

# Corporate Services Committee

## Report

18th Meeting of the Corporate Services Committee  
September 24, 2019

PRESENT: Councillors J. Morgan (Chair), J. Helmer , P. Van Meerbergen, A. Kayabaga, S. Hillier

ABSENT: Mayor E. Holder

ALSO PRESENT: Councillor S. Lewis; and M. Hayward, A.L. Barbon, B. Card, I. Collins, B. Coxhead, J. Davies, A. Dunbar, J. Edmonds, J. Freeman, M. Galczynski, L. Livingstone, J. Logan, K. Murray, K. Scherr, C. Smith, S. Spring, B. Warner, B. Westlake-Power and J. Wills

The meeting is called to order at 12:34 PM.

### 1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

### 2. Consent

Moved by: A. Kayabaga

Seconded by: S. Hillier

That items 2.1 to 2.5 BE APPROVED.

Yeas: (5): J. Morgan, J. Helmer, P. Van Meerbergen, A. Kayabaga, and S. Hillier

Absent: (1): E. Holder

### Motion Passed (5 to 0)

#### 2.1 2019 Operating Budget Mid-Year Monitoring Report - Property Tax, Water, Wastewater & Treatment Budgets

Moved by: A. Kayabaga

Seconded by: S. Hillier

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the 2019 Operating Budget Mid-Year Monitoring Report:

a) the 2019 Operating Budget Mid-Year Monitoring Report for the Property Tax Supported Budget, Water, and Wastewater & Treatment Budgets, as appended to the staff report dated September 24, 2019, BE RECEIVED for information; it being noted that an overview of the net corporate projections are outlined below, and that the year-end positions could fluctuate based on factors beyond the control of the Civic Administration;

i) Property Tax Supported Budget surplus of \$4.5 million as identified by the Civic Administration, Boards and Commissions, the projected year-end position includes the Reserve Fund contribution listed in item b), below;

ii) Water Rate Supported Budget surplus of \$2.6 million; and,

iii) Wastewater & Treatment Rate Supported Budget surplus of \$2.8 million;

b) the Civic Administration BE AUTHORIZED to contribute Information Technology Services year-end operational surplus, if any, to the Technology Services Reserve Fund to be used to support investments in corporate systems;

c) the Civic Administration BE AUTHORIZED to allocate the year-end Property Tax Supported Budget surplus, currently projected at \$4.5 million, to the Operating Budget Contingency Reserve to be used to smooth the impact of budgetary pressures associated with Provincial funding and cost-sharing changes impacting the City of London's 2020 - 2023 Multi-Year Budget;

d) the Civic Administration BE AUTHORIZED to contribute \$925,370 resulting from the 2018 Property Tax Supported Budget Surplus to the Land Acquisition Reserve Fund, identified as a high priority tax-supported reserve fund, in accordance with direction provided as part of the 2018 Operating Budget Year-End Monitoring Report;

e) it BE NOTED that \$1,440,355 (\$1,197,194 – Property Tax Supported; \$72,788 – Water; and \$170,373 – Wastewater & Treatment) to the Efficiency, Effectiveness and Economy Reserve in 2019 was contributed.

**Motion Passed**

## 2.2 2019 Mid-Year Capital Monitoring Report

Moved by: A. Kayabaga

Seconded by: S. Hillier

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the 2019 Mid-Year Capital Monitoring Report, dated September 24, 2019, BE RECEIVED for information; it being noted that the life-to-date capital budget represents \$2.1 billion, with \$1.4 billion committed and \$0.6 billion uncommitted.

**Motion Passed**

## 2.3 Procurement of Goods and Services Policy Revision

Moved by: A. Kayabaga

Seconded by: S. Hillier

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed by-law appended to the staff report dated September 24, 2019 as Appendix "A" BE INTRODUCED at the Municipal Council meeting to be held on October 1, 2019 to amend By-law No. A.-6151-17, as amended, being "A by-law to establish policies for the sale and other disposition of land, hiring of employees, procurement of goods and services, public notice, accountability and transparency, and delegation of powers and duties, as required under section 270(1) of the Municipal Act, 2001", by deleting Schedule "C" – Procurement of Goods and Services Policy in its entirety and by replacing it with the new Schedule "C" – Procurement of Goods and Services Policy, to update the Policy, to provide additional clarity and updates, as included in the above-noted staff report.

**Motion Passed**

## 2.4 By-law to Delegate Tax Appeals Under Section 357(1)(d.1) to the Assessment Review Board

Moved by: A. Kayabaga

Seconded by: S. Hillier

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed by-law appended to the staff report dated September 24, 2019, BE INTRODUCED at the Municipal Council meeting to be held on October 1, 2019, to delegate tax appeal applications under subsection 357(1)(d.1) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, to the Assessment Review Board in accordance with subsection 357(11) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended.

**Motion Passed**

2.5 Response to the Ministry of the Attorney General Joint and Several Liability Reform Consultation

Moved by: A. Kayabaga  
Seconded by: S. Hillier

That, on the recommendation of the Managing Director Corporate Services and City Solicitor and the Manager III, Risk Management Division, with the concurrence of the City Clerk, the Civic Administration BE DIRECTED to submit a response to the Ministry of the Attorney General regarding Joint and Several Liability Reform as summarized in the staff report dated September 24, 2019, entitled "Response to the Ministry of the Attorney General Joint and Several Liability Reform".

**Motion Passed**

**3. Scheduled Items**

3.1 Not to be heard before 12:45 PM - Tax Adjustment Agenda

Moved by: J. Helmer  
Seconded by: S. Hillier

That the recommendations contained in the Tax Adjustment Agenda dated September 24, 2019 BE APPROVED; it being noted that there were no members of the public in attendance to speak to the Corporate Services Committee at the public hearing associated with this matter.

Yeas: (5): J. Morgan, J. Helmer, P. Van Meerbergen, A. Kayabaga, and S. Hillier  
Absent: (1): E. Holder

**Motion Passed (5 to 0)**

**4. Items for Direction**

None.

**5. Deferred Matters/Additional Business**

None.

**6. Confidential (Enclosed for Members only.)**

Moved by: J. Helmer  
Seconded by: P. Van Meerbergen

That the Corporate Services Committee convene, In Closed Session, for the purpose of considering the following:

6.1 Land Disposition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending disposition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

**6.2 Land Disposition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations**

A matter pertaining to the proposed or pending disposition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

**6.3 Land Acquisition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations**

A matter pertaining to the proposed or pending acquisition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

**6.4 Personal Matters/Identifiable Individual**

A matter pertaining to personal matters, including information regarding an identifiable individual, with respect to employment-related matters; advice or recommendations of officers and employees of the Corporation including communications necessary for that purpose and for the purpose of providing instructions and directions to officers and employees of the Corporation.

Yeas: (5): J. Morgan, J. Helmer, P. Van Meerbergen, A. Kayabaga, and S. Hillier

Absent: (1): E. Holder

**Motion Passed (5 to 0)**

The Corporate Services Committee convened, In Closed Session, from 12:40 PM to 1:16 PM.

**7. Adjournment**

The meeting adjourned at 1:20 PM.

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 24, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>2019 OPERATING BUDGET MID-YEAR MONITORING REPORT – PROPERTY TAX, WATER, WASTEWATER &amp; TREATMENT BUDGETS</b>

<b>RECOMMENDATIONS</b>
------------------------

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the 2019 Operating Budget Mid-Year Monitoring Report:

- a) The 2019 Operating Budget Mid-Year Monitoring Report for the Property Tax Supported Budget, Water, and Wastewater & Treatment Budgets (refer to **Appendix A**) **BE RECEIVED** for information. An overview of the net corporate projections are outlined below, noting that the year-end positions could fluctuate based on factors beyond the control of Civic Administration:
  - i) Property Tax Supported Budget surplus of \$4.5 million as identified by Civic Administration, Boards and Commissions. The projected year-end position includes the Reserve Fund contribution listed in item b).
  - ii) Water Rate Supported Budget surplus of \$2.6 million.
  - iii) Wastewater & Treatment Rate Supported Budget surplus of \$2.8 million.
- b) Civic Administration **BE AUTHORIZED** to contribute Information Technology Services year-end operational surplus, if any, to the Technology Services Reserve Fund to be used to support investments in corporate systems.
- c) Civic Administration **BE AUTHORIZED** to allocate the year-end Property Tax Supported Budget surplus, currently projected at \$4.5 million, to the Operating Budget Contingency Reserve to be used to smooth the impact of budgetary pressures associated with Provincial funding and cost-sharing changes impacting the City of London's 2020 - 2023 Multi-Year Budget.
- d) Civic Administration **BE AUTHORIZED** to contribute \$925,370 resulting from the 2018 Property Tax Supported Budget Surplus to the Land Acquisition Reserve Fund, identified as a high priority tax-supported reserve fund, in accordance with direction provided as part of the 2018 Operating Budget Year-End Monitoring Report.
- e) Civic Administration's contribution of \$1,440,355 (\$1,197,194 – Property Tax Supported; \$72,788 – Water; and \$170,373 – Wastewater & Treatment) to the Efficiency, Effectiveness and Economy Reserve in 2019 **BE RECEIVED** for information.

<b>LINK TO 2019-2023 STRATEGIC PLAN</b>
---

Council's 2019-2023 Strategic Plan for the City of London identifies 'Leading in Public Service' as a strategic area of focus. The City of London's Multi-Year Budget development and monitoring is a strategy to maintain London's finances in a transparent and well-planned manner to balance equity and affordability over the long term. On a semi-annual basis, through the Operating Budget Monitoring Report process, Civic Administration measures the results achieved against approved budgets, and recommends appropriate adjustments in line with City policies and practices. This exercise ensures the operating budget is continuously updated and reflective of the City's strategic financial plan.

## BACKGROUND

Budget monitoring is a key component for the governance and accountability process of the 2016-2019 Multi-Year Budget. As part of the move to a multi-year budget for the Corporation of the City of London (the “City”), the budget monitoring process and reporting elements were evaluated to ensure that Council and the community are provided with the appropriate amount of information to understand actual and projected spending against the budget.

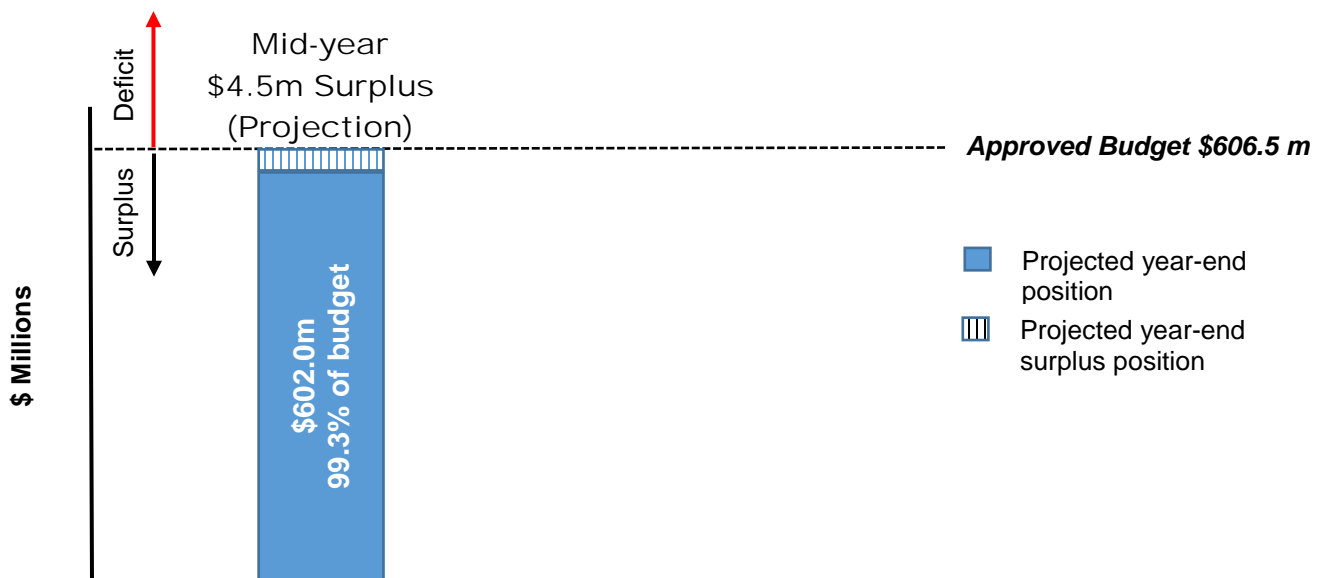
Based on this evaluation, each year Civic Administration will submit two monitoring reports to Council, the Operating Budget Mid-Year Monitoring Report and Operating Budget Year-End Monitoring Report. In addition to these two reporting cycles, once per year the multi-year budget is updated through the Annual Budget Update (refer to **Appendix D** for the budget cycle). The monitoring reports and annual budget updates inform Council and the community of the City’s progress towards achieving the approved multi-year budget targets. Information included within the monitoring reports will include sections that address budget monitoring by service grouping, progress update on 2016-2019 strategic investments, and emerging issues.

## 2019 RESULTS

### 2019 PROPERTY TAX SUPPORTED OPERATING BUDGET MONITORING

The 2019 Property Tax Supported Net Budget was approved at \$606.5 million. The projected 2019 year-end surplus is \$4.5 million. Figure 1 below provides a graphical view of the projected surplus position at year-end.

**Figure 1 – Comparison of 2019 Budget and Projected Actuals**



Outlined in Table 1 are some of the key items that are contributing to the projected year-end surplus of \$4.5 million. A year-end surplus of \$4.5 million represents approximately 0.7% of the 2019 Property Tax Supported Net Budget. For a breakdown of the surplus/deficit by service program, refer to **Appendix B**.

**Table 1 – Key Factors Impacting the Projected Year-End Position**

<b>Contributing Factor</b>	<b>Mid-Year Surplus/ (Deficit)</b>
Higher than anticipated investment revenue, financing revenue, and fee based revenues primarily from Development Service fees and building permit fees, and Fire Services miscellaneous fee revenues.	\$3.7m
Increased revenues from penalty and interest on taxes, grants in lieu of taxes and taxation user fees.	\$1.8m
Energy/utility savings in electricity, natural gas, chilled water and steam mainly resulting from legislative changes and better than anticipated pricing.	\$1.7m
Net personnel savings resulting primarily from vacancies stemming from both staff turnover and the gap between approvals of new positions and filling new positions across all service areas.	\$0.5m
London Transit Commission surplus due to the approval of annualized assessment growth funding received part-way through 2019.	\$0.5m
London & Middlesex Community Housing deficit due to higher than anticipated building maintenance costs and other operational costs.	\$(0.5)m
Winter maintenance deficit resulting from higher than anticipated costs in operating supplies to replenish inventory levels including salt, sand, and winter liquids necessary to maintain roads as per required Provincial standards.	\$(1.2)m
Portion of budgeted drawdown from the Operating Budget Contingency Reserve (OBCR) not required.	\$(2.0)m
<b>Total Projected Year-End Position</b>	<b>\$4.5m</b>

*All figures are subject to rounding.*

#### **Surplus/Deficit Policy – Property Tax Supported Budget**

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Property Tax Supported Budget as follows:

- a) 50% to reduce authorized debt;
- b) 25% to the Community Investment Reserve Fund to be allocated at the discretion of Council; and
- c) 25% to the Capital Infrastructure Gap Reserve Fund to mitigate growth in the infrastructure gap.

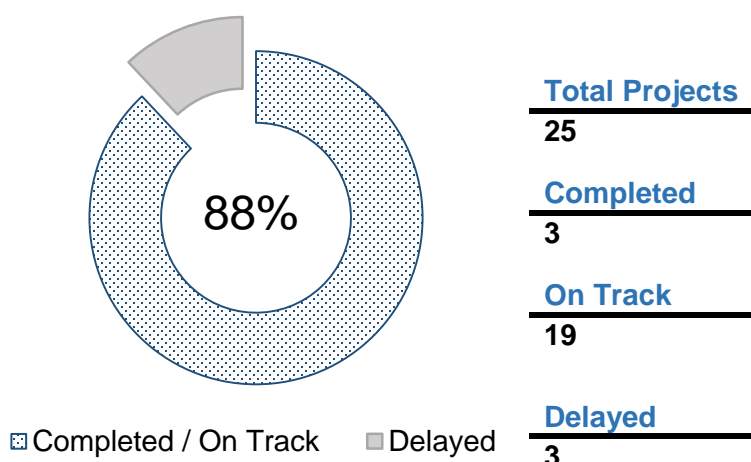
If recommendation c) to allocate the year-end surplus, currently projected at \$4.5 million, to the Operating Budget Contingency Reserve to smooth anticipated Provincial funding and cost-sharing pressures is approved, the Property Tax Supported Budget will be balanced at year-end, and no surplus allocation would be required.

## **2016-2019 STRATEGIC INVESTMENT PROGRESS UPDATE**

As part of the 2016-2019 Multi-Year Budget, 25 strategic investments linked to Council's 2015-2019 Strategic Plan were approved. These 25 strategic investments have budgeted investments of \$47.8 million in the City of London's programs and services for the 2016-2019 period. Figure 2 provides a status update and Table 2 provides a financial update for the approved strategic investments.

**Figure 2 – Current Status of Strategic Investments**

**% Completed Or On Track**



Of the 25 strategic investments, all are on track to be completed on time, except for three projects that have been delayed as follows;

1. The Thames Valley Corridor Plan, Business Case #4, was delayed pending a Part II Order Environmental Assessment escalation request, which has since been resolved. Provincial funding through the Ontario Municipal Commuter Cycling Program was also approved in 2018, eliminating a potential funding gap. Detailed design and land negotiations are finalized. The project has been awarded and construction commenced in 2019 with completion forecasted for 2020.
2. The London Homeless Prevention System Implementation Plan, Business Case #16, Item #2, has been delayed. It was originally planned to be operational in 2018. The opening of the Housing First youth emergency shelter is anticipated to occur in the third quarter of 2019. The reason for this delay is due to the length of time it has taken to acquire land. There are no significant implications as youth will continue to be served at The Salvation Army Centre of Hope until the new shelter is open.
3. The Regeneration Public Housing Plan, Business Case #21, has been delayed. This project is in partnership between the City of London, the Housing Development Corporation (HDC) and London & Middlesex Community Housing (LMCH). LMCH will provide Council a final Regeneration Strategy by the end of 2019 which will inform some of the direction on this initiative. The portion of the budget spent represents the allocated costs from HDC for internal work carried out in the context of this plan. It is expected this the full budget will be expended by 2021.

**Table 2 - Strategic Investments Financial Summary (\$000's)**

Strategic Area of Focus	2016 - 2019 Total Budget	Life to date actuals as of June 30, 2019	% Spent of 2016 - 2019 Total Budget
Building a Sustainable City	14,340	11,219	78%
Leading in Public Service	7,297	4,726	65%
Strengthening Our Community	8,529	6,262	73%
Growing Our Economy	17,604	7,100	40%
<b>Total</b>	<b>47,770</b>	<b>29,307</b>	<b>61%</b>

For a more detailed update regarding each strategic investment refer to **Appendix C**. Each strategic investment provides a description on the status of the project, project plans and other information pertinent to life to date actuals.



## 2020-2023 EMERGING ISSUES – PROPERTY TAX SUPPORTED BUDGET

Several services have identified potential service delivery pressures that may impact expenditures/revenues in 2020-2023 (Table 3). The table describes some of the more significant issues and the measures taken to mitigate or address these issues. The table does not include all of the potential service delivery pressures. Civic Administration is continuing to actively monitor all emerging issues, including items not listed below. The likelihood of the issue impacting the multi-year budget, high, medium or low, is also presented. The definitions of the likelihood measures are as follows:

- High – the likelihood of the issue occurring over the 2020-2023 period is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring over the 2020-2023 period is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring over the 2020-2023 period is predicted to be less than 30%

**Table 3 – Summary of Potential Future Budget Impacts**

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
<b>LEGISLATIVE</b>	
<p>1. Multiple Services – On April 11, 2019, the new Government of Ontario tabled its first budget, titled <i>Protecting What Matters Most</i>. The budget reflected a number of priorities, programs and direction, with a specific focus on reducing the provincial deficit. The budget addressed a range of issues, with multiple items having impacts to municipal governments and their respective budgets. Civic Administration reviewed a number of issues for their potential effects on service delivery.</p> <p>Subsequent to the budget, other proposed legislative changes were announced which may also have an impact on municipal finances, including Bill 108, <i>More Homes, More Choice Act, 2019</i>. Some of these changes will impact the City’s budget in 2019 but most will also impact development of the 2020-2023 Multi-Year Budget.</p> <p>On May 28, 2019, the Corporate Services Committee received a report on the projected financial impacts as of May 16, 2019. Since that time, the provincial government made additional announcements clarifying the impact on municipal finances, including an address to delegates of the AMO Conference on August 19, 2019. The impact of these announcements is still being analyzed and quantified, noting that some changes may require increases in municipal funding in order to maintain current levels of service.</p> <p><b>What we are doing to mitigate/address the issue:</b> Civic Administration continues to evaluate the changes and corresponding effects on the City of London and will develop mitigation plans to control costs and incorporate impacts into the development of the 2020-2023 Multi-Year Budget.</p>	High
<b>MUNICIPAL COUNCIL DIRECTED</b>	
<p>2. Social &amp; Community Support Services - Subsidized Transit - Council approved the implementation of free transit for children 5-12 commencing January 1, 2017, the income-related subsidized transit program for adults 18 and over for 2 years commencing January 1, 2018 and the reduced rate transit pass for youth ages 13 to 17 commencing September 1, 2018 for 22 months. The costs of these programs in excess of available budgets are to be funded through property tax supported operating budget surplus and, if necessary, contingency reserves. Participation rates among eligible Londoners will determine the exact financial impact for this initiative.</p> <p><b>What we are doing to mitigate/address the issue:</b> Permanent funding will be requested through the 2020-2023 Multi-Year Budget. In the meantime, Council approval was obtained through the 2017 Year-End Operating Budget Monitoring Report for a \$5 million contribution to the Operating Budget Contingency Reserve to fund the costs associated with these programs in excess of the approved budget for 2019 (if necessary).</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
COST DRIVER	
<p>3. Multiple Services - The City is experiencing the growing impact of substance abuse and mental health concerns leading to a noted increase in the number of incidents of unpredictable behaviour, particularly in the core area of the City. This challenge has implications on a number of City services, including policing, By-Law Enforcement, Homeless Prevention, Roadside Operations and Parks &amp; Recreation.</p> <p><b>What we are doing to mitigate/address the issue:</b> <i>In September 2018, a number of service areas in the City of London and Partner organizations launched a 16 week pilot program to identify and implement a coordinated Core Area Informed Response to address these challenges. This pilot program was successful and will continue on a go-forward basis commencing April 1, 2019; the city-wide Coordinated Informed Response will have in place a coordinated cross-functional team to provide a caring and compassionate response to the unpredictable and disruptive behaviours of individuals that are sleeping rough and urban camping related to substance use and mental illness. The cost of the 2019 Coordinated Informed Response activities is estimated to be approximately \$1.25 million to be funded from the tax supported Efficiency, Effectiveness and Economy Reserve on a one-time basis. Civic Administration will be bringing forward a business case for consideration as part of the 2020-2023 Multi-Year Budget in order to secure permanent funding for this initiative beyond 2019.</i></p>	High
<p>4. Garbage Recycling &amp; Composting - City staff has previously noted the Chinese “National Sword” program as an emerging issue with a high likelihood to impact the 2020 operating budget. The program continues to significantly limit global access to the large Chinese recovered materials markets and is placing significant downward pressure on the value of global recovered material end markets for items recovered through Blue Box recycling programs across North America. For the majority of 2018, the material recovered and marketed from the Manning Drive Regional Material Recovery Facility (MRF) was still able to be sold for revenues close to budget. This was a result of the high quality of the materials produced (i.e. two stream) and the end market relationships of Miller Waste, the City's Blue Box collection and MRF operations service provider. Currently, the recovered material end markets have deteriorated to a point where the advantages are no longer sufficient to realize the revenues anticipated when the 2016-2019 Multi-Year Budget was set. It is anticipated that the revenues received for recovered materials in 2019 will be below budget and this trend is expected to continue into 2020.</p> <p><b>What we are doing to mitigate/address the issue:</b> <i>Staff members have been working with our Blue Box collection and Material Recovery Facility (MRF) operations service provider Miller Waste Systems to ensure that recovered materials produced from the MRF are of a quality required to continue to be marketed during these market conditions. It should be noted that Miller Waste Systems has developed long term relationships with stable end markets which greatly assists with material marketability during changing market conditions. However as the downward pricing pressure is global in nature it is likely that revenues for recovered materials will be lower than anticipated/budgeted. In response to this, on April 9, 2019 Council approved a staff recommendation to install new mechanical components to upgrade the existing Old Corrugated Cardboard (OCC) screen in an effort to improve recovered material quality and preserve the revenue stream for these materials. In addition, staff are currently reviewing whether capital investment is warranted to preserve the recovered material revenue stream and offset future operating cost increases.</i></p>	High
<p>5. Garbage Recycling &amp; Composting - Council has approved the direction set in the 60% Waste Diversion Action Plan including the Green Bin Program which is a major component. Annual operating costs for the Plan will range from \$5.05 million to \$7.45 million, with the most likely cost estimated to be \$6.5 million. Ultimately, costs will depend on final program design and market competition. Potential revenue to lower costs of these initiatives is very limited until 2024/2025 at which time between \$3 million and \$4 million may be available to lower costs.</p> <p><b>What we are doing to mitigate/address the issue:</b> <i>Financing the 60% Waste Diversion Action Plan will be subject of an upcoming Civic Works Committee report and part of the 2020-2023 Multi-Year Budget deliberations. City staff continue to provide comment through associations on the need for the provincial government to move to extended producer responsibility as quickly as possible to reduce the financial impact of recycling on municipalities. Organics management (diversion) and its contribution to 60% waste diversion is a requirement of current provincial direction, upcoming regulation and a commitment as part of the environmental assessment for the W12A landfill expansion.</i></p>	High
<p>6. Roadways - Recent trends in winter maintenance costs have resulted in higher than budgeted spending as a result of the increased need to treat main roads and bus routes (salt/winter liquids/plow) to meet Provincial Maintenance</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
<p>Standards. The average annual deficit over the past five years has been \$1.58M</p> <p><i>What we are doing to mitigate/address the issue: Civic Administration is reviewing all expenditure lines in the road &amp; summer maintenance accounts to determine if budgets can be reallocated to help offset the budget pressures in the winter maintenance accounts.</i></p>	

## 2019 WATER RATE SUPPORTED OPERATING BUDGET MONITORING

The 2019 projected year-end surplus for the Water Rate Supported Budget is \$2.6 million (Table 4).

Water revenues are projected to be in a surplus of \$1.6 million by year-end due primarily to an increase in infrastructure charge revenues and water service application revenues driven by growth in number of users. These additional revenues are partially offset by higher costs to purchase additional water volumes.

Operating expenditures are projected to be in a surplus of \$1.0 million by year-end. The surplus is mainly driven by savings in personnel costs as a result of vacancies throughout the year from positions not filled due to the delay in federal/provincial grant funding associated with infrastructure works and miscellaneous savings in various operational accounts.

**Table 4 – Comparison of Budget and Projected Year-End Position (\$000’s)**

Water Budget	2019 Revised Budget	Actuals as at June 30, 2019	Actual % Spent/Realized	Projected Year-End Position	Projected Year-End Surplus/(Deficit)
Revenues	79,896	34,190	42.8%	81,526	1,630
Expenditures	79,896	47,015	58.8%	78,933	963
<b>Net Balance Surplus/(Deficit)</b>	-	<b>(12,825)</b>	<b>N/A</b>	<b>2,593</b>	<b>2,593</b>

### **Surplus/Deficit Policy – Water Rate Supported Budget**

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Water Rate Supported Budget surplus as follows:

- a) 50% to reduce authorized debt (if the surplus allocation exceeds the authorized debt amount, the remaining surplus will be added to item b); and
- b) 50% to the Waterworks Reserve Fund to support capital asset renewal/replacement and mitigate growth in the infrastructure gap.

As per Policy, the projected \$2.6 million surplus, if realized, will be allocated as follows:

- a) nil to reduce authorized debt (currently no authorized debt for Water); and
- b) \$2.6 million to the Waterworks Reserve Fund.

## 2019 WASTEWATER & TREATMENT RATE SUPPORTED OPERATING BUDGET MONITORING

The 2019 projected year-end surplus for the Wastewater & Treatment Rate Supported Budget is \$2.8 million (Table 5).

Revenues are projected to be in a deficit of \$0.3 million due to a significant decrease in High Strength Sewer Surcharges as high strength waste volumes have decreased significantly over prior years, partially offset by an increase in infrastructure charges driven by growth in number of users.

Operating expenditures are projected to be in a surplus of \$3.1 million by year-end. Savings in utility costs are expected to be realized due to an expected decrease in energy usage as a result

of the installation of more energy efficient equipment in recent years. Personnel costs are also expected to be under budget as a result of vacancies throughout the year from positions not filled due to the delay in federal/provincial grant funding associated with infrastructure works. These savings are partially offset by higher than expected miscellaneous expenses in various operational accounts.

**Table 5 - Comparison of Budget and Projected Year-End Position (\$000's)**

Wastewater Budget	2019 Revised Budget	Actuals as at June 30, 2019	Actual % Spent/Realized	Projected Year-End Position	Projected Year-End Surplus/(Deficit)
<b>Revenues</b>	98,182	42,587	43.4%	97,900	(282)
<b>Expenditures</b>	98,182	57,525	58.6%	95,104	3,078
<b>Net Balance Surplus/(Deficit)</b>	-	<b>(14,938)</b>	<b>N/A</b>	<b>2,796</b>	<b>2,796</b>

**Surplus/Deficit Policy – Wastewater & Treatment Rate Supported Budget**

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Wastewater & Treatment Rate Supported Budget surplus as follows:

- a) 50% to reduce authorized debt (if the surplus allocation exceeds the authorized debt amount, the remaining surplus will be added to item b); and
- b) 50% to the Sewage Works Reserve Fund to support capital asset renewal/replacement and mitigate growth in the infrastructure gap.

As per Policy, the projected \$2.8 million surplus, if realized, will be allocated as follows:

- a) \$1.4 million to reduce authorized debt; and
- b) \$1.4 million to the Sewage Works Reserve Fund.

