to outsource caretaking in full at Huron Lodge without job loss. Depending on the attrition rate, the retention of staff could result in “one time” incremental costs to the city, as in prior outsourcing efforts. Administration continues to act at the direction of City Council on this matter.

APPROVALS:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Josie Gualtieri</td>
<td>Financial Planning Administrator</td>
</tr>
<tr>
<td>Mark Spizzirri</td>
<td>Manager Performance Measurement and Financial Administration</td>
</tr>
<tr>
<td>Natasha Couvillon</td>
<td>Deputy Treasurer Financial Planning Financial Planning</td>
</tr>
<tr>
<td>Tom Graziano</td>
<td>Senior Manager of Facilities</td>
</tr>
<tr>
<td>Alex Vucinic</td>
<td>Purchasing Manager</td>
</tr>
<tr>
<td>Jelena Payne</td>
<td>Community Development &amp; Health Commissioner</td>
</tr>
<tr>
<td>Mark Winterton</td>
<td>City Engineer</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Valerie Critchley</td>
<td>City Clerk</td>
</tr>
<tr>
<td>Joe Mancina</td>
<td>City Treasurer</td>
</tr>
<tr>
<td>Shelby Askin Hager</td>
<td>City Solicitor</td>
</tr>
<tr>
<td>Onorio Colucci</td>
<td>Chief Administrative Officer</td>
</tr>
</tbody>
</table>

**NOTIFICATIONS:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Vander Voort, CUPE Local 543</td>
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<td><a href="mailto:inquiry@cupe543.ca">inquiry@cupe543.ca</a>, <a href="mailto:mvvoort@cupe543.ca">mvvoort@cupe543.ca</a></td>
</tr>
<tr>
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<td>811 Islington Avenue, Toronto, ON</td>
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<td>Angelo Masciotra, <a href="mailto:Angelo.masciotra@gdi.com">Angelo.masciotra@gdi.com</a></td>
</tr>
<tr>
<td>Service Master Clean of Southwestern Ontario (Windsor)</td>
<td>21 Gregory Dr. West, Chatham, ON</td>
<td>Mark Hasak, <a href="mailto:Mark.hasak@smchatham.com">Mark.hasak@smchatham.com</a></td>
</tr>
<tr>
<td>Cheema Cleaning Services Ltd</td>
<td>12366 Airport Road, Caledon, ON</td>
<td>Garry Cheema, <a href="mailto:accounting@ccsclean.ca">accounting@ccsclean.ca</a></td>
</tr>
</tbody>
</table>
MISSION STATEMENT:
“Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together.”

To: Mayor and Members of City Council

Subject: Alternative Service Delivery Review - Caretaking

1. RECOMMENDATION: City Wide: X Ward(s): ____

   I. THAT Administration BE AUTHORIZED to notify the Unions that Administration is exploring the contracting out of caretaking services;

   II. That Administration BE AUTHORIZED to prepare and issue a Request for Proposal in accordance with the City of Windsor’s Purchasing Bylaw for the contracting out of caretaking services in the areas of Huron Lodge, Recreation, the Lou Romano and Little River Reclamation Plants, Police, Fire, Administrative, Tenant, and other facilities discussed in this report;

   III. That the recommendations of Administration whether and to whom to award the contracts BE REPORTED to City Council for tentative approval prior to entering into the union discussions, and

   IV. That the Collective Agreement outsourcing steps including notice and provision of information to the respective Union BE FOLLOWED by administration with a confirmatory report to City Council.

EXECUTIVE SUMMARY:
N/A

2. BACKGROUND:

Due to budgetary pressures, the Facilities Department initiated a review of its caretaking operations, and the possibility of contracting that service out. Having undertaken such review, this report seeks Council direction to proceed with evaluating the option of contracting out caretaking services.
Caretaking at the City of Windsor is currently performed by union employees of the Corporation with the exception of Crawford Yard, Mackenzie Hall, and Willistead Manor, where those services are contracted out. As part of the restructuring in 2014, caretaking and maintenance of many City facilities was centralized with the Facility Operations Division.

This report does not address caretaking at business units such as Transit Windsor, the Windsor Public Library, the Detroit Windsor Tunnel, or YQG, due to the separate collective agreements and governance structures.

Caretaking is performed by five groups as follows:

1. City Hall campus, Public Works administration, Parks, Recreation & Facilities administration, Fire Headquarters, the Windsor Justice Facility, Tilston Armoury and other Police buildings, cultural buildings, WIATC (Aquatics Centre), tenant facilities, and others performed by CUPE Local 543 employees with Job Code 543085;

2. Huron Lodge Long-Term Care Home performed by CUPE Local 543 employees with Job Codes 543181, 543197, & 543186;

3. Recreation Facilities, including community centres, pools, and arenas performed by CUPE Local 82 employees with Job Codes 82098 (Community Centres) & 82123 (Caretaker/Pool Maintenance Operator);

4. Lou Romano & Little River Water Reclamation Plants performed by CUPE Local 82 employees with Job Code 82052, managed by the Pollution Control Division;

5. Crawford Yard, Mackenzie Hall, and Willistead Manor performed by contracted caretaking services. Managed by the respective departments they service.

