



INFORMATION REPORT

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: December 9, 2013	
SUBJECT/REPORT NO: Fair Wage Policy and Fair Wage Schedule Complaints - 2013 Annual Report (FCS13073) (City Wide)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services	PREPARED BY: Rick Male (905) 546-2424 ext. 4157
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 first 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 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 13 complaints between October 19, 2010 and June 25, 2013. Of the 13 complaints received:

- Six complaints were not audited as the Fair Wage Policy did not apply or the complaints were withdrawn.

- One complaint was investigated and the audit found the sub-contractor was compliant with the requirements of the Fair Wage Policy. The complainant was required to pay the audit costs.
- Six complaints were investigated and the audits found the contractor or sub-contractor to be non-compliant with the requirements of the Fair Wage Policy. If amounts paid to employees or employer paid benefits were found not to meet the requirements of the Fair Wage Policy and Schedule, the contractor or sub-contractor was required to pay their employees the shortfall amounts. The City required each employee identified as not receiving the required vacation pay, hourly wage and/or employer paid benefits to sign a declaration confirming the receipt of any shortfall amounts. The contractor or sub-contractor was required to pay the audit costs. The City also met with the contractor or sub-contractor to explain the requirements of the Fair Wage Policy and Schedule and to discuss ways in which the contractor or sub-contractor ensures they comply with the Fair Wage Policy and Schedule in the future.

Additional sanctions were imposed on one contractor due to the fact they were found to be non-compliant on two audits. As a result, Bondfield Construction Company Limited are required to provide the City with licensed Public Accountant Reports on their next three City construction contracts to provide independent verification that they are compliant with the Fair Wage Policy and Fair Wage Schedule.

The 13 complaints, and associated audit results, have been summarized and provided in Appendix 'A' to report FCS13073.

Fair Wage Policy and Fair Wage Schedule Complaints – 2013 Annual Report

Complaints not investigated:

Fair Wage Complaint Number	Contract Number and Title	Contract Award Amount	Contractor	Complaint Against	Reason complaint was not investigated:
FW16-2013	C11-17-12 Contractor Required to Perform Street Lighting Maintenance and Locates for Pre-Qualified Bidders on C11-31-11	\$1,344,335.00	R.J. Cramm Electric (1999) Limited	Contractor: R.J. Cramm Electric (1999) Limited	Fair Wage Policy did not apply.
FW10-2012	PT 11-085 Plumbing Piping Replacement at 405 York Blvd., Hamilton	\$128,000.00	Vic's Plumbing & Heating Company Ltd.	Contractor: Vic's Plumbing & Heating Company Ltd.	Fair Wage Policy did not apply.
FW9-2012	PT 11-110 Plumbing Piping Replacement at 120 Strathcona Avenue, Hamilton	\$914,9200.00	Vic's Plumbing & Heating Company Ltd.	Contractor: Vic's Plumbing & Heating Company Ltd.	Fair Wage Policy did not apply.
FW7-2011	C13-15-10 Construction of the North Wentworth Twin Pad Arena, #27 Highway 5 West, Flamborough	\$16,298,000.00	Aquicon Construction Co. Ltd	Sub-contractor: L. J. Barton Mechanical Inc.	Complaint withdrawn.
FW6-2011	C14-37-10 General Contractors Required for the Construction of the New Lowest Stoney Creek Recreation Centre	\$9,824,000.00	Aquicon Construction Co. Ltd	Sub-Contractor: L. J. Barton Mechanical Inc.	Complaint withdrawn.
FW4-2010	C13-28-10 Primary Clarifier and Disinfection Upgrades at the Woodward Avenue Wastewater Treatment Plant (Contract 2)	\$42,471,000.00	Bondfield Construction Company Ltd.	Contractor: Bondfield Construction Company Ltd.	Complaint withdrawn.

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)
FW5-2011	PW-10-26 (S) Watercourse 7 South Service Road to C.N.R. Proposed Flood Control Works	\$396,289.00	CRL Campbell Construction & Drainage Ltd.	Contractor: CRL Campbell Construction & Drainage Ltd.	\$2,215.11

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)
FW15-2013	C13-10-12 Tender for Construction of the New Lynden Library at 110 Lynden Road	\$1,055,267.00	STM Construction Ltd	Sub-contractor: Fairway Electrical Services Inc.	\$4,802.50 (Outstanding as of Sept. 16, 2013)	\$8,496.04	
FW14-2012	C14-36-10 General Contractor Required for the Construction of the New Westmount Recreation Centre	\$13,689,000.00	Bondfield Construction Company Ltd.	Sub-contractor: Nekison Engineering & Contractors Ltd.	\$4,237.50	\$66,451.23	Contractor had two non-compliant audits against their sub-contractors; the Contractor will submit accountant's report on the next three City Construction Contracts awarded to the Contractor.
FW13-2012	C13-71-11 Tender for the Renovations to the Terryberry Library in the City of Hamilton	\$409,500.00	Martin Stewart Contracting Ltd.	Sub-contractor: Volta Electric	\$7,612.81 (Outstanding as of Sept. 16, 2013)	\$6,672.94	
FW12-2012	C14-37-10 General Contractors Required for the Construction of the New Lower Stoney Creek Recreation Centre	\$9,824,000.00	Aquicon Construction Co. Ltd	Sub-contractor: Elite Electrical Solutions Ltd.	\$3,995.00	\$72,092.53	

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)
FW11-2012	PW 11-34 Roadway Milling and Resurfacing on: Belair Dr., Belvidere Ave., Bruce Park Dr., Churchill Ave., Concession St., East 4th St., East 5th St., East 6th St., East 7th St., East 9th St., Empress Ave., Prince George Ave., Skyland Dr., Southill Dr., Wavell Ave., Inverness Ave. E., Queensdale Ave. E., Brucedale Ave. E., Vola Crt., Inverness Ave. W., Barker Ave. and Tanner St. in the Centremount Neighbourhood	\$3,260,769.79	A-1 Asphalt Maintenance Ltd.	Contractor : A-1 Asphalt Maintenance Ltd.	\$5,294.47	\$4,990.45	

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)
FW8-2012	C14-36-10 General Contractor Required for the Construction of the New Westmount Recreation Centre	\$13,689,000.00	Bondfield Construction Company Ltd.	Sub-contractor: Elite Electrical Solutions Ltd.	\$1,830.73	\$71,585.90	Contractor had two non-compliant audits against their sub-contractors; the Contractor will submit accountant's report on the next three City Construction Contracts awarded to the Contractor.