**2020-2023 EMERGING ISSUES – WATER AND WASTEWATER & TREATMENT RATE SUPPORTED BUDGETS**

Water and Wastewater & Treatment have identified a potential service delivery pressure that may impact expenditures/revenues in 2020-2023 (Table 6). The table describes this issue and the measures taken to mitigate or address this issue. The table does not include all of the potential service delivery pressures. Civic Administration is continuing to actively monitor all emerging issues, including items not listed below. The likelihood of the issue impacting the multi-year budget, high, medium or low, is also presented. The definitions of the likelihood measures are as follows:

- High – the likelihood of the issue occurring over the 2020-2023 period is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring over the 2020-2023 period is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring over the 2020-2023 period is predicted to be less than 30%

**Table 6 - Summary of Potential Future Budget Impacts**

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
<b>COST DRIVER</b>	
<p>1. The first phase of several projects were completed with funding from federal/provincial programs. There is a risk that the subsequent phases of this previously announced funding will not materialize. This would leave the future phases of several major infrastructure projects incomplete and inoperative. One specific example is the pumping station required for the Vauxhall/Pottersburg interconnection.</p> <p><b>What we are doing to mitigate/address the issue:</b> City staff are monitoring the situation with other levels of government and lobbying on behalf of these</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
<i>funding programs while also looking for other grant programs to help offset future costs.</i>	

**OTHER MID-YEAR MONITORING INFORMATION**

**VACANCY MANAGEMENT**

All positions that become vacant, with some exceptions, are subject to 90 days savings corporately. The savings from these positions are contributed to the applicable tax and rate supported budgets' Efficiency, Effectiveness and Economy reserves. These reserves provide funding for opportunities that create efficiency, effectiveness and economy within the City's tax and rate supported operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, these reserves provide funding for contingency costs in excess of funds available in the contingency reserves. Any savings due to vacancies longer than 90 days remain in the service area and are included in the year-end positions. In the first half of 2019, the contribution to the Efficiency, Effectiveness and Economy reserves was \$1,440,355 (\$1,197,194 – Property Tax Supported; \$72,788 – Water; and \$170,373 – Wastewater & Treatment).

**CONTRIBUTION TO LAND ACQUISITION RESERVE FUND**

Municipal Council, at its meeting held on April 23, 2019, as part of the 2018 Operating Budget Year-End Monitoring Report, resolved that the following actions be taken with respect to the 2018 deficit in the amount of \$925,370 related to the administration and enforcement of the *Building Code Act*:

- i) the above-noted deficit BE FINANCED by means of a withdrawal from the Building Permit Stabilization Reserve Fund rather than transfer from the 2018 year-end Operating Budget surplus;
- ii) the Civic Administration BE DIRECTED to report to a future meeting of the Corporate Services Committee with a recommendation as to high priority tax-supported reserve funds that the resulting surplus from the action noted in i) above, could be transferred to instead.

Based on Council direction, it is recommended that the resulting surplus of \$925,370 from the 2018 Property Tax Supported Budget be allocated to the Land Acquisition Reserve Fund which has been identified as a high priority tax-supported reserve fund.

**FUTURE BUDGETARY IMPACTS AS A RESULT OF PROVINCIAL ANNOUNCEMENTS**

On April 11, 2019, the new Government of Ontario tabled its first budget, titled *Protecting What Matters Most*. The budget reflected a number of priorities, programs and direction, with a specific focus on reducing the provincial deficit. Multiple items in the provincial budget were identified as having impacts to municipal governments and their respective budgets.

At the Corporate Services Committee on May 28, 2019, it was reported that the anticipated impact of the provincial budget and other proposed legislated changes would result in a net budgetary pressure of \$6.6 million/year by 2022 based on known impacts at that time. For context, each \$6 million represents approximately 1% on the tax levy.

These pressures will have an impact on the development of the 2020-2023 Multi-Year Budget, reducing budget capacity that would otherwise have been available for additional investments in Council's priorities. Civic Administration is continuing to monitor new announcements and developments from the Provincial Government and evaluating the impact to the multi-year budget as the information is received. As such, it is recommended that the Property Tax Supported Budget surplus, currently projected at \$4.5 million, be allocated to the Operating Budget Contingency Reserve to be used to smooth the anticipated budgetary pressures associated with Provincial funding and cost-sharing changes impacting the 2020-2023 Multi-Year Budget.

<b>2019 OPERATING BUDGET MID-YEAR MONITORING SUMMARY</b>
--

Civic Administration is projecting a \$4.5 million year-end surplus in the 2019 Property Tax Supported Budget. The major factors contributing to this position are surpluses in investment and financing revenue, fee based revenues, taxation revenues, and savings in utility/energy costs. Civic Administration is recommending that the 2019 Property Tax Supported Surplus be allocated to the Operating Budget Contingency Reserve to be used to smooth the anticipated budgetary pressures associated with Provincial funding and cost-sharing changes impacting the 2020-2023 Multi-Year Budget.

The Water Rate Supported Budget is projecting a surplus of \$2.6 million primarily as a result of revenue surplus from an increase in infrastructure charges and water service application revenues due to the growth in number of users. The Wastewater & Treatment Rate Supported Budget is projecting a surplus of \$2.8 million primarily as a result of savings in utility costs due to an expected decrease in energy usage, partially offset by a deficit in High Strength Sewer Surcharges; there were also personnel savings in both of the rate supported budgets from positions not filled because of the delay in federal/provincial grant funding associated with infrastructure works.

**Acknowledgements**

This report was prepared with significant contributions from the City's Financial Business Support teams, Rick Lamon, Manager, Accounting and Reporting and Cathy Milne, Current Budget and Process Officer, in Financial Planning & Policy.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>ZEINA NSAIR, CPA, CGA MANAGER, FINANCIAL MODELLING, FORECASTING &amp; SYSTEMS CONTROL</b>	<b>MARTIN GALCZYNSKI, CPA, CA MANAGER, FINANCIAL PLANNING &amp; POLICY</b>
<b>CONCURRED BY:</b>	<b>RECOMMENDED BY:</b>
<b>KYLE MURRAY, CPA, CA DIRECTOR, FINANCIAL PLANNING &amp; BUSINESS SUPPORT</b>	<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

Cc: Alan Dunbar – Manager, Financial Planning & Policy  
 Jason Davies – Manager, Financial Planning & Policy  
 John Millson – Senior Financial Business Administrator  
 Bryan Baar – Senior Financial Business Administrator  
 Ian Collins – Director, Financial Services

## APPENDIX A – 2019 MID-YEAR FINANCIAL SUMMARY

	\$ Thousands				
	REVISED NET BUDGET (2)	ACTUALS FOR SIX MONTHS ENDED JUNE 30	ACTUAL % SPENT	PROJECTED YEAR-END POSITION	PROJECTED YEAR-END SURPLUS/ (DEFICIT)
<b>Culture Services:</b>					
Centennial Hall <sup>(6)</sup>	191	5	2.6%	191	-
Arts, Culture & Heritage Advisory & Funding	2,373	1,644	69.3%	2,393	(20)
Museum London	1,740	1,202	69.1%	1,740	-
Eldon House	290	145	50.0%	290	-
Heritage	204	97	47.5%	206	(2)
Library Services	20,551	10,290	50.1%	20,551	-
<b>Total Culture Services</b>	<b>25,349</b>	<b>13,383</b>	<b>52.8%</b>	<b>25,371</b>	<b>(22)</b>
<b>Economic Prosperity:</b>					
Economic Development	8,829	3,947	44.7%	8,724	105
Community Improvement/BIA	240	102	42.5%	240	-
RBC Place London	639	319	49.9%	639	-
Tourism London	2,062	512	24.8%	2,062	-
Covent Garden Market	-	-	-	-	-
<b>Total Economic Prosperity</b>	<b>11,770</b>	<b>4,880</b>	<b>41.5%</b>	<b>11,665</b>	<b>105</b>
<b>Environmental Services:</b>					
Kettle Creek Conservation Authority <sup>(3)</sup>	551	540	98.0%	540	11
Lower Thames Valley Conservation Authority <sup>(3)</sup>	168	167	99.4%	166	2
Upper Thames River Conservation Authority	3,720	1,801	48.4%	3,692	28
Environmental Action Programs & Reporting	796	323	40.6%	790	6
Garbage Recycling & Composting	17,651	8,148	46.2%	17,994	(343)
<b>Total Environmental Services</b>	<b>22,886</b>	<b>10,979</b>	<b>48.0%</b>	<b>23,182</b>	<b>(296)</b>
<b>Parks, Recreation &amp; Neighbourhood Services:</b>					
Neighbourhood & Recreation Services <sup>(4)</sup>	23,343	32,903	141.0%	23,119	224
Parks & Urban Forestry	13,543	5,649	41.7%	13,543	-
<b>Total Parks, Recreation &amp; Neighbourhood Services</b>	<b>36,886</b>	<b>38,552</b>	<b>104.5%</b>	<b>36,662</b>	<b>224</b>
<b>Planning &amp; Development Services:</b>					
Building Approvals <sup>(5)</sup>	(499)	(1,346)	269.7%	(892)	393
Planning Services	4,237	1,618	38.2%	3,639	598
Development Services	5,069	2,524	49.8%	4,843	226
<b>Total Planning &amp; Development Services</b>	<b>8,807</b>	<b>2,796</b>	<b>31.7%</b>	<b>7,590</b>	<b>1,217</b>
<b>Protective Services:</b>					
Animal Services <sup>(6)</sup>	1,816	279	15.4%	1,825	(9)
By-Law Enforcement & Property Standards <sup>(6)</sup>	1,743	6	0.3%	1,468	275
Corporate Security & Emergency Management	2,600	1,137	43.7%	2,551	49
Fire Services	62,183	28,860	46.4%	62,183	-
Police Services	109,888	54,548	49.6%	109,888	-
<b>Total Protective Services</b>	<b>178,230</b>	<b>84,830</b>	<b>47.6%</b>	<b>177,915</b>	<b>315</b>
<b>Social &amp; Health Services:</b>					
Housing Services	11,554	7,619	65.9%	11,392	162
Housing Development Corporation	2,292	572	25.0%	2,292	-
London & Middlesex Community Housing	10,440	6,419	61.5%	10,948	(508)
Long Term Care <sup>(4)</sup>	5,130	7,210	140.5%	4,539	591
Land Ambulance	16,444	5,032	30.6%	16,444	-
Middlesex London Health Unit	6,095	3,177	52.1%	6,095	-
Social & Community Support Services <sup>(4)</sup>	16,072	23,781	148.0%	15,729	343
<b>Total Social &amp; Health Services</b>	<b>68,027</b>	<b>53,810</b>	<b>79.1%</b>	<b>67,439</b>	<b>588</b>
<b>Transportation Services:</b>					
Parking	(3,592)	(1,430)	39.8%	(3,592)	-
London Transit Commission	32,831	16,157	49.2%	32,307	524
Roadways	43,645	20,675	47.4%	43,849	(204)
Rapid Transit	-	648	0.0%	-	-
<b>Total Transportation Services</b>	<b>72,884</b>	<b>36,050</b>	<b>49.5%</b>	<b>72,564</b>	<b>320</b>
<b>Corporate, Operational &amp; Council Services:</b>					
Corporate Services	57,768	24,702	42.8%	54,970	2,798
Corporate Planning & Administration	2,176	707	32.5%	1,819	357
Council Services	3,879	1,800	46.4%	3,818	61
Public Support Services <sup>(6)</sup>	2,253	285	12.6%	1,491	762
<b>Total Corporate, Operational &amp; Council Services</b>	<b>66,076</b>	<b>27,494</b>	<b>41.6%</b>	<b>62,098</b>	<b>3,978</b>
<b>Financial Management:</b>					
Corporate Financing	115,621	77,250	66.8%	117,545	(1,924)
<b>Total Financial Management</b>	<b>115,621</b>	<b>77,250</b>	<b>66.8%</b>	<b>117,545</b>	<b>(1,924)</b>
<b>Total Property Tax Requirements</b>	<b>606,536</b>	<b>350,024</b>	<b>57.7%</b>	<b>602,031</b>	<b>4,505</b>
<b>Water</b>					
Expenditures	79,896	47,015	58.8%	78,933	963
Revenues	79,896	34,190	42.8%	81,526	1,630
<b>Total Water</b>	<b>-</b>	<b>(12,825)</b>	<b>N/A</b>	<b>2,593</b>	<b>2,593</b>
<b>Wastewater &amp; Treatment</b>					
Expenditures	98,182	57,525	58.6%	95,104	3,078
Revenues	98,182	42,587	43.4%	97,900	(282)
<b>Total Wastewater &amp; Treatment</b>	<b>-</b>	<b>(14,938)</b>	<b>N/A</b>	<b>2,796</b>	<b>2,796</b>

1) All figures are subject to rounding.

2) Includes housekeeping budget transfers. As authorized by the Council Approved Multi-Year Budget Policy, Civic Administration can approve transfers between accounts that are considered 'housekeeping' in nature. These adjustments primarily include items that are budgeted centrally, and during the year are distributed to various services.

3) Kettle Creek Conservation Authority and Lower Thames Valley Conservation Authority have already received their 2019 appropriation.

4) Neighbourhood & Recreation Services, Long Term Care and Social & Community Support Services actual expenditures appear high as the Provincial Subsidies are not recognized until later in the year.

5) Building Approvals revenue appears high due to a timing issue; not all expenditures have been realized.

6) Centennial Hall, Animal Services, Bylaw Enforcement & Property Standards and Public Support Services expenses appear low due to a timing issue; not all expenditures have been realized.

**APPENDIX B – 2019 MID-YEAR EXPLANATION BY SERVICE PROGRAM**

SERVICE PROGRAM	\$ Millions
<b>CULTURE SERVICES</b>	0.0
<ul style="list-style-type: none"> <li>• Centennial Hall balanced budget with no major factors to report.</li> <li>• Arts, Culture and Heritage Advisory &amp; Funding deficit of \$20k due to 2019 Juno Awards contribution and personnel costs.</li> <li>• Museum London balanced budget with no major factors to report.</li> <li>• Eldon House balanced budget with no major factors to report.</li> <li>• Heritage deficit of \$2k with no major factors to report.</li> <li>• London Public Library balanced budget with no major factors to report.</li> </ul>	
<b>ECONOMIC PROSPERITY</b>	0.1
<ul style="list-style-type: none"> <li>• Economic Development surplus of \$105k a result of personnel savings.</li> <li>• Community Improvement/Business Improvement Area balanced budget with no major factors to report.</li> <li>• RBC Place London balanced budget with no major factors to report.</li> <li>• Tourism London is projecting a balanced budget at year-end after contributing \$195k to the Tourism Trust in accordance with Board approval. The savings anticipated to be contributed to the Trust are the result of personnel savings partially offset by a deficit in consulting fees and other operational costs.</li> <li>• Covent Garden Market is projecting a balanced budget at year-end after contributing \$63k to their reserve as a result of an increase in user fee revenues partially offset by net operational costs.</li> </ul>	
<b>ENVIRONMENTAL SERVICES</b>	(0.3)
<ul style="list-style-type: none"> <li>• Kettle Creek Conservation Authority (KCCA) surplus of \$11k with no major factors to report.</li> <li>• Lower Thames Valley Conservation Authority (LTVCA) surplus of \$2k with no major factors to report.</li> <li>• Upper Thames River Conservation Authority (UTRCA) surplus of \$28k due to a decrease in London's share of UTRCA's total expenses.</li> <li>• Environmental Action Programs and Reporting surplus of \$6k a result of a grant for Green Economy London partially offset by a deficit in personnel costs.</li> <li>• Garbage, Recycling &amp; Composting deficit of \$343k a result of the following: <ul style="list-style-type: none"> <li>○ \$1.2m deficit a result of a decrease in recycling revenues and revenues from extended producer responsibility due to lower recycling volumes, deficits in waste diversion services and Resource Productivity &amp; Authority allocated funding, partially offset by savings in recycling payments.</li> <li>○ \$195k deficit due to personnel and operational costs.</li> <li>○ \$1.0m surplus a result of higher than anticipated Garbage Disposal revenue due to increased quantities of waste at W12A Landfill, surplus in enviro depot revenue, garbage tag revenue and miscellaneous revenue.</li> </ul> </li> </ul>	
<b>PARKS, RECREATION, &amp; NEIGHBOURHOOD SERVICES</b>	0.2
<ul style="list-style-type: none"> <li>• Neighbourhood &amp; Recreation Services surplus of \$224k a result of net personnel savings and other net operational savings, partially offset by a deficit in Child Care services.</li> <li>• Parks and Urban Forestry balanced budget after higher than anticipated costs related to contracted services and other operational costs offset by personnel savings.</li> </ul>	
<b>PLANNING &amp; DEVELOPMENT SERVICES</b>	1.2
<ul style="list-style-type: none"> <li>• Building Approvals surplus of \$393k a result of personnel savings, increases in building permit fees and other user fee revenues, offset by operational costs.</li> <li>• Planning Services surplus of \$598k a result of personnel savings partially offset by other net operational costs.</li> <li>• Development Services surplus of \$226k a result of personnel savings, surplus in site plan fees and other various user fee based revenues partially offset by other operational costs.</li> </ul>	
<b>PROTECTIVE SERVICES</b>	0.3
<ul style="list-style-type: none"> <li>• Animal Services deficit of \$9k a result of higher than anticipated purchased services for parks patrol and care attendant services partially offset by various operational savings and a surplus in veterinarian service revenues.</li> </ul>	



<b>SERVICE PROGRAM</b>	<b>\$ Millions</b>
<ul style="list-style-type: none"> <li>• By-Law Enforcement &amp; Property Standards surplus of \$275k a result of personnel savings, higher than anticipated net user fee based revenues including business licenses and taxi-limousine licenses, and other operational savings.</li> <li>• Corporate Security &amp; Emergency Management surplus of \$49k a result of various operational savings partially offset by personnel costs.</li> <li>• Fire Services balanced budget a result of increased revenues due to higher accident fees and an increase in fire inspection fees offset by personnel and operational costs.</li> <li>• The London Police Service (LPS) is projecting a balanced budget after contributing \$778k to reserves. The savings to be contributed to their reserves are primarily the result of personnel savings partially offset by a deficit in Provincial grant revenue due to new Provincial grant structure and various operational costs.</li> </ul>	
<b>SOCIAL &amp; HEALTH SERVICES</b>	0.6
<ul style="list-style-type: none"> <li>• Housing Services surplus of \$162k a result of higher than budgeted County revenue share resulting from changes in weighted assessment and increased housing investments (LMCH).</li> <li>• Housing Development Corporation is projecting a balanced budget with no major factors to report.</li> <li>• London &amp; Middlesex Community Housing deficit of \$508k is a result of higher than anticipated building maintenance costs and other operational costs.</li> <li>• Long Term Care surplus of \$591k a result of net savings in utilities, increased resident room fee revenue and various other revenues, savings in purchased services and other operational savings, surplus in government funding related to level of care funding increases, partially offset by personnel costs, other operational costs and a deficit in resident recreation and entertainment.</li> <li>• Land Ambulance balanced budget with no major factors to report.</li> <li>• Middlesex-London Health Unit balanced budget a result of personnel savings and surplus in spending for relocation offset by budgeted expenditure savings/gapping.</li> <li>• Social and Community Support Services surplus of \$343k a result of the following: <ul style="list-style-type: none"> <li>○ \$1.2m surplus a result of net personnel savings, lower than anticipated operating costs due to the delay in opening the new Youth Emergency Shelter and a surplus in the Housing Supplement program.</li> <li>○ \$0.6m deficit in Ontario Works Employment Related Expenses due to an increased demand in achieving employment targets.</li> <li>○ \$0.3m net deficit in Subsidized Transit resulting from deficits in the free transit for children 5-12 and the reduced rate transit pass for youth ages 13 to 17 programs, partially offset by surpluses in the subsidized transit for seniors program and the income-related subsidized transit program for adults 18 and over.</li> </ul> </li> </ul>	
<b>TRANSPORTATION SERVICES</b>	0.3
<ul style="list-style-type: none"> <li>• Parking Services balanced budget after net surplus in HONK parking application revenue and other net operational cost savings, offset by decreased on-street parking revenue due to road construction, and higher than anticipated personnel costs.</li> <li>• London Transit Commission surplus of \$524k due to the approval of annualized assessment growth funding received part-way through 2019.</li> <li>• Roadway Services deficit of \$204k a result of the following: <ul style="list-style-type: none"> <li>○ Roadway Maintenance balanced budget with no major factors to report.</li> <li>○ \$299k surplus in Roadway Planning &amp; Design due to personnel savings, partially offset by operational costs.</li> <li>○ \$1.1m deficit in Winter Maintenance operating supplies based on current inventory levels including salt, sand, and winter liquids necessary to maintain roads as per required Provincial Standards, partially offset by higher than budgeted winter maintenance user fee revenues, net personnel savings and other operational savings.</li> <li>○ \$597k surplus in Street Lighting &amp; Traffic Signals due to personnel savings, operational savings and higher revenues for</li> </ul> </li> </ul>	

<b>SERVICE PROGRAM</b>	<b>\$ Millions</b>
<p>Red Light Camera infractions, lower than anticipated electricity costs and other operational savings, partially offset by transfer of streetlight maintenance surplus and red light camera program surplus to the respective reserve and reserve fund.</p> <ul style="list-style-type: none"> <li>• Rapid Transit budget is balanced within the operating budget. Expenditures initially incurred in the operating budget are offset through recoveries from associated capital projects.</li> </ul>	
<b>CORPORATE, OPERATIONAL, &amp; COUNCIL SERVICES</b>	4.0
<ul style="list-style-type: none"> <li>• Corporate Services surplus of \$2.8m a result of personnel savings, favourable hydro costs, savings in fuel, natural gas, water consumption and other net operational cost savings.</li> <li>• Corporate Planning and Administration Services surplus of \$357k a result of personnel savings, higher than anticipated savings in service reviews and other operational cost savings.</li> <li>• Council Services surplus of \$61k a result of personnel savings and other operational cost savings.</li> <li>• Public Support Services surplus of \$762k a result of higher than anticipated tax department revenue, personnel savings and operational cost savings.</li> </ul>	
<b>FINANCIAL MANAGEMENT</b>	(1.9)
<ul style="list-style-type: none"> <li>• Corporate Financing deficit of \$1.9m a result of: <ul style="list-style-type: none"> <li>○ \$3.9 million net deficit due to the contribution to the Unfunded Liability Reserve Fund partially offset by personnel &amp; contingency savings in Financial Management.</li> <li>○ \$2.8m deficit due to \$2.0m drawdown from the Operating Budget Contingency Reserve and \$0.8m Cap &amp; Trade drawdown that are potentially not required.</li> <li>○ \$2.6m surplus in investment revenue due to market conditions.</li> <li>○ \$1.6m surplus due to increased revenue from penalty and interest on taxes and additional revenue from grants in lieu of taxes.</li> <li>○ \$0.6m surplus from other financing revenues and other operational savings.</li> </ul> </li> </ul>	
<b>TOTAL PROJECTED YEAR-END POSITION</b>	<b>\$ 4.5</b>

*All figures are subject to rounding.*

## APPENDIX C – STRATEGIC INVESTMENT STATUS UPDATE

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2019 (\$000's)
<b>Building A Sustainable City</b>				
1	Library's Ten Year Capital Plan	Susanna Hubbard Krimmer	1,900	1,900
	<p>Contract with Ameresco was completed in December 2018. As a result, the following capital projects are now complete:</p> <ul style="list-style-type: none"> <li>o Jalna rooftop HVAC replacement;</li> <li>o Beacock boiler and HVAC replacement;</li> <li>o Central replacement of fire system and back flow prevention system;</li> <li>o Byron rooftop HVAC replacement; and</li> <li>o Masonville boiler replacement.</li> </ul> <p><i>Project Status: Completed</i> <i>Project Start Date: March 2016</i></p>			
2	Road Map 2.0 – Road to Increased Resource Recovery and Zero Waste	Kelly Scherr	400	300
	<ul style="list-style-type: none"> <li>• The strategic investment funding has been added to the operating budget for 2018 &amp; 2019. Prior to this the existing base budget money was utilized to complete the identified initiatives. Some of the initiatives that are nearly complete or completed/implemented are as follows: <ul style="list-style-type: none"> <li>1) Effective January 2018 Council approved an additional green week collection for Christmas trees and other yard waste collection and opening the EnviroDepots an additional three days to provide access to drop off Christmas trees and other items accumulated during longer collection cycles over the holidays.</li> <li>2) Blue Boxes are now being sold at the EnviroDepots;</li> <li>3) Reduced container limits for garbage are now being enforced and garbage tags are being sold for bags above the limit set out for collection;</li> <li>4) Community composting projects have been initiated at six multi-residential locations;</li> <li>5) Staff members are actively engaged in several local and provincial working groups exploring the benefits of food waste awareness and participating in pilot projects developed with Western University and PhD students.</li> </ul> </li> </ul> <p>The remaining \$100,000 is planned to be used to assist with and initiate the 60% Waste Diversion Action Plan and/or to assist with recycling revenue shortfalls.</p> <p><i>Project Status: On Track</i> <i>Project Start Date: 2018</i></p>			
3	Urban Forest Strategy	John Fleming	3,455	2,117
	<ul style="list-style-type: none"> <li>• On Track with meeting target of "Maintain Better" as part of the Urban Forest Strategy. \$285,000 will be used in the later part of 2019 for Fertilization and other specific work.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: Spring 2016</i></p>			
4	Thames Valley Corridor Plan	John Fleming	1,200	1,200
	<p>Detailed design and land negotiations are finalized. Project has been awarded and construction commenced in 2019 with completion forecasted for 2020. <i>Project Status: Delayed</i></p> <p><i>Project Start Date: Design in 2017</i></p>			
5	Road Safety Strategy	Kelly Scherr	500	317
	<ul style="list-style-type: none"> <li>• Implementation of Road Safety Strategy Initiatives including pedestrian crossovers, road safety audits, rail crossing assessments and capital improvements is underway. Federal funding via the Public Transit Infrastructure Fund has enabled leveraging and acceleration of scope. The cost sharing portion of the project is not reflected in the numbers being reported.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: March 2016</i></p>			
6	Rapid Transit Implementation Strategy	Kelly Scherr/ Jennie Ramsay	0	0
	<ul style="list-style-type: none"> <li>• Wellington Gateway, East London Link &amp; Downtown Loop corridors were approved by Council on March 26, 2019 for submission to the Provincial &amp; Federal Government under the Investing in Canada Infrastructure Plan - Public Transit Stream (ICIP).</li> <li>• Provincial funding allocation under ICIP for Wellington Gateway, East London Link and Downtown loop was confirmed on June 25, 2019.</li> <li>• Federal funding allocation under ICIP for Wellington Gateway, East London Link &amp; Downtown Loop was confirmed on August 23, 2019.</li> <li>• The next steps for the North &amp; the West corridors are pending Council direction.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: July 2014</i></p>			

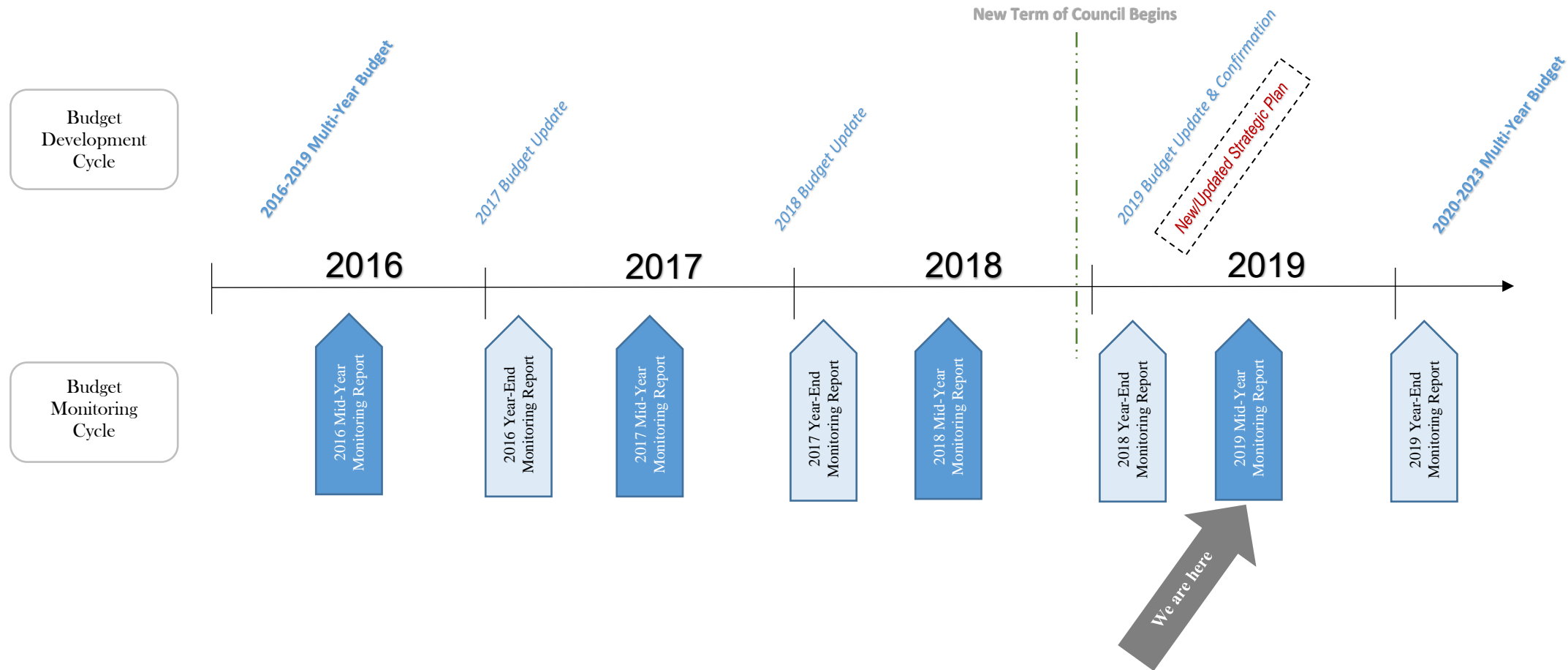
Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2019 (\$000's)
7	State of Infrastructure Report	Anna Lisa Barbon	6,750	5,250
	<ul style="list-style-type: none"> <li>Identified capital funds began in 2017. The 2019 Asset Management Plan indicates targeted infrastructure investments have resulted in progress in managing the Transportation Infrastructure Gap.</li> <li>Funds have been allocated to projects in Parks and Recreation, Fire and Corporate Services through 2019.</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>			
Council Added Initiative	Green Bin	Kelly Scherr	135	135
	<ul style="list-style-type: none"> <li>A staff position (18 month contract) was filled in July 2016 through January 2018 and provided additional resources to examine programs (e.g., Green Bin, advanced processing and energy recovery systems) to reduce the organic content (e.g., food scraps) of garbage and assist with the Council directed development of the Resource Recovery Strategy.</li> </ul> <i>Project Status: Completed</i> <i>Project Start Date: July 2016</i>			
<b>Leading in Public Service</b>				
8	Garbage Collection – On-board Weighing and Tracking Technologies	Kelly Scherr	150	0
	The strategic investment funding has been added to the capital and operating budget in 2019. Work with this budget is scheduled to begin in Q3 and Q4 2019. <i>Project Status: On Track</i> <i>Project Start Date: 2019</i>			
9	Technology – Amanda	George Kotsifas	1,000	895
	Mobile Application Solution was successfully completed. Digital tracking project request for proposal process is complete and staff is working with the vendor to capture existing procedures. Bluebeam digital application mark-up to be implemented in Q3 2019. Also, staff are currently updating the Building folder. <i>Project Status: On Track</i> <i>Project Start Date: April 2016</i>			
10	Establish Public Engagement as an Area of Focus	John Fleming	100	45
	Enhanced signage, tenant notifications and mail-outs have been completed. Project is in the implementation stage and nearing full completion. <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>			
11	Service London Implementation Plan	Lynne Livingstone	3,947	2,687
	<ul style="list-style-type: none"> <li>2016 and 2017 operating spending was below budget due to project timing and reflects the pace of roll-out of capital projects; operating expenses started to ramp up in 2018 as capital projects are operationalized and full staffing complement is achieved.</li> <li>The capital investment to date has focused on the following projects: <ul style="list-style-type: none"> <li>CRM Phase 2 was completed at the end of May 2016 and was under budget due to the use of surplus funds from Phase 1, while CRM Phase 3 was completed at the end of 2017.</li> <li>The Self Service Portal was completed in April, 2017.</li> <li>Capital expenditures related to the Business Hub renovations were completed at the end of Q4 2017.</li> <li>CRM implementation (Phase 4) was completed in Q4 2018.</li> <li>The Service London Business Website was launched in Q1 2019 and CRM (Phase 5) is on track for Q4 2019.</li> </ul> </li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: March 2016</i>			
12	Computerized Maintenance Management System	Kelly Scherr/ Anna Lisa Barbon	2,100	1,099
	Implementation of Phase 1 is nearing completion and expected to go live in 2019. Phases 2 & 3 are being brought forward in the 2020-2023 Multi-Year Budget for Council approval. <i>Project Status: On Track</i> <i>Project Start Date: July 2016</i>			