The current staff establishment for each of the areas is shown in Table 1 below:

<table>
<thead>
<tr>
<th>Areas Served</th>
<th>Regular Part Time (RPT)</th>
<th>Regular Full Time (RFT)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># positions</td>
<td>FTE</td>
</tr>
<tr>
<td>City Hall campus, Public Works administration, Parks, Recreation &amp; Facilities administration, Fire Headquarters, the Windsor Justice Facility, Tilston Armoury and other Police buildings, cultural buildings, WIATC (Aquatics Centre), tenant facilities, and others (L543)</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Huron Lodge (L543)</td>
<td>19</td>
<td>9.5</td>
</tr>
<tr>
<td>Recreation (L82)</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Lou Romano and Little River Reclamation Plants (L82)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Total 100 positions</td>
<td>49</td>
<td>24.5</td>
</tr>
</tbody>
</table>

In general, Caretaking duties include:
• Sweeping, mopping, dusting, cleaning washroom facilities, furniture, windows, walls, ceilings, floors, carpet cleaning, vacuuming, cleaning sinks and toilets, air vents, appliances, collect garbage, strip, wax and polish floors;
• Ordering and maintaining housekeeping supplies;
• Basic maintenance and cleaning of all caretaking equipment used;
• Performance of outside duties such as general grounds cleaning and snow/ice removal;
• Minor security duties;
• Minor building maintenance issues such as replacement of light bulbs;
• Assistance with furniture moving, room and special events set up

Huron Lodge Long-Term Care Home

Huron Lodge is a long term care facility owned and operated by the City on a 24 hour, 7 day a week basis. The 176,500 square foot building is home to 224 residents with significant physical, medical, psychological needs. In addition to the resident rooms with private or semiprivate baths, the facility is equipped with kitchens, laundry, and common areas including patient care, auditorium, chapel, café, craft room, library, hairdressing salon, lounges, activity areas, and administrative offices.

The operating requirements and standards for this facility are governed primarily by the Ministry of Health and Long-Term Care making the facility quite different from other City facilities.

In addition to the general duties listed above, Caretakers at Huron Lodge are required to:
• Perform resident room carbolization (deep cleaning and disinfection);
• Perform more intensive infection control related cleaning;
• Sort, bag, label, wash, dry and iron laundry while meeting infection control specifications
• Perform regular kitchen cleaning on all floors and main kitchen area;
• Be current with additional training related to Long-Term Care facilities;
• Handle receiving of shipments;
• Perform other duties as required under the Long Term Care Home Act

Recreation Facilities

The Recreation and Culture Department provides more than 8,000 programs in community centres, pools and arenas to people of all age. As well, there is the rental of ice rinks, pools, banquet rooms, meeting rooms for a variety of events such as birthday parties, and shows by professional entertainment groups.

Windsor's Community Museum and cultural centres are part of the department and require specific care and cleanliness standards for paintings and other pieces of art. The caretaking at the community centres, arenas and pools is done by six Local 82 staff, supplemented by temporary part-time staff. The WIATC (Aquatic Centre), Francois Baby House and the Chimczuk Museum/Art Gallery have Local 543 caretakers.

In addition to the general duties listed above, Caretakers at Recreational facilities may also be required to:
• Be Certified Pool Operators (only three positions, job code 82123, for indoor pool facilities), maintaining pool water quality and minor pool equipment maintenance;
• Assist the public with access for rentals;
• Act as the facility Health & Safety representative.
In addition to the general duties listed above, Caretakers at the pollution control plants are required to:

- Water sample and mail delivery;
- Outdoor yard maintenance;

3. **DISCUSSION:**

This report recommends investigating the business case for contracting out of caretaking services currently being performed by City staff. Currently, the large majority of municipalities in Ontario that are the same size or larger than the City of Windsor contract out janitorial services. Examples include Toronto, Oakville, Mississauga, Brampton, Region of Peel, Region of York, Hamilton, Sudbury, London, Barrie, and Ottawa. The exception is with respect to caretaking services in Recreation facilities. In a survey of municipalities in Ontario (Brampton, Hamilton, London, Milton, Mississauga, Oakville, Sault Ste. Marie and Sudbury), all used internal employees for caretaking with the exception of Hamilton, who used contracted services with some internal staff members. The other municipalities used a combination of full time and part time staff, with some specialized maintenance performed by contractors.

The market rate for contracted caretaking services can vary from $14/hr to $20/hr, depending on the scope, terms and conditions of the bid documents. Preliminary analysis suggests that significant cost savings can be achieved by contracting out caretaking. The preliminary analysis assumes maintaining the same hours of caretaking and applying the roughly estimated market rate of $18/hr, conservatively on the high end of the range. The actual costs for these services would be obtained through a Request for Proposal purchasing process. This process would take a significant amount of time to prepare and assess, and it is not anticipated that the conversion from in-house to contracted services would happen until the last quarter of 2016. The draft budget documents, expected to be presented to City Council in December, 2015, include a provision for part year outsourcing. Should this not come to fruition, this provision will need to be absorbed by a reserve or mitigated by other variances.

