

Fair Wage Office - 2025 Annual Report

Date: June 2, 2026
To: Executive Committee
From: Chief Procurement Officer
Wards: All

SUMMARY

This report provides an overview of Fair Wage Office activities in 2025. Pursuant to Municipal Code Chapter 67, Fair Wage, the Manager, Fair Wage Office, is required to report annually on the administration and enforcement of the Fair Wage Policy, including the identification of contractors and sub-contractors that have violated the Fair Wage Policy or settled Labour Trades Contractual Obligations in the Construction Industry Policy grievances, and any other necessary information. The annual report is transmitted to the appropriate standing committee by the Chief Procurement Officer.

RECOMMENDATIONS

The Chief Procurement Officer recommends that:

1. Executive Committee receive this report for information.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information presented in the Financial Impact Statement.

EQUITY IMPACT STATEMENT

Implementation of the Fair Wage Policy advances the City's commitment to access, equity, and workers' rights by ensuring that workers on City contracts are paid a "fair wage" and are not subject to harassment or discrimination. Through the implementation of this policy, the goal is to increase awareness of workers' rights. This is particularly important for new immigrants and other vulnerable workers, including trainees. The Fair Wage Office - 2025 Annual Report

Wage Office will continue to increase awareness in these respective communities about the City's Fair Wage Policy and in the established complaint handling process. Through these efforts, workers and employers will be better informed about their rights and responsibilities. Workers, vendors, and the general public are able to contact the office directly and review wage rates by visiting the [Fair Wage Office](#) website.

DECISION HISTORY

At its meeting on May 13, 2025, the Executive Committee adopted [2025.EX23.14](#), Fair Wage Office - 2024 Annual Report.

At its meeting on April 23 and 24, 2025, City Council adopted [2025.CC29.2](#), Results of Collective Bargaining Negotiations between the City of Toronto and The Carpenters' District Council of Ontario/United Brotherhood of Carpenters and Joiners of America.

At its meeting on May 22, 2024, City Council adopted [2024.EX14.11](#), Report Back Regarding Item GG8.20 and Revisions to the Fair Wage Policy and Updating the Fair Wage Schedule to Include 2022-2024 Wage Rates.

At its meeting on April 9, 2024, the Executive Committee adopted [2024.EX13.18](#), City's Fair Wage Policy - Referral to Executive Committee, which referred all matters related to the City's Fair Wage Policy from the General Government Committee to the Executive Committee, for consideration.

At its meeting on October 22, 2007, the Government Management Committee adopted [2007.GM8.9](#), Revisions to the Fair Wage Policy. This included internal guidelines the Manager, Fair Wage Office, will use to address circumstances of disqualification of a contractor or sub-contractor in the application of the Fair Wage Policy.

At its meeting on June 24, 25 and 26, 2003, City Council approved [Clause No. 2 contained in report No. 5](#) of the Administration Committee, clarifying the role of the Fair Wage Office. Municipal Code Chapter 67, Fair Wage, requires the Manager, Fair Wage Office, to report annually to committee concerning the Fair Wage Policy administration and application including enforcement activities.

COMMENTS

Background

The Fair Wage Policy is meant to protect workers' rights and ensure that contractors and sub-contractors pay their non-union workers the prevailing wages and benefits in their field. It does this by setting and enforcing standards in contracts. The Fair Wage Office is responsible for ensuring fair, open, and transparent administration of Municipal Code Chapter 67, Fair Wage (the "Fair Wage By-Law"), including the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry Policy (the "Labour Trades Policy").

The intent of the Fair Wage Policy can be summarized as follows:

1. To produce stable labour relations with minimal disruption;
2. To harmonize the wages of organized and unorganized labour, including vacation pay and fringe benefits;
3. To create a level playing field in competitions for City work;
4. To protect the public; and
5. To enhance the reputation of the City for ethical and fair business dealings.

The Fair Wage Office investigates complaints and takes enforcement action when it is determined that contractors or sub-contractors failed to pay their workers the prescribed base hourly wage rate, vacation and holiday pay, or any applicable fringe benefits.

Contractors responding to City solicitations are required, as a condition of contract award, to comply with applicable Fair Wage Schedules and submit declarations confirming adherence to the Fair Wage Policy and Labour Trades Policy.

The Fair Wage Office provides wage protection for workers engaged on City contracts. Competition for these contracts is significant; enforcement activities mitigate the risk of non-compliance, including underpayment of wages and improper labour practices, thereby supporting fair competition in City procurements.