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2019 (\$000's)
<b>Strengthening Our Community</b>				
13	London Strengthening Neighbourhoods Strategy (LSNS) 2015-2020	Lynne Livingstone	780	530
	<p>All of the 2016 funds (\$30k) and 2017 funds (\$250k) available for this project have been spent on neighbourhood projects and all 2018 funds (\$250k) have been committed, noting that some 2018 projects are currently in the process of being completed. All 2019 funding is planned on being committed by year-end.</p> <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>			
14	Ontario Works Service Plan – Low Income Supports Enhancement	Sandra Datars Bere	2,080	1,762
	<ul style="list-style-type: none"> <li>• Council approved 3 additional City staff as well as a contract amendment with Goodwill, the lead community partner for this initiative. All approved staff and contracts were in place in 2016.</li> <li>• Council received information reports on March 28, 2017 and on November 13, 2018 related to Bridges Out of Poverty and Circle Baseline Evaluation including success and impacts of this initiative.</li> <li>• This initiative is currently being reviewed. An RFP will be issued in fall of 2019. A business case will be brought forward for Council's consideration in the 2020-2023 Multi-Year Budget.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>			
15	Mental Health and Addictions Strategy	Sandra Datars Bere	200	116
	<ul style="list-style-type: none"> <li>• In 2017 an RFP was issued for an external consultant to assist with the creation of the strategy. On December 5, 2017 a report was provided to Council on the Community Mental Health and Addiction Strategy - Moving Forward Together.</li> <li>• Council also approved the remaining budgetary funds of \$112k to fund the implementation activities of the Community Mental Health and Addictions Strategy through the Ivey Research Centre for Health Innovation.</li> <li>• All remaining funds are expected to be used by the end of 2019.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>			
16	1. London Homeless Prevention and Housing Plan 2010-2024 2. London Homeless Prevention System Implementation Plan	Sandra Datars Bere	3,800	2,522
	<ul style="list-style-type: none"> <li>• A total of \$176,640 of the \$200,000 approved budget for Housing Supplements was utilized in 2016 as the program was rolled out. The full budget of \$400,000 was spent in 2017. \$189,650 of the \$500,000 budget was spent in 2018 and \$147,493 has been spent in the first half of 2019.</li> <li>• The new timeline for the opening of the Housing First youth emergency shelter is Q3 2019. The reason for this delay is due to the length of time it has taken to acquire land. There are no significant implications as youth will continue to be served at The Salvation Army Centre of Hope. The operating portion of \$1,000,000 is budgeted for \$500,000 in each of 2018 &amp; 2019 with \$277,500 spent in 2018 on start-up related costs and \$131,160 spent in the first half of 2019.</li> </ul> <p><i>Project Status: Delayed</i> <i>Project Start Date: April 2016</i></p>			
17	Winter Maintenance Strategy	Scott Stafford	574	500
	<ul style="list-style-type: none"> <li>• This new program to provide winter maintenance on approximately 50% of paths in parks and the Thames Valley Parkway has been successful to date. While the first half of 2019 experienced a heavier snowfall than a typical winter season, it is anticipated the budget will be sufficient to meet the expected service levels during a "normal" winter.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: 2016</i></p>			
Council Added Initiative	Enhance By-law Enforcement	George Kotsifas/Orest Katolyk	1,095	832
	<ul style="list-style-type: none"> <li>• The Informed Response Project, proactive partnership enforcement, project start date was April 2019.</li> <li>• Revenues to pay for the Enhanced enforcement were to be cost shared by additional revenue from licensing private hires, vacant building by-law fees and administrative</li> </ul>			

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2019 (\$000's)
	monetary penalties. Currently the City is only collecting revenues from licensing private hires. <ul style="list-style-type: none"> <li>• Vacant building by-law fees were eliminated due to a policy direction change by Council.</li> <li>• Administrative monetary penalties (AMPs) will be implemented in November 2019 for parking.</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: June 2016</i>			
<b>Growing Our Economy</b>				
18	London Community Foundation's "Back to the River Project"	John Fleming	700	700
	The One River Environmental Assessment has been completed and endorsed by City Council. Implementation will be subject to Council approval through the 2020-2023 Multi-Year Budget process. <i>Project Status: Completed</i> <i>Project Start Date: 2018</i>			
20	London's Downtown Plan – Small Scale Projects	John Fleming	100	0
	The first small scale project under this initiative is budgeted to begin in 2019. \$50,000 has been allocated for a newly created Façade Uplighting Grant, which will offer up to a \$5,000 grant per business to up-light heritage façade features. A report was provided to the Planning & Environment Committee on July 22, 2019 regarding this grant program. There are also potential opportunities being considered to paint pedestrian crosswalks in Downtown, and provide shade umbrellas at Rotary Square at Covent Garden Market. <i>Project Status: On Track</i> <i>Project Start Date: 2019</i>			
21	Regenerating Public Housing Plan	Sandra Datars Bere	750	72
	Approved funding started in 2018 to develop a detailed strategic plan for regeneration/re-development of LMCH properties, inclusive of funding, partnership, tenant impact and engagement strategies. This project is a partnership between the City, HDC, and LMCH. LMCH will provide Council a final Regeneration Strategy by the end of 2019 which will inform some of the direction on this initiative. The portion of the budget spent represents the allocated costs from HDC for internal work carried out in the context of this plan. It is expected this the full budget will be expended by 2021. <i>Project Status: Delayed</i> <i>Project Start Date: 2018</i>			
22	Dundas Place	Kelly Scherr/ John Fleming	15,614	6,076
	<ul style="list-style-type: none"> <li>• Dundas Place Phase 1 construction is completed with second phase well underway.</li> <li>• Federal funding via the Public Transit Infrastructure Fund has enabled leveraging and acceleration of scope; noting that the above investment does not include the impact of federal funding.</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: February 2015</i>			
23	City of London Internship Program	Bill Coxhead	360	212
	<ul style="list-style-type: none"> <li>• Currently there are two foreign trained professionals employed for 12 month terms under the expanded internship program. The longer term placements provide candidates an opportunity to obtain accreditation in their chosen profession.</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>			
Council Added Initiative	Brownfield Incentives	John Fleming	80	40
	Funding is used on as needed basis as applicants come forward. <i>Project Status: On Track</i> <i>Project Start Date: 2016</i>			

## APPENDIX D – MULTI-YEAR BUDGET CYCLE

The timeline below illustrates when Council will receive the various reports that form the 2016-2019 Multi-Year Budget governance and accountability process.



<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 24, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>2019 MID-YEAR CAPITAL MONITORING REPORT</b>

**RECOMMENDATION**

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the 2019 Mid-Year Capital Monitoring Report **BE RECEIVED** for information, it being noted that the life-to-date capital budget represents \$2.1 billion with \$1.4 billion committed and \$0.6 billion uncommitted.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

Strategic Priorities and Policy Committee, August 26, 2019 meeting, Agenda Item #4.3, 2019 Corporate Asset Management Plan  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=66549>

Corporate Services Committee, July 23, 2019 meeting, Agenda Item # 2.1, 2019 Development Charges Capital Budget Adjustments  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=65855>

Strategic Priorities and Policy Committee, May 6, 2019 meeting, Agenda Item #2.3, Approval of the 2019 Development Charges By-law and Background Study  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=62406>

Corporate Services Committee, April 16, 2019 meeting, Agenda Item # 2.1, 2018 Year-End Capital Monitoring Report  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=61237>

Corporate Services Committee, June 19, 2018 meeting, Agenda Item # 2.6, Capital Budget Realignment – Bus Rapid Transit  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=46354>

Corporate Services Committee, July 17, 2018 meeting, Agenda Item # 2.4, Reserve and Reserve Fund Policy Report  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=47669>

Strategic Priorities and Policy Committee, May 15, 2017 meeting, Agenda # 3, Council Policy Manual Review (Capital Budget and Financing Policy)  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=31570>

**LINK TO 2019-2023 STRATEGIC PLAN**

Council's 2019-2023 Strategic Plan for the City of London identifies "Leading in Public Service" as one of five strategic areas of focus. The Capital Monitoring Report supports this strategic area of focus via the strategic priority "The City of London is a leader in public service as an employer, a steward of public funds, and an innovator of service" which includes maintaining London's finances in a transparent and well-planned manner to balance equity and affordability over the long term.

**BACKGROUND**

Strong financial management of the capital budget is essential to ensure the budget monitoring processes that are in place demonstrate Civic Administration is providing Council and the community with appropriate information that can be used to promote accountability and transparency, enhance operational effectiveness and promote citizen confidence. To achieve this



objective, this report will address the life-to-date capital budget, key financing strategies and emerging issues that may impact the 2019-2028 capital plan.

This report traditionally provides information regarding capital projects recommended to be closed as well as the status of capital projects with budgets greater than three years old that have no future budget requests. Providing this information requires significant administrative effort which at the current time would detract from the efforts currently underway to develop the 2020-2023 Multi-Year Budget (MYB). This information will be provided again in the 2019 Year-End Capital Monitoring Report in the spring of 2020.

Within this report the terms “rate supported” and “non-rate supported” are used when referring to the sources of financing that support the City’s capital budget. Rate supported refers to property tax and water and wastewater rate sources of financing (e.g. capital levy, water rates, reserve funds, debt, etc.). Non-rate supported refers to sources of financing primarily supported by development charges, senior government funding and in some cases contributions from parties external to the Corporation of the City of London.

**2019 LIFE-TO-DATE CAPITAL BUDGET ACTIVITY AND REVISIONS**

After Council approves the capital budget, as the year progresses, reports are presented to Council to approve major awards to proceed with capital projects. Each report includes a Source of Financing (SofF). Most awards are within the approved capital budget, but some awards require revisions or adjustments to the capital budget, as detailed in the SofF.

Other capital awards can proceed with Administrative approval according to the Procurement of Goods and Services Policy. Details on these approvals are provided in an annual report from the Purchasing and Supply Division. Budget adjustments may also result from the application of assessment growth funding, receipt of senior government funding and other revenue sources such as insurance and private drain connections.

Table 1 summarizes 2019 life-to-date budget adjustments by Tax Supported, Wastewater & Treatment and Water budgets; it being noted that the Council approved budget adjustments are higher than usual due to the recently approved 2019 Development Charges Background Study and By-law. Appendix “A” provides details on the source of these adjustments.

**Table 1 – 2019 Capital Budget Life-To-Date Revisions as of June 30, 2019 (\$000’s)**

Category	2019 Life-to-Date Approved Budget (as of Jan 1, 2019)	2019 Budget Adjustments		2019 Life-to-Date Approved Budget (as of June 30, 2019)
		Council	Administrative	
Tax Supported	\$1,158,079	\$20,796	\$2,632	\$1,181,507
Wastewater	597,827	37,156	260	635,243
Water	244,588	692	0	245,280
<b>Total</b>	<b>\$2,000,494</b>	<b>\$58,644</b>	<b>\$2,892</b>	<b>\$2,062,030</b>

\* Amounts subject to rounding.

As of June 30, 2019 there have been 91 discrete contract awards worth \$128 million (50 were awarded by Council and 41 were awarded administratively). Table 2 summarizes year-to-date contract awards by Tax Supported, Wastewater & Treatment and Water. Appendix “A” provides details on all Council awards.

**Table 2 - Contract Awards 2019 Life-To-Date as of June 30, 2019 (\$000’s)**

Category	Council Approved Contract Awards		Administration Approved Contract Awards		Total Awards	
	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number
Tax Supported	\$32,728		\$23,787		\$56,514	
Wastewater	\$39,814		\$8,730		\$48,545	
Water	\$19,053		\$3,877		\$22,930	
<b>Total</b>	<b>\$91,595</b>	<b>50</b>	<b>\$36,394</b>	<b>41</b>	<b>\$127,989</b>	<b>91</b>

\* Amounts subject to rounding.

## 2019 LIFE-TO-DATE CAPITAL BUDGET STATUS

A summary of the 2019 life-to-date capital budget, including the amount that is committed spending and the amount that is uncommitted is summarized in Table 3. This information is essential for budget monitoring to ensure that spending is being managed within the approved budget.

**Table 3 - 2019 Approved Life-To-Date Capital Budget & Activity (\$000's)**

Category	2019 Life-To-Date (as of June 30, 2019)			Percent Committed
	Approved Budget <sup>1</sup>	Actuals & Commitments (Purchase Orders) <sup>2</sup>	Uncommitted To-Date <sup>2</sup>	
<b>TAX SUPPORTED</b>				
Lifecycle Renewal	430,183	331,888	98,295	77.2%
Growth	487,940	268,187	219,753	55.0%
Service Improvement	263,384	209,909	53,475	79.7%
<b>TOTAL TAX SUPPORTED</b>	<b>1,181,507</b>	<b>809,984</b>	<b>371,523</b>	<b>68.6%</b>
<b>WASTEWATER</b>				
Lifecycle Renewal	185,005	166,190	18,815	89.8%
Growth	304,048	152,489	151,559	50.2%
Service Improvement	146,190	109,423	36,767	74.8%
<b>TOTAL WASTEWATER</b>	<b>635,243</b>	<b>428,102</b>	<b>207,141</b>	<b>67.4%</b>
<b>WATER</b>				
Lifecycle Renewal	163,507	133,509	29,998	81.7%
Growth	72,869	64,521	8,348	88.5%
Service Improvement	8,904	5,098	3,806	57.3%
<b>TOTAL WATER</b>	<b>245,280</b>	<b>203,128</b>	<b>42,152</b>	<b>82.8%</b>
<b>GRAND TOTAL</b>	<b>2,062,030</b>	<b>1,441,214</b>	<b>620,816</b>	
<b>% of Total</b>		<b>69.9%</b>	<b>30.1%</b>	

\* Amounts reported are subject to rounding, year-end audit and associated adjustments.

(1) Totals are for active projects only. Projects approved to be closed during the course of the year are excluded from this table.

(2) Once a capital project has an approved budget, spending or commitments may not be made for several years, for example, longer term projects like multi-purpose recreation centres.

## CAPITAL BUDGET HOUSEKEEPING ADJUSTMENTS

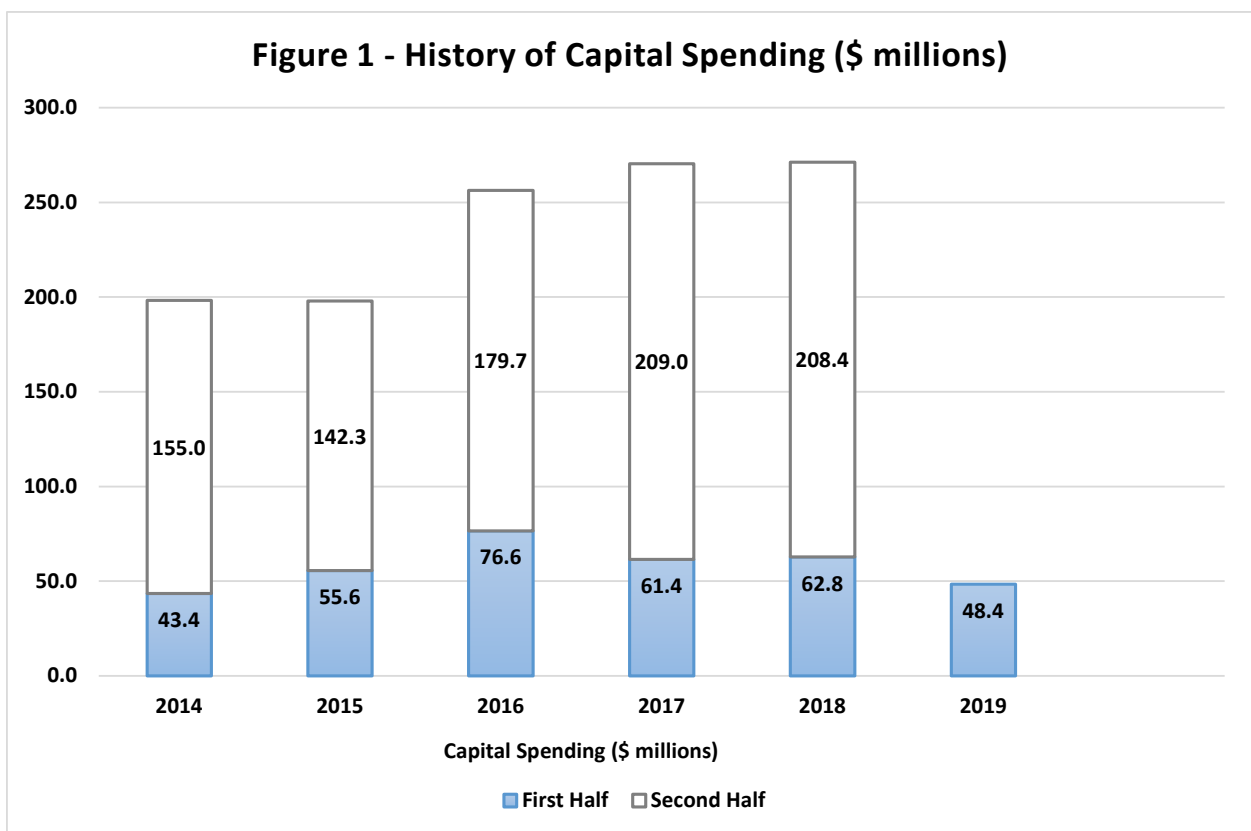
On May 12, 2015, Council approved a Multi-Year Budget Policy. Included in the policy is authorization for the City Treasurer or designate to make adjustments considered "housekeeping" in nature. These adjustments do not have a material impact on the capital plan. Reporting housekeeping budget adjustments of significance through the budget monitoring process, which occurs twice per year, allows more timely disclosure of capital budget adjustments to Council and the community, better reflects operational requirements and keeps the capital budget in a more current state. There are no significant housekeeping budget adjustments to report for the first half of 2019.

## CAPITAL CASH FLOW

Capital spending in a given year is not the same as the capital budget for that year. Spending on capital projects can extend several years after the budget is approved by Council. Spending within a given year is therefore a layering of several capital projects approved in various years and at various stages.

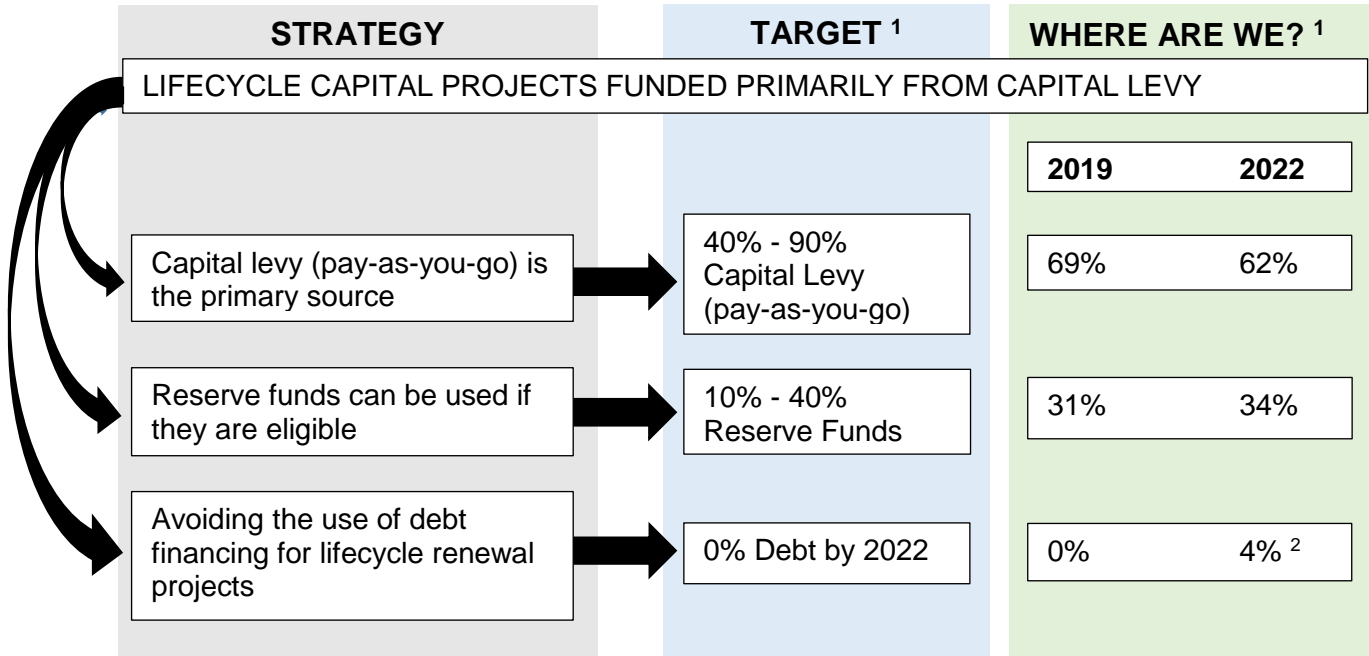
In any given year, total capital spending tends to be greater during the latter part of the year as construction invoices are received, approved and paid. As of June 30, 2019 **total capital spending was \$48.4 million** compared to \$62.8 million in 2018 (Figure 1). This variance relates to the cyclical nature of capital spending that is continuously monitored to gauge potential short and long term cash flow impacts. Civic Administration has identified capital projects in various states of planning or nearing completion that contributed to this low first half result. These amounts represent capital spending for the Tax Supported Budget, Wastewater & Treatment Rate Supported Budget and Water Rate Supported Budget.

This information is important for the timing of debt issuances, reserve fund drawdowns and cash flow investment decisions.



## CAPITAL BUDGET FINANCING STRATEGIES – CAPITAL LEVY

The overarching capital financing strategy for capital levy, also referred to as pay-as-you-go financing, is to first apply this funding source to lifecycle renewal capital budgets as the purpose of projects in this classification is to maintain existing infrastructure. Administrative targets have been established, consistent with the overarching strategy and Council approved Capital Budget and Financing Policy, as follows:



(1) Targets apply to the tax/rate supported component only. Non-tax/rate funding (e.g. Federal gas tax, one-time senior government funding) fluctuates based on project mix and program guidelines, beyond the control of Civic Administration.

(2) It is Civic Administration's goal to eliminate the 4% of debt financing presently contained within the 2022 lifecycle renewal capital budget by applying financial management strategies included in the Council approved Capital Budget and Financing Policy. This metric has increased from 1% reported in the 2018 Year-End Capital Monitoring report due to approval of the Victoria Bridge project.

## CAPITAL BUDGET FINANCING STRATEGIES – RESERVE FUNDS

Discretionary reserve funds are primarily used as a source of financing for lifecycle renewal and service improvement projects where appropriate reserve funds and sufficient balances exist. Obligatory reserve funds are primarily used as a source of financing for growth projects.

Obligatory and discretionary reserve funds are categorized as follows:

### OBLIGATORY

- 1) **City Services Development Charges (DC)** – dictated by the DC by-law
- 2) **Parkland** – cash-in-lieu of parkland dedication through the Parkland Conveyance and Levy By-law (CP-9) according to the Planning Act (Section 51.1)
- 3) **Federal Gas Tax** – funds received under the Municipal Funding Agreement for Transfer of Federal Gas Tax Revenues

### DISCRETIONARY

- 1) **Capital Asset Renewal and Replacement** – to support renewal and replacement of existing assets
- 2) **Capital Asset Growth** – to support Development Charges incentive programs and Industrial Land Development Strategy
- 3) **Specific Projects and New Initiatives** – to support specific planned projects (e.g. economic development, affordable housing, community improvement grants and loans)
- 4) **Contingencies/Stabilization and Risk Management** – to provide contingency funding for specific risk areas

Obligatory and discretionary reserve funds are controlled by municipal by-laws and the City's Reserve and Reserve Fund Policy.

## **RESERVES & RESERVE FUNDS – NOTEWORTHY DEVELOPMENTS**

### **Capital Asset Renewal and Replacement Reserve Fund Report**

Civic Administration presented the Reserve Rationalization Report at the September 25, 2018, Corporate Services Committee meeting (agenda item #2.2). This report aligned the City's reserves portfolio with the Council approved Reserve and Reserve Fund Policy. The recommendations of that report established target balances for each reserve and created administrative efficiencies by condensing the number, and standardizing the structure, of the City's reserve portfolio.

Presently, Civic Administration is undertaking a similar exercise focusing on the City's capital asset renewal and replacement (CARR) reserve funds. These reserve funds help address the City's infrastructure gap and are a significant source of financing for the capital budget. The recently approved 2019 Corporate Asset Management Plan (Strategic Priorities and Policies Committee, August 26, 2019 meeting, agenda item #4.3) will be incorporated into the analysis of the CARR reserve funds and ultimately the recommendations included in the CARR reserve fund report.

### **Special Projects & New Initiatives and Contingencies/Stabilization & Risk Management Reserves and Reserve Funds**

At its meeting on July 30, 2019, Council resolved:

That the following actions be taken with respect to the review of City of London services for potential reductions and eliminations:

- a) the staff report dated July 29, 2019 detailing the cost savings and avoidance initiatives ongoing and recently undertaken by the City of London BE RECEIVED for information; and
- b) the following specific areas BE CONSIDERED for further review for potential service reductions and eliminations:
  - i) the Downtown and Industrial CIPs, with consideration for a reduced level of subsidy;
  - ii) Information Technology, with a report back with a summary of past initiatives and potential future review tools; and,
  - iii) a review of reserve funds with uncommitted balances, (excluding capital asset renewal/replacement funds, and capital asset growth funds) for an analysis of funding contributions to those funds where the annual contributions from the tax levy may be scaled back;

To address clause b) i) and iii) of the above resolution Civic Administration is preparing a report with respect to the identified reserve and reserve fund tax supported contributions expected to impact the City's next four year budget. This report will be brought forward in fall 2019 prior to tabling the 2020-2023 Multi-Year Budget, which is scheduled for December 9, 2019.

## CAPITAL BUDGET FINANCING STRATEGIES – DEBT

A summary of the projected debt levels for 2019 is detailed in Table 4.

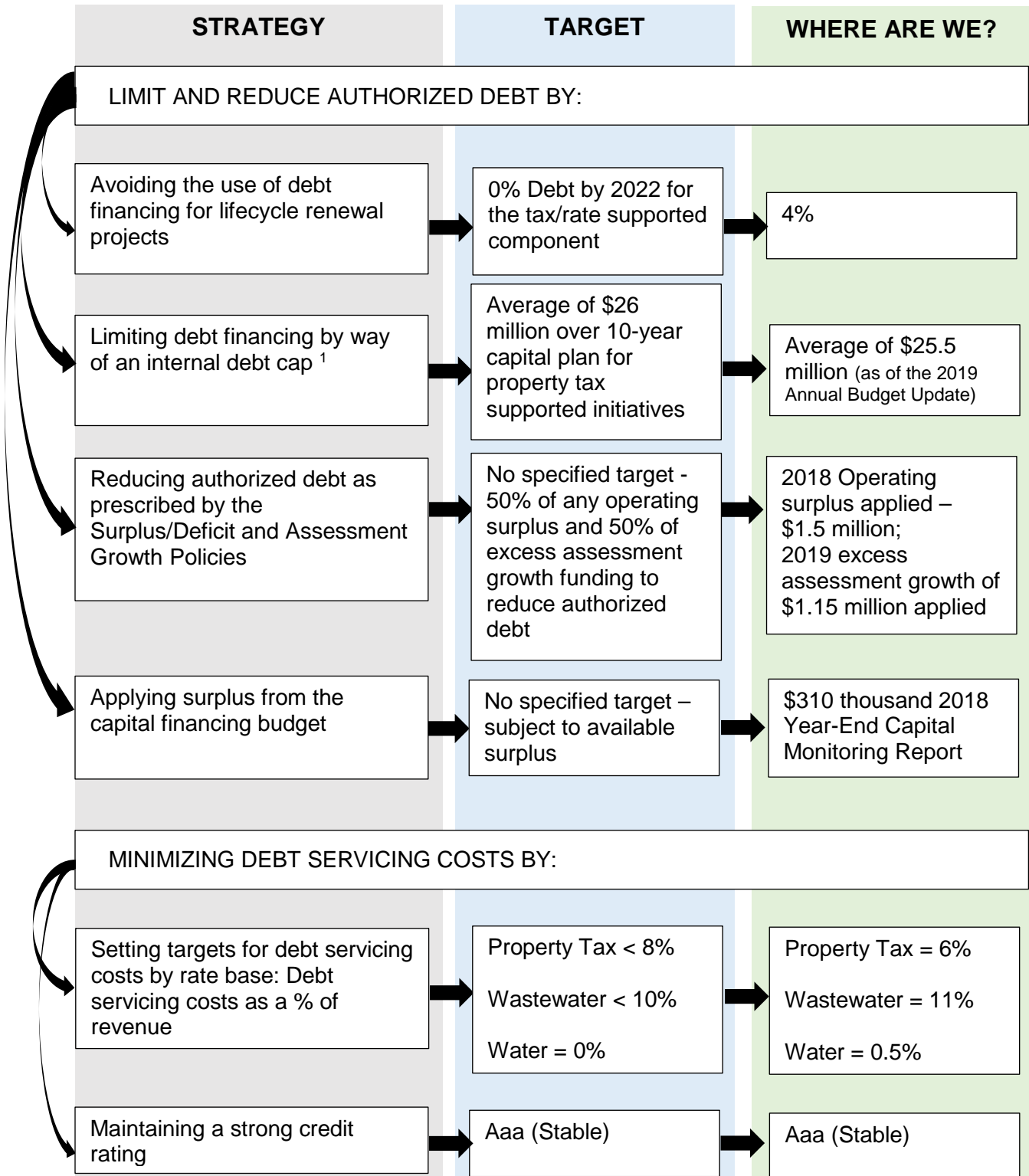
**Table 4 – 2019 Debt Level as of June 30, 2019 (\$519.6 millions)**

Category	Dec 31, 2018	Issued in 2019	Retired in 2019	Dec 31, 2019 <sup>(1)</sup>	Authorized 2019	Total Potential
General Property Taxes	163.4	22.8	30.4	155.8	91.6	247.4
Wastewater	50.3	-	8.7	41.7	4.0	45.7
Water	1.2	-	0.3	0.9	-	0.9
Rate Supported Reserve Funds	14.6	-	4.3	10.2	4.4	14.6
<b>Subtotal</b>	<b>229.5</b>	<b>22.8</b>	<b>43.7</b>	<b>208.6</b>	<b>100.0</b>	<b>308.6</b>
Joint Water Boards - City's Share	14.4	-	2.2	12.3	2.4	14.7
City Services Reserve Funds	61.0	26.6	8.0	79.6	116.6	196.3
<b>Total Debt Level</b>	<b>305.0</b>	<b>49.4</b>	<b>53.9</b>	<b>300.5</b>	<b>219.1</b>	<b>519.6</b>

\* Amounts subject to rounding.

