



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	October 17, 2019
SUBJECT/REPORT NO:	Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS19082) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation & Corporate Controller Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

Section 4.4 of the Fair Wage Policy and Fair Wage Schedule, approved by Council on June 12, 2019, 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 report provides an update on the status of active and completed Fair Wage complaint investigations between January 1, 2018, to December 31, 2018.

The complaints referenced in this report were governed under the requirements of the Fair Wage Policy and Schedule approved by Council on March 9, 2016. 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.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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In 2018, two ongoing investigations were initiated in the previous year one of which was completed in 2018 and the other is still currently under investigation. They are as follows:

- FW25-2017 - complaint was investigated and the audit found the sub-contractor 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. The sub-contractor was required to pay their employees the shortfall amounts. Confirmation was provided to the City confirming that the employees received the shortfall amount owed to them. The contractor was required to pay the audit costs associated with the investigation of the complaint.
- FW26-2017 – complaint is still under investigation as of December 31, 2018.

Also in 2018, the City received two new complaints in which investigations have been completed and are as follows:

- FW27-2018 - complaint was investigated and the audit found the sub-contractor 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. The sub-contractor was required to pay their employees the shortfall amounts. Confirmation was provided to the City confirming that the employees received the shortfall amount owed to them. The contractor was required to pay the audit costs associated with the investigation of the complaint.
- FW28-2018 - complaint was investigated and the audit found the sub-contractor 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. The sub-contractor was required to pay their employees the shortfall amounts. Confirmation was provided to the City confirming that the employees received the shortfall amount owed to them. The contractor was required to pay the audit costs associated with the investigation of the complaint.

The four complaints, and associated audit results have been summarized and provided in Appendix 'A' to Report FCS19082.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS19082 – Fair Wage Policy and Fair Wage Schedule
Complaints - January 1, 2018 – December 31, 2018

PV/dw

**Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
January 1, 2018 – December 31, 2018**

Complaint investigated and found 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 to be Collected from the Contractor (excludes HST)	Value of Fair Wage Shortfall	Sanctions Imposed (if any)
FW25-2017	C13-26-16 – Binbrook Library – Demolition and New Build	\$2,649,000.00	Sona Construction Limited	Sub-contractor: J. R. Jones Electric	\$5,000.00	\$6,393.38	
FW27-2018	C13-44-17 – Addition and Renovations to the J. L. Grightmire Arena	\$5,668,000.00	Century Group Inc.	Sub-contractor: Harcon Electric Ltd.	\$5,000.00	\$2,141.51	
FW28-2018	C15-49-17(P) - Beasley Park Redevelopment – Phase 1	\$1,399,664.27	Newman Bros. Limited	Sub-contractor: Ark Tech Electrical Contractors	\$5,000.00	\$641.30	

Complaints under investigation as of December 31, 2018:

Fair Wage Complaint Number	Contract Number and Title	Contract Award Amount	Contractor	Complaint Against
FW26-2017	C15-56-16 (HSW) – Upper Sherman Road Reconstruction	\$3,990,560.04	Network Sewer and Watermain Ltd.	Contractor: Network Sewer and Watermain Ltd.