




INFORMATION REPORT

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| TO: | Chair and Members Audit, Finance and Administration Committee |
| COMMITTEE DATE: | March 23, 2023 |
| SUBJECT/REPORT NO: | Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS23015) (City Wide) |
| WARD(S) AFFECTED: | City Wide |
| PREPARED BY: | Patricia Vasquez (905) 546-2424 Ext. 5972 |
| SUBMITTED BY: | Shelley Hesmer Acting Director, Financial Services and Taxation Corporate Services |
| SIGNATURE: |  |

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 November 1, 2021 to January 31, 2023. During this period, the City received no new complaints and one Fair Wage complaint remained under investigation.

The complaint referenced in this report is 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.

**SUBJECT: Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
(FCS23015) (City Wide) - Page 2 of 2**

As of January 31, 2023, the following complaint is ongoing:

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

City staff is aware that there have been several delays hindering this audit's completion. The City of Hamilton's external auditor, KPMG, has cited that there were delays as a result of pandemic restrictions and the inability of their staff to attend the subcontractor's site in person to review financial records. In addition to this, KPMG has indicated that it was particularly difficult to verify the benefits paid to each of the employees who worked on the project. The information provided to the auditor was extremely high level and required the auditor to make multiple attempts to attain and clarify the information.

As of the date of this Report, the audit has been completed and is currently being reviewed for comment by the Contractor and Subcontractor. Details regarding any non-compliance will be brought forward to Committee and Council in the next annual Fair Wage Compliance report.

This complaint has been summarized and provided in Appendix 'A' to Report FCS23015.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS23015 – Fair Wage Policy and Fair Wage Schedule Complaints – November 1, 2021 to January 31, 2023

PV/dw