(1) Outstanding debt level is subject to completion of 2019 financial statement audit.

The City's Debt Management Policy was approved by Council on August 30, 2016. The policy establishes strategies for the management of the City's debt program. These strategies are outlined below.



(1) As part of the 2020-2023 Multi-Year Budget development Civic Administration will review the reasonability of the internal debt cap and report findings in the tabled 2020-2023 MYB cerlox.

## EMERGING ISSUES

Table 5 below provides information on emerging issues that may impact the capital budget in 2019 and beyond.

**Table 5 – Emerging Capital Budget Issues**

Emerging Issue Description	Likelihood of Impact on 2019 and Beyond Budget <sup>(1)</sup>
<b>Property Tax</b>	
<p><b>Approved Infrastructure Funding</b></p> <p>On March 26, 2019, City Council approved a list of ten transit projects, including three of the five corridors included in the Rapid Transit business case, to be submitted to the provincial and federal governments for funding.</p> <p>The City of London recently received confirmation of federal and provincial funding to proceed with ten transit and transit-supportive projects worth \$375 million that City Council submitted for funding consideration earlier this year. On August 23, 2019, the Government of Canada pledged \$123.8 million to the projects after the Government of Ontario promised \$103.1 million on June 25, 2019. The balance of funding, approximately \$148 million, will come from municipal and other sources.</p> <p>In the near future, the City will confirm municipal funding sources that will include development charges as well as various other property tax-supported funding sources. Civic Administration is working with Federal and Provincial partners to secure the formal Transfer Payment Agreement and a report will be presented for Council's approval.</p> <p>To qualify for federal and provincial funding projects had to demonstrate they could improve the capacity of public transit, the quality and/or safety of transit, or access to public transit. The ten projects listed below include Rapid Transit elements, improvements to key intersections, and enhanced connections for cycling and other forms of active transportation.</p> <ol style="list-style-type: none"> <li>1. Downtown Loop</li> <li>2. East London Link</li> <li>3. Wellington Gateway</li> <li>4. Expansion Buses</li> <li>5. Bus Stop Amenities</li> <li>6. Intelligent Traffic Signals</li> <li>7. Adelaide Street Underpass Active Transportation Connections</li> <li>8. Dundas Place Thames Valley Parkway Active Transportation Connection</li> <li>9. Dundas Street Old East Village Streetscape Improvements</li> <li>10. Oxford Street / Wharncliffe Road Intersection Improvements</li> </ol> <p>Many of the projects, all part of the City's Transportation Master Plan, are shovel-ready and construction could begin on some of the projects as early as 2020.</p> <p>The remaining two Rapid Transit corridors not yet submitted for funding have been referred to future discussions. Approximately \$143 million of the original \$370 million of senior government funding included in London's Rapid Transit capital budget remains available to support discussions regarding future transit projects.</p>	<b>High</b>
<p><b>Federal Gas Tax</b></p> <p>On March 27, 2019, the Federal Government confirmed a one-time transfer of \$2.2 billion through the Federal Gas Tax program to address municipal infrastructure deficits, doubling the Federal Government's commitment to municipalities in 2019–20. In July 2019, the City of London received \$23.3 million in Federal Gas Tax from this one-time transfer. The Association of Municipalities of Ontario is working with the Federal Government to encourage the Government to make this commitment permanent.</p>	<b>High</b>



<p>In May 2019, Municipal Council approved \$4.5 million of this one-time funding to install the Organic Rankine Cycle Equipment at the Greenway Wastewater Treatment Plant. This allocation leaves approximately \$19 million of one-time Federal Gas Tax that can be allocated to other strategic capital priorities during the upcoming multi-year budget process.</p>	
<p><b>Corporate Asset Management Plan</b></p> <p>On August 26, 2019, the 2019 Corporate Asset Management Plan (AMP) was presented to Council's Strategic Priorities and Policy Committee. The Corporate AMP showed that the City of London owns and maintains assets with a replacement value of approximately \$20.1 billion and that the City manages its infrastructure to keep it in generally 'Good' condition. The report also highlights that over the next decade, the City of London plans to invest in excess of \$1.4 billion to address the lifecycle needs of its infrastructure. The City's current infrastructure gap is approximately \$168 million and it is forecasted to grow to roughly \$568.8 million over the ten year AMP period (2018-2027).</p> <p>The 2019 Corporate AMP proposes to explore opportunities to address the infrastructure gap through different financial strategies, including pursuing funding from external sources; updating the Water and Wastewater 20 Year Financial Plans; incorporating reinvestment rate concepts through assessment growth and service improvement business cases in the 2020-2023 Multi-Year Budget; and continuing to utilize one-time funding to address the gap.</p>	<p><b>High</b></p>
<p><b>Other Infrastructure Funding</b></p> <p>The Investing in Canada Infrastructure Program (ICIP) is a cost-shared infrastructure funding program between the federal government, provinces and territories, and municipalities and other recipients. This program includes up to \$30 billion in combined federal, provincial and other partner funding under four priority areas, including the Public Transit Infrastructure Stream (as discussed above) and the Community, Culture and Recreation Stream.</p> <p>The on-line application process for the Community, Culture and Recreation stream opened on September 3, 2019, and will remain open until November 12, 2019. Approximately \$407 million in federal funding and \$320 million in provincial funding will be available for the Community, Culture and Recreation stream over ten years to support community infrastructure priorities across the province. Community infrastructure is defined as publicly accessible, multi-purpose spaces that bring together a variety of different services, programs and/or social and cultural activities to reflect local community needs. Civic Administration is currently assessing opportunities to access this funding.</p>	<p><b>Medium</b></p>
<p><b>Capital Planning Impacts from Cancelled Provincial Funding</b></p> <p>The new Provincial government cancelled a number of funding programs for municipalities that were supported by Cap and Trade revenues. For London, this impacted programs to save on fuel costs, utilize landfill gas and provide upgrades to social housing infrastructure. Where possible, these initiatives will be brought forward to Council through direct reports, or as part of the 2020-2023 Multi-Year Budget, with revised scope and/or alternative funding strategies.</p>	<p><b>Medium</b></p>
<p><b>Tariffs on Steel and Aluminum</b></p> <p>On May 17, 2019, Canada and the United States reached an understanding <u>to eliminate</u> all tariffs on steel and aluminum that were implemented in June 2018 (previously 25% on imports of Canadian steel and 10% on imports of Canadian aluminum). Preliminary analysis completed in 2018 indicated that the estimated impact of steel and aluminum tariffs on the City of London could be close to \$10 million over the next five years for purchases of fleet vehicles and equipment (including Fire and Police), new and refurbished facilities and transportation or pathway projects that include bridges. This will result in significant cost avoidance for the City.</p>	<p><b>Low</b></p>



<p><b>Fleet Fuel and Oil Storage Tanks Replacements</b></p> <p>Recent adverse results from cathodic testing have confirmed that several fuel and oil storage tanks are at end of life and require replacement at A.J.Tyler and Adelaide North Operations Centres. These tanks are in excess of thirty years old and are steel single wall tanks which need to be replaced to meet regulatory compliance. Failing cathodic protection increases the risk of tank rusting and structural integrity failure. Replacement is recommended by our fuel station maintenance vendor Phoenix Petroleum Ltd., their engineering consultant (NACE Engineering) and the Technical Standards and Safety Authority (TSSA).</p> <p>To resolve this matter Fleet has been working closely with Phoenix Petroleum Ltd., NACE Engineering and the TSSA to determine the capital works requirements. Once finalized a Source of Financing report will be presented to the Civic Works Committee in the fall of 2019.</p>	<p><b>High</b></p>
<p><b>Wastewater &amp; Water</b></p>	
<p><b>Corporate Asset Management Plan</b></p> <p>On August 26, 2019, the 2019 Corporate Asset Management Plan (AMP) was presented to Council's Strategic Priorities and Policy Committee. The Corporate AMP showed that the City of London owns and maintains assets with a replacement value of approximately \$20.1 billion and that the City manages its infrastructure to keep it in generally 'Good' condition. However, it also concludes that over the next decade, the City of London projects spending in excess of \$1.4 billion to address the lifecycle needs of the assets. The current infrastructure gap is approximately \$168 million and it is forecasted that the infrastructure gap will grow to roughly \$568.8 million over the cumulative 10 year period from 2018-2027.</p> <p>The 2019 Corporate AMP proposes to explore opportunities to address the infrastructure gap through different financial strategies, including pursuing funding from external sources; updating the Water and Wastewater 20 Year Financial Plans; incorporating reinvestment rate concepts through assessment growth and service improvement business cases in the 2020-2023 Multi-Year Budget; and continuing to utilize one-time funding to address the gap.</p>	<p><b>High</b></p>
<p><b>Climate Change Adaptation Strategy (Flood Proofing and Protection) (Wastewater)</b></p> <p>Flood proofing of several of the City's wastewater treatment plants and flood control dykes have been identified in the 2015-2019 Strategic Plan. It was anticipated that funding would be available as part of the Federal/Provincial infrastructure program; however, the application window for the next round of funding has been delayed by over one year. Alternative funding for upgrades to part of the West London dyke system was recently received, but if the federal/provincial program is not available, a strategy for addressing this need will be established as part of the multi-year budget process.</p>	<p><b>Low</b></p>
<p><b>Canada-Ontario Lake Erie Action Plan (Wastewater)</b></p> <p>The Great Lakes Water Quality Agreement requires the United States and Canada to reduce phosphorus levels that contribute to algal blooms in Lake Erie by 40% based on levels measured in 2008. The Thames River Watershed has been identified as a priority watershed. The final Canada-Ontario Lake Erie Action Plan was issued by the Federal government in February 2018. The plan includes a series of specific actions to be undertaken by the City of London that were endorsed by Council in Q4-2017. The timing and funding of these actions will be considered as part of the multi-year budget process. These actions are dependent on federal and provincial funding to proceed.</p>	<p><b>Low</b></p>
<p><b>Pollution Prevention and Control Plan (Wastewater)</b></p> <p>The Pollution Prevention and Control Plan is London's long-term strategy to identify, investigate, and reduce sewer system overflows. This plan includes \$290 million worth of projects to be implemented over a 20 year period. The timing and funding of these projects will be considered as part of the multi-year budget process.</p>	<p><b>Low</b></p>

<p><b>East London Sanitary Servicing (Wastewater)</b></p> <p>The East London Sanitary Servicing Study identified a plan to provide growth wastewater servicing to east London at a cost of \$34 million to \$74.5 million. The timing and funding of these projects will be considered as part of the multi-year budget process.</p>	<p><b>Low</b></p>
<p><b>Core Area Servicing Studies (Wastewater and Water)</b></p> <p>The Core Area Servicing Studies provide a plan to provide servicing for intensification related development within the built out City. The plan includes \$176 million in stormwater and wastewater works with a City funded share of \$111 million and \$9 million in water works with a City funded share of \$600 thousand. The timing and funding of these projects will be considered as part of the multi-year budget process.</p>	<p><b>Low</b></p>
<p><b>Long-term Water Storage Environmental Assessment (Water)</b></p> <p>One of the City's key water storage reservoirs, the Springbank Reservoir 2, is nearing the end of its useful life. An environmental assessment has been completed and has recommend the construction of a new reservoir at an estimated cost of \$38.5M. The timing and funding of the projects identified in this plan will be considered as part of the multi-year budget process.</p>	<p><b>Low</b></p>
<p><b>Arva Huron Waterline (Water)</b></p> <p>The Arva-Huron Pipeline is the most critical supply of water into the City of London, supplying approximately 85% of water used by all customers. An environmental assessment is currently scheduled to determine the long-term strategy for replacing this key component of the City's water system. The timing and funding of the projects identified in this plan will be considered as part of the multi-year budget process.</p>	<p><b>Low</b></p>

(1) Definition of Likelihood:

High – likelihood of the issue impacting the 2019 and beyond period is predicted to be greater than 60%.

Medium – likelihood of the issue impacting the 2019 and beyond period is predicted to be between 30% and 60%.

Low – likelihood of the issue impacting the 2019 and beyond period is predicted to be less than 30%.

<b>CONCLUSION</b>
-------------------

Key items included in the 2019 Mid-Year Capital Monitoring Report include the following:

- The 2019 life-to-date capital budget:
  - \$1,441.2 million (69.9%) of the \$2,062.0 million 2019 life-to-date capital budget is committed, leaving \$620.8 million (30.1%) of approved capital funding uncommitted.
- \$ 61.5 million of capital budget adjustments as of June 30, 2019:
  - Tax Supported \$23.4 million,
  - Wastewater \$37.4 million, and
  - Water \$0.7 million.
- \$128.0 million of contracts were awarded in the first six months of 2019.
- Emerging issues were identified that may impact the capital budget in 2019 and beyond. Civic Administration will continue to monitor these issues and report back to Council and the community in a timely manner.

**Acknowledgements**

This report was prepared with significant contributions from Government Relations and Alan Dunbar, Marta Semeniuk and Lauren Pasma in Financial Planning & Policy.

<b>PREPARED BY:</b>	<b>REVIEWED AND CONCURRED BY:</b>
<b>DAVID BORDIN, CPA, CGA MANAGER II, FINANCIAL PLANNING &amp; POLICY</b>	<b>JASON DAVIES, CPA, CMA MANAGER III, FINANCIAL PLANNING &amp; POLICY</b>
<b>REVIEWED AND CONCURRED BY:</b>	<b>RECOMMENDED BY:</b>
<b>KYLE MURRAY, CPA, CA DIRECTOR FINANCIAL PLANNING &amp; BUSINESS SUPPORT</b>	<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

Cc: Ian Collins – Director, Financial Services  
 Bryan Baar – Senior Financial Business Administrator  
 Alan Dunbar – Manager III, Financial Planning & Policy  
 John Millson – Senior Financial Business Administrator

**Appendix A - 2019 Capital Budget Activity (Life-To-Date June 30, 2019)**

SOF #	Date of Committee Award	Service	Description	Awarded Amount	Budget Adjustments Required
<b>Council Awards</b>					
19001	22-Jan	Transportation Services	Appointment of Consulting Engineers - Adelaide Street North/Canadian Pacific Railway Grade Separation	2,482,755	
19002	22-Jan	Parks, Recreation & Neighbourhood Services	Consultant Services for Foxfield Park Development	181,372	
19003	8-Jan	Water	Appointment of Consulting Engineers - Replacement/Relocation of Watermain on Pond Mills Road to Facilitate future Highway 401 Overpass at Pond Mills Road Structure Expansion	110,341	
19004	8-Jan	Wastewater & Treatment	Greenway Sludge Tank Mixing System Pre-Purchase	249,906	
19006	22-Jan	Transportation Services	Property Purchase - Bus Rapid Transit Project	288,240	
19007	22-Jan	Transportation Services	Property Purchase - Bus Rapid Transit Project	220,659	
19008	8-Feb	Water	Large Diameter Watermain Inspection	1,647,729	
19009	5-Feb	Transportation Services	Environmental Assessment and Design Services - Dingman Drive East of Wellington Road to Highway 401 and Area Intersections	438,914	388,200
19010	19-Feb	Wastewater & Treatment	Stormwater Management Facility (SWM) Land Acquisition Agreement	626,219	
19011	5-Feb	Transportation Services	Property Purchase - Bus Rapid Transit Project	302,709	
19012	20-Feb	Water	Sole Source Award - Acoustic Fiber Optic Monitoring Contract	153,578	
19013	20-Feb	Wastewater & Treatment	Infrastructure Renewal Program - Cavendish Crescent and Mount Pleasant Avenue Phase 2 Reconstruction	4,232,684	113,060
19013	20-Feb	Water	Infrastructure Renewal Program - Cavendish Crescent and Mount Pleasant Avenue Phase 2 Reconstruction	347,147	
19014	20-Feb	Wastewater & Treatment	Infrastructure Renewal Program - Egerton Street, Brydges Street and Pine Street Phase 2 Reconstruction	2,882,562	340,960
19014	20-Feb	Water	Infrastructure Renewal Program - Egerton Street, Brydges Street and Pine Street Phase 2 Reconstruction	2,483,953	
19014	20-Feb	Transportation Services	Infrastructure Renewal Program - Egerton Street, Brydges Street and Pine Street Phase 2 Reconstruction	889,706	
19015	20-Feb	Wastewater & Treatment	Infrastructure Renewal Program - Downtown Sewer Separation Phase 2	3,872,706	700,370
19015	20-Feb	Water	Infrastructure Renewal Program - Downtown Sewer Separation Phase 2	1,734,801	
19015	20-Feb	Transportation Services	Infrastructure Renewal Program - Downtown Sewer Separation Phase 2	1,740,561	
19016	19-Feb	Water	Subdivision Special Provisions - Eagle Ridge Subdivision Phase 2	40,297	
19016	19-Feb	Transportation Services	Subdivision Special Provisions - Eagle Ridge Subdivision Phase 2	165,201	
19016	19-Feb	Wastewater & Treatment	Subdivision Special Provisions - Eagle Ridge Subdivision Phase 2	983,801	
19016	19-Feb	Parks, Recreation & Neighbourhood Services	Subdivision Special Provisions - Eagle Ridge Subdivision Phase 2	111,253	
19017	19-Feb	Wastewater & Treatment	Subdivision Special Provisions - Sunninglea Subdivision	39,709	
19017	19-Feb	Water	Subdivision Special Provisions - Sunninglea Subdivision	18,970	9,267
19017	19-Feb	Transportation Services	Subdivision Special Provisions - Sunninglea Subdivision	7,426	
19017	19-Feb	Parks, Recreation & Neighbourhood Services	Subdivision Special Provisions - Sunninglea Subdivision	163,029	
19018	18-Mar	Transportation Services	Arterial Road Rehabilitation Contract No. 1	4,651,450	
19019	18-Mar	Wastewater & Treatment	Tree Pruning and Removal Services	1,682,247	
19021	19-Mar	Corporate, Operational & Council Services	Single Source Procurement - Microfiche Digitalization MES Hybrid	279,840	279,840
19023	18-Mar	Wastewater & Treatment	Appointment of Services - Dingman Creek Surface Water Monitoring Program	571,968	
19025	18-Mar	Wastewater & Treatment	Infrastructure Renew Program - Avalon Street Reconstruction Phase 2	1,643,327	16,000
19025	18-Mar	Water	Infrastructure Renew Program - Avalon Street Reconstruction Phase 2	938,888	
19025	18-Mar	Transportation Services	Infrastructure Renew Program - Avalon Street Reconstruction Phase 2	978,173	
19027	18-Mar	Water	2019 Watermain Cleaning and Structural Lining Tender	6,776,728	
19028	18-Mar	Wastewater & Treatment	Detailed Design & Tendering of the Churchill Avenue Infrastructure Replacement Project	230,588	
19028	18-Mar	Water	Detailed Design & Tendering of the Churchill Avenue Infrastructure	230,588	
19030	2-Apr	Parks, Recreation & Neighbourhood Services	Tree Inventory Update	526,099	
19038	16-Apr	Wastewater & Treatment	Colonel Talbot Sanitary Sewer and Forcemain Installation	6,516,959	
19039	2-Apr	Environmental Services	Material Recovery Facility Old Corrugated Cardboard Screen Upgrade	140,416	
19040	16-Apr	Wastewater & Treatment	Supervision Engineering Services Award - Wistow Street Reconstruction	149,704	
19040	16-Apr	Water	Supervision Engineering Services Award - Wistow Street Reconstruction	149,704	
19041	16-Apr	Wastewater & Treatment	Infrastructure Renewal Program - Waterloo Street	2,651,115	459,160
19041	16-Apr	Water	Infrastructure Renewal Program - Waterloo Street	1,193,751	
19041	16-Apr	Transportation Services	Infrastructure Renewal Program - Waterloo Street	153,305	
19042	16-Apr	Wastewater & Treatment	Budget Adjustment for Pincombe Drain Stormwater Management Facility #3		935,200
19043	16-Apr	Wastewater & Treatment	Vauxhall WWTP Flood Protection - additional Dewatering costs	117,024	
19044	16-Apr	Transportation Services	Accessible Pedestrian Signals Irregular Result	219,039	
19048	16-Apr	Transportation Services	Appoint Consultant - Fanshawe Park Road & Richmond Street Intersection Improvements	606,660	
19049	15-Apr	Wastewater & Treatment	Subdivision Special Provisions - Richardson Lands Phase 1A (Sifton)	199,456	
19049	15-Apr	Transportation Services	Subdivision Special Provisions - Richardson Lands Phase 1A (Sifton)	10,613	
19053	15-Apr	Water	Subdivision Special Provisions - Applewood Subdivision Phase 1B	7,449	7,449
19053	15-Apr	Transportation Services	Subdivision Special Provisions - Applewood Subdivision Phase 1B	12,743	
19054	16-Apr	Planning & Development Services	Request for Proposal - Lease of Commercial Space - Dundas Place Field House	375,494	95,494
19055	16-Apr	Wastewater & Treatment	Vauxhall WWTP Flood Protection - Delay Claim by H.I.R.A. Limited	661,440	
19057	16-Apr	Economic Prosperity	Industrial Land Purchase - 2497 Bradley Ave.	4,474,643	4,297,219
19058	16-Apr	Corporate, Operational & Council Services	City of London/Western Fair Association Lands - Archaeological Study	100,000	100,000
19069	14-May	Wastewater & Treatment	RFP- 19-19 Sanitary Siphon & Trunk Sanitary Sewer Inspection	125,397	
19070	18-Jun	Wastewater & Treatment	UTRCA and CoL Flood Protection Projects	813,063	
19071	14-May	Transportation Services	RFT19-60 Wilton Grove Road Reconstruction	10,675,350	336,504
19071	14-May	Wastewater & Treatment	RFT19-60 Wilton Grove Road Reconstruction	343,052	
19071	14-May	Water	RFT19-60 Wilton Grove Road Reconstruction	873,212	42,225
19072	14-May	Wastewater & Treatment	Greenway WTP Organic Rankin Cycle Equipment Installation	915,840	11,000,000
19075	28-May	Protective Services	Portable Radios for Fire Prevention Inspectors Working alone	61,093	
19080	18-Jun	Wastewater & Treatment	T19-48 & T19-49 Dingman Creek Pumping Station Forcemain Installation	8,634,837	
19081	18-Jun	Corporate, Operational & Council Services	RFP19-22 CNG Rear Loading Waste Collection Trucks	1,110,121	
19082	18-Jun	Wastewater & Treatment	Infrastructure Renewal Program - Appoint Consulting Engineers	771,801	
19082	18-Jun	Water	Infrastructure Renewal Program - Appoint Consulting Engineers	735,053	
19082	18-Jun	Transportation Services	Infrastructure Renewal Program - Appoint Consulting Engineers	220,946	
19083	17-Jun	Wastewater & Treatment	Subdivision Special Provisions - Summerside Phase 13B (Drewlo)	278,941	
19083	17-Jun	Parks, Recreation & Neighbourhood Services	Subdivision Special Provisions - Summerside Phase 13B (Drewlo)	29,715	
19084	18-Jun	Wastewater & Treatment	Greenway Incinerator Refurbishment	457,920	
19085	18-Jun	Transportation Services	Property Acquisition - Wharcliffe Rd Widening (99.5 Stanley St.)	873,901	
19101	23-Jul	Wastewater & Treatment	Infrastructure Renewal: Oakridge Acres Phase III	161,986	36,000

**Appendix A - 2019 Capital Budget Activity (Life-To-Date June 30, 2019)**

SOF #	Date of Committee Award	Service	Description	Awarded Amount	Budget Adjustments Required
19101	23-Jul	Water	Infrastructure Renewal: Oakridge Acres Pase III	1,610,823	
19101	23-Jul	Transportation Services	Infrastructure Renewal: Oakridge Acres Pase III	236,372	
<b>Subtotal Council Awards</b>				<b>91,595,062</b>	<b>19,156,948</b>
<b>Council Approved Budget Adjustments</b>					
		Wastewater & Treatment	2018 Year-End Monitoring Report Budget Adjustments <sup>(1)</sup>		(1,300,000)
		Wastewater & Treatment	2019 Development Charges Study Budget Adjustments		24,855,145
		Water	2019 Development Charges Study Budget Adjustments		632,949
		Property Tax	2019 Assessment Growth		2,446,776
		Property Tax	2019 Development Charges Study Budget Adjustments		11,910,916
		Property Tax	Adjustments resulting from various Council approved reports		941,000
<b>Subtotal Council Awards &amp; Budget Adjustments</b>				<b>91,595,062</b>	<b>58,643,734</b>

	Awarded Amount	Budget Adjustments Required
<b>Council Awards and Budget Adjustments</b>		
Property Tax Budget	32,727,798	20,795,949
Wastewater & Treatment Budget	39,814,252	37,155,895
Water Budget	19,053,012	691,890
<b>Subtotal Council Awards and Budget Adjustments</b>	<b>91,595,062</b>	<b>58,643,734</b>

<b>Administrative Awards and Budget Adjustments <sup>(2)</sup></b>		
Property Tax Budget	23,786,558	2,631,972
Wastewater & Treatment Budget	8,730,453	259,685
Water Budget	3,877,109	0
<b>Subtotal Administrative Awards and Budget Adjustments</b>	<b>36,394,120</b>	<b>2,891,657</b>

<b>Total Council and Administrative Awards and Budget Adjustments</b>		
Property Tax Budget	56,514,356	23,427,921
Wastewater & Treatment Budget	48,544,705	37,415,580
Water Budget	22,930,121	691,890
<b>Total</b>	<b>127,989,182</b>	<b>61,535,391</b>

**Notes:**

- 1) The budget adjustments presented in the 2018 Year-End Capital Budget Monitoring Report impact the 2019 LTD budget thus they are reflected as a Council approved budget adjustment.
- 2) Civic Administration source of financing awards are in accordance with the Procurement of Goods & Services Policy and are reported annually through that process. Budget adjustments include additional revenue from private drain connections and other non-tax supported funding sources.

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON TUESDAY, SEPTEMBER 24, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>PROCUREMENT OF GOODS AND SERVICES POLICY REVISIONS</b>

<b>RECOMMENDATION</b>
-----------------------

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting to be held on October 1, 2019 to amend By-law No. A.-6151-17, as amended, being "A by-law to establish policies for the sale and other disposition of land, hiring of employees, procurement of goods and services, public notice, accountability and transparency, and delegation of powers and duties, as required under section 270(1) of the *Municipal Act, 2001*", by deleting Schedule "C" – Procurement of Goods and Services Policy in its entirety and by replacing it with a new Schedule "C" – Procurement of Goods and Services Policy, to update the Policy, to provide additional clarity and updates.

<b>BACKGROUND</b>
-------------------

From time to time the Procurement of Goods and Services Policy is to be reviewed and revised. The revisions and updates recommended in this report to the Procurement of Goods and Services Policy can be summarized into three (3) main categories:

- Purchasing Card Changes
- Exemption Changes
- Housekeeping Amendments

The following summarizes the proposed changes to the Procurement of Good and Services Policy:

**Purchasing Card Changes**

**Section 18 – Purchasing Cards:** Minor changes have been made throughout the section to provide further clarification, and ensure position and procedure titles reflect consistently with other policies.

**Section 18.1 – General – e):** Additional wording has been provided to permit cash advances on the Purchasing Card in the event of an emergency. This change must be pre-approved by the Managing Director and will have to be activated by the City's bank in order for this to be available. (Examples of where this service may be applicable: for the Social Services area in the event of an emergency or natural disaster).

**Section 18.4 – Purchasing Card Security and PIN:** This section has been added to the Policy and outlines actions to take to reduce the Corporation's risk of fraud by protecting the card and it's PIN.

**Exemption Changes**

**Schedule "B" – Goods and/or Services NOT Subject to this Policy:** Minor changes have been made to further clarify exemption 3 (viii) Newspaper

Advertising to include all forms of Advertising generically required by the Municipal Act only whereby competitive bids are not feasible to be obtained. All other advertising must follow Schedule A unless exempted in Schedule B otherwise.

**Schedule “B” – New Section 18:** This change clarifies that the Acquisition, Lease or Sale/Disposal of Real Property are not subject to this Policy. Existing council policies; Real Property Acquisitions Policy, Lease Financing Policy, and Sale and Other Disposition of Land Policy are in place to guide these processes.

**Schedule “B” – New Section 19:** This change clarifies that Grant Funding, given or paid out by the City as per current Council approved Policies for Grants and/or agreements entered into by Council provides the criteria for how City of London Grant funding is provided. Grants not covered by these Policies or agreements must be approved by Council

### **Housekeeping Amendments**

The remaining changes being recommended are minor in nature and reflect further clarification and refinement of the Policy brought on by changes in Trade Agreements, clarification sought, and process refinements. The term designate has been replaced by delegate in several instances to align with the definition in Section 3.0. A reference to Purchasing Stores has been replaced by Supply Services.