Key elements of the Fair Wage Office's operations involve:

- Verifying contractor and sub-contractor eligibility before contract award;
- Conducting on-site investigations and interviews with workers, contractor/sub-contractor officers and directors, and City staff;
- Conducting reviews of weekly/bi-weekly payroll records;
- Maintaining documentation of actions;
- Recommending non-complying firms for disqualification from doing business with the City to the applicable Standing Committee, where appropriate; and
- Reporting annually on Fair Wage Office activities.

Investigations from 2004-2025 recovered approximately \$5.8 million in back wages for 4,524 workers. These workers encountered contractor or sub-contractor practices such as underpayment of wages, misclassification of workers, underreporting of hours of work, submitting cash payments without keeping written records of such payments, unpaid wages or overtime pay, banked overtime hours, non-payment of benefits, off-the-clock violations, and late payments.

2025 Highlights

Table 1 provides an overview of some of the different types of activities the Fair Wage Office engaged in and the volume of each activity type for 2022-2025. The dollar values of various compliance metrics are also provided. Since the start of 2026, the Fair Wage Office has issued Fair Wage Policy decisions, violations, and settlements totalling more than \$110,000 as a direct result of work undertaken in 2025.

Table 1. Overview of Fair Wage Office Activities, 2022-2025

Activity Type	2022	2023	2024	2025
COMPLIANCE REVIEWS & APPROVALS				
1. Number of Firms Reviewed	2,851	2,641	2,535	2,651
2. Number of Firms Approved	2,720	2,544	2,450	2,590
3. Number of Procurement Reviews Processed	1,835	1,733	1,632	1,608
ENFORCEMENT & INVESTIGATIONS				
1. Number of Site Visits Conducted	21	58	33	21
2. Total Investigations Conducted	33	30	25	43
2.a. Fair Wage Policy Investigations	17	13	8	15
2.b. Labour Trades Policy Investigations	16	17	17	28
2.b.1 Number of Labour Trades Policy Grievances Investigated	12	11	14	24
3. Cases with Violations*	3	3	2	2
4. Number of Contractors Cited for First Violation	6	3	6	8
BACK WAGES & SETTLEMENTS				
1. Total Value of Violations / Settlements	\$131,376	\$130,527	\$237,187	\$42,315
1.a. Value of Fair Wage Policy Violations	\$92,023	\$48,027	\$189,687	\$18,841
1.b. Value of Labour Trades Policy Violations / Settlements	\$39,353	\$82,500	\$47,500	\$23,474
2. Value of Fair Wage Policy Administration Fees Collected	\$11,870	\$2,606	\$28,453	\$2,375
3. Number of Workers Found to be Owed Back Wages	30	5	165	24
* Each case may involve multiple contractors.				

Fair Wage Policy Violations

Much of the Fair Wage Office's work involves investigating compliance and reviewing payroll information. This is achieved through verifying wages and vacation paid, fringe benefits accrued and paid out, hours of work, daily logs, and worker job classifications, among other payroll information submitted to the Fair Wage Office by contractors and sub-contractors.

In 2025, the Fair Wage Office conducted 21 site visits and 43 investigations: 15 Fair Wage Policy investigations and 28 Labour Trades Policy investigations. Of the 15 Fair Wage Policy investigations, 8 firms were cited for their first violation, as identified in Appendix A of this report. If a firm is found to be non-compliant with the Fair Wage Policy in two separate instances over a period of three years, the Manager of the Fair Wage Office shall report these instances of non-compliance to Executive Committee and may recommend the firm be disqualified from conducting business with the City for a period of two years, inclusive.

In 2025, back wages and benefits owed to workers from Fair Wage Policy non-compliant contractors totalled \$18,842. These funds were collected on behalf of 19 workers. In addition, the Fair Wage Office collected a total of \$2,375 in administration fees made payable to the City Treasurer.

Labour Trades Policy Disputes & Settlements

Contractor and sub-contractor compliance with the City's labour trade agreements in the Industrial, Commercial, Institutional (ICI) construction sector is critical to minimizing the City's liabilities, mitigating risk, and avoiding costly litigation of labour trade grievances brought against the City before the Ontario Labour Relations Board (the "OLRB").

The Fair Wage Office reviews and approves contractors and sub-contractors for compliance with the Fair Wage and Labour Trades Policies, for the purposes of contract award. The Fair Wage Office also supports People and Equity staff with respect to grievances filed against the City by labour trade unions for alleged violation of the City's province-wide collective agreements in the construction industry.

Significant efforts are undertaken to review and approve contractors and sub-contractors with appropriate signatory trade affiliation prior to contract award. Critical tasks include assessing contract scopes of work at a high level and determining whether firms are bound to trade unions with jurisdiction over work in the ICI sector of the construction industry.

