



**Janitorial
Management
Services**

**ServiceMaster
Contract Services**
Div. of DOUGORD Limited
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**Memo To: City of Hamilton
Audit, Finance and Administration Committee**

**Memo From: Doug Goodrow
General Manager/Owner
ServiceMaster Contract Services**

*An independent business
licensed to serve you by
ServiceMaster Clean of Canada*

Subject: Contract Numbered: C12-03-16

Date: February 12, 2018

In the spring of 2016 our Company was awarded contract C12-03-16 to provide Janitorial Services for the following City of Hamilton facilities:

Section B

1. Aquatic Facilities
-20 sites
2. Community Centre/Town Hall
-9 sites
3. Senior Recreation Facilities
-5 Sites

Section D1

1. Tourism & Culture Division
-5 Sites

Section D3

1. Career Development
-1 Site

When preparing our Tender Proposal for submitting we based our price analysis on the Provincial Employment Standards Act requirements that were current and competitive at the date of the submission. This includes the Bill 7 Information that was provided by the City of Hamilton in the Tender documents.



As you are aware the Provincial Government has made significant changes to the Employment Standards Act effective January 1, 2018. The following pages contain a brief summary of the changes.

Minimum Wage Increase:

October 1, 2017 increase from \$11.40 to \$11.60 per hour.

January 1, 2018 increase from \$11.60 to \$14.00 per hour.

January 1, 2019 increase from \$14.00 to \$15.00 per hour

October 1, 2019 increase from \$15.00 to (value based on the Consumer Price Index)

Equal Pay for Equal Work:

All Employees must be paid the same when they perform substantially the same kind of work. When the skills, abilities and working conditions of the job are similar Equal Pay for Equal Work applies.

Leave of Absence

Leave for an Employee who has suffered a still birth or miscarriage has been increased from 6 weeks to 12 weeks. Parental leave has been increased from 35 to 61 weeks for employees who take pregnancy leave. Parental leave for those who have not taken pregnancy leave has increased from 37 weeks to 63 weeks.

Personal Emergency Leave:

The elimination of the 50-employee threshold now makes available to all employees Personal Emergency Leave of up to 10 days, 2 of these days will be paid by their employer. An employee who is the victim of domestic or sexual violence will be entitled to Personal Emergency Leave of up to 15 weeks.

Employers are no longer permitted to request "sick notes" from an employee who has requested Personal Emergency Leave.



Scheduling and Hours of Work:

When an employer cancels a scheduled shift within 48 hours of its commencement the employee must be paid 3 hours wages at the regular rate of pay. An employee must also receive 3 hours of pay at the regular rate if they arrive for a scheduled shift and are provided with less than 3 hours. An employee can refuse a work or on call assignment made within 96 hours of the start of the shift. The only exception would be working to deal with an emergency to remedy or reduce a threat to public safety.

Vacation Entitlement:

After one year of employment an employee is entitled to two weeks of vacation and 4% pay. Effective January 1, 2018 an employee with 5 years of service will be entitled to 15 days of vacation, 3 weeks or 6% vacation pay.

Public Holidays:

A standard formula will be used to calculate an employee's public holiday pay entitlement. It will be based on the hours worked and regular pay earned before the scheduled holiday

Record Keeping:

To be compliant, employee files are to include a record of regular schedule of work (dates and hours), recorded changes made to a work or on-call to work schedule, record of any overtime hours that an employee has worked, payment for overtime hours worked and the rates for which overtime payment was calculated. The dates/times of any scheduled shift or scheduled on-call shift that was cancelled. Any written notices provided to an employee regarding substitute holiday. Employers must now document the amount of vacation pay an employee has earned during an entitlement year, vacation time used, and vacation pay that has been paid out. Any documents related to an employee taking Personal Emergency Leave or leave due to Domestic or Sexual violence that are provided by the employee must be filed.



The previously noted changes to the Provincial Employment Standards Act have significantly increased our operating cost to the point that we can no longer provide the services as listed in the Tender Documents without bearing significant financial losses over the next three years.

Based on the Tender Document Information the value of our Contract for the period defined as Term 2 - April 2017 - March 2018 is as follows:

Per Month	\$ 81, 440.00
Per Year	\$ 977, 280.00

Going forward we respectfully request that the Audit, Finance and Administration Committee and or Council instruct the Procurement to increase our contract value to the following:

2018	January to December
Per Month	\$ 101,705.00
Per Year	\$1,220,460.00

2019	January to December
Per Month	\$ 109,530.00
Per Year	\$1, 314, 360.00

2020	January to December
Per Month	\$112,375.00
Per Year	\$1,348, 500.00

2021	January to March
Per Month	\$115,185.00
3 Months	\$345, 555.00

Should the City of Hamilton not wish to renegotiate Contract Number C12-03-16 our company will have no choice but to suspend our service at all city facilities once Term 2 has ended on March 31, 2018.

Yours Truly,

A handwritten signature in blue ink, appearing to read "Douglas Goodrow", is written over the typed name.

Douglas Goodrow
ServiceMaster Contract Services