The caretaking supplies budget has not been included in the preliminary analysis, as we would continue purchasing supplies ourselves or would be billed additionally by the service provider. Administration would explore opportunities for additional savings related to purchasing caretaking supplies in conjunction with the contracting out of the services. Similarly, the complement of non-union staff would be evaluated as part of this exercise with final recommendations to be provided with the final report. These items may lead to additional savings.

Noted below are other aspects that need to be considered and weighted into the detailed analysis. These have not been fully considered in the preliminary analysis at this time.

**Third Party Tenants**

Some City facilities are partially or fully occupied by external parties such as the Art Gallery of Windsor, Service Canada, Service Ontario, the Department of National Defence and the Ministry of the Attorney General along with Windsor Police Services, among others. The proposed change to the delivery of services will need to be discussed with them to ensure we address any concerns they may have regards non-City employees accessing/working in their space and...
maintain the levels of service.

Levels of Service

A significant factor to consider is the scope and level of service provided by our "in-house" caretakers. The City's caretakers can be called on for a variety of needs over and above regular cleaning. For example setting up and tear down for meeting rooms and special events, room set up, snow shovelling, weeding, watering flowers, minor maintenance and security duties, and the moving of furniture and/or boxes between facilities. Staff members who currently perform these tasks promptly and at the direction of various managers and department heads will no longer be internal to the City and therefore such services may not be as readily or as promptly performed if they are ad hoc tasks. While this risk is anticipated to be mitigated by including some of these tasks in the Request for Proposals (RFP) terms, it is also recommended that a certain number of RPT Porter (L543) positions be created in the staff establishment to address any ad hoc needs that may fall outside the contract terms. The number of such positions is estimated in this report but would be finalized at a later date upon full evaluation.

As detailed earlier, the levels and scope of service required at Huron Lodge are distinct from typical caretaking due to its health care environment, and will require caretakers to undertake specific additional training as well as health clearances and a vulnerable population enhanced police checks as required under the Long Term Care Homes Act. There is also the regulatory framework which defines the resident centered approach which places a higher emphasis on the customer service methods of these caretakers. As such, if contracting out is the preferred option there needs to be consideration given to contract companies that provide health care environmental services.

Critical to the business model of the Recreation Department are the synergies developed between caretakers and recreation assistants, rink attendants and other Recreation staff to provide service to the public at its community centres, pools, and arenas at all times of the day or night. These synergies could be lost or reduced if there are third party contracted staff on the premises and Recreation will have to revisit its scheduling and staffing structure. The cost impact of this change has not been quantified at this time and not factored into the preliminary cost savings analysis.

In Recreation facilities, these Local 82 Caretaker positions have an additional certification as “Pool Operator”. This includes pool chemistry, backwashing and minor system adjustments. In addition, these staff members are typically the labour Health and Safety representative for the facility, particularly since the Corporation has moved to the single site Health and Safety Committee system. Should the caretakers be contracted out, additional costs will be incurred to schedule part time recreation staff. These additional costs have not been quantified or factored into the preliminary analysis.

Collective Agreement and Labour Relations Considerations

Staffing implications are the most complex to assess; the financial and non-financial repercussions of displacing regular full time and part time employees, the “ripple effect” on other staff, and any impact on service delivery by the various affected departments is yet to be determined to the full extent. Given the magnitude of this proposed change in service delivery, and the potential for significant employee bumping, there would in all likelihood be an unavoidable impact on new recruitment and current staff placement within, and throughout the Corporation.
Full time staff has bumping rights to full time positions held by junior employees, and part time staff would be able to bump similarly into part time positions only. Considering the contracting out carried out in recent years and continued budget reductions, should Council choose to proceed with contracting out, the available alternatives for displaced staff are predicted to be far less than the need; particularly for part time employees. However, the creation of part time porter positions will assist to marginally offset the impact.

Typically, Human Resources (HR) has observed that one displaced employee affects three other staff members that are lower on the seniority list. An employee has the right to recall rights for 24 months. The union may argue that for laid off employees brought back to work in temporary or student positions; the 24 month begins again, given the language “continuous period exceeding 24 months”. This may potentially result in laid off employees with recall rights for a very long time.

No new postings will be possible without first exhausting the recall listing to identify qualified laid off staff. In accordance with the collective agreement and past practice, such a qualified laid off employee (minimum education and experience) would be provided the position without any testing or interviewing, other than typing test, or such other testing requirements listed in the particular job postings.

Severance Pay or other compensation to any laid off employees has not been determined at this time.

The total caretaking staff directly affected will be forty three (43) RFT and forty nine (49) RPT caretakers belonging to Local 543 as well as eight (8) RFT caretakers belonging to Local 82, for a total of one hundred (100) staff that will be displaced. However, the creation of the part time porter positions will assist to offset the impact.