**New section 2.16 – General Provisions:** This change clarifies that all Grants/Stimulus Funding received are subject to the Procurement of Goods and Services Policy.

**Section 3.0 – Definitions:** There is a new definition added for the City Manager and the Managing Director definition has been modified.

**Section 12.2 – Awards under the Request for Tender (RFP) Process require the following approval – c) – and Schedule “A”:** This change clarifies the approval method for RFP Irregular Results greater than \$15,000.

**Section 15.2 – Consulting Engineers, Architects, Landscape Architects and Environmental Consultants – d) and e):** These changes are suggested to avoid bi-annual updates to threshold changes for the Comprehensive Economic and Trade Agreement (CETA). All references to additional Acts, Legislation and Trade Agreements are generalized to include the wording “as amended” in order to keep this Policy current.

### **Conclusion:**

The City of London considers itself one of the national leaders in public procurement. These proposed amendments will allow the City to stay current with the latest best practices and maintain the Procurement of Goods and Services Policy Mission of transparency, fairness and competitiveness which aligns itself with Councils Strategic Area of Focus, Leading in Public Service. The Civic Administration will continue to monitor the procurement environment, and bring forward refinements to the Policy as necessary to ensure that best practices continue to be in place.

<b>PREPARED AND SUBMITTED BY:</b>	<b>CONCURRED BY:</b>
<b>JOHN FREEMAN, CSCMP MANAGER, PURCHASING AND SUPPLY</b>	<b>IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES</b>
<b>RECOMMENDED BY:</b>	
<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	



## APPENDIX “A”

Bill No.  
2019

By-law No. A.-6151 \_\_\_\_\_

A by-law to amend By-law No. A.-6151-17, as amended, being “A by-law to establish policies for the sale and other disposition of land, hiring of employees, procurement of goods and services, public notice, accountability and transparency, and delegation of powers and duties, as required under section 270(1) of the *Municipal Act, 2001*”, by deleting Schedule “C” – Procurement of Goods and Services Policy in its entirety and by replacing it with a new Schedule “C” – Procurement of Goods and Services Policy, to update the Policy, to provide additional clarity and updates.

WHEREAS section 5(3) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS on December 17, 2007 the Municipal Council of The Corporation of the City of London enacted By-law A.-6151-17, being “A by-law to establish policies for the sale and other disposition of land, hiring of employees, procurement of goods and services, public notice, accountability and transparency, and delegation of powers and duties, as required under section 270(1) of the *Municipal Act, 2001*”;

AND WHEREAS the Municipal Council of The Corporation of the City of London wishes to amend By-law No. A.-6151-17, as amended, by deleting Schedule “C” – Procurement of Goods and Services Policy in its entirety and by replacing it with a new Schedule “C” – Procurement of Goods and Services Policy, to update the Policy to provide additional clarity, and updates;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. By-law No. A.-6151-17, as amended, being “A by-law to establish policies for the sale and other disposition of land, hiring of employees, procurement of goods and services, public notice, accountability and transparency, and delegation of powers and duties, as required under section 270(1) of the *Municipal Act, 2001*”, is hereby amended by deleting Schedule “C” – Procurement of Goods and Services Policy in its entirety and by replacing it with a new Schedule “C” – Procurement of Goods and Services Policy attached as Appendix “A” to this by-law.

2. This by-law shall come into force and effect on the date it is passed.

PASSED in Open Council on October 1, 2019.

Ed Holder  
Mayor

Catharine Saunders  
City Clerk

First Reading – October 1, 2019  
Second Reading – October 1, 2019  
Third Reading – October 1, 2019

# **Appendix “A”**

## **Schedule “C”**

# **Procurement of Goods and Services Policy**

## **The Corporation of the City of London**

Revised: October 1, 2019



## **Table of Contents**

1.0	Procurement Goals and Objectives .....	3
2.0	General Provisions .....	8
3.0	Definitions.....	11
4.0	Responsibilities .....	17
5.0	Conflict of Interest .....	19
6.0	Prohibitions.....	20
7.0	Procurement Documentation.....	22
8.0	Approval Authority and Reporting Requirements .....	23
9.0	Low Dollar Value Procurements (up to \$15,000) – as per Schedule “A” .....	26
10.0	Informal Request For Quotation (IRFQ) (Greater than \$15,000 to \$50,000) – as per Schedule “A” .....	26
11.0	Request For Quotation (RFQ) (\$50,000 to \$100,000) – As Per Schedule “A” ..	27
12.0	Request for Proposal (RFP) – As Per Schedule “A” .....	28
13.0	Request for Tender (RFT) (Greater than \$100,000) – As Per Schedule “A” ....	30
14.0	Non-Competitive Purchases (Emergency, Sole Source, Single Source) .....	31
15.0	Appointment of Professional Consulting Services.....	34
16.0	Blanket Purchase Contracts.....	37
17.0	Requirement for Approved Funds .....	37
18.0	Purchasing Cards.....	38
19.0	Bid Administration .....	42
20.0	Contract Administration .....	45
21.0	General .....	48
	SCHEDULE “A” – Levels of Contract Approval Authority .....	51
	SCHEDULE “B” – Goods and/or Services NOT Subject to this Policy .....	54
	SCHEDULE “C” – Irregularities Contained in Bids .....	57
	SCHEDULE “D” - Statement of Ethics for Public Purchasers.....	59
	SCHEDULE “E” – Materials Management Guidelines.....	60

## **1.0 Procurement Goals and Objectives**

### **Mission:**

To obtain the right goods and/or services when needed while achieving best value through a transparent, fair and competitive process with a high focus on Customer Service.

- 1.1 This Policy outlines the processes to be followed in order to obtain the best value when purchasing goods, or contracting services for the Corporation of the City of London (herein after known as 'City').
- 1.2 The guiding principle is that procurement decisions will be made using a competitive process that is open, transparent and fair.
- 1.3 The City encourages innovation and the use of technology which meets City specifications and industry standards in order to ensure the utilization of the most efficient and effective procurement processes and practices.
- 1.4 The City will consider the total costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs in evaluating competitive bids from responsive and responsible bidders. Where costs are submitted for more than one year, the net present value of the annual costs will be used to evaluate the costs at a discount value concurred by the City Treasurer.

The Purchasing and Supply function fully embraces the philosophy of continuous improvement and will continue to be a leader in advanced public procurement solutions that are quality focused and consider the 'Total Cost of Ownership' where possible.

The City encourages its supply chain partners to have similar quality considerations with their procurement of goods and services.

### **1.5 Sustainable Purchasing**

*Sustainable Purchasing* is a framework for procurement decision-making that will contribute to the City of London's procurement objective to achieve best value for the City by considering the full life cycle of products and their complete economic, environmental and social costs and benefits.

The City of London recognizes that through its procurement function it has the power to bring about environmental and social improvements both locally and globally while maximizing economic benefits. The City is committed to maximizing sustainability benefits by engaging with the public marketplace and increasing the efficiency of procurement procedures and practice.

## Sustainable Purchasing Purpose

The purpose is to:

- Embed environmental and ethical criteria into the City's procurement procedures and supply chain management processes and ensure cost effectiveness and competitive pricing.
- Set specifications for goods and services that achieve environmental benefits such as waste reduction, water conservation, energy conservation, and pollution prevention and increase the development and awareness of environmentally sound procurement, efficient and durable products, reusable products and products that contain post-consumer, recyclable, non-toxic, and/or nonpetroleum content.
- Ensure safe and healthy workplaces for the people who produce goods or supply services to the City of London by requiring suppliers to adhere to minimum performance standards with respect to fair labour practices and human rights, based on core labour conventions of the International Labour Organization (ILO), Canadian laws and other applicable environmental and ethical standards as defined in the City's Supplier Code of Conduct.
- Evaluate, as appropriate, products and services based on a full life cycle or total cost of ownership perspective that considers their complete economic, environmental and social costs and benefits.
- Evaluate, as appropriate, the sustainability performance of suppliers' internal operations and rewarding leadership and innovation among Suppliers who contribute to healthy, fair and safe workplaces and practice environmental stewardship.
- Strive to reduce the overall consumption of goods and services, where possible, through more efficient procurement procedures and practices.
- Enhance procurement practices to align with existing City sustainability initiatives, such as Leadership in Energy and Environmental Design (LEED) green building design and E3 Fleets.
- Advance a corporate culture at the City that recognizes and places a priority on sustainability.
- Adhere to the principles of public procurement by continuing to support a process that is open, fair, transparent and competitive and complying with all applicable trade agreements such as The Canadian Free Trade Agreement (CFTA).

## Scope

This applies to the procurement of goods, services and construction by all Service Areas. Full implementation of the policy will be phased in over time.

## Guidelines

### **A. Responsibilities**

**All City Service Areas, Offices and Agencies** shall identify and purchase the most environmentally and socially responsible products and services that are available for the intended purpose at a competitive price and that meet the performance requirements. Environmental and social factors that should be considered include, but are not limited to:

- Minimization of virgin material use in product or service life cycle
- Maximization of recycled products used in product or service life cycle
- Environmental cost of entire product or service life cycle
- Reuse of existing products or materials in product or service life cycle
- Recyclability of product
- Minimization of packaging
- Reduction of energy/water consumption
- Toxicity reduction or elimination
- Elimination of uncertified hardwoods in product or service life cycle
- Durability and maintenance requirements
- Ultimate disposal of the product
- Adherence to the minimum social performance standards of the *Supplier Code of Conduct*

**Purchasing & Supply staff** shall adhere to the guidelines set forth in this policy when making purchasing decisions. Purchasing & Supply will be responsible for ensuring Suppliers comply with the minimum performance standards of the *Supplier Code of Conduct* and will participate in establishing annual action plans and targets, developing relevant tools and procedures, and reporting on annual performance.

**City Service Areas** shall assist Purchasing & Supply in its implementation of this policy by supporting training, information gathering, developing of environmental specifications, and evaluation of products and services and suppliers sustainability performance. End Users shall work with Purchasing & Supply to set product and service specifications and evaluate products and services based on these specifications.

### **B. Metrics and Reporting System**

Sustainable purchasing performance indicators and annual targets will be defined. A reporting system will track performance against these indicators and report on achievement of targets.

### **C. Program Resourcing**

Adequate resourcing (e.g. human and financial) will be assessed regularly to ensure successful implementation of the Sustainable Purchasing Policy.

### **D. Phased Implementation**

Sustainable Purchasing will be phased in over time through the selection of priority products and service based on a defined set of selection criteria (e.g. cost saving potential, sustainability impacts, market availability).

#### **1.6 Supplier Code of Conduct**

The Supplier Code of Conduct sets the minimum performance standards for Suppliers and their subcontractors and supports the City of London's Sustainable Purchasing. The goal of the Supplier Code of Conduct is to ensure safe and healthy workplaces for the people who make goods, services and construction for the City, where human and civil rights conditions meet internationally agreed upon standards.

The Supplier Code of Conduct will ensure that Suppliers are in compliance with the International Labour Standards (i.e. core labour conventions) of the International Labour Organization (ILO), Canadian laws and other applicable environmental and ethical standards. The City will apply the Supplier Code of Conduct as one of the criteria used in its selection of Suppliers. It is a requirement that City Suppliers and their subcontractors follow this code.

#### **Compliance Requirements**

City Suppliers and their sub-contractors must strive to comply with all national and other applicable laws of the country(ies) of operations or applicable to the manufacturing of goods or delivery of services, including, but not limited to those laws relating to working conditions, human rights, health and safety and the environment. For goods and services produced in Canada, Canadian laws will apply. For goods and services produced outside of Canada, and where foreign national laws and the Supplier Code of Conduct address the same issue, the standard that is most stringent will apply, thereby ensuring that all Suppliers, regardless of their place of operation, are meeting a consistent set of minimum performance standards related to human rights and fair workplace practices. The application of the Supplier Code of Conduct will be phased in over time.

#### **Minimum Performance Standards**

The following nine standards are based on the ILO International Labour Standards (i.e. labour conventions) that directly support the Universal Declaration of Human Rights and address the worst forms of child and forced labour. These core conventions set out reasonably achievable minimum standards for working conditions in manufacturing facilities and factories internationally. The ILO International Labour Standards are available online at: <http://www.ilo.org>



#### **a. Freely Chosen Employment**

The Supplier shall employ workers who choose to be employed by the Supplier's company. The Supplier shall not use any forced, bonded or indentured labour or involuntary prison labour. All work shall be voluntary, and workers shall be free to leave upon reasonable notice.

#### **b. Child Labour**

The Supplier shall commit to a zero-tolerance policy toward the use of child labour in any stage of manufacturing. The term "child" refers to any person under the age of 15 (or 14 where the law of the country of manufacture allows). Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is permitted.

#### **c. Non-discrimination and Diversity**

The Supplier shall promote cooperation, individual responsibility and acceptance of diversity among its employees. The Supplier and its employees shall not engage in discrimination based on race, colour, age, gender, sexual orientation, ethnicity, disability, place of origin, ancestry, source of income, pregnancy, religion, political affiliation, union membership, family status or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be unlawfully used in a discriminatory way.

#### **d. Health and Safety**

Workers will be provided with a safe and healthy work environment. Conditions in all work and residential facilities shall be safe, clean, and consistent with all applicable laws and regulations regarding occupational health and safety. The Supplier shall adequately inform employees of their health and safety guidelines in terms of equipment, training, management, and work practices.

#### **e. Employee Treatment, Harassment and Abuse**

The Supplier's employees shall be treated with respect and dignity and Supplier's disciplinary policies and procedures shall be clearly defined and communicated to employees before application. There shall be no harsh and inhumane treatment, including any physical, sexual, psychological, verbal harassment or abuse, or corporal punishment; nor is there to be the threat of any such treatment.

#### **f. Freedom of Association and Collective Bargaining**

The Supplier shall work directly with employees to find solutions to any outstanding legal and employment issues while at all times respecting worker rights to obtain representation, join labour unions, and/or bargain collectively. Workers shall be able to

communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment.

**g. Wages and Benefits**

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Employees shall be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate. Deductions from wages as a disciplinary manner is not permitted and payment shall occur in a timely manner with record of payment (e.g. pay stub).

**h. Hours of Work**

The Supplier shall ensure regular working hours do not exceed forty eight (48) hours per week, and that the combination of regular hours and required overtime hours do not exceed sixty (60) hours per week except in emergency circumstances.

**i. Environmental Responsibility**

Suppliers shall take responsibility to reduce the environmental impact of their products and services as well as their overall operations or 'in-house' practices (e.g. energy conservation in their buildings). Suppliers must not be in violation of any national environmental regulations and should be striving to meet third-party standards.

**2.0 General Provisions**

- 2.1 Unless otherwise provided in accordance with this Policy, the Manager of Purchasing and Supply and the authorized employees of Purchasing and Supply shall act for the City, for the purchase and disposal of all goods and/or services and shall be responsible for providing necessary advice and services required for such purchases and/or disposals in accordance with the method of purchase authorized by this Policy.
- 2.2 No purchase of goods and/or services shall be authorized unless it is in compliance with this Policy. Goods and/or services that are obtained without following the provisions of this Policy will not be accepted, and any invoices received may not be processed for payment.
- 2.3 Unless otherwise provided in accordance with this Policy, the purchase of all goods and/or services shall be authorized in accordance with the provisions of Schedule "A" to this Policy.
- 2.4 Requisitions or purchase orders shall not be arbitrarily structured to alter the relationship of the price to the preauthorized expenditure limit.

- 2.5 The procedures prescribed in this Policy shall be followed to make an award or to make a recommendation of an award to Committee and City Council.
- 2.6 Wherever possible, it should be the intent of the client service areas to procure goods and/or services of like nature as a combined effort in order to benefit from economies of scale.
- 2.7 During the public procurement process, internal City bids will not be considered as the analysis of in-house versus out-source (procurement) will be made prior to any such process.
- 2.8 Definitions specific to this Policy are documented in Section 3.
- 2.9 The City recognizes that mistakes and misunderstandings may occur; bidders may feel aggrieved and may seek to dispute the recommendation of an award of a contract. To maintain the integrity of the process, bidders who believe they have been treated unfairly can make this known by contacting the Manager of Purchasing and Supply prior to the award of the contract. The bidder must file the formal dispute for an appeal in writing within two (2) City of London business days of notification to the bidder by the City that their bid is not acceptable and request a hearing meeting with the Manager of Purchasing and Supply (or delegate). This meeting must be held within seven (7) City of London business days of notification. If the bidder disagrees with the decision of the hearing meeting the next step is to formally appeal to the City Treasurer (or delegate) in writing within seven (7) City of London business days. If the bidder disagrees with the decision of the City Treasurer, the next step is to formally appeal in writing to the City Clerk within seven (7) City of London business days. The Corporate Services Committee will hear the appeal and make a recommendation to Council regarding the dispute. City Council's decision on the Committee's recommendation is final.

The City may, in its absolute sole discretion, reject any other bids submitted if the bidder, or any officer or Managing Director of the bidder is or has been engaged, either directly or indirectly through another Corporation or personally, in/or during a dispute appeal of decision for the contract award action against the City.

In determining whether or not to reject a bid under this clause, the City will consider delays in awards of this or subsequent City contracts and whether the dispute or appeal is likely to affect the bidder's ability to work with the City, its consultants and representatives, and whether the City's experience with the bidder indicates that the City is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder. The City will also consider delays in awards of subsequent City contracts with other contractors and the potential for those additional costs resulting in delays associated with this dispute/appeal.

There are strict time limits to file a dispute appeal. If the bidder is unsure of the deadline for appeal, they must seek direction from the Manager of Purchasing and Supply. Failure to seek and follow these directions will result in the appeal being dismissed.

- 2.10 This Policy will be reviewed and revised on a periodic basis. It is anticipated that reviews will be conducted every five (5) years or more frequently as required.
- 2.11 Goods and/or services NOT subject to this Policy are listed in Schedule "B". The final determination of whether goods and/or services qualify for exemption under Schedule "B" shall be determined by the City Treasurer (or delegate).
- 2.12 Additional information on the administration of the procurement process can be found in Schedule "E" entitled Materials Management Guidelines.
- 2.13 Where a Service Area does not involve the complete utilization of the City's Purchasing and Supply Division as the procurement agent (e.g., small value contracting, or call-ups under the standing offer agreement, or user-administered tenders) then the Service Area is responsible for: Disclosing designated substances; Including designated substance and asbestos clauses in the tender/contract documents (Refer to Asbestos Management Program Appendices), and providing Pre-Demolition, Alteration or Renovation surveys to include pre-existing designated substance information.
- 2.14 In accordance with Ontario Regulation 191/11 under the Accessibility for Ontarians with Disabilities Act, 2005 (AODA) as amended, the City of London shall consider accessibility criteria and features when procuring or acquiring goods, services, or facilities, except where it is not practicable to do so. In which case, an explanation will be provided upon request.
- 2.15 No purchase of goods and services associated with computer software, hardware and/or telecommunications equipment will be authorized without the completion of appropriate Information Technology reviews as determined by Information Technology Services and the authorization, in writing, of the Director, Information Technology Services (or delegate).
- 2.16 When Grants or Stimulus Funding are received by the City, the use of that funding for Procurements is subject to the Procurement of Goods and Services Policy, notwithstanding any specific conditions placed by the provider.

### 3.0 Definitions

In this Policy, unless a contrary intention appears,

**‘Acting’** means the formal delegation of approval authority by the person in the position of authority to the person acting in that role on a temporary basis.

**‘Addendum’ (Addenda)** means the form of a document used to officially change, add and/or delete information contained within a Competitive Bid. By issuing an Addendum, the Competitive Bid itself changes to incorporate the Addendum.

**‘Agreement’** means a formal written legal agreement or contract for the supply of goods, services, equipment or construction.

**‘Award’** means a bid is formally accepted by the City and has obtained the required approval as defined in Section 8.5 and Schedule “A”. An award may be executed by the issuance of a Purchase Order, Contract Record or formal Agreement.

**‘Best Value’** means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan. Best value may include a time horizon that reflects the overall life cycle of a given asset.

**‘Bid’** means a response to a competitive bid issued by the City.

**‘Bidder’** means a person, corporation or other entity that responds, or intends to respond to a competitive bid.

**‘Bid Deposit’** means currencies, certified cheques, bid bond issued by a surety company licensed to operate by the Government of Canada or the Province of Ontario or another form of negotiable instrument acceptable to the City to compensate the City if the successful bidder does not enter into a contract.

**‘Blanket Purchase Contract’** means any contract for the purchase of goods and/or services which will be required frequently or repetitively but where the exact quantity of goods and/or services required may not be precisely known or the time period during which the goods and/or services are to be delivered may not be precisely determined.

**‘City’** means The Corporation of the City of London.

**‘City Manager’** means a person, or person ‘acting’ in this capacity serving as the head of Civic Administration. The City Manager may also exercise the approval authority of a Managing Director.

**‘City Treasurer’** means a person, or person ‘acting’ in this capacity with chief responsibility for Corporate Finances at the City (Managing Director, Corporate Services and City Treasurer, Chief Financial Officer).

**‘Certificate of Clearance’** from the Workplace Safety and Insurance Board means a certificate issued by an authorized official of the Workplace Safety and Insurance Board

certifying that the Board waives its rights under Subsection 141(10) of the Workplace Safety and Insurance Act, R.S.O. 1997, as amended.

**'Committee'** means the authorizing body (as amended by City Council) that provides initial approval prior to seeking Council approval

**'Competitive Bid'** means REOI, RFI, RFQUAL, RFP, IRFQ, RFQ or RFT as further defined in this section.

**'Consultant'** means an external subject matter expert that provides advisory services and/or direction to City Staff when the City requires competency and/or capacity for a particular procurement that is not available in-house, excluding legal, employment and labour relations services.

**'Contract'** means any formal or deliberate written agreement for the purchase of goods, services, equipment or construction including but not limited to Purchase Order and Agreement. Standard contracts are used for the acquisition of goods and/or services for a specific requirement. Corporate contracts are used for the acquisition of goods and/or services for a group of specific requirements.

**'Contracting'** means any formal or deliberate written agreement for the purchase of goods, services, equipment or construction including but not limited to Purchase Order and Agreement. Standard contracts are used for the acquisition of goods and/or services for a specific requirement. Corporate contracts are used for the acquisition of goods and/or services for a group of specific requirements.

**'Conflict of Interest'** means a situation in which the personal interests of Managing Directors, officers and key staff member come into conflict, or appear to come into conflict, with the interests of the City.

**'Contract Record'** means a document which summarizes the goods and/or services to be purchased.

**'Declaration Respecting Workers' Compensation Act, R.S.O. 1990/Corporations Tax Act'** means a declaration that the bidder has paid all assessments or compensation payable and has otherwise complied with all requirements of the Workplace Safety and Insurance Board and that the bidder has paid all taxes and/or penalties imposed on it pursuant to the Corporations Tax Act, R.S.O. 1990, CHAPTER C.40, as amended.

**'Delegate'** means a person who has been delegated approval authority by a position with authority under this Policy (Section 8.7).

**'Delegation of Approval Authority'** means the formal delegation of authority to perform a specific task or approval by a person in a position with authority under this Policy (Section 8.7), resulting in a 'delegate'.



**‘Delegation of Approval Authority List’** means a list prepared by the Managing Director granting the formal delegation of authority to perform a task or approval (Section 8.7).

**‘Dispute Committee’** means a committee comprised of the Manager of Purchasing and Supply (or delegate), the City Treasurer (or delegate), the City Manager (or delegate), and the Managing Director of the client service area involved.

**‘Elected Official’** means a member of (London) City Council.

**‘Emergency’** means a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise.

**‘Employee - Employer Relationship’** means a worker agrees to work for the City, on a full-time or part-time basis, for a specified or indeterminate period of time, in return for wages or a salary. The City has the right to decide where, when and how the work is to be done.

**‘Executed Agreement’** means a formal agreement, either incorporated in the bid documents or prepared by the City or its agents, to be executed by the successful bidder and the City.

**‘Fairness Advisor’** means an external resource who focuses on the procurement process and the case law for a procurement, but is also required to have a business perspective and may provide advice to the City.

**‘Fairness Commissioner’** means an external resource who works concurrently with the City’s procurement process to proactively make the process fairer and certifies the work at the conclusion. The Commissioner will provide direction to the City as required.

**‘Fairness Monitor’** means an external resource who oversees a procurements’ procedural fairness, transparency and adherence, particularly as it relates to the procurement process and provides feedback to the City.

**‘Goods and/or Services’** means supplies, services, materials and equipment of every kind required to be used to carry out the operations of a service area.

**‘Informal Request for Quotation’ or ‘IRFQ’** means a request for prices on specific goods and/or services from selected suppliers which are submitted in writing, or as specified in the Informal Request for Quotation.

**‘Insurance Documents’** means official original documents issued by an insurance company acceptable to the City and, preferably, licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with the City’s insurance requirements and completed on the City standard insurance form (s); as contained in the bid document.

**'Irregular Result'** is defined in Section 8.10.

**'Irregularities Contained in Bids'** is defined in Schedule "C" and includes the appropriate response to those irregularities.

**'Irrevocable Letter of Credit'** means an irrevocable letter on the financial institution's standard form containing a request that the party to whom it is addressed pay the bearer or a person named therein money as a result of failure to perform or fulfill all the covenants, undertakings, terms, conditions and agreements contained in a contract.

**'Labour and Material Bond'** means a bond issued by a surety company on the City standard Form of Bond to ensure that the contractor will fulfill its obligations to its employees, subcontractors and suppliers and thereby protects the City.

**'Letter of Agreement to Bond'** means a letter or other form issued by a surety company licensed to operate by the Government of Canada or the Province of Ontario advising that, if the bidder is successful the bonding agency will issue the required bonds.

**'Manager of Purchasing and Supply'** means a person responsible for the Purchasing and Supply section at the City. For the purposes of this Policy, when 'Manager of Purchasing and Supply' appears it does not include staff that has been delegated approval authority by the 'Manager of Purchasing and Supply', unless otherwise noted.

**'Managing Director'** means a person, or person 'acting' in this capacity responsible for a service area at the City.

**'Obsolete'** means City assets that are no longer current or have no functional use due to being replaced by newer assets and still may have some economic value.

**'Pecuniary Interest'** means the opportunity, directly or indirectly, to profit or share in any profit derived from a competitive bid or agreement.

**'Performance Bond'** means a bond issued by a surety company on the City standard Form of Bond executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts. These may also be in the form of 'renewable performance bonds'.

**'Professional Consulting Services'** means a consulting firm, engineer or architect providing professional knowledge or construction design or technical expertise.

**'Program Administrator'** means a person who has been given the responsibility to maintain and monitor the purchasing card program at the City.

**'Proponent'** means the respondent to a Request for Proposal (RFP).

**'Purchase Order'** means the standard City procurement document issued by Purchasing and Supply to formalize a purchasing transaction with a supplier.



**‘Purchasing Card’** means a credit card provided by the City’s Finance area and its use is bound by the provisions of the Procurement of Goods and Services Policy.

**‘Purchase Requisition’** means a duly authorized written or electronically produced request in an approved format to obtain goods or services.

**‘Request for Expression of Interest’ or ‘REOI’** means a focused market research tool used to determine supplier interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications (RFQUAL) when the proposed procurement is well defined and the purchaser has clear expectations for the procurement.

**‘Request for Information’ or ‘RFI’** means a general market research tool to determine which products and services are available, scope out business requirements, and/or estimate project costs which may be used prior to issuing another type of competitive bid.

**‘Request for Proposal’ or ‘RFP’** means a process where a need is identified, but the method by which it will be achieved is not prescribed at the outset. This process allows prospective suppliers to propose solutions or methods to arrive at the desired result.

**‘Request for Qualifications’ or ‘RFQUAL’** means a request for list of qualified suppliers and firms who have an interest in providing services to the City, typically through a two-stage process.

**‘Request for Quotation’ or ‘RFQ’** means a request for prices on specific goods and/or services as specified in the Request for Quotation.

**‘Request for Tender’ or ‘RFT’** means a request for sealed bids which contain an offer in writing to execute some specified services, or to supply certain specific goods, at a certain price, in response to a publicly advertised request for bids.

**‘Scrap’** means City assets that no longer have the ability to function for their original design in their current state and have minimal economic value other than primarily for recycling value.

**‘Sealed Bid’** means a formal sealed response received as a part of a competitive bid.

**‘Single Source’** means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications. Further qualifications appear in the definition in Section 14.4.

**‘Sole Source’** means that the goods and/or services are available from only one supplier. Further qualifications appear in the definition in Section 14.3.

**‘Substantive Objection’** means an unsuccessful bidder requests moving to the third stage of dispute resolution as prescribed in Section 2.9.

**'Supplier'** means any individual or organization providing goods or services to the City including but not limited to contractors, consultants, suppliers, service organizations etc.

**'Surplus'** means City assets that exceed the portion that is utilized by the City, may be current, may have functional use and still have some economic value.

**'Tender'** means a sealed bid which contains an offer in writing to execute some specified services, or to supply certain specified goods, at a certain price, in response to a publicly advertised request for bids.

**'Triggering Event'** means an occurrence resulting from an unforeseen action or consequence of an unforeseen event, which must be remedied on a time sensitive basis to avoid a material financial risk to the City or serious or prolonged risk to persons or property.

**'Value Analysis'** means a life cycle costing approach to valuing a given alternative, which calculates the long term expected impacts of implementing the particular option.

## **4.0 Responsibilities**

### **4.1. General Responsibilities**

- a. All City staff delegated with approval authority (Section 8.7) shall follow the guidelines as set out in Schedule “D” ‘A Statement of Ethics for Public Purchasers’ established by the Ontario Public Buyers’ Association, as well as the City’s Conflict of Interest Policy, and Section 5 below.
- b. Procurement activities shall be subject to all applicable City policies and by-laws, any specific provisions of the Municipal Act, and all other applicable Federal and Provincial legislation.
- c. Failure to adhere to the requirements outlined in this Policy may lead to disciplinary action up to and including termination of employment.
- d. No provision of this Policy precludes a Managing Director or the Manager of Purchasing and Supply with the concurrence of the City Manager from recommending an award to Committee and City Council where:
  - i. in the opinion of a Managing Director, it is in the best interest of the City to do so; or;
  - ii. it is a matter of procurement procedure and, in the opinion of the Manager of Purchasing and Supply, it is in the best interest of the City to do so.

### **4.2. City Manager**

The City Manager has the authority to instruct the Managing Directors not to award contracts and to submit recommendations to Committee and City Council for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interest of the City.