Where firms may have violated the City's labour trade obligations, the Fair Wage Office, together with People and Equity and Legal Services, engages in informal or formal dispute resolution discussions aimed at avoiding grievances or facilitating settlement or withdrawal of grievances. This often takes the form of addressing the relative strengths and weaknesses of the parties' positions and giving them the opportunity to have open and frank discussions. These discussions may occur before or after the City receives a grievance letter or a grievance is formally filed with the OLRB.

These efforts resulted in the resolution of 24 Labour Trade grievances in 2025, thus avoiding costly grievance hearings at the OLRB. In 2025, a total value of \$23,474 in negotiated grievances filed against the City of Toronto were settled. The firms that were involved in the resolution of Labour Trades grievances in 2025 are listed in Appendix A.

Settlement of a Labour Trades grievance without a final decision being issued by the OLRB does not constitute a violation of the City's Labour Trades Policy.

Withholding Approval of Tenderer or Bidder

In 2025, the Fair Wage Office notified the Chief Procurement Officer of withholding approval of one supplier. This is a requirement of the Fair Wage By-Law, Section 67-A9B (5).

Major Investigations

Brook Restoration Ltd. - Two Fair Wage Policy Violations in Three Years

Under the Fair Wage Policy Disqualification provisions, when a contractor or sub-contractor is found to be in non-compliance with the Fair Wage Policy in two separate instances over a period of three years, the Manager, Fair Wage Office, must report and may recommend to the appropriate Standing Committee that the company be disqualified from conducting business with the City for a period of two years. The final decision with respect to a disqualification rests with City Council.

The Fair Wage Office found that Brook Restoration Ltd. ("Brook") violated the Fair Wage Policy twice within a three-year period - once at the end of 2024, and again in August 2025.

However, due to the relatively low number of workers impacted and the magnitude of the total wage discrepancy on the second violation, the Manager, Fair Wage Office, is not recommending that Brook be disqualified from conducting business with the City, under Section 67-A10 of the Fair Wage Policy. It should be noted that Brook has since filed for bankruptcy.

In November 2024, the Fair Wage Office found that Brook and its sub-contractor, Xtreme Environmental Inc. ("Xtreme"), underpaid 6 Brook workers and 3 Xtreme workers a total of \$5,840 for window replacement work at the Ingram waste transfer station. Additionally, since Brook did not provide registered training agreements for their six workers, Brook improperly classified their 6 workers as apprentices/trainees under the Fair Wage By-Law. The Fair Wage Office confirmed that all 6 workers were paid their back wages in January 2025.

In August 2025, notice was given to Brook, its sub-contractor CanaArch Building Solutions Inc. ("CanaArch"), and CanaArch's sub-contractor, Mr. Sravan Gyara, that all three had been found to have violated the Fair Wage Policy. The work in question was wall cladding removal and installation services at the Grand Ravine Community Center. A total of 4 Brook workers were paid below the applicable Fair Wage rate, with \$3,065

in back wages owed to them. Once again, Brook improperly classified their workers as apprentices/trainees under the Fair Wage By-Law.

Furthermore, in the Grand Ravine matter, all three firms failed to submit the required records. Despite numerous requests, the Fair Wage Office did not receive union affiliation, payroll, or contact information for two or more unknown workers who worked for Mr. Gyara and signed in to the site under CanaArch's name. The Fair Wage Office notes that Brook cooperated with the investigation and sought to compel Mr. Gyara to cooperate by requesting that he provide the Fair Wage Office with the required information. These efforts were unsuccessful.

The Manager, Fair Wage Office, reported the failure to submit required records to the Chief Procurement Officer at the time. However, the Manager, Fair Wage Office, is not recommending the disqualification of CanaArch, or Mr. Gyara, under Section 67-A10.B of the Fair Wage Policy. This was a first violation for CanaArch and Mr. Gyara.

Struct-Con Construction Ltd., Janco Concrete Inc., BLD Concrete Inc. and 2857777 Ontario Inc. o/a as Spartan Concrete Violation at 400 Commissioners St.

In December 2025, notice was given to Struct-Con Construction Ltd. ("Struct-Con"), Janco Concrete Inc. ("Janco"), BLD Concrete Inc. ("BLD") and 2857777 Ontario Inc. o/a as Spartan Concrete ("Spartan") that all four companies had violated the Fair Wage Policy. The work in question was formwork and related concrete and metal work, including rebar and welding work, performed at the Commissioners Transfer Mattress Recycling Facility.

The Fair Wage Office determined that three BLD workers were not paid in accordance with the Fair Wage Policy, with \$9,936 in back wages owed to them. It was further determined that Spartan failed to cooperate by failing to furnish the Fair Wage Office with copies of union affiliation documentation/cards for four union workers who performed concrete finishing work. Spartan's non-cooperation was escalated to the Chief Procurement Officer at the time. At the time of finalizing this report, BLD had not confirmed payment of the back wages owed to its workers resulting from its violation of the Fair Wage Policy.