As the employees will be retained as employees of the Corporation, the Building Service Provider provisions of the Employment Standards Act will not be applicable to the proposed outsourcing. Building Service Provider provisions are an employment security consideration that is factored into the legislation to facilitate continuity of employment for building services employees in specific areas, including custodial. This would only be a consideration if the employees were to be terminated as a result of the outsourcing, as the incoming supplier would be required to take on the employees or else fund their termination costs. In the event that the services are contracted out, however, this provision would be applicable in future procurements where the service provider may change.

HR anticipates the bumping process to span 2 to 3 years. Increased workload to HR staff is yet to be quantified and could result in the need for additional resources to assist displaced employees and affected departments. At the time of contracting out of day care services, two heavy workload Employee Relations Assistants assisted 45 directly affected staff.

Training and EFAP costs could rise considerably since the education and skills of these employees may not be easily transferable to jobs in other city departments. These costs have not been factored into the analysis at this time.

This report seeks direction to undertake a procurement process, the results of which would be reported to council for tentative approval. Assuming City Council provides the approval, the next steps are as follows:
1. Should Council decide to proceed with accepting the successful bidder/proponent in the procurement process and outsource part or all of the caretaking function, Administration must provide the affected Unions with formal notice of the decision. This notice would be given the day after the Council decision is made.

2. Within two weeks of providing the formal notice, Administration must meet with the affected Unions and provide them with all of the information upon which Council made the decision, such as the tender results and the full business case.

3. The affected Unions then have the opportunity to submit their own proposal/written submission regarding the issue to the City Engineer and this submission must be given within thirty days of the meeting outlined in point 2 above.

4. The City Engineer must then consider the Unions’ submissions and make a final recommendation on the issue within two weeks of receiving the written submissions. This final recommendation is then presented to Council for the final decision to be made.

In total, the above process will be completed 60 days from the preliminary decision made by Council upon receiving the tender results and full business case.

The provisions of the L543 and L82 collective agreements with respect to lay-off and bumping and with respect to outsourcing are provided in Appendix A. Following the most recent collective bargaining process, while the city made gains in such areas as sick days etc, the union negotiated for clearer language with respect to outsourcing, and thus a somewhat lengthier process is required than in the past, should council wish to undertake outsourcing.

The Collective Agreements state, “No students shall be hired if any member of the bargaining unit, who has achieved seniority, has been laid off...”. Students provide an important layer of flexibility to the Corporation as well as providing well paying summer jobs for those students attending university of college. The summer student program within the Parks Department could potentially be impacted should caretaking positions be contracted out.

The Local 82 Union and the Corporation have a Memorandum of Agreement regarding part-time staffs which are predominantly rink attendants. This allows the Corporation to offer up to 24 hours of employment a week and allows the City flexibility in managing its operations. This Memorandum of Agreement covers approximately 75 employees and can be terminated by either side with thirty days’ notice. These employees provide staffing flexibility and cost savings to the Corporation which could be significantly impacted as a result of contracting out. Should the Union revoke the Memorandum of Agreement, the Recreation and Culture Department would lose this flexibility, and would have to either hire additional full time staff (at a higher cost which would reduce savings from the contracted caretaking service), or would have to look at the contracting of all full time and part time rink attendants.

As noted in the report to Council in July 2010 regarding contracting out of waste and recycling services, qualified employees with significant amounts of technical and customer service training safeguard the City’s resources and provide high level services to the community. This is important in public facilities such as arenas, pools, community centres, and parks as staff interact with the public (including children and seniors) on a daily basis, and represents the Corporation as frontline staff. Often, these staff members are the only contact with the City that the patrons experience. They are often working in facilities on their own during the evenings and weekends and have to be flexible and responsive to customer needs. This level of customer service, asset security, and level of responsiveness are difficult to achieve with a contracted labour pool, and are the most critical factors in determining the best approach to delivering the service. The direct
relationship and extensive training that the City and part time employees share is much different than the relationship between a contractor and its labour pool. Consideration for maintaining the Local 82 caretaking system in Recreation facilities may be an option to mitigate the impacts (financial and operational) of layoffs.

As is evident from the foregoing, there are a myriad of labour relations issues which will need to be fully assessed when preparing the full business case and analysis. A full analysis of these ramifications would be brought to Council once the purchasing process is completed.

4. **RISK ANALYSIS:**

Risks and mitigating measures have been identified throughout the Discussion and Financial Matters sections. A summary is shown in Table 2 below.

Contracting out a service provided by city staff has substantial financial and non-financial impacts on almost all the city departments.

Preliminary analysis indicates financial benefit to the city resulting from lower costs; however, there is a risk that significant factors may have been overlooked in the analysis. This risk is mitigated through communication and consultation between affected departments (Recreation, for example) and corporate services (HR and Purchasing, for example). As well, the preliminary calculations are based on conservative estimates as a contingency measure.

*SPACE LEFT BLANK INTENTIONALLY*
Non-financial risks are primarily anticipated to be from the displacement of 100 full time and part time employees, and the ripple effect throughout the corporation, in terms of morale and cooperation which could negatively affect service delivery and the placement and training of the displaced employees in a new job.

