



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 8, 2015
SUBJECT/REPORT NO:	Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS15044)(City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Rick Male, (905)-546-2424, ext. 4157
SUBMITTED BY:	Mike Zegarac General Manager Finance & Corporate Services Department
SIGNATURE:	

Council Direction:

Section 4.4 of the Fair Wage Policy and Fair Wage Schedule, approved by Council on June 12, 2013, requires the Procurement Manager to co-ordinate the preparation of an annual report for the appropriate Standing Committee of Council regarding complaints investigated and resulting audits performed pursuant to the Fair Wage Policy and Fair Wage Schedule.

Information:

This is the second annual report being presented to the Audit, Finance and Administration Committee. The complaints referenced in this report were governed under the requirements of the Fair Wage Policy and Schedule approved by Council on August 13, 2009. The requirements of the Policy, at that time, affected construction contracts over \$100,000 and all contractors and sub-contractors providing construction and construction maintenance work paid or provided wages and benefits to their employees.

The City received two complaints between June 26, 2013 and April 30, 2015. Of the two complaints received:

- One complaint was investigated and the audit found the sub-contractor compliant with the requirements of the Fair Wage Policy and Schedule. The complainant was required to pay the resulting audit costs.

- One complaint was investigated and the audit found that one of the sub-contractors to be non-compliant with the requirements of the Fair Wage Policy and Schedule. The audit determined that the amounts paid to employees (required vacation pay, hourly wage and/or employer paid benefits) did not meet the requirements of the Fair Wage Policy and Schedule. Therefore, the sub-contractor was required to pay their employees the shortfall amounts. The City also required each employee identified as not receiving their required pay or benefits to sign a declaration confirming the receipt of the shortfall amount.

The contractor was required to pay all audit costs associated with this complaint. The City also met with the contractor to explain the requirements of the Fair Wage Policy and Schedule and to discuss ways in which both the contractor and the sub-contractor can ensure their compliance with the Fair Wage Policy and Schedule in the future.

The contractor found to be non-compliant is non-compliant for the third time in a 5 year period. As outlined in the Fair Wage Policy and Schedule, a report recommending sanctions to be imposed on this contractor will be presented to Committee and Council for consideration and approval.

The two complaints, and associated audit results, have been summarized and provided in Appendix 'A' to Report FCS15044.

Fair Wage Policy and Fair Wage Schedule Complaints – Annual Report

Complaint investigated - compliant with the requirements of the Fair Wage Policy:

Fair Wage Complaint Number	Contract Number and Title	Contract Award Amount	Contractor	Complaint Against	Audit Fee Collected from the complainant (includes HST)
FW17-2013	C13-35-13 Heating, Ventilation and Air Conditioning and Mechanical Replacements at the Central Memorial Recreation Centre in the City of Hamilton	\$345,560.00	Keith's Plumbing and Heating Inc.	Sub-contractor: Landon Mechanical Inc.	\$3,055.97

Complaints investigated - non-compliant with the requirements of the Fair Wage Policy:

Fair Wage Complaint Number	Contract Number and Title	Contract Award Amount	Contractor	Complaint Against	Audit Fee Collected from the Contractor or Sub-contractor (includes HST)	Value of Fair Wage Shortfall	Sanctions Imposed (if any)
FW18-2014	C13-03-13 Tender for Construction of the Waterdown Library and Civic Centre	\$6,679,000.00	Bondfield Construction Company Ltd.	Sub-contractor: Avon Electric Co. Ltd.	\$4,077.04	\$3,008.15	Contractor found to be non-compliant for a third time in a 5 year period. Staff are determining sanctions to be imposed. Recommended sanctions will be brought forward to Council for approval.