



Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	March 7, 2016
<b>SUBJECT/REPORT NO:</b>	Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS16018) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Rick Male, Director of Financial Services and Corporate Controller (905) 546-2424 ext. 4157
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager Finance & Corporate Services Department
<b>SIGNATURE:</b>	

### 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:

The complaints referenced in this report were governed under the requirements of the Fair Wage Policy and Schedule approved by Council on June 12, 2013. The requirements of the Policy at that time affected construction contracts over \$500,000 and required all contractors and sub-contractors providing construction and construction maintenance work to provide wages and benefits to their employees in accordance with the Policy.

The City received three complaints between May 1, 2015 and December 30, 2015. Of the three complaints received:

- One complaint was investigated and the audit found the contractor and their sub-contractors compliant with the requirements of the Fair Wage Policy and Schedule. The City invoiced the initiator of the complaint the associated audit costs.

- Two complaints were investigated and the audits found the sub-contractors to be non-compliant with the requirements of the Fair Wage Policy and Schedule. The audits 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-contractors were required to pay their employees the shortfall amounts. The City also performed its due diligence and received confirmation from each employee that the employee received the shortfall amounts owed to them. The contractors were required to pay all audit costs associated with these complaints.

The three complaints, and associated audit results, have been summarized and provided in Appendix 'A' to report FCS16018.

**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 (excludes HST)
FW20-2015	C15-29-15(SL) - Street Light Luminaire Replacements	\$4,397,932.75	Enersource Power Services Inc.	Contractor: Enersource Power Services Inc.	\$5,000.00

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 (excludes HST)	Value of Fair Wage Shortfall	Sanctions Imposed (if any)
FW19-2015	C13-15-14 - The Demolition and Reconstruction of the Green Acres Pool and Change Facility in the City of Hamilton	\$2,450,001.00	Bestco Construction (2005) Ltd.	Sub-contractor: BCR Electric Ltd.	\$5,000.00	\$1,783.71	Contractor to submit accountant's report on BCR Electric Ltd. for the next three City Construction Contracts where BCR Electric Ltd. is used as a sub-contractor
FW21-2015	C13-50-14 - Renovation of Existing Change Rooms and the Construction of New Change Rooms at Spring Valley Arena in Ancaster	\$1,020,476.00	Century Group Inc.	Sub-contractor: Senoz Electric Inc.	\$5,000.00	\$1,224.97	No further sanctions imposed