### **4.3. Managing Directors**

- a. Have responsibility for all procurement activities within their service areas and are accountable for achieving best value while following the Procurement of Goods and Services Policy;
- b. Have the authority to delegate approval authority to staff at the appropriate levels within their service areas (Section 8.7);
- c. The Managing Directors have the authority to award contracts in the circumstances specified in this Policy provided that the delegated power is exercised within the limits prescribed in Schedule “A” and the requirements of this Policy are met; and

- d. When the Managing Director is of the opinion that a Triggering Event has occurred, the Managing Director may authorize the purchase of such goods and/or services as is considered necessary to remedy the situation without regard to the requirement for a competitive bid and may approve the necessary contract amendment. The relevant details surrounding the Triggering Event shall be included in a report and submitted to Committee as soon as possible.

#### 4.4. City Treasurer

The City Treasurer is responsible for:

- a. Overseeing the Purchasing and Supply function;
- b. Maintaining ownership over the Procurement of Goods and Services Policy; and
- c. Approval authority as outlined in Schedule “A” and 8.5.

#### 4.5. Manager of Purchasing and Supply

The Manager of Purchasing and Supply is responsible for:

- a. The integrity of the procurement process with the exception of those items listed in Schedule “B”;
- b. Providing professional procurement advice and service to City staff.
- c. Awards within the authority of the Managing Director (or delegate) for which the Manager of Purchasing and Supply may award a contract on behalf of these positions provided that Purchasing and Supply is in receipt of a funded requisition and the requirements of this Policy are met;
- d. Monitoring compliance with this Policy;
- e. Notifying the Senior Management Team, in advance if possible, of non-compliance with this Policy;
- f. Rejecting any Purchase Requisitions for services where the services could result in the establishment of an employee – employer relationship; and
- g. Creating and revising administrative procedures and directions respecting:
  - i. the preparation and development of specifications;
  - ii. the requirements and form of bid deposits;
  - iii. other securities and documentation required or advisable for sealed bids;
  - iv. procedures for the opening, evaluation and recommendation of bid documents; and
  - v. such other matters of an ancillary or incidental nature to more fully carry out the intent and purpose of this Policy.

#### 4.6. Committee and City Council Approval

Despite any other provision of this Policy, the following contracts are subject to Committee and City Council approval:

- a. Any contract requiring approval from the Ontario Municipal Board;
- b. Any contract prescribed by Statute to be made by City Council;
- c. Where a recommendation is being made to amend the total value of a contract in excess of the original bid (plus contingency), and;
  - i. it is an amount greater than \$50,000; or
  - ii. in the opinion of the City Treasurer, funds are not available for the additional expenditure.
- d. Where a Substantive Objection (see definition in Section 3), emanating from the competitive bid has been filed with the City Treasurer prior to award of the contract;
- e. Where there is an irregular result (see Section 8.10); and
- f. Where authority to approve has not been expressly delegated.

#### 5.0 Conflict of Interest

- 5.1 No elected official, appointed officer or employee of the City shall have any pecuniary or controlling interest either direct or indirect in any competitive bid or contract for the supply of goods or services to the City, unless such pecuniary interest is disclosed by the contractor, bidder or person submitting a quotation, as the case may be, or unless such pecuniary interest would be exempt under the Municipal Conflict of Interest Act.
- 5.2 Competitive bid documents shall include a section that requires and provides for the disclosure of any pecuniary interest prior to submission of the bid. Should a conflict of interest arise after the award of a contract, the conflict shall immediately be disclosed in writing to the Manager of Purchasing and Supply. Further, all competitive bid documents and agreements shall provide that in the event that a contract is awarded to a person who has not, during the bidding or contracting process, disclosed the pecuniary interest of an elected official, appointed officer or employee of the City in the contract, the contract may be cancelled at any time by the City in its entire discretion without damages or penalty.
- 5.3 In this section, 'controlling interest' means the interest that a person has in a corporation when the person beneficially owns, directly or indirectly, or exercises control or direction over, equity shares of the corporation carrying more than ten

percent (10%) of the voting rights attached to all equity shares of the corporation for the time being outstanding;

- 5.4 For the purposes of this section, a person has an indirect pecuniary interest in any competitive bid or agreement entered into by a corporation, if:
  - a. The person or his or her nominee is a shareholder in or a Managing Director or senior officer of a corporation that does not offer in securities to the public.
  - b. Has a controlling interest in or is a Managing Director or senior officer of a corporation that offers securities to the public.
- 5.5 For the purposes of this section, an elected official, appointed officer or employee of the City has an indirect pecuniary interest if the person is a partner of a person or is in the employment of a person or body that has entered into a tender, proposal, quotation or contract with the City.
- 5.6 For the purposes of this section, the pecuniary interest in a Tender, Proposal, Quotation or contract of a parent or spouse or any child of an elected official, appointed officer or employee shall, if known to the person, be deemed to be also the pecuniary interest of the elected official, appointed officer or employee as the case may be.

## **6.0 Prohibitions**

### 6.1 Division of Contracts

No employee of the City shall divide a purchase or a contract to avoid the requirements of the Tender, Proposal, Quotation or Purchasing Card procedures. Nor shall purchases be split in order to circumvent prescribed spending authority dollar limits as outlined in this Policy

### 6.2 Interference in the Procurement Process

- a. Elected officials, appointed officers and employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to the City. This also includes a contract with any other municipality, local board or public body involved in the purchase of goods and/or services either jointly or in cooperation with the City.
- b. Elected officials shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Elected officials should not see any documents or receive any information related to a particular procurement while the procurement process is ongoing. Elected officials who

receive inquiries from suppliers related to any specific procurement shall immediately direct those inquiries to the Manager of Purchasing and Supply, or the City Treasurer.

- c. The only exception to the above relates to selection of external auditors or an integrity commissioner whereby elected officials are specifically part of the evaluation team.

### 6.3 Official Point of Purchasing Contract and Lobbying Prohibition

- a. The City is committed to the highest standards of integrity with respect to the purchase of goods and/or services and managing the processes by which goods and/or services are acquired. The official point of purchasing contact shall be a member of the Purchasing and Supply Team. Should it be necessary or desirable to have a contact person to respond to technical issues that person shall be named in the competitive bid documents. All communications will be made by these individuals and during the procurement process, no bidder or person acting on behalf of the bidder or group of bidders shall contact any elected official, consultant or any employee of the City to attempt to seek information or to influence the award of the contract. Any activity designed to influence the decision process, including, but not limited to, contacting any elected official, consultant or employee of the City for such purposes as meetings of introduction, social events, meals or meetings related to the selection process, shall result in disqualification of the bidder for the project to which the influential activity is deemed to be directed.

Notwithstanding the foregoing, this prohibition does not apply to meetings specifically scheduled by the City Purchasing and Supply group for presentations or negotiations. Any bidder found to be in breach of this Policy shall be subject to immediate disqualification from the procurement process and may be prohibited from future opportunities at the discretion of City Council.

- b. In addition, no bidder who has been awarded the contract shall engage in any contact or activities in an attempt to influence any elected official or any employee of the City with respect to the purchase of additional enhancements, options, or modules. However, a contractor may communicate with the appropriate member of the Purchasing and Supply Team, the Manager of Purchasing and Supply or the City Treasurer for purposes of administration of the contract during the term of the contract.
- c. The determination of what constitutes influential activity is in the sole discretion of the Manager of Purchasing and Supply, acting reasonably, and not subject to appeal.
- d. Contract award decisions shall be based on clear, transparent and objective criteria that is applied free from political considerations or political interference.



## **7.0 Procurement Documentation**

- 7.1 In order to maintain consistency, Purchasing and Supply shall provide guidelines to the City Manager and/or Managing Director on procurement policies and procedures and on the structure, format and general content of procurement documentation.
- 7.2 Purchasing and Supply shall review proposed procurement documentation to ensure clarity, reasonableness and quality and shall advise the City Manager and/or Managing Director of suggested improvements.
- 7.3 Procurement documentation shall avoid use of specific products or brand names.
- 7.4 Notwithstanding Section 7.3, a Managing Director (or delegate) may specify a specific product, brand name or approved equal for essential functionality purposes (with consideration for operating and maintenance costs) to avoid unacceptable risk or for some other valid purpose. In such instances, the Managing Director (or delegate) and Purchasing and Supply shall manage the procurement to achieve a competitive situation whenever possible.
- 7.5 The use of standards in procurement documentation that have been certified, evaluated, qualified, registered or verified by independent nationally recognized and industry-supported organizations such as, but not limited to, the Standards Council of Canada, shall be preferred.
- 7.6 Managing Directors (or delegate) shall:
  - a. Give consideration to Value Analysis, Sustainable Purchasing and Supplier Code of Conduct;
  - b. Ensure that adequate Value Analysis comparisons are conducted to provide assurance that the specification(s) will provide best value;
  - c. Forward the Value Analysis to Purchasing and Supply for documentation in the procurement file; and
  - d. Ensure specification(s) are set to allow for an open competitive process.
- 7.7 All substantive changes to standard clauses in competitive bid documents and standard agreements shall be reviewed and approved by the City Solicitor (or delegate).
- 7.8 Unless otherwise noted in this Policy, the Manager of Purchasing and Supply (or delegate) in conjunction with the Managing Director (or delegate) shall issue bid documents for goods and/or services. Purchasing and Supply shall give notice of the issuance of a competitive bid electronically via the internet as well as any other means as appropriate.



7.9 Internal Auditor shall review compliance with the Procurement or Goods and Services Policy, and report to the Audit Committee as set out in their audit plan.

## **8.0 Approval Authority and Reporting Requirements**

8.1 Any person delegated approval authority pursuant to this Policy shall ensure that an approved budget, as described in Section 17 of this Policy, exists for the proposed procurement and that such procurement does not violate any City policies or any applicable law. Any such procurement shall also satisfy any applicable audit and documentation requirements of the City.

8.2 All applicable taxes, duties and shipping shall be excluded in determining the procurement limit of authorized delegates and the type of procurement process to be followed.

8.3 The dollar values identified in this section represent the annual estimated procurement value for a good and/or service to be procured. The annual estimated procurement value is the cumulative value spent over a twelve (12) month period for a particular good and/or service.

8.4 In the case of multi-year supply and/or service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

8.5 The following body and persons shall have the respective approval authority as set out below (see summary in Schedule "A"). All dollar values are based on annual amounts and must be within pre-approved budgeted limits.

a. **Committee and City Council** must approve the following awards:

- i. RFP greater than \$100,000;
- ii. RFT greater than \$3,000,000;
- iii. RFQ, RFP and RFT with an irregular result greater than \$100,000 (section 8.10);
- iv. Sole Source or Single Source greater than \$50,000;
- v. Contract extensions greater than \$3,000,000 (section 20.2); and
- vi. Appointment of Professional Consulting Services (Section 15) greater than \$100,000.

b. **Managing Directors or any employee exercising delegated authority approval and Manager of Purchasing and Supply (jointly)** are authorized to approve the following awards:

- i. RFQ (formal quotations) greater than \$50,000 but not exceeding \$100,000; and
  - ii. RFP up to \$100,000;
  - iii. RFT up to \$3,000,000;
  - iv. Sole Source or Single Source up to \$50,000;
  - v. Contract extensions up to \$3,000,000, for Council approved agreements that have clearly defined options to extend (Section 20.2).
- c. **Managing Directors or any employee exercising delegated authority approval** are authorized to approve the following awards;
- i. Informal quotations up to \$50,000; and,
  - ii. Appointment of Professional Consulting Services not exceeding \$100,000 (Section 15).

8.6 Section 8.5 approvals may be overridden in the case of an 'emergency' as defined in Section 14.2 of this Policy.

#### 8.7 Delegation of Approval Authority

'Delegation of Approval Authority' means the formal delegation of authority to perform a task or approval by a person in a position with authority under this Policy, resulting in a 'delegate'.

- a. The method for the Managing Directors delegating approval authority is as follows:
  - i. The Managing Directors shall prepare a 'delegation of approval authority list' within their respective areas;
  - ii. The list will provide evidence that the staff listed have been delegated approval authority by the Managing Director;
  - iii. The list at minimum, shall include the staff person's name, title and approval limit, the list will also include any acting roles;
  - iv. The list shall be updated immediately upon any change in staff or position;
  - v. A copy of the list shall be sent to the Manager of Purchasing and Supply each time there is a revision;
  - vi. The Manager of Purchasing and Supply will ensure the delegation of approval authority lists are available to all Purchasing and Supply Staff; and

- vii. Purchasing and Supply staff will review the list prior to completing tasks that require approval.
  - b. The Managing Directors and Manager of Purchasing and Supply shall develop a 'delegation of approval authority list' for the approvals and tasks they are responsible for under this Policy.
- 8.8 Only the Managing Directors may further delegate approval authority to their staff at the procurement values deemed appropriate. Staff that has been delegated approval authority from the Managing Directors to approve procurements shall have no authority to delegate this approval authority to any other person.
- 8.9 City Council may explicitly delegate further approval authority as it considers necessary from time to time, including but not limited to, any extended time periods during which City Council does not meet.

#### 8.10 Irregular Result

The client Service Area, in conjunction with Purchasing and Supply, shall submit a report to Committee and City Council and receive their approval for the award of a competitive bid greater than \$100,000 if any of the following conditions apply (if the award is less than \$100,000, the Managing Director with the concurrence of the Manager of Purchasing and Supply (or delegate) may approve the award):

- a. The value of the lowest compliant bid is in excess of the City Council approved budget including any contingency allowance;
- b. The specifications of a competitive bid cannot be met by two (2) or more suppliers;
- c. The award is not being made to a compliant bidder(s) offering the Best Value to the City;
- d. Where a Substantive Objection has been filed with the City Treasurer prior to award of a competitive bid; or
- e. Where in the opinion of the Manager of Purchasing and Supply, the client Service Area award recommendation is not in the best interest of the City.

#### 8.11 Reporting to Committee and City Council

- a. The Managing Directors shall submit an informational report on an annual basis, no later than March 1 to the Manager of Purchasing and Supply containing the details of the contract awards made under Section 8.5.c for their respective Service Areas.
- b. The Manager of Purchasing and Supply shall coordinate data collection and prepare an annual report for submission to City Council including the awards made under section 8.5 b and 8.5 c, no later than April 30. The report will only

include awards that were not processed through Purchasing and Supply, unless otherwise directed by Council. Purchasing and Supply shall certify that the awards are in compliance with this Policy and where non-conformances are identified, corrective action will be taken.

- c. Where a supplier has invoiced the City a cumulative total value of \$100,000 or more in a calendar year, total payments relative to the supplier shall be included in an annual information report to Committee and City Council. The Manager of Purchasing and Supply (or delegate) shall prepare a report of all Civic Administratively Awarded Tenders for the reporting year.

#### **9.0 Low Dollar Value Procurements (up to \$15,000) – as per Schedule “A”**

- 9.1 Procurements up to \$15,000 shall be considered low dollar value procurements
- 9.2 All low dollar value procurements shall utilize applicable City contracts and shall otherwise be in accordance with this Policy.
- 9.3 A corporate Purchasing Card may be used for low dollar value procurements provided the user complies with Section 18 of this Policy.
- 9.4 The Managing Directors may delegate approval authority to their staff for low dollar value procurements and it is their responsibility to ensure that this Policy is adhered to.
- 9.5 All information on low dollar value procurements must be documented and maintained on file.
- 9.6 Low dollar value procurements do not require an RFQ, RFP or RFT. Obtaining competitive quotes is considered a good business practice and should be obtained. An authorized Purchase Requisition submitted to Purchasing and Supply is the preferred method.

#### **10.0 Informal Request For Quotation (IRFQ) (Greater than \$15,000 to \$50,000) – as per Schedule “A”**

- 10.1 Procurements greater than \$15,000 but not exceeding \$50,000 are eligible to be completed through an Informal Quotation process. The Managing Director or any employee exercising delegated authority is authorized to award the contract.
- 10.2 All Informal Quotations shall utilize standard applicable Service Area contracts and/or corporate contracts and shall otherwise be in accordance with the Procurement of Goods and Services Policy.

- 10.3 For procurements where there are no applicable Service Area contracts or corporate contracts, informal quotations shall be obtained by the client Service Area in the following manner:
- a. Three (3) written (use of the electronic bidding system is encouraged) bids obtained from three (3) separate potential suppliers;
  - b. A 'No Bid' response shall not be considered as a valid bid;
  - c. All suppliers shall receive the same informal quotation written information;
  - d. The informal quotation shall be awarded to the lowest compliant bid; and
  - e. Documentation on all bids, including but not limited to the prospective bidders list, bid document, bid responses and decision making rationale shall be retained in the client Service Area files in accordance with City Council approved by-laws for records retention, or a minimum of two (2) years.
- 10.4 Staff is encouraged to seek three (3) bids to ensure a more competitive process. If staff has exhausted all efforts to obtain three (3) bids and can support this with documented evidence under Section 10.3 e., a minimum of two (2) written bids is acceptable.
- 10.5 Purchasing and Supply shall assist as requested by the client Service Area, or when deemed necessary, with the Informal Quotation process. Purchasing and Supply may also conduct reviews to ensure the requirements of this section and all other applicable sections of this Policy have been met.
- 10.6 When a client Service Area requires an RFP in lieu of an Informal Quotation, the RFP shall be issued by Purchasing and Supply in the same manner as for RFP's in Section 12 and subject to the approval authority in Section 8.5.b.
- 10.7 Since the informal quotation process does not necessarily go through Purchasing and Supply, the City's standard insurance form must be completed and forwarded by the client Service Area to Insurance and Risk Management for review and input into the Insurance Program. WSIB Certificates of Clearance must be submitted to Accounts Payable at the commencement of the project and periodically as the work is completed and before final payment is released.
- 10.8 An authorized Purchase Requisition is to be sent to Purchasing and Supply and include copies of the bids received. A Purchase Order, Contract Record or Agreement will be issued to formalize the contract with selected supplier.

**11.0 Request For Quotation (RFQ) (\$50,000 to \$100,000) – As Per Schedule "A"**

- 11.1 RFQ procedures shall be used where:

- a. The item is greater than \$50,000 but not exceeding \$100,000;
  - b. The requirement can be fully defined; and
  - c. Best value for the City will be achieved by an award selection made on the basis of the total lifecycle cost that meets all terms, conditions and specifications.
- 11.2 The Managing Director or any employee exercising delegated authority approval and the Manager of Purchasing and Supply must jointly approve this award.
- 11.3 The Managing Director or any employee exercising delegated authority approval shall provide to Purchasing and Supply a purchase request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction.
- 11.4 The client Service Area shall be responsible to review the competitive bid and verify that all terms, conditions and specifications of the bid are met.
- 11.5 Purchasing and Supply shall forward to the Managing Director (or delegate) a summary of the bids and recommend the award of contract to the lowest compliant bid subject to review by the Managing Director (or delegate) regarding specifications and contractor performance.
- 11.6 When a client Service Area requires the issuance of an RFP in lieu of a RFQ, the RFP shall be issued by Purchasing and Supply as described in Section 12 of this Policy and subject to the approval authority in Section 8.5.b.
- 11.7 The City reserves the right in its absolute sole discretion to accept or reject any submission.

## **12.0 Request for Proposal (RFP) – As Per Schedule “A”**

- 12.1 The RFP procedure shall be used where:
- a. The requirement is best described in a general performance specification;
  - b. Innovative solutions are sought; and
  - c. To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements.
- 12.2 Awards under the RFP process require the following approval:
- a. The Managing Director or any employee exercising delegated authority approval and the Manager of Purchasing and Supply must jointly approve an RFP award for purchases up to \$100,000;

- b. Committee and City Council must approve an RFP award for purchases greater than \$100,000;
  - c. Committee and City Council must approve an RFP award with an irregular result greater than \$15,000.
- 12.3 The RFP process is a competitive method of procurement that may or may not include supplier pre-qualification.
- 12.4 An RFI, REOI or RFQUAL may be issued in advance of a RFP to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified suppliers.
- 12.5 An RFI, REOI and RFQUAL shall follow the same award approvals as an RFP, if applicable.
- 12.6 Purchasing and Supply shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation method for use in an RFP. This may include but not be limited to factors such as qualifications and experience, strategy, approach, methodology, scheduling and past performance, facilities, equipment, pricing, life cycle costing, standardization of product, and aspects that would support environmental procurement. Also see sections 1.5 and 1.6.
- 12.7 Managing Directors or any employee exercising delegated authority approval shall identify appropriate evaluation criteria from the list maintained by Purchasing and Supply for use in a RFP but are not limited to criteria from the list. Cost will always be included as a factor, as best value includes but is not limited to quality and cost.
- 12.8 The Managing Director or any employee exercising delegated authority approval shall provide Purchasing and Supply with a written purchase request in a form acceptable to the Manager of Purchasing and Supply containing the budget authorization, approval authority, terms of reference and evaluation criteria to be applied in evaluating the proposals submitted.
- 12.9 A representative from Purchasing and Supply will be the lead in the RFP process. A selection committee will be formed with a minimum of three evaluators and be comprised of at least one representative from the client Service Area and one representative from Purchasing and Supply. The evaluators shall review all compliant proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results with supporting documents, are kept in the procurement file. The Purchasing and Supply representative may or may not participate in the scoring of the proposals.
- 12.10 During the proposal process all communication with proponents shall be through Purchasing and Supply.



- 12.11 Purchasing and Supply shall forward to the Managing Director (or delegate) an evaluation summary of the procurement, as well as the evaluation committee's recommendation for award of contract to the proponent meeting all mandatory requirements and providing best value as stipulated in the RFP. The representative from Purchasing and Supply is responsible for documenting the determination of best value. The criteria and analysis to determine best value will be included (if applicable) in the report to Committee and City Council.
- 12.12 With respect to all reports initiated for RFP, a report on the sources of financing, and other financial commentary as considered appropriate, shall be prepared.
- 12.13 Reporting will not include financial summaries of bids as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended.
- 12.14 Unsuccessful proponents may, upon their request, attend a debriefing session with a Purchasing and Supply representative to review their competitive bid. Any discussions relating to any submissions other than that of the proponent present will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the proponent's rating on various criteria in order to allow the proponent to understand where future improvements might be available.
- 12.15 The City reserves the right in its absolute sole discretion to accept or reject any submission.

**13.0 Request for Tender (RFT) (Greater than \$100,000) – As Per Schedule “A”**

- 13.1 RFT procedures shall be used where:
  - a. The total cost is expected to be greater than \$100,000;
  - b. The requirement can be fully defined; and
  - c. Best value for the City can be achieved by an award selection made on the basis of the lowest bid that meets all terms, conditions and specifications.
- 13.2 Awards under the RFT process require the following approval:
  - a. Committee and City Council must approve award of tenders greater than \$3,000,000;
  - b. Committee and City Council must approve award of contracts when a tender result is irregular as per Section 8.10 of this Policy.
  - c. Results from \$100,000 to \$3,000,000 that do NOT have an Irregular Result may be awarded administratively.



- 13.3 The Managing Director (or delegate) shall provide to Purchasing and Supply a purchase request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction. Specifications may include certain brands of product in order to facilitate standardization of the City's inventory as per Section 7.4 of this Policy.
- 13.4 The Manager of Purchasing and Supply shall be responsible for arranging for the public disclosure of bid submissions at the time and date specified by the bid call.
- 13.5 Purchasing and Supply shall forward to the Managing Director (or delegate) a summary of the bids and recommend award of the contract to the lowest compliant bidder.
- 13.6 With respect to all reports initiated for tenders, there shall be a recommendation report to Committee and City Council containing the sources of financing, and other financial commentary as considered appropriate.

The City reserves the right in its absolute sole discretion to accept or reject any submission.

#### **14.0 Non-Competitive Purchases (Emergency, Sole Source, Single Source)**

- 14.1 The requirement for a competitive bid process for the selection of a supplier for goods, services and construction (except for Emergencies – see 14.2) may be waived under authority of the City Manager and replaced with direct negotiations by the Managing Director (or delegate) and Manager of Purchasing and Supply (or delegate) under the following circumstances.
  - a. The procurement qualifies as 'Sole Source' as defined in Section 14.3;
  - b. The procurement qualifies as a 'Single Source' as defined in Section 14.4.

#### **14.2 Procurement in Emergencies**

For the purposes of this section, "Emergency" means an event or occurrence that the City Manager or Managing Director deem as an immediate threat to:

- Public health;
- The maintenance of essential City services; or
- The welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for goods or services to mitigate the emergency and time does not permit for a competitive procurement process.

In the event of an Emergency the City Manager or Managing Director and their respective delegates, Fire Chief or a Deputy Fire Chief, or Chief Building Official or Deputy Chief Building Official, are authorized to enter into a purchase agreement without the requirement for a formal competitive process.

A list of pre-qualified suppliers will be used to select the suppliers, whenever possible.

Where the procurement cost to mitigate the Emergency is anticipated to exceed \$50,000, there must be a notification sent (e-mail contact is acceptable) to the Manager of Purchasing and Supply (or delegate). The steps taken to mitigate the Emergency must always be clearly documented regardless of amount and where the aggregate costs for a single supplier are in excess of \$50,000, the emergency procurement shall be reported by the responsible Managing Director to Committee and City Council (including the source of financing) at the next scheduled meeting following the event. The Managing Director responsible for the area leading the emergency procurement must forward the appropriate purchase requisition(s) to the Manager of Purchasing and Supply within five (5) business days after the mitigation activities associated with the emergency event have been terminated.

#### 14.3 Sole Source

The procurement may be conducted using a Sole Source process if the goods and/or services are available from only one supplier by reason of:

- a. Statutory or market based monopoly;
- b. Competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, license, technical secrets or controls of raw material; or
- c. The complete item, service, or system is unique to one supplier and no alternative or substitute exists

#### 14.4 Single Source

Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications.

The procurement may be conducted using a Single Source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:

- a. An attempt to acquire the required goods and/or services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and compliant supplier;
- b. The confidential nature of the requirement is such that it would not be in the public interest to solicit competitive bids;

- c. Construction, renovations, repairs, maintenance etc. in respect of a building leased by the City may only be done by the lessor of the building, in accordance with a lease agreement;
- d. There is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e. contract extension or renewal);
- e. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;
- f. The goods are purchased under circumstances which are exceptionally advantageous to the City, such as in the case of a bankruptcy or receivership;
- g. It is advantageous to the City to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body;
- h. It is advantageous to the City to acquire the goods or services directly from another public body or public service body;
- i. Another organization is funding or substantially funding the acquisition and has determined the supplier, and the terms and conditions of the commitment into which the City will enter are acceptable to the City;
- j. The acquisition is for a particular brand of goods or services that are intended solely for resale to the public and no other brand is desirable and the brand is not available from any other source; or
- k. Where due to abnormal market conditions, the goods, services or construction required are in short supply.

#### 14.5 Sole Source and Single Source – Approval and Reporting

- a. Awards which qualify to be considered as a Single Source or Sole Source process require the following approval:
  - i. the Managing Director and Manager of Purchasing and Supply, must jointly approve an award not exceeding \$50,000;
  - ii. Committee and City Council must approve an award greater than \$50,000, unless otherwise permitted by this Policy.
- b. For awards under Section 14.5.a.ii, the Managing Director is responsible for submitting a report to Committee and City Council detailing the rationale supporting their decision.

## **15.0 Appointment of Professional Consulting Services**

### **15.1 General**

- a. Senior management staff will be involved in the selection process for Professional Consulting Services. Specifically, Division Managers are to be involved with all projects, and Managing Directors and the City Manager, as appropriate for high-profile projects of increasing complexity or expense.
- b. Under no circumstances shall an extension or expansion of a consulting engagement preclude the required approvals. This includes splitting the project or scope of work into multiple phases or sections. City Council has sole authority to approve and award contracts greater than \$100,000.
- c. If a consulting engagement that has been awarded administratively then exceeds the approval threshold of \$100,000, the Managing Director shall immediately prepare a report to City Council providing a status update and requesting approval to proceed (if applicable).
- d. The Managing Director shall be responsible for ensuring that any substantive clause changes to the standard consulting services agreement are reviewed by the City Solicitor (or delegate) and the agreement is executed by the Mayor and Clerk.
- e. The Managing Director shall be responsible for obtaining and submitting the appropriate insurance and WSIB documents to Risk Management.
- f. The Managing Director shall be responsible for ensuring that all proposal responses and decision making rationale are retained in the client Service Area files in accordance with City Council approved by-laws for records retention, or a minimum of two (2) years.
- g. The Managing Directors shall provide the Manager of Purchasing and Supply, on an annual basis, no later than March 1, administrative awards made in their area to any Professional Consulting Service firms (Sections 15.2 and 15.3) with an aggregate total greater than \$100,000. The Manager of Purchasing and Supply shall coordinate data collection and prepare an annual Appointment of Professional Consulting Services report for submission to City Council, no later than April 30.

### **15.2 Consulting Engineers, Architects, Landscape Architects and Environmental Consultants**

The selection of Professional Consulting Services will follow the requirements of Section 15.1 and;

- a. The City's appointment of Consulting Engineers, Architects, Landscape Architects and Environmental Consultants Policy is adapted from the National

Best Practice for Consultant Selection as described in more detail in the current council adopted City of London Grouped Consultant Selection Process.

- b. A list of pre-approved firms (Consulting Engineers, Architects, Landscape Architects and Environmental Consultants) that provide professional consulting services shall be established by the Managing Director for their respective areas. This candidate firm list shall be supplied to the Manager of Purchasing and Supply on an annual basis, no later than March 1.
- c. Assignments for projects which have estimated fees of less than \$100,000 shall be awarded by the Managing Director to listed candidate firms based on an evaluation of the firm's competency, expertise, costs, past performance on City projects, available capacity, and the size of their operation and the particulars of the work to be done.
- d. Assignments for projects which are more complex in nature but which are within the capability of firms included on the above-mentioned pre-approved list and have estimated fees between \$100,000 and the CETA threshold for goods and services limit as amended, shall be assigned on the basis of a proposal submitted by a minimum of three (3) qualified firms from the list stating their approach to the proposed project and their experience and knowledge of projects of a similar nature. Grouped Consultant Selection process may be undertaken for more than one project if the projects are similar in nature, the consultants possess the skills necessary to undertake this type of work and efficiencies are realized by the City. The process for undertaking grouped consultant selections is further described in the latest version of the council adopted City of London Grouped Consultant Selection Process.
- e. Assignments for complex projects, or projects with estimated consulting fees greater than the CETA threshold for goods and services limit as amended, shall be awarded based on a two (2) stage process with the first stage being an open, publicly advertised expression of interest/pre-qualification stage (REOI/RFQUAL), and the second being a RFP of the short-listed firms, of which there shall be a minimum of three (3) qualified firms stating their approach to the proposed project and their experience and knowledge of projects similar in nature.
- f. The assignments outlined in parts d) and e) above and their related budget shall be subject to the approval of City Council. Prior to award by City Council, City staff will negotiate with the recommended consultant to establish estimated personnel costs and other charges required for these assignments. It is anticipated that an upset fee will be established for the first phase of the project as directed by the Managing Director. City Council approval will be for the entire project noting that the consultant shall obtain the approval of the appropriate

Managing Director to proceed with subsequent phases to upset limits as appropriate to the work within the limit of the budget.