Creating Residential Sector Fair Wage Schedule

In an April 2025 decision of Council, the City became unionized by the Carpenters trade union in the Residential sector of the construction industry. This meant that, as of May 1, 2025, when the City awards a contract for a Residential construction project, the successful supplier must ensure that members of the Carpenters trade union are used to perform work covered by the applicable collective agreement. In order to accommodate this change, the Fair Wage Office worked with People and Equity (Employee Relations) to prepare a new Residential Work schedule, which was added to Schedule C of the Fair Wage By-Law as a seventh Fair Wage Schedule. The new schedule will be used to protect workers, as the City ramps up its residential construction projects over time.

Non-Traditional Application of the Fair Wage Policy

The Fair Wage Office traditionally performs its compliance activities as part of the procurement process at the City. With very few exceptions, the Fair Wage Policy applies to all City work and not just activities that fit neatly into the procurement process. To facilitate compliance with the Fair Wage Policy, the City's Fair Wage Office provides information, support, and compliance verification services. In 2025, the Fair Wage Office was consulted on 10 City projects that were not processed through the traditional City procurement channels. The Fair Wage Office supports these projects by providing information to project developers, not-for-profit organizations, and other levels of government and City divisions on the application of the Fair Wage Policy.

In 2025, the Fair Wage Office provided input to various internal and external groups on how the Fair Wage By-Law applies to students, apprentices, and trainees. By engaging with public policy and compliance professionals within the City and at the provincial level, and conducting its own analysis, the Fair Wage Office developed and provided input on best practices to ensure that students, apprentices, and trainees are protected while they gain valuable experience contributing to the work of the City.

Work Plan 2026

In 2026, the Fair Wage Office intends to:

- Continue to update and refine internal processes within Purchasing and Materials Management Division governing the approval of contractors and sub-contractors prior to contract award, with a focus on improving process efficiency, clarifying roles and responsibilities, and ensuring timely, compliant approvals.
- Complete high-priority Fair Wage Policy compliance reviews, including distributing back wages cheques to workers.
- Maintain a strong emphasis on proactive investigations, review payroll documentation, and enforce policy provisions to assess firms' compliance with the Fair Wage and Labour Trades Policies when doing business with the City.
- Monitor construction companies, general contractors, and sub-contractors engaged on City contracts by conducting site inspections and field interviews on projects to verify and ensure workers are compensated in accordance with the Fair Wage Policy and Schedule(s).
- Update Fair Wage Schedules for 2026-2028.

CONTACT

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SIGNATURE

Geneviève Sharkey
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ATTACHMENTS

Appendix A - Fair Wage Office - Companies that were cited for their first violation of the Fair Wage Policy and companies that have been involved in the settlement/resolution of Labour Trades Policy grievances in 2025

Appendix B - Fair Wage Office Activities Definitions

APPENDIX A

Fair Wage Office - Companies that were cited for their first violation of the Fair Wage Policy and companies that have been involved in the resolution of Labour Trades Policy grievances in 2025

Fair Wage Non-Compliant Firms		Resolution of Labour Trades Grievances	
1.	Brook Restoration Ltd.	1.	Brook Restoration Ltd.
2.	Xtreme Environmental Inc.	2.	Triumph Group of Companies
3.	CanaArch Building Solutions Inc.	3.	2611685 ONTARIO INC., O/A Thompson Architectural Metals Inc.
4.	Mr. Sravan Gyara	4.	Struct-Con Construction Ltd.
5.	Struct-Con Construction Ltd.	5.	Janco Concrete Inc.
6.	Janco Concrete Inc.	6.	BLD Concrete Inc.
7.	BLD Concrete Inc.		
8.	2857777 Ontario Inc. o/a as Spartan Concrete		

APPENDIX B

Fair Wage Office Activities Definitions

Investigation: Activities undertaken by the Fair Wage Office to receive, assess, and investigate complaints or concerns regarding compliance with the Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry Policy under Chapter 67. This includes reviewing alleged violations, wage underpayments, and potential discriminatory practices in connection with the performance of a City contract.

Settlement: A resolution reached between the City, Contractor(s), Sub-Contractor(s), and/or Union(s) to address a grievance or dispute arising under the Labour Trades Contractual Obligations in the Construction Industry Policy.

Violation: A formal determination by the Fair Wage Office that a Contractor or Sub-Contractor has failed to comply with the Fair Wage Policy and/or the Labour Trades Contractual Obligations in the Construction Industry Policy, including failure to pay required wage rates or meet contractual labour obligations.