### Table 2

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Impacted Objective(s)</th>
<th>Risk Level</th>
<th>Mitigating Strategy / Status</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Risks for All Areas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited or no interest from the private sector to perform the contract resulting</td>
<td>Completing caretaking work in a cost efficient manner.</td>
<td>Moderate</td>
<td>Research firms in the industry and directly invite those that are believed to have an interest.</td>
<td>Purchasing Manager</td>
</tr>
<tr>
<td>in less competitive process.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs submitted are higher than $18/hr or in-house costs</td>
<td>Completing caretaking work in a cost efficient manner.</td>
<td>Low</td>
<td>Cost analysis would be performed to see if contracting out still beneficial.</td>
<td>City Engineer</td>
</tr>
<tr>
<td>Bumping within the union will cause operational inefficiencies throughout the</td>
<td>Efficient completion of work.</td>
<td>Significant</td>
<td>Add 3 temporary HR staff to handle additional work.</td>
<td>Executive Director of Human</td>
</tr>
<tr>
<td>corporation.</td>
<td></td>
<td></td>
<td></td>
<td>Resources</td>
</tr>
<tr>
<td>Additional tasks are not performed that are outside Caretaker’s duties (e.g.</td>
<td>Completion of all facility tasks</td>
<td>Significant</td>
<td>Add a small complement of Porter positions to perform any tasks that are not part of the</td>
<td>City Engineer</td>
</tr>
<tr>
<td>meeting room set-up)</td>
<td></td>
<td></td>
<td>Caretaker’s duties.</td>
<td></td>
</tr>
<tr>
<td>Negative reaction of third party tenants and public to contracting out create</td>
<td>Retain good reputation for City of Windsor</td>
<td>Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a reputational issue.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation and Parks may not be able to hire seasonal staff until issues of</td>
<td>Completion of seasonal work</td>
<td>Significant</td>
<td>Discussion with union to resolve issues.</td>
<td>Executive Director of Human</td>
</tr>
<tr>
<td>bumping resolved with the union.</td>
<td></td>
<td></td>
<td></td>
<td>Resources</td>
</tr>
<tr>
<td><strong>Risks for Specific Areas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation - caretakers no longer able to perform pool maintenance in facilities</td>
<td>Efficient maintenence of indoor pools</td>
<td>Significant</td>
<td>Some caretakers may need to be retained for this service.</td>
<td>Executive Director of Recreation and Culture</td>
</tr>
<tr>
<td>with indoor pools</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation - Customer service will suffer since current caretakers act as rental</td>
<td>Timely reaction to customer’s needs.</td>
<td>Moderate</td>
<td>Reassign rental concierge and rink attendant work.</td>
<td>Executive Director of Recreation and Culture</td>
</tr>
<tr>
<td>concierges and rink attendants during event bookings.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Huron Lodge - sensitive nature of duties and risk that work is not performed</td>
<td>Safe operation of resident care facility.</td>
<td>Significant</td>
<td>Ensure contracts for Huron Lodge caretaking services use providers that have experience in</td>
<td>Senior Manager of Facilities</td>
</tr>
<tr>
<td>to Ministry regulations</td>
<td></td>
<td></td>
<td>health care facilities.</td>
<td></td>
</tr>
</tbody>
</table>

5. **FINANCIAL MATTERS:**

Contracting out a service is a complex issue and quantifying all related factors is a difficult task. Provided in Table 3 below is a high level, preliminary estimate of the current costs of caretaking service in house versus the estimated cost of sourcing it from an external provider. Once the RFP is drafted and the full scope of duties and corporate impacts defined, the true span of the sensitivity analysis will become evident and lead to the development of a comparable cost benefit analysis.

**ASSUMPTIONS and NOTES for Table 3:**

- The full-time Local 82 caretakers are assigned to the following Recreation Centres: Optimist, Forest Glade, Gino & Liz Marcus, Adie Knox Herman, Constable John Atkinson and WFCU Centre. L82 staff members in Pollution Control are excluded from financial analysis.
• Huron Lodge staff includes Storekeeper position (1 RFT and 1 RPT).
• Local 543 staff at other facilities refers to City Hall campus, Aquatics Centre, WITT, AGW, Joint Justice Facility (JJF), Tilston Armoury, Parks, Rec & Facilities Admin Office, Ojibway Nature Centre, Capitol Theatre, Mercer Storage PW Admin Office, Fire Hall 1, and Brock Police facility.