- g. A consulting firm which has satisfactorily partially completed a project may be recommended for award of the balance of a project without competition subject to satisfying all financial, reporting and other conditions contained within this Policy. This should be to the financial advantage of the City due to the fact that such a consultant has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

### 15.3 Other Professional Consulting Services

The selection of Professional Consulting Services which are not included under Section 15.2 will follow the requirements of Section 15.1 and;

- a. Projects which have estimated fees of less than \$100,000 may be awarded by the Managing Director in consultation with the Manager of Purchasing and Supply under the following circumstances:
  - i. the project requires special knowledge, skills, expertise or experience; or
  - ii. another organization is funding or substantially funding the project and has already selected a preferred firm and/or strict timelines have been placed on the funding; or
  - iii. the confidential nature of the project is such that it would not be in the public interest to solicit competitive bids; or
  - iv. the preferred firm has already been selected through a formal procurement process by another public body to provide same or similar services; or
  - v. the project requirement meets the definition of Sole Source, Section 14.3.
- b. The Managing Director is responsible for detailing the rationale supporting their decision to award the recommended firm.
- c. Under this section, all professional consultant proposals must include, at minimum:
  - i. Schedule of fees; and
  - ii. Methodology and timeline to complete project; and
  - iii. Demonstrated experience and qualifications required to perform project; and
  - iv. List of personnel who will be directly involved in the completion of the project.

- d. All requirements for Other Professional Consulting Services (section 15.3) not meeting the selection requirements of section 15.3 a. shall follow the RFP process outlined in section 12.0.

## **16.0 Blanket Purchase Contracts**

- 16.1 A Request for a Blanket Purchase Contract may be used where:
  - a. One (1) or more clients repetitively order the same goods or services and the actual demand is not known in advance; and
  - b. A need is anticipated for a range of goods and/or services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.
- 16.2 Purchasing and Supply shall establish and maintain Blanket Purchase Contracts that define source and price with selected suppliers for all frequently used goods or services.
- 16.3 To establish prices and select sources, Purchasing and Supply shall employ the provisions contained in this Policy for the acquisition of goods and/or services and construction labour and materials.
- 16.4 More than one (1) supplier may be selected for the supply of goods or services where it is in the best interests of the City.
- 16.5 Where procurement action is initiated by a Service Area for frequently used goods or services, it is to be made with the supplier or suppliers listed in the Blanket Purchase Contract.
- 16.6 In a Request for Blanket Purchase Contract, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.

## **17.0 Requirement for Approved Funds**

- 17.1 The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within City Council approved budget.
- 17.2 Where goods and/or services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:



- a. The identification and availability of sufficient funds in appropriate accounts for the current year within City Council approved budget;
- b. The requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the City Treasurer, the required funding can reasonably be expected to be made available; and
- c. The contract containing a provision that the supply of goods or services in subsequent years is subject to the approval by Committee and City Council of the Service Area estimates to meet the proposed expenditures.

#### 17.3 Construction Tender Call Before and After Approvals

- a. Following the adoption of the capital budget by City Council, the Manager of Purchasing and Supply is authorized to call tenders for municipal construction projects and the acquisition of equipment.
- b. Notwithstanding Section 17.3.a, the Manager of Purchasing and Supply is authorized to obtain, prior to the adoption of the capital budget by City Council, sealed bids for material construction projects and equipment, provided that the documents include a clause specifically stating that the acceptance of a bid and placing of the order is subject to budget approval by Committee and City Council and the items specified are subject to change in quantity and/or deletion.

### 18.0 Purchasing Cards

#### 18.1 General

- a. Service Area approved employees will be issued Purchasing Cards to use for low-dollar purchases of goods and/or services in support of sound business practices. Purchasing Card provision is based on the need to purchase goods and services for the City and the card may be revoked based on change of assignment or location. The provision of a Purchasing Card is not an entitlement nor reflective of title or position. Cardholders should be mindful that the Purchasing Card is a credit card and the transactions charged to it are ultimately paid for with public funds.
- b. Benefits of the Corporate Purchasing Card program accrue at the Corporate Finance level by reducing the number of invoices and cheques processed at the supplier level by reducing their invoicing to the City, and the turnaround time for payment.
- c. No employee shall use a Purchasing Card to purchase goods and/or services unless appointed and authorized by the employee's Managing Director (or delegate). Any use of a Purchasing Card shall be in accordance with the



Procurement of Goods and Services Policy and all other applicable City by-laws and policies. The requirements for low dollar purchases are specifically covered under Section 9 of the Procurement of Goods and Services Policy. Managing Directors are ultimately responsible for ensuring that purchases within their Service Area are made in accordance with the applicable by-laws and policies.

- d. A Purchasing Card will be issued once the employee has read, signed and submitted the Cardholder Responsibility-Acknowledgement Form to the Program Administrator, which sets out in writing the employee's responsibilities and restrictions regarding the use of the Purchasing Card.
- e. All Purchasing Cards issued will have a predetermined 'single transaction limit', a 'monthly credit limit' and 'blocked commodities' as determined and authorized by the applicable Managing Director (or delegate) and the City Treasurer. All Purchasing Cards will be blocked from obtaining cash advances. (Cash advances may be permitted in the event of an emergency as deemed necessary and pre-approved by the Cardholder's Managing Director).
- f. The dollar limit for individual purchases and monthly spending limit for each employee will be determined by the Managing Director (or delegate) of their Service Area based on their expected level of procurement and type of procurement. Cardholder limits for single or monthly transactions exceeding the low dollar procurement threshold set out in section 9 of this policy must be approved in writing by the Manager of Purchasing and Supply and fall within a predetermined limit structure.
- g. Suppliers will not be rejected for refusing to accept the Purchasing Card.
- h. The City assumes liability for all authorized charges on the Purchasing Cards, not the individual cardholder.

#### 18.2 Program Administration, Audit and Monthly Reconciliation

- a. Oversight and administration of the Purchasing Card program is the responsibility of Financial Services and a Program Administrator has been identified in this area. The Program Administrator will maintain a master list of all Purchasing Cards and their limits. In addition, the Program Administrator will establish reporting mechanisms for monthly reconciliation of accounts.
- b. All transactions are subject to review by internal and/or external audit groups. Quarterly reviews to ensure compliance with the Procurement of Goods and Services Policy will be performed by the Manager of Purchasing and Supply. Periodic reviews to ensure compliance with other approved Council by-laws and policies will be performed by Financial Services. All serious compliance issues will be reported to the City Treasurer and Internal Auditor. Less significant

compliance issues will be directed to the cardholder's supervisor/manager. A record of all compliance issues will be maintained by the Program Administrator.

- c. All requests for Purchasing Cards, maintenance forms and other documents are to be submitted to the Program Administrator for review and processing. Cardholder or cardholder representatives are not permitted to submit forms directly to the bank. All original cardholder agreements and other cardholder maintenance forms are to be maintained by the Program Administrator.
- d. Payment will automatically be withdrawn from the General Operating Bank Account following the monthly statement date. If individual cards have not been reconciled and approved for payment by the deadline each month, expenditures will be charged directly to the default cost center attached to the card. The Cardholder, with the assistance of Service Area representatives; are responsible to ensure that the statement is submitted and the expenditures are allocated to the correct general ledger accounts.
- e. Reconciled and authorized monthly statements are to be submitted to Corporate Finance no later than the last working day of the month. Each transaction must include an explanation or purpose of the expenditure. Prior to approval, the Cardholder is responsible for detecting and addressing merchant errors or fraudulent activity appearing on the monthly statement.
- f. Cardholders shall provide original detailed and itemized receipts for each transaction with the monthly cardholder statement. If circumstances arise where a detailed receipt cannot be obtained, a Declaration Form may be submitted in place of a detailed receipt. Declaration Form limits and procedures shall be determined by the City Treasurer (or delegate).

### 18.3 Responsibilities and Restrictions

- a. The Purchasing Card shall not be used:
  - i. for any purchase of goods and/or services that are prohibited under the Procurement of Goods and Services Policy any other City by-law or policy;
  - ii. for personal use other than incidental personal use as part of a business expense, which must be reimbursed at the time of the monthly reconciliation;
  - iii. when the total purchase price exceeds the single purchase limit on the card;
  - iv. when an exclusive contract with another supplier is in effect for the goods and/or service (unless pre-authorized in writing by the Manager of Purchasing and Supply);

- v. for items which are stocked at Supply Services except under extenuating circumstances;
  - vi. for any computer software, hardware and/or telecommunications equipment such as telephones, cellular phones, tablets and mobile radios except by designated staff in Information Technology Division authorized by the Director, Information Technology Services (or delegate); and,
  - vii. for the purchase of services involving contractors.
- b. The following items require pre-authorized written approval by the cardholder's Managing Director:
- i. The purchase of prepaid gift cards, prepaid gift certificates, prepaid grocery cards, or any other prepaid merchant cards; or,
  - ii. The purchase of alcohol while on City business, team building, employee appreciation, or otherwise. Note: alcohol purchased for resale to the public at City facilities (e.g. Golf Courses) is exempted from this specific restriction.

A copy of the written approval must be included with the monthly statement when submitted to Financial Services.

- c. Individual transactions are not to be subject to splitting or stringing, which is the practice of committing multiple purchasing card transactions to circumvent delegated authority levels and thus bypassing the City's competitive bidding process, nor are Purchasing Cards to be used on a repetitive basis to circumvent prescribed approval authority limits. With the appropriate approvals, cardholder limits may be increased either temporarily or permanently based on need by contacting the Program Administrator or submitting an authorized Cardholder Maintenance Form.
- d. All refunds and credits must be applied to the original Purchasing Card. Where supplier return policies allow, cardholders are not to return products for refunds in the form of cash, gift cards or other prepaid cards.
- e. Permanent full-time employment status is required to obtain a Purchasing Card. Students, contractors, consultants or seasonal employees will not be granted a card except under special circumstances and approved in writing by the City Manager.
- f. The Purchasing Card is user-specific and therefore no employee shall attempt to purchase an item using a card issued to another employee. Delegation of authority is not permitted in making transactions.

- g. The cardholder's supervisor/manager is responsible for notifying the Program Administrator immediately upon any change in the cardholder's employment status. This includes, but is not limited to termination, layoff, leave of absence and long term disability. If applicable, the plastic card should also be returned to the Program Administrator.
- h. Employees will adhere to the Corporation's Code of Conduct, An example of prohibited behaviour includes using one's position with the Corporation to secure advantage, benefit, favour, additional compensation and/or service for including but not limited to, oneself, relatives, friends or associates. This includes the selection of a supplier based upon 'air miles' or 'reward points' that reward customers for purchases.
- i. When a Purchasing Card is used to procure goods and/or services (including meals or items that would be considered personal in nature) and two (2) or more City employees are present, the most senior person in organizational authority must pay for the expenditure and prepare the respective monthly cardholder statement. If this is not feasible, the cardholder statement listing the expenditure shall be approved by the manager or Expense Review Officer, as outlined in the Corporate Travel and Business Expense Policy of the most senior person in authority present.

#### 18.4 Purchasing Card Security and PIN

Cardholders must protect and maintain security on the Purchasing Card by:

- a. safeguarding the Purchasing Card and PIN
- b. not sharing the Purchasing Card with another individual
- c. not leaving the Purchasing Card information with merchants unless authorized by the Manager of Purchasing and Supply
- d. not referencing Purchasing Card account numbers and expiry dates in emails

#### 18.5 Misuse and/or Failure to Meet Cardholder's Responsibilities

Misuse of the Purchasing Card and/or failure to meet any of the Cardholder's responsibilities may result in cancellation of the employee's authority to use a Purchasing Card and/or further disciplinary action up to and including termination of employment.

## **19 Bid Administration**

### 19.1 Submission of Bids

The City uses an electronic bidding system. The bidding rules are contained within the system.

## 19.2 Bid Irregularities

Where a bid is received that includes irregularities, the City will follow the protocol as appropriate for the particular irregularity. The protocol for bid irregularities and their associated responses are detailed in Schedule "C". Mandatory Requirements MUST be met or there will be an Automatic rejection.

## 19.3 No Acceptable or Equal Bids

- a. Where bids are received that exceed budget, are not responsive to the requirement, or do not represent fair market value, a revised competitive bid shall be issued in an effort to obtain an acceptable bid unless Section 19.3.b applies.
- b. The Managing Director and the Manager of Purchasing and Supply jointly may waive the need for a revised competitive bid and enter into negotiations with the lowest responsive bidder, emanating from a competitive bid, under the following circumstances:
  - i. the total cost of the lowest responsive bid is in excess of the funds appropriated by City Council for the project; and,
  - ii. the Managing Director and the Manager of Purchasing and Supply agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the competitive bid.
- c. The method of negotiation shall be those accepted as standard negotiating procedures that employ ethical public procurement practices in consultation with the Manager of Purchasing and Supply.
- d. In the case of building construction contracts, where the total cost of the lowest responsive bid is in excess of the appropriation made by City Council, negotiations shall be made in accordance with the guidelines established by the Canadian Construction Documents Committee and in consultation with the Manager of Purchasing and Supply.
- e. The City reserves the right in its absolute and sole discretion to cease negotiations and reject any offer.
- f. In the unlikely event that two (2) or more compliant equal bids are submitted during a competitive bid process, Purchasing and Supply will offer an opportunity for bidders to re- bid. Should a tie persist, the following factors will be considered:
  - i. payment discount;

- ii. when delivery is an important factor, the bidder offering the best delivery date is given preference;
- iii. a bidder in a position to offer better after sales service, with a good record in this regard shall be given preference;
- iv. a bidder with an overall satisfactory performance record shall be given preference over a bidder known to have an unsatisfactory performance record or no previous experience with the City; and,
- v. if the considerations above do not break the tie, equal bidders shall draw straws in no preferential order held by the Manager of Purchasing and Supply (or delegate) and witnessed by a member of the Purchasing and Supply Team. The bidder who draws the longest straw will be the winner, and thus breaking the tie.

#### 19.4 Only One Bid Received

- a. In the event only one bid is received in response to a competitive bid, the Manager of Purchasing and Supply may return the unopened bid to the bidder when, in the opinion of the Managing Director (or delegate) and the Manager of Purchasing and Supply, using criteria, based on the number of bids which might reasonably be expected on a given type of bid, additional bids could be secured. In returning the unopened bid, the Manager of Purchasing and Supply shall inform the bidder that the City may be re-issuing the competitive bid at a later date
- b. In the event that only one bid is received in response to a request for competitive bid, the bid may be opened and evaluated in accordance with the City's usual procedures when, in the opinion of the Managing Director (or delegate) and the Manager of Purchasing and Supply, the bid should be considered by the City. If, after evaluation by the Managing Director (or delegate) and the Manager of Purchasing and Supply, the bid is found not to be acceptable, they may follow the procedures set out in Section 19.3.a., with necessary modifications
- c. In the event that the bid received is found acceptable, it will be awarded as an Irregular Result under Schedule "A" of this Policy.

#### 19.5 Exclusion of Bidders Due to Poor Performance

- a. The City Treasurer may, in consultation with the City Solicitor, prohibit unsatisfactory suppliers and contractors from bidding on any future competitive bids for a time period appropriate with the results of the performance evaluation process as outlined in Section 20.5.
- b. Suppliers may also be prohibited from bidding on any future contract if they maintain officers, Managing Directors, or employees who are also officers, Managing Directors, or employers of suppliers who have already been prohibited

from bidding based on the results of the performance evaluation process as outlined in Section 20.5 of this Policy.

#### 19.6 Exclusion of Bidders in Litigation and disputes or appeals of contract awards

- a. The City may, in its absolute sole discretion, reject a bid submitted if the bidder, or any officer or Managing Director of the bidder is or has been engaged, either directly or indirectly through another Corporation or personally, in a legal action against the City, its elected or appointed officers and employees in relation to:
  - i. any other contract or services; or,
  - ii. any matter arising from the City's exercise of its powers, duties, or functions; or,
  - iii. a dispute and/or an appeal of contract awards as per section 2.9
- b. In determining whether or not to reject a bid under this clause, the City will consider whether the litigation is likely to affect the bidder's ability to work with the City, its consultants and representatives, and whether the City's experience with the bidder indicates that the City is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

## 20 Contract Administration

### 20.1 Contractual Agreement

- a. The award of a contract may be made by way of an Agreement, Contract Record or Purchase Order.
- b. A Purchase Order or Contract Record is to be used when the resulting contract is straightforward and will contain the City's standard terms and conditions.
- c. Agreement is to be used when the resulting contract is complex and will contain terms and conditions other than the City's standard terms and conditions.
- d. It shall be the responsibility of the Managing Director (or delegate) with the Manager of Purchasing and Supply and/or the City Solicitor to determine if it is in the best interest of the City to establish an agreement with the supplier.
- e. Where it is determined that Section 20.1.d is to apply, the agreement shall be reviewed for execution by the City Solicitor.
- f. Where an agreement is required, as a result of the award of a contract by delegated authority, the Mayor and City Clerk shall execute the agreement in the name of the City.
- g. Where an agreement is issued, Purchasing and Supply may issue a Purchase Order or Contract Record incorporating the formal agreement.



- h. Where an agreement is not required, Purchasing and Supply shall issue an authorized Purchase Order or Contract Record incorporating the terms and conditions relevant to the award of contract.

## 20.2 Exercise of Contract Renewal Options

- a. Where a contract contains an option for renewal, the Managing Director may authorize Purchasing and Supply to exercise such option provided that all of the following apply:
  - i. the supplier's performance in supplying the goods and/or services or construction is considered to have met the requirements of the contract;
  - ii. any price increases are consistent with the prevailing market conditions for the goods or services being purchased;
  - iii. the facts justifying the decision to award this supplier previously are still relevant at the time of contract renewal
  - iv. funds are available or will be available in appropriate accounts within City Council approved budget, including authorized revisions, to meet the proposed expenditure;
  - v. The Committee report, if applicable, clearly identified the options to extend;
  - vi. the Managing Director and the Manager of Purchasing and Supply agree that the exercise of the option is in the best interest of the City; and,
  - vii. compliance with Sections i) through v) is documented, authorized by the Managing Director and forwarded to Purchasing and Supply.
- b. Approval for contract renewals and extensions shall be governed by Section 8.5 and Schedule "A".

## 20.3 Contract Amendments

- a. No amendment to a contract shall be made unless the amendment is in the best interest of the City.
- b. No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- c. Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within City Council approved budgets including authorized amendments.
- d. Managing Directors may authorize amendments when:



- i. the total amended value of the contract (original contract plus amendment) is within the approval limit as noted in Schedule "A"; or
  - ii. the contract amendment will not exceed the Council approved source of financing by an amount greater than \$50,000 or 3% of contract value, whichever is greater, and there are funds available.
- e. City Council must authorize contract amendments when:
  - i. the total amended value of the contract will be greater than the administrative (Managing Director) approval threshold; or
  - ii. the total amended value of the contract will exceed the Council approved source of financing by an amount greater than \$50,000 or 3% of contract value, whichever is greater, and there are funds available.

#### 20.4 Execution and Custody of Documents

- a. The Mayor and City Clerk are authorized as per By-law A-1 or resolution by Council to execute formal agreements in the name of the City for which the award was made by delegated authority.
- b. Purchasing and Supply shall have the authority to execute Purchase Orders and/or Contract Records issued in accordance with this Policy.
- c. Purchasing and Supply shall be responsible for the safeguarding of all original procurement and contract documents/records for the contracting of goods, services or construction for which the award is made by delegated authority.
- d. Managing Directors are responsible for executing and retaining all documents in accordance with Section 10.3.e of this Policy.

#### 20.5 Performance Evaluation

- a. At the outset of a project, the client Service Area manager shall institute a performance evaluation process in contracts where the Manager and/or Purchasing and Supply determine that a performance evaluation would be appropriate
- b. The performance evaluation shall rate the performance of the supplier, contractor or consultant on standard criteria adopted from time to time (i.e. failure to meet contract specifications, terms and conditions, health and safety violations, etc.). A copy of the introductory letter and performance evaluations shall be provided to the supplier, contractor or consultant in advance of the contract, and shall remain constant for the duration of the contract. Performance issues must be noted in writing with a copy to the supplier, Purchasing and Supply and a copy to the Service Area project file. Performance issues must also be noted in any project meeting minutes

- c. On completion of the project, the client Service Area manager will meet with Purchasing and Supply to review the evaluation. All supporting documents pertaining to any substandard performance and comments must be attached to the evaluation document. Purchasing and Supply will forward a copy of the completed evaluation to the supplier, contractor or consultant for their records. The supplier, contractor or consultant may request a meeting with the client Service Area manager and a representative from Purchasing and Supply to discuss the evaluation and shall have twenty (20) calendar days following delivery of the evaluation to request an appeal. This appeal shall be forwarded to Purchasing and Supply.
- d. The appeal shall be conducted by a dispute committee which will hear from both City staff or its consultants and the supplier at a time and place appointed in writing by the Committee. The decision of the Dispute Committee shall be in writing and it shall be final.
- e. The performance evaluation shall determine whether a supplier, contractor or consultant will:
  - i. be allowed to renew a contract with the City;
  - ii. be placed on a probationary list for a minimum of two (2) years during which time they shall be permitted to bid or propose work for the City with the understanding that the work will be closely monitored; or
  - iii. be prohibited from bidding on any contracts with the City during a three (3) year period, followed by a one (1) year probationary period after reinstatement as provided for in Section 19.5.
- f. In reaching a decision, the Dispute Committee shall rely upon the evaluation criteria determined in advance of the project and the results of prior performance evaluations relating to other contracts performed by the same supplier.
- g. No tender, proposal or quotation will be accepted from any supplier during the term of the suspension.

## **21 General**

### 21.1 Cooperative Purchasing

- a. The City may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of the City to do so.
- b. The decision to participate in cooperative purchasing agreements will be made by the Manager of Purchasing and Supply

- c. The individual policies of the government agencies or public authorities participating in the cooperative competitive bid are to be the accepted by-law for that particular competitive bid.

#### 21.2 Direct Solicitation

- a. Unsolicited proposals received by the City shall be referred to the Manager of Purchasing and Supply for review.
- b. Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this Policy.
- c. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement complies with the requirements of a non-competitive procurement, as detailed in Section 14.

#### 21.3 Resolution of Questions

Any question involving the meaning or application of this Policy is to be submitted to the City Treasurer who will resolve the question.

#### 21.4 Access to Information

- a. The disclosure of information received relevant to the issue of competitive bids or the award of contracts emanating from competitive bids shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended.
- b. All records and information pertaining to competitive bids, which reveal a trade secret or scientific, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:
  - i. significantly prejudice the competitive position or significantly interfere with the contractual or other negotiations of a person, corporation or other entity that responds, or intends to respond to a request for bids;
  - ii. result in similar information no longer being supplied to the City where it is in the public interest that similar information continues to be so supplied;
  - iii. result in undue loss or gain to any person, group, committee or financial institution or agency; or,
  - iv. result in information whose disclosure could reasonably be expected to be injurious to the financial interests of the City.

#### 21.5 Local or Geographical Preference

The City shall not give any local or geographical preference during the competitive bid process. The City may mandate certain bona fide on-site response time requirements for specific situations.

#### 21.6 Terms and Conditions

All standard City Terms and Conditions for all procurement activities will govern unless there is written approval for the proposed changes from the Client Managing Director and the City Solicitor

#### 21.7 Receipt of Goods

- a. Managing Directors or any employee exercising delegated authority approval shall:
  - i. arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the contract; and
  - ii. inform Purchasing and Supply of discrepancies immediately.
- b. Purchasing and Supply shall coordinate an appropriate course of action with the Managing Director for any non-performance or discrepancies.

#### 21.8 City of London Regional Water Supply Division

This Policy will apply to all City of London Regional Water Supply Division procurement up to the approvals required by Committee and City Council. Approvals beyond these dollar value thresholds will be made by the Joint Boards of Management for the Lake Huron and Elgin Area Water Supply Systems.

#### 21.9 Application of Trade Agreements

This Policy is subject to applicable Trade Agreements.

**SCHEDULE “A” – Levels of Contract Approval Authority**

Sales taxes, excise taxes, goods and service taxes and duties shall be excluded in determining the price of a contract for the supply of goods or services for the purpose of the relationship of the price to the preauthorized expenditure limit. In the case of multi-year supply and/or service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract. Emergencies as defined in Section 14.2 are exempt from this Approval Authority.

<b>Dollar Value (excluding taxes, duty or shipping)</b>	<b>Tool / Procurement Process</b>	<b>Approval Authority</b>	<b>Policy Section</b>
Under \$15,000	Purchasing Card or Purchase Order	Managing Director or any employee exercising delegated authority approval	9
Greater than \$15,000 to \$50,000	IRFQ (Informal Request for Quotation) – three written quotes.  <b>Note:</b> A copy of the quotes must be provided to Purchasing and Supply for their records.	Managing Director or any employee exercising delegated authority approval	10
Greater than \$50,000 to \$100,000	RFQ	Managing Director or any employee exercising delegated authority approval and Manager of Purchasing and Supply (jointly)	11
Up to \$100,000	RFP – note that Irregular Results greater than \$15,000 require Committee and City Council Approval.	Managing Director or any employee exercising delegated authority approval and Manager of Purchasing and Supply (jointly)	12
Greater than \$100,000 to \$3,000,000	RFT without an Irregular Result	Managing Director or any employee exercising delegated authority approval and Manager of Purchasing and Supply (jointly)	13

Dollar Value (excluding taxes, duty or shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Greater than \$3,000,000	RFT	Committee and City Council	13
Greater than \$100,000	All RFQ and RFT with an Irregular Result	Committee and City Council	11,12,13 & 8.10
Up to \$50,000	Single Source or Sole Source	Managing Director and Manager of Purchasing and Supply (jointly) – requires documented rationale	14.3 & 14.4
Greater than \$50,000	Single Source or Sole Source	Committee and City Council	14.3 & 14.4
Less than \$3,000,000	Contract Extensions – previously approved by City Council	Managing Director and Manager of Purchasing and Supply (jointly) – requires documented rationale	20.2
Greater than \$3,000,000	Contract Extensions – previously approved by City Council	Committee and City Council	20.2
Up to \$50,000 or 3% of the Contract Value	Contract Amendments – subject to availability of sufficient funds in appropriate accounts and budget	Managing Director or any employee exercising delegated authority approval OR Committee and City Council	20.3

**Note:** The City Manager may also exercise the approval authority of a Managing Director.

**Note:** For all IRFQ, RFQ, RFP, RFT as outlined under policy sections 8.10,10, 11, 12, and 13, the criteria and analysis to determine best value must be clearly documented if not the lowest bid.

**SCHEDULE “A” – Levels of Contract Approval Authority [Continued]**

**For the Appointment of Professional Consulting Services:**

<b>Dollar Value (excluding taxes, duty or shipping)</b>	<b>Tool / Procurement Process</b>	<b>Approval Authority</b>	<b>Policy Section</b>
Less than \$100,000	Appointment from Pre-approved List	Managing Director	15
\$100,000 to \$365,700	Proposals invited from 3 Firms on Pre-approved List	City Council	15
Greater than \$365,700	Two stages: REOI/RFQUAL and RFP	City Council	15

**Note:** The City Manager may also exercise the approval authority of a Managing Director.

## **SCHEDULE “B” – Goods and/or Services NOT Subject to this Policy**

1. Training and Education including:
  - i. Conferences, Seminars, Courses and Conventions ii Magazines, Subscriptions, Periodicals
  - ii. Memberships
  - iii. Staff Development
  - iv. Staff Workshops
  - v. Staff Relations
2. Refundable Employee Expenses in accordance with the Travel and Business Expense Policy.
3. Corporate General Expenses including:
  - i. Payroll and Payroll Deductions
  - ii. Medicals
  - iii. Insurance Premiums, Claim Settlements and Adjuster Services
  - iv. Tax Remittances, GST/HST Cost Recovery Reviews and WSIB Remittances
  - v. Charges to and from Other Government Agencies
  - vi. Development Charges
  - vii. Postage
  - viii. Advertising as required by the Municipal Act
  - ix. Retirement Recognition Awards
  - x. Investment Management Services
  - xi. Employee Group Benefits, Compensation, Programs, Consulting and Reviews
4. Licenses, certificates and other approvals required.
5. Election materials - The City Clerk has the authority to purchase goods, services and equipment considered necessary or advisable to carry out the requirements of the Municipal Elections Act, R.S.O. 1996, as amended. The City Clerk shall wherever possible be guided by the provisions of this Policy.
6. Ongoing maintenance and actions to maintain present functionality of existing computer hardware and software. All requests for purchases of computer



systems (hardware and software that will be connected to the corporate network) must be reviewed by Information Technology Services and expressly authorized, in writing, by the Director, Information Technology Services (or delegate).

7. Professional and skilled services provided to individuals as part of approved programs within Corporate or Community Services including but not limited to medical services, home care services, counseling services and child care.
8. Professional and special services up to \$100,000, or defined more specifically in another City by-law or Council Policy, including, but not limited to:
  - i. Additional Non-recurring Accounting and Auditing Services
  - ii. Public Debenture Sales
  - iii. Realty Services for Lease, Acquisition, Demolition, Sale and Appraisal of Land and Property, including Appraisal and Consulting Services relating to matters of Expropriation
  - iv. Performance / Artist's Fees
  - v. Property Tax Bill Printing and Mailing Services
  - vi. Integrity Commissioner Services

Professional and special services exceeding \$100,000 must follow the approval process outlined on Schedule "A".

9. Utilities - Water and Waste Water, Electricity, Electrical Inspection Services, Phone and Natural Gas.
10. Construction work completed by Railways (CN and CP) and billed to the City.
11. Urgent Facilities Maintenance/Repairs/Renovations as deemed appropriate by the City Treasurer and/or City Engineer with the concurrence of the City Manager.
12. Legal Services and Labour Relations Services as deemed appropriate by the City Solicitor and/or the Chief Human Resources Officer up to \$ 250,000.
13. Construction relocations as approved by the City Utilities Co-ordination Committee.
14. Services provided for City construction projects within a railway right-of-way as required by the rail authority having jurisdiction.
15. Revenue Generation Services provided to or by the City of London with the intent to generate revenue for the City.
16. Planning and Development or Re-development Projects to purchase, sell or repurpose property or other City assets.

