



Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	December 09, 2021
<b>SUBJECT/REPORT NO:</b>	Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS21101) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Patricia Vasquez (905) 546-2424 Ext. 5972
<b>SUBMITTED BY:</b>	Rick Male Director, Financial Services and Taxation & Corporate Controller 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, 2019, requires the Manager of Procurement 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 July 1, 2020 to October 31, 2021.

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

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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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maintenance work to provide wages and benefits to their employees in accordance with the Policy.

FW26-2017 (Network Sewer and Watermain Ltd.)

Complaint was investigated and the audit found the 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. Staff has received confirmation that the contractor has paid their employees the shortfall amounts however, the Audit, Finance and Administration Committee directed staff to report back on the reasonableness of the cost of the audit. Staff has provided their recommendations to Council under Report FCS21117 and, at the time of this Report, staff is waiting for further direction from Council with respect to the fees of the audit.

FW29-2019 (Contractor: Newman Bros. Limited; Sub-contractor: Ark Tech Electrical Contractors)

Complaint was received in 2019 and initial 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 is required to pay their employee the shortfall amounts.

At the time of this Report, the City of Hamilton (City) continues to wait for the contractor to confirm the audit results and confirmation has not yet been provided to the City regarding the payment of the shortfall owed to the employees. The contractor is required to pay the audit costs associated with the investigation of the complaint.

FW31-2019 (Contractor: Magil Construction Ontario Inc.; Sub-contractor: Accel Electrical Contractors Ltd.)

Complaint is still under investigation as of October 31, 2021.

The three complaints, and associated audit results have been summarized and provided in Appendix 'A' to Report FCS21101.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report FCS21101 – Fair Wage Policy and Fair Wage Schedule Complaints – July 1, 2020 to October 31, 2021

PV/dw