1. Workers Compensation budget has been retained, assuming it will be required for the employee notwithstanding the job they move to or are laid off. Caretaking Supplies budget not included in this analysis.
2. Contracted Caretaking Service calculated at the rate of $18 per hour plus 21.72% benefits plus 8% overheads/management fees. Caretaking hours from service provider assumed to remain same as in house.
3. The recovery of the new costs from external tenants does not include the porter staffing costs, as this is a preliminary estimate of staff required and hours of work at each facility is yet to be determined.
4. Assumed 16 staff (10 FTE) RPT Porters in staff establishment at Grade 6, Step 2, L543, up to 25 hour week for ad hoc duties. Assumed for preliminary estimates that there will be four staff at Huron Lodge and the rest at various facilities, however, this is subject to further analysis.
5. HR support is assumed in anticipation of the widespread impact on staff across departments. It includes 3 temporary full time non-union Employee Relations Assistants (NU09, Step 2). It is noted that this can be considered a one time cost for 2 or 3 years until staffing matters are resolved.
6. Severance Pay, recall rights not quantified at this time. The impact on other service areas such as community centres is not included in the cost estimates. Huron Lodge caretaking staff includes 1.5 FTE storekeeper position. Assumed that contracted service will provide storekeeping. Implications of layoffs on temporary, part time and student recruitment have not been factored in the calculations.
7. Assuming that developing RFP, analysing received bids and drawing up a tentative contract will consume a major part of the year, Budget Issue 2016-0299 projects savings for the last quarter of $250,000 only.
Because of the large anticipated savings, any corporate overhead costs identified through the detailed business case development, should Council wish to proceed, will be factored into the analysis.

**Table 3**

<table>
<thead>
<tr>
<th>FTE</th>
<th>STAFF</th>
<th>DESCRIPTION</th>
<th>* L82 (6 RFT STAFF)</th>
<th>* L543 Huron Lodge (16 RFT + 19 RPT STAFF)</th>
<th>* L543 Other facilities (27 RFT + 30 RPT STAFF)</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td><strong>CURRENT COST DETAIL</strong></td>
<td></td>
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<tr>
<td></td>
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<td>2016 PAY &amp; BENEFITS</td>
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<tr>
<td>49.00</td>
<td>49</td>
<td>Salaries / Wages Regular Full Time</td>
<td>$305,138</td>
<td>$825,079</td>
<td>$1,364,823</td>
<td>$2,495,040</td>
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<td>24.50</td>
<td>49</td>
<td>Salaries / Wages Regular Part Time</td>
<td>$469,644</td>
<td>$865,316</td>
<td>$1,334,960</td>
<td>$2,669,921</td>
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<td>Salaries / Wages Temporary</td>
<td>$76,508</td>
<td>$0</td>
<td>$43,419</td>
<td>$119,927</td>
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<td>Overtime, Service Pay, Meal &amp; Clothing Allowance, Fringe Benefits</td>
<td>$103,837</td>
<td>$363,170</td>
<td>$590,897</td>
<td>$1,057,905</td>
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<tr>
<td></td>
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<td><strong>SUBTOTAL LABOUR BUDGET</strong></td>
<td>$485,483</td>
<td>$1,657,893</td>
<td>$2,864,455</td>
<td>$5,007,832</td>
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<tr>
<td></td>
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<td><strong>DEDUCT RECOVERY FROM EXTERNAL TENANTS</strong></td>
<td>-$494,584</td>
<td>-$494,584</td>
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<td>73.50</td>
<td>98</td>
<td><strong>NET INTERNAL CARETAKING LABOUR BUDGET (a)</strong></td>
<td>$485,483</td>
<td>$1,657,893</td>
<td>$2,369,871</td>
<td>$4,513,248</td>
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<td><strong>ESTIMATED COST DETAIL</strong></td>
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<tr>
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<td>CONTRACTED SERVICE COST ESTIMATE ²</td>
<td>$270,697</td>
<td>$1,082,014</td>
<td>$1,709,572</td>
<td>$3,062,284</td>
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<td><strong>DEDUCT RECOVERY FROM EXTERNAL TENANTS</strong> ³</td>
<td>-$382,157</td>
<td>-$382,157</td>
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<tr>
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<td><strong>SUBTOTAL NET CONTRACTED SERVICE COST</strong></td>
<td>$270,697</td>
<td>$1,082,014</td>
<td>$1,327,416</td>
<td>$2,680,127</td>
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<td>10.00</td>
<td>16</td>
<td>Internal Salaries / Wages Regular Part Time Porters ⁴</td>
<td>$146,588</td>
<td>$439,764</td>
<td>$586,352</td>
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<td></td>
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<td>Overtime, Service Pay, Meal &amp; Clothing Allowance, Fringe Benefits</td>
<td>$25,820</td>
<td>$77,475</td>
<td>$103,295</td>
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<td><strong>SUBTOTAL LABOUR BUDGET</strong></td>
<td>$172,408</td>
<td>$517,239</td>
<td>$689,647</td>
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<td><strong>NET CONTRACTED CARETAKING BUDGET ESTIMATE (b)</strong></td>
<td>$270,697</td>
<td>$1,254,422</td>
<td>$1,844,655</td>
<td>$3,369,774</td>
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<td><strong>ESTIMATED ANNUAL SAVINGS (a-b)</strong></td>
<td>$214,786</td>
<td>$403,471</td>
<td>$525,216</td>
<td>$1,143,474</td>
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<td></td>
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<td><strong>TRANSITION COSTS PER YEAR</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>HR Support 3 Temporary Staff ⁵</td>
<td>$211,278</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>BUMPING IMPACT ON STAFF AND SERVICES ⁶</td>
<td>TBD</td>
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<tr>
<td></td>
<td></td>
<td>IMPACT ON RECREATION FACILITIES SCHEDULING ⁶</td>
<td>TBD</td>
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<tr>
<td></td>
<td></td>
<td><strong>INITIAL ANNUAL SAVINGS</strong></td>
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<td></td>
<td>$932,196</td>
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<tr>
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<td><strong>SAVINGS anticipated in 2016 Q4 (budget issue 2016 - 0299)</strong> ⁷</td>
<td></td>
<td></td>
<td>$250,000</td>
<td></td>
</tr>
</tbody>
</table>
6. CONSULTATIONS:

Vincenza Mihalo, Executive Director, HR
John Lechicky, Manager Employee Relations
Natasha Couvillon, Manager Financial Planning
Arundhati Mohile, Financial Planning Administrator
Jan Wilson, Executive Director, Recreation & Culture
Alina Sirbu, Executive Director, Huron Lodge
Chris Manzon, Senior Manager of Pollution Control
7. **CONCLUSION:**

Administration seeks Council approval to develop a detailed RFP for the contracting out of caretaking services, issue and evaluate bid documents, and report back to Council with a detailed analysis and further recommendations.

---

**Tom Graziano**  
Senior Manager of Facilities

**Mark Winterton**  
City Engineer and Corporate Leader  
Environmental Protection and Transportation

**Onorio Colucci**  
Chief Financial Officer/City Treasurer  
and Corporate Leader Finance and Technology

**Valerie Critchley**  
City Clerk/Licence Commissioner and  
Corporate Leader Public Engagement and Human Services

**Shelby Askin Hager**  
City Solicitor and Corporate Leader  
Economic Development and Public Safety

**Jelena Payne**  
Community Development and Health  
Commissioner and Corporate Leader Social  
Development, Health, Recreation and Culture

**Helga Reidel**  
Chief Administrative Officer

---

**APPENDICES:**  
Appendix A – CUPE Local 543 & CUPE Local 82 Articles

**DEPARTMENTS/OTHERS CONSULTED:**  
Name: 
Phone #: 519 ext.

**NOTIFICATION:**  
Name  
Address  
Email Address  
Telephone  
FAX
APPENDIX A

CUPE Local 543 Collective Agreement

4.11 The following procedures shall be followed with respect to lay-off and rehiring:

Whenever it becomes necessary to reduce the workforce, employees shall be laid off in reverse order of seniority within their regular full-time or regular part-time seniority list.

The Corporation agrees to give written notice of lay off with the provisions of the Employment Standards Act. This notification shall consist of eight (8) weeks, with day one being the date when the employee is provided with his/her individual lay off notice. The employee must make a decision of the position that they have chosen to exercise their right to bump into within three weeks of receiving notification of layoff, the employee will not be compensated for the position they have chosen until they move into said position, unless the request to remain in their current position for a longer period of time is made by the Corporation. The Union agrees that if any such employee is absent from work without just cause after receiving notice as aforesaid, he/she shall not be entitled to participate in any way whatsoever, in the Sick Leave Benefits provided under this agreement, for the time he/she is so absent.

Displaced employees may exercise their rights to displace another employee with less seniority that occupies any classification provided they meet the qualifications.

A displaced employee may choose to accept a placement in a vacant position prior to the vacant position being posted for the consideration of other employees within the bargaining unit. The displaced employee must meet the qualifications of the vacant position before being placed in said position.

Once a displaced employee had made their position choice to the Corporation, this decision is considered to be final and cannot be reconsidered.

All employees who have been laid off shall be entitled to be rehired in order of seniority within their respective full-time or regular part-time seniority list, and

the Corporation shall not hire any new employees in priority thereto, in any classification in which such laid off employees are qualified.

In the event that a displaced employee does not have the seniority to displace an employee in any classification, the following order of placement shall apply:

The displaced employee shall be placed into any vacant classification provided they meet the qualifications of the position.

Should no vacant position be available per above, the displaced employee shall bump any temporary employee who is performing duties on a temporary basis that the displaced employee meets the qualifications of the position. The displaced employee shall continue to replace temporary employees as above, until such time as their seniority permits them to displace an employee in any classification provided that they meet the qualifications.

The Corporation shall provide to the laid off employee, at the time the employee is served with their lay-off notice, the current vacancy list, all available job postings/job descriptions and a current seniority list for all positions held by Union members with less seniority.

During period of lay-off, affected employees shall be responsible for keeping their Executive Director and the Executive Director of Human Resources or designate informed at all times of the address where they can be notified in the event of recall.
ARTICLE 28 - CONTRACTING OUT

28.01 The Corporation shall have the right to contract out any work provided however, that prior to contracting out work normally performed by members of the bargaining unit, advance discussions will take place between the appropriate department heads of the Corporation and the Union. The Corporation agrees to notify the Union in writing at least two months in advance of any contracting out of work.

The Corporation shall set up a meeting and discussions shall commence within two (2) weeks from the date of receipt of such written notice by the Union. At the meeting the Corporation shall identify the work being considered for contracting out and the reasons that have led to the decision to recommend contracting out of the work.

During the meeting, the Corporation agrees to provide the information available to the Corporation which was the basis upon which the decision to contract out was made and that would otherwise be available to the Union through the Freedom of Information process as set out in Municipal Freedom of Information Protection and Privacy Act (“MFIPPA”) without the need to make a formal request.

28.02 The Union shall be accorded an opportunity to make a written submission regarding the Corporation’s plan to contract out work and such submission shall be made within thirty (30) calendar days of the meeting set out in Article 28.01. The appropriate department head shall give weight to such comments in light of all attendant circumstances and within two (2) weeks of receiving the Union’s submission shall make his or her final recommendation.

28.03 When the Corporation awards a contract for work which is normally performed by members of the bargaining unit as hereinbefore set out, the Corporation agrees to provide alternative employment at no loss of salary, wages or benefits excluding overtime for the employees who normally perform the work contracted out and who were in the employ of the City prior to December 31, 1977. In respect to all other employees affected by the contracting out, the Corporation shall make a sincere effort to provide alternative employment for them and if no work is available the provisions of Article 4.11 respecting lay-offs shall be applicable.
11.06 (a) Whenever it becomes necessary to reduce the working force within a department, employees shall be laid off in reverse order of classification seniority within their department and any employee so affected shall then exercise his/her seniority in the following order subject to Article 12.02 (a).

(i) Within any classification for which he/she is classified and in which junior classified employees are working; or failing that

(ii) within the classification of labourer, providing he/she has overall seniority; or failing that

(iii) within any classification for which he/she is classified or as decided by Management, is qualified, and in which there are employees with less overall seniority.

In the event an employee is unable to exercise his/her seniority as above, he/she shall be laid off by the Corporation.

(b) The Corporation agrees to give notice of layoff in accordance with the provisions of The Employment Standards Act, as may be amended from time to time; provided, however, such notice will not be less than four (4) working days for employees of the Solid Wastes Division and five (5) working days for all other employees.

(c) Any employee who has completed his/her probationary period and is laid off will (if there is a break in his/her employment) remain covered at the employer's expense for the benefits referred to in subparagraphs (i) to (v) inclusive of paragraph (a) of Article 20.01 herein for six months following the lay off and break in his/her employment. Thereafter, such employee may continue to participate in such benefits during the period of lay off, provided he/she pays to the Commissioner of Corporate Services and Treasurer, the full cost of such participation not later than the twenty-fifth (25th) day of the month prior to the month for which payment becomes due. If such payment is not made as aforesaid, the employee's participation shall be terminated forthwith.

11.07 Employees who have been laid off shall be recalled in reverse order of the procedure set forth in Article 11.06 (a). Any laid off employee who has completed his/her probationary period shall be recalled in order of seniority to any vacancy in the classification of Labourer or General Duties before any employee is hired for that vacancy in any department within the jurisdiction of Local 82. If the vacancy is in a classification higher than that of Labourer, he/she must hold that classification or be qualified according to the requirements of the job posting and providing that in the latter case, the appointment will be subject to a ninety (90) calendar days confirmation period.
ARTICLE 27 - CONTRACTING OUT

27.01 The Corporation shall have the right to contract out any work provided however, that prior to contracting out work normally performed by members of the bargaining unit, advance discussions will take place between the appropriate department heads of the Corporation and the Union. The Corporation agrees to notify the Union in writing at least two months in advance of any contracting out of work.

The Corporation shall set up a meeting and discussions shall commence within two (2) weeks from the date of receipt of such written notice. At the meeting the Corporation shall identify the work to be contracted out and the reasons that have led to the decision to recommend the contracting out of the work.

During the meeting, the Corporation agrees to provide the information available to the Corporation which was the basis upon which the decision to contract out was made and that would otherwise be available to the Union through the Freedom of Information process as set out in Municipal Freedom of Information Protection and Privacy Act (“MFIPPA”) without the need to make a formal request.

27.02 The Union shall be accorded an opportunity to make a written submission regarding the Corporation’s plan to contract out work and such submission shall be made within thirty (30) calendar days of the meeting set out in Article 27.01. The appropriate department head shall give weight to such comments in light of all attendant circumstances and within two (2) weeks of receiving the Union’s submission shall make his or her final recommendation.

27.03 When the Corporation awards a contract for work which is normally performed by members of the bargaining unit as hereinbefore set out, the Corporation agrees to provide alternative employment at no loss of salary, wages or benefits excluding overtime for the employees who normally perform the work contracted out and who were in the employ of the City prior to December 31, 1977. In respect to all other employees affected by the contracting out, the Corporation shall make a sincere effort to provide alternative employment for them and if no work is available the provisions of Article 11.06 respecting lay-offs shall be applicable.