17. Banking Services where covered by agreements and provided either directly by the City's contracted Banking Services provider or by one of the contracted Banking Services provider's strategic partners, affiliates or holdings as deemed appropriate by the City Treasurer and with the concurrence of the City Manager.
18. Acquisition, Lease or Sale/Disposal of Real Property are not subject to this Policy. Existing council policies; Real Property Acquisitions Policy, Lease Financing Policy, and Sale and Other Disposition of Land Policy are in place to guide these processes.
19. Grant Funding, given or paid out by the City as per current Council approved Policies for Grants and/or agreements entered into by Council provides the criteria for how City of London Grant funding is provided. Grants not covered by these Policies or agreements must be approved by Council

**SCHEDULE “C” – Irregularities Contained in Bids**

Irregularity	Response
1. Late bids.	Automatic rejection
2. Insufficient financial security (no bid deposit or insufficient bid deposit).	Automatic rejection
3. Failure to insert the name of the bonding company in the space provided for in the bid documents.	Automatic rejection
4. Failure to provide a letter of agreement to bond/ letter of guarantee where required.	Automatic rejection
5. Incomplete, illegible or obscure bids or bids which contain additions not called for, erasures, alterations, errors or irregularities of any kind.	May be rejected as informal – Mandatory Requirements must be met or Automatic rejection
6. Documents, in which all addenda have not been acknowledged.	Automatic rejection
7. Failure to attend mandatory site visit.	Automatic rejection
8. Bids received on documents other than those provided by the City.	Automatic rejection
9. Failure to insert the bidder’s business name in one of the two spaces provided in the bid documents.	Automatic rejection
10. Conditions placed by the bidder on the total contract price.	Automatic rejection

<p>11. Bids containing minor mathematical errors</p>	<ul style="list-style-type: none"><li>a) If the amount bid for a unit price item does not agree with the extension of the estimated quantity and the bid unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly.</li><li>b) If both the unit price and the total price are left blank, then both shall be considered as zero.</li><li>c) If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity.</li><li>d) If the total price is left blank for a lump sum item, it shall be considered as zero.</li><li>e) If the bid documents contain an error in addition and/or subtraction and/or transcription in the approved competitive bid documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total contract price shall govern.</li><li>f) Bid documents containing prices which appear to be so unbalanced as to likely affect the interests of the City adversely may be rejected.</li></ul>
--	--

## **SCHEDULE “D” - Statement of Ethics for Public Purchasers**

The Ontario Public Buyers Association’s Code of Ethics is based upon the following tenets and all employees who are authorized to purchase goods and/or services on behalf of the City are to adhere to the following.

1. Open and Honest Dealings with Everyone who is Involved in the Purchasing Process. This includes all businesses with which this City contracts or from which it purchases goods and/or services, as well as all members of our staff and of the public who utilize the services of the Purchasing and Supply Team.
2. Fair and Impartial Award Recommendations for All Contracts and Tenders. This means that we do not extend preferential treatment to any supplier, including local companies. Not only is it against the law, it is not good business practice, since it limits fair and open competition for all potential suppliers and is therefore a detriment to obtaining the best possible value for each tax dollar.
3. An Irreproachable Standard of Personal Integrity on the Part of All Those Delegated as Purchasing Representatives for This City. Absolutely no gifts or favours are accepted by the purchasing representatives of this City in return for business or the consideration of business. Also, the purchasing representatives of this City do not publicly endorse one company in order to give that company an advantage over others.
4. Cooperation with Other Public Agencies in Order to Obtain the Best Possible Value for Every Tax Dollar. The City is a member of a cooperative purchasing group. Made up of several public agencies, this group pools its expertise and resources in order to practice good Value Analysis and to purchase goods and/or services in volume and save tax dollars.
5. Continuous Development of Purchasing Skills and Knowledge. All members of the Purchasing and Supply Team take advantage of the many opportunities provided by the Ontario Public Buyers Association to further their knowledge of good public purchasing principles and to maintain excellent skills.

## **SCHEDULE “E” – Materials Management Guidelines**

### **1. Materials Management and Inventory Control**

The Manager of Purchasing and Supply (or delegate) shall be solely responsible for the Supply Services of all inventory and warehouse operations at Greenway Pollution Control Plant, A.J. Tyler and Exeter Road Operations centers. A system of materials management and inventory control methods shall be used to maintain an adequate level of commodities to support and supply all Service Areas.

### **2. Inventory Control System**

- a. A physical inventory of stock items shall be taken on a periodic basis.
- b. An adequate allowance for inventory obsolescence shall be maintained.

### **3. Control of Goods in Use**

The Manager of Purchasing and Supply (or delegate) may periodically perform a physical count and inventory of all goods that are not in inventory but are used and stored by various Service Areas. The Managing Director shall provide any necessary assistance required. As a result of such a review, goods may be placed into inventory, transferred, declared surplus or otherwise disposed.

### **4. No Separate Procurement of Commodities in Inventory**

Commodities which are available from Supply Services inventory and which are suitable for the intended end use shall not be requisitioned or purchased on a direct charge basis.

### **5. Disposal of Materials and Equipment Considered to be Obsolete and/or Surplus**

- a. All Service Areas shall notify the Manager of Purchasing and Supply (or delegate) when items become obsolete or surplus to their requirements. Options to allow for trade-in allowance will be considered when purchasing new equipment.
- b. The Manager of Purchasing and Supply shall be responsible for ascertaining if the items can be of use to another civic Service Area rather than disposed of.
- c. Items that are not claimed for use by another Service Area may be offered for sealed bids, public auction or other public sale, depending in the opinion of the Manager of Purchasing and Supply on which method is most suitable for the equipment or material involved.
- d. Auctions are held as required dependent upon individual circumstances such as delivery of replacement items and storage capacity.

- e. The revenue from the sale of obsolete material shall be credited to the appropriate account(s).

#### **6. Periodic Bids for Auctioneer Services**

The Manager of Purchasing and Supply is authorized to obtain sealed bids for auctioneer services on a periodic basis from qualified auctioneers.

#### **7. Disposal of Materials and Equipment Considered to be Scrap**

- a. Where scrap material is available for disposal, the relevant area Manager shall inform the Manager of Purchasing and Supply who shall be responsible for the disposal of all scrap material belonging to the City.
- b. The Manager of Purchasing and Supply, after determining the value and possible alternate uses of the scrap material, may dispose of the material by:
  - i. general advertising to secure sealed bids;
  - ii. direct contact with the appropriate dealers to view the scrap and submit offers to purchase;
  - iii. public auction; or
  - iv. other methods as deemed appropriate.
- c. The revenue from the sale of scrap material shall be credited to the appropriate account(s).

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 24, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>BY-LAW TO DELEGATE TAX APPEALS UNDER SECTION 357(1)(d.1) TO THE ASSESSMENT REVIEW BOARD</b>

<b>RECOMMENDATION</b>
-----------------------

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed attached by-law (Appendix "A") being "A by-law to delegate tax appeal applications under subsection 357(1)(d.1) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, to the Assessment Review Board in accordance with subsection 357(11) of the *Municipal Act, 201*, S.O. 2001, c.25, as amended" BE INTRODUCED at the Municipal Council meeting to be held on October 2, 2019.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
--

None

<b>BACKGROUND</b>
-------------------

On rare occasions the City has received enquiries regarding tax appeals under subsection 357(1) (d.1) of the *Municipal Act, 2001*. This subsection gives municipalities the discretion to "cancel, reduce or refund all or part of taxes levied on land in the year in respect of which the application is made, if the applicant is unable to pay taxes because of sickness or extreme poverty." The *Municipal Act, 2001* provides no definition or specific criteria as to what constitutes "sickness or extreme poverty". In addition, there are no evidentiary requirements set out in the *Municipal Act, 2001* in support of such applications.

When enquiries have been received by the City related to this subsection of the *Municipal Act, 2001*, the situation normally has been that there are significant arrears on the property that cannot be addressed under subsection 357(1)(d.1) because subsection 357(3) requires that any appeal must be filed in the year that the taxes are due or by the last day of February of the immediately following year. In addition, many individuals are reluctant to provide the personal information and documentation required to verify sickness or extreme poverty. As a result, appeals under subsection 357(1)(d.1) have not been submitted for a number of years.

Some larger Cities in Ontario have adopted a policy to refer any appeals received under subsection 357(1)(d.1) directly to the Assessment Review Board in accordance with subsection 357(11) of the *Municipal Act, 2001*. These Cities include, but are not limited to, Toronto, Ottawa, and Hamilton. The advantages of this approach are as follows:

- provides for a consistent approach by an independent body that has experience with the particular type of appeal;
- provides for strict evidentiary standards, including the administration of oaths



- provides for confidentiality for personal information; and,
- provides for formal rules for proceeding to be applied in accordance with legislation related to the Assessment Review Board.

It is recommended that the City of London also delegate this type of appeal, whenever received, to the Assessment Review Board. A copy of the Assessment Review Board's information sheet for persons filing Sickness and Extreme Poverty appeals is attached to this report as Appendix "B". If the Assessment Review Board cancels taxes under subsection 357(1)(d.1), any penalty and interest associated with the taxes will also be cancelled.

In order to put in effect the delegation of this type of tax appeal to the Assessment Review Board, a by-law in accordance with subsection 357(11) is required. A proposed by-law is attached as Appendix "A" to this report.

Upon approval of the by-law, the City's Property Taxes "Tax Refunds" web page, which currently houses the application for subsection 357 and 358, will be updated to incorporate the Assessment Review Board process as outline in Appendix "B" as it relates to subsection 357(1)(d.1). When the overall corporate website is updated, the City's Property Taxes web pages will be updated to improve user experience.

**Financial Impact**

Based on the experience of other municipalities, the anticipated financial impact of this proposed process change should not be significant and can be accommodated within the existing tax write-off expense budgets. Finance will monitor the impact of this delegation through annual budget monitoring processes.

<b>SUMMARY</b>
----------------

In summary, it is recommended that in accordance with subsection 357(11) of the *Municipal Act, 2001* Municipal Council enact the proposed by-law attached as Appendix "A" to this report to delegate any tax appeal application received under subsection 357(1) (d.1) to the Assessment Review Board.

<b>PREPARED BY:</b>	<b>CONCURRED BY:</b>
<b>JIM LOGAN, CPA, CA DIVISION MANAGER – TAXATION &amp; REVENUE</b>	<b>IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES</b>
<b>RECOMMENDED BY:</b>	
<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	

## APPENDIX “A”

Bill No.  
2019

By-law No.

A by-law to delegate tax appeal applications received under subsection 357(1)(d.1) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, to the Assessment Review Board in accordance with subsection 357(11) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS subsection 357(1)(d.1) of the *Municipal Act, 2001*, as amended, provides that upon application to the treasurer of a local municipality made in accordance with subsection 357(11) of the *Municipal Act, 2001*, as amended, the local municipality may cancel, reduce or refund all or part of taxes levied on land in the year of which application is made where the applicant is unable to pay taxes because of sickness or extreme poverty;

AND WHEREAS subsection 357(11) of the *Municipal Act, 2001*, as amended, provides that a council may pass a by-law authorizing the Assessment Review Board to exercise the powers and functions of the council under subsections 357(1) and (5) with respect to applications made under subsection 357(1) and subsections 357(6), (7), (8) (9) and (10) do not apply to these applications;

AND WHEREAS the Municipal Council of The Corporation of the City of London deems it appropriate to pass a by-law in accordance with subsection 357(1)(d.1) and subsection 357(11) of the *Municipal Act, 2001*, as amended;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Assessment Review Board shall exercise the powers and functions of the Municipal Council of The Corporation of the City of London under subsection 357(1)(d.1) of the *Municipal Act, 2001* in respect of an application for the cancellation, reduction or refund of taxes where the applicant is unable to pay taxes because of sickness or extreme poverty.
2. This by-law comes into force on the day it is passed.

PASSED in Open Council on October 2, 2019.

Ed Holder  
Mayor

Catharine Saunders  
City Clerk

First Reading – October 2, 2019  
Second Reading – October 2, 2019  
Third Reading – October 2, 2019



## Tax Relief Due to Sickness of Extreme Poverty

### What is a sickness or extreme poverty appeal?

Both the Municipal Act, 2001 and the City of Toronto Act, 2006 permit municipalities to cancel, reduce or refund all or part of taxes if you are unable to pay your taxes because of sickness or extreme poverty. If you believe you are entitled to tax relief for a particular tax year, you must apply before February 28 of next year. Applications are made to the municipality, unless the municipality has passed a by-law that gives the power to grant this tax relief to the Assessment Review Board (ARB).

### How do I file this appeal?

If you are unable to pay your taxes because of sickness or extreme poverty you should contact your municipality for information on how to apply for tax relief. They will let you know the process to follow.

In some cases you will have to apply to the municipality and then, if you are not satisfied with the outcome, you can appeal to the ARB. In other cases you may be able to apply directly to the ARB.

In either case the deadline for applying for tax relief for each tax year is February 28 of the following year. For example, if you are seeking tax relief from your 2016 taxes, you would need to file your application on or before February 28, 2017.

File your appeal using the Sickness or Poverty Appeal Form, available [here](#).

After filling out the correct form, send it to the ARB **before the deadline**, there is no filing fee for Poverty or Sickness Appeals. Send your appeal:

**By fax:** 416-314-3717 or 1-877-849-2066, or

**By mail:** 655 Bay Street, 15th Floor, Toronto ON, M5G 1E5, or

**In person:** 655 Bay Street, 15th Floor, Toronto (on Bay, north of Dundas)

You will be mailed a letter letting you know that the ARB has received your appeal and that a hearing will be scheduled. You will also be provided with a date to start working on your appeal, which will be heard by summary proceeding.

For more information, see the General and Summary Proceedings information sheet, available [here](#).

### How do I prepare for my hearing?

To prepare for your hearing, bring **two** photocopies of all documents you plan on presenting as evidence. Your evidence should:

- relate to the tax year of your appeal, and
- relate to all adults living with you.

Some examples of the kinds of evidence you should bring to prove your claim include:

- income statements from any source, including an employer, long term disability, spouses income, income from a tenant, or any other source,
- personal income tax assessments from the Canada Revenue Agency,
- documentation related to the Ontario Disability Support Program,
- personal bank statements for all of your bank accounts,
- a listing of all your assets and their value, including the value of the property, any other properties, vehicles, investments, RRSP's, Canada Savings Bonds, and any other assets,

- copies of monthly bills, and a detailed list of expenses, including items such as medications, medical supplies, transportation, loan payments, mortgage payments, groceries, personal expenses, child care, housing, life insurance, and any other expenses,
- supporting documents from doctors or other medical professionals for any medical care,
- supporting documents to show that you were unable to work because of sickness, such as documents from the Workplace Safety and Insurance Board, and
- any other evidence that you feel will support your position.

Under the ARB’s Rules of Practice and Procedure, you are required to disclose to the municipality **all** documents in your possession, control or power, that are relevant to the matters raised in your appeal, even if you do not intend to rely on a particular document at the hearing.

**Note:** Send one copy of all your evidence to the municipality before your hearing date. Contact the Revenue or Tax Department of your municipality to find out their mailing address.

### **Where will my hearing take place?**

You will be sent a letter in the mail with the date, time and location of your hearing. The hearing will be held in the municipality you live in or as close to the municipality as possible.

### **Can anyone watch my hearing?**

No. Appeals that deal with sickness or extreme poverty are private. These hearings only involve the person who filed the appeal, the municipality, and the ARB.

### **What if I am going to be late to my hearing?**

Please call the ARB as soon as you realize you may be late. Call toll-free 1-866-448-2248 or (416) 212-6349 and ask to speak to a Case Coordinator. Make sure you have your hearing notice with you when you call, so you can provide the information needed to direct you to the right person.

### **Will the hearing venue be accessible?**

ARB hearings are held in municipal sites throughout Ontario. The ARB’s offices are accessible and the Accessibility Standards for Customer Service applies to municipalities. The ARB strives to schedule hearings at accessible facilities. If you have any questions about accessibility, please call the ARB and ask to speak to the Accessibility Coordinator.

### **What if I need an interpreter?**

Most hearings are held in English. The ARB can hold hearings in French or have a sign language interpreter at your hearing if you request it at least 25 days before your hearing date. If you would like to bring someone to your hearing to interpret for you in any other language, you may bring them with you for that purpose.

### **Where can I find more information?**

For more information please refer to the ARB’s *Rules of Practice and Procedure* which can be found on **our website** or by calling us at (416) 212-6349 or toll free 1-866-448-2248.

We are committed to providing services as set out in the *Accessibility for Ontarians with Disabilities Act, 2005*. If you have any accessibility needs, please contact our Accessibility Coordinator as soon as possible at (416) 212-6349 or 1-866-448-2248.

### **Please Note**

## APPENDIX “B”

The information contained in this sheet is not intended as a substitute for legal or other advice, and in providing this information, the ARB assumes no responsibility for any errors or omissions and shall not be liable for any reliance placed on the information in this sheet. Additional information, including the ARB’s *Rules of Practice and Procedure*, is available at [www.elto.gov.on.ca](http://www.elto.gov.on.ca), or by calling (416) 212-6349 or toll free 1-866-448-2248.



The **Environment and Land Tribunals Ontario (ELTO)** includes the Assessment Review Board, Board of Negotiation, Conservation Review Board, Environmental Review Tribunal, Ontario Municipal Board, Niagara Escarpment Hearing Office and the Office of Consolidated Hearings. The Tribunals operate under specific legislative requirements and share resources and best practices. The Assessment Review Board hears appeals from persons who believe there is an error in the assessed value or classification of a property and also deals with some types of property tax appeals under the Municipal Act and City of Toronto Act. For more information contact us at:

**Environment and Land Tribunals Ontario**  
655 Bay Street, Suite 1500, Toronto, ON M5G 1E5  
Telephone: (416) 212-6349 or toll free: 1-866-448-2248  
Website: [www.elto.gov.on.ca](http://www.elto.gov.on.ca)

ISBN 978-1-4435-3458-1/© Queen's printer for Ontario, 2017

Disponible en français: Voici que vous devez savoir au sujet du  
remboursement de vos dépenses

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 24, 2019</b>
<b>FROM:</b>	<b>BARRY CARD MANAGING DIRECTOR CORPORATE SERVICES AND CITY SOLICITOR AND MANAGER III, RISK MANAGEMENT DIVISION</b>
<b>SUBJECT:</b>	<b>RESPONSE TO THE MINISTRY OF THE ATTORNEY GENERAL JOINT AND SEVERAL LIABILITY REFORM CONSULTATION</b>

**RECOMMENDATION**

That, on the recommendation of the Managing Director Corporate Services and City Solicitor and the Manager III, Risk Management Division, with the concurrence of the City Clerk, the Civic Administration BE DIRECTED to submit a response to the Ministry of the Attorney General regarding Joint and Several Liability Reform as summarized in Appendix "B" attached to the report dated September 24, 2019, entitled "Response to the Ministry of the Attorney General Joint and Several Liability Reform.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

None.

**BACKGROUND**

During the 2019 annual Rural Ontario Municipalities Association (ROMA) conference, Premier Ford announced that the Ontario government would be undertaking consultation on reforming joint and several liability. Following the announcement, on July 12, 2019, Attorney General Doug Downey sent the attached letter (Appendix "A") to the province's municipalities regarding the consultation, seeking input from municipalities with respect to this matter.

The period to submit comments ends September 27, 2019 with the Attorney General welcoming delegations and written submissions to [magpolicy@ontario.ca](mailto:magpolicy@ontario.ca).

The purpose of this report is to advise Municipal Council of the recommended response to the request and to seek direction to submit the response to the Ministry of the Attorney General for consideration by the September 27, 2019 deadline.

**What is the Province Reviewing?**

The Province is reviewing the merits of eliminating or amending legislation regarding Joint & Several Liability (JSL). JSL is often referred to as the 1% percent rule, where a defendant only needs to be 1% liable in order to contribute to a settlement. JSL is a legal process that allows courts to apportion damages against a defendant that are greater than the degree to which they are liable.

Ontario municipalities are assumed to have substantial financial resources and thereby are unfairly targeted in civil suits. This has caused insurance and claim costs to municipalities to significantly increase impacting the municipalities' budget, which may result in the need to reduce other municipal services.

The first phase of the review is to hear from municipalities about their experiences in respect to insurance, claims and possible solutions related to JSL.

**City of London’s Submission**

The City of London’s insurance and claims management is handled by the Risk Management Division. In responding to the request from the Attorney General, the City of London’s Risk Manager has prepared a response summarized in the attached (Appendix “B”) addressing the three undertakings outlined by the Province.

<b>CONCLUSION</b>
-------------------

The Ministry of the Attorney General requests submission from municipalities by September 27, 2019.

Risk Management and Legal staff have prepared a submission outlining the City of London’s insurance and claims experience, providing evidence of the effect JSL has had on the City of London and suggested possible solutions that are in-line with the Association of Municipalities of Ontario (AMO) and other municipalities.

Given the short timelines to provide comment, staff is seeking direction to submit the City of London’s response as summarized in the attached Appendix “B”, by the September 27, 2019 deadline.

<b>PREPARED BY AND RECOMMENDED BY:</b>	<b>RECOMMENDED BY:</b>
<b>JASON WILLS MANAGER III , RISK MANAGEMENT DIVISION</b>	<b>BARRY CARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY SOLICITOR</b>
<b>CONCURRED BY</b>	
<b>CATHY SAUNDERS CITY CLERK</b>	

Attorney General  
McMurtry-Scott Building  
720 Bay Street  
11th Floor  
Toronto ON M7A 2S9  
Tel: 416-326-4000  
Fax: 416-326-4007

Procureur général  
Édifice McMurtry-Scott  
720, rue Bay  
11<sup>e</sup> étage  
Toronto ON M7A 2S9  
Tél.: 416-326-4000  
Télééc.: 416-326-4007



Our Reference #: M-2019-3638

JUL 12 2019

Dear Head of Council,

Further to the Premier's announcement at the 2019 ROMA conference, I am writing to invite you to participate in the government's consultations regarding joint and several liability, insurance costs, and the 'liability chill' affecting the delivery of everyday public services.

In order to make this consultation process as effective as possible, the government needs to hear directly from you about your municipality's experiences. It is impossible to canvass possible solutions without understanding the actual problems faced by municipalities.

This will be an evidence-led consultation and policy development process. The first phase of the process will involve collecting background technical information. I therefore ask that you have your municipal officials respond in writing to the general questions noted below. We will also be establishing a Technical Table of provincial and municipal elected officials, building on AMO's existing Working Group, to make sure that we are all on the same page around the issues and evidence that need to be addressed.

Given the importance of hearing your experiences, there is no predetermined format or questionnaire for this consultation. We don't want to inadvertently limit you. We would ask, though, that your officials consider and address three broad questions so that there is some comparability among the responses.

First, please describe the nature of the problem as you see it. What are the problems that you need addressed to benefit your municipality. Is it increasing premiums? Rising deductibles? Being unfairly named in lawsuits? Being held to unreasonably strict standards (e.g., regarding road design or maintenance)? Feeling that you cannot offer certain services because of the liability risk? A general sense of unfairness that municipal taxpayers pay more than their fair share (e.g., because individuals are under-insured or were behaving irresponsibly)? Please have your officials describe all the specific problems that are directly affecting your municipality.

Second, please indicate what evidence leads you to your view of the problem. Without limiting the types of evidence you may wish to discuss, I have attached to this letter a list of potentially relevant facts and evidence that your officials may wish to address.

Finally, given your view of the problem and the supporting evidence, what solutions do you propose? In formulating your proposals, please keep in mind the need to ensure that catastrophically injured persons are fairly compensated and that costs are not simply transferred to the publicly funded health care system.



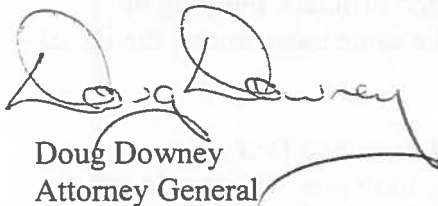
I will provide an update on the consultation process at AMO in August. I will also meet with interested delegations.

The second phase of the municipal consultation process will involve formal discussions in early Fall among elected officials about the evidence and the potential policy solutions. Once there is a provincial and municipal understanding on the key issues, the government will engage with other interested stakeholders.

The Ministry of the Attorney General has established a dedicated email address to receive the background technical information from your officials. Please have your officials respond by Friday, September 27, 2019 to [magpolicy@ontario.ca](mailto:magpolicy@ontario.ca). For further information, please have your officials reach out to MAG at the email address noted above.

Our goal must be meaningful and lasting reform. I encourage you to share your experiences on this important subject.

Sincerely,



Doug Downey  
Attorney General

**APPENDIX “B”**

**CITY OF LONDON SUMMARY OF RESPONSE  
JOINT AND SEVERAL LIABILITY REFORM**

<u><b>Public Consultation Guide Question</b></u>	<u><b>City Response</b></u>
<p>1. Describe the nature of the problem as you see it.</p>	<p>Historically, liability premiums have been the greatest annual expense by policy type and continue to lead the way with regard to insurance expense. Large deductibles are now carried by the City and are required in order to manage premium costs. This approach provides a level of cost certainty to the City on an individual claim basis, but has the effect of transferring the risk of most claims to the municipality.</p> <p>The City’s Claim expenses have substantially increased over the years from an annual expense of approximately one million to more than three million dollars. This expense represents the costs within the City’s Self Insured Retention (deductible).</p>
<p>2. What supporting evidence do you have in view of the problem</p>	<p>The rationale for the current JSL system is to ensure plaintiffs are not left without compensation when the at-fault party is either not insured or has inadequate insurance to cover the loss. This system imposes disproportionate liability on parties such as London who have no choice but to arrange insurance policies with large limits. The result is that municipalities are often the target of litigation because they are perceived as having “deep pockets”. The City has settled many claims that were influenced by the risk associated with JSL.</p> <p>For example we have experienced claims involving road design /maintenance, sidewalks and building inspections, whereby we believe the allegations of City negligence were meritless.</p> <p>Further evidence to support reform of JSL includes an adverse decision received by the City of London that clearly reflects the challenges that all municipalities are exposed to under JSL.</p> <p><b><i>Mortimer vs. Cameron (1994), 17 O.R. (3d) 1 (Ont. C.A.);</i></b>  <b>Summary:</b>  “Mortimer and Cameron, both "mildly intoxicated", were "horsing around" at a party. They both fell through an exterior wall of an enclosed exterior landing and fell 10 feet to the street. Mortimer suffered injuries rendering him a quadriplegic. Mortimer sued Cameron in negligence. He sued the tenant of the apartment where the party was held and added the co-tenant as a third party. He sued the building owner, claiming the exterior wall was unsafe. He sued the City for failing to enforce its building bylaw respecting construction of the enclosed stairway and for negligently inspecting it. A number of Mortimer's relatives joined as plaintiffs to claim under the Family Law Act.</p>

<u>Public Consultation Guide</u> <u>Question</u>	<u>City Response</u>
	<p>The trial judge found the City and the building owner jointly and severally liable. Liability was apportioned 80% to the City and 20% to the building owner. The actions and cross-claims against all other parties were dismissed. The court assessed \$4,705,052 damages (including the Family Law Act claims) plus \$770,209 in prejudgment interest. The City and building owner appealed both liability and damages. Mortimer cross-appealed the damage award.</p> <p>The Ontario Court of Appeal affirmed that both the City and the building owner were negligent. The court reapportioned liability 60% to the building owner and 40% to the City. The court made minor adjustments to the damage award, but otherwise dismissed the appeals and cross-appeals.”</p> <p>As a result the City ended up paying far more than the 40% share of liability because the other co-defendant had insurance limits of \$1,000,000. In effect the municipality paid to make up for insurance that another at-fault party chose not to have.</p>
<p>3. What solutions do you propose</p>	<ol style="list-style-type: none"> <li>1. Elimination: This solution would see the elimination of Joint and Several Liability by legislative means.</li> </ol> <p>As an alternative to eliminating JSL:</p> <ol style="list-style-type: none"> <li>2. Damage Caps: This solution would see JSL be capped in respect to certain types of damages. The economic loss and future care cost heads of damage often impose a financial exposure disproportionate to what may be considered reasonable. Capping these types of damage with a ceiling value for the purpose of JSL would allow municipalities and their insurers to better assess the potential exposure.</li> <li>3. Insurance Premiums: Under Financial Services Commission (FSCO) rules, the minimum Third Party Liability coverage for automobile insurance in Ontario is \$200,000. This solution would see increasing the limits for automobile coverage in the Province of Ontario. This would ensure that parties involved in serious vehicle accidents have reasonable coverage for most losses. Failing to do this often results in claims against municipalities to “make up the shortfall”.</li> <li>4. Threshold JSL: Municipalities are affected by claims whereby they are brought into an action with the expectation of being a contributing party to a settlement, yet their exposure to liability is little or nil, but with the expectation of being a contributing party in the settlement. This solution would see a revised system with a liability threshold which would create fair and valuable relief to municipalities, such as when in which JSL is only applied to matters where a defendant’s liability is greater than an established threshold. Any assessment below the threshold would be applied on a proportionate basis.</li> </ol>

## **AGENDA FOR TAX ADJUSTMENT APPLICATIONS**

The enclosed Agenda is regarding Tax Adjustment Applications made to the City of London or by the City of London under Sections 357, 358 and 359 of the *Ontario Municipal Act, 2001*.

### **Section 357**

Under Section 357 the municipality may cancel, reduce, or refund all or part of the taxes levied in the year in respect of which the application is made. Applications under Section 357 may include:

- A change in tax class as a result of a change event;
- land that has vacant or excess;
- land that has become exempt from taxation;
- a building on the land that has been razed, demolished or otherwise, or damaged by fire, demolition, or otherwise;
- the applicant is unable to pay taxes because of sickness or extreme poverty;
- a mobile unit was removed;
- an overcharge due to a clerical or factual error; or
- repairs or renovations to non-residential properties preventing the normal use of the land for at least three months.

### **Section 358**

Under Section 358 the municipality may cancel, reduce, or refund all or part of the taxes levied on the land in one or both of the two years preceding the year in which the application is made. Applications under Section 358 are made for any overcharge caused by an error in the preparation of the assessment roll that is clerical or factual in nature, but not an error in judgment in assessing the property.

### **Section 359**

Under Section 359 the municipality may increase taxes levied to the extent of any undercharge caused by a gross or manifest error that is clerical or factual in nature, but not an error in judgment in assessing the property.

### **Council Meeting**

As per *Ontario Municipal Act* Sections 357.(5), 358.(9) and 359.(3), Council is required to hold a meeting to address Tax Adjustment Applications.

### **Notices**

All property owners who have applications included on this agenda have been asked in writing to contact Taxation Division staff if they have any disagreement with the recommendation listed. If any property owner appears at a Corporate Services Committee meeting and has not notified Taxation Division staff of their disagreement with the listed recommendation then it is recommended that their particular application be deferred to the next Corporate Services Committee meeting and that Taxation Division staff be directed to meet with the applicant to review and clarify their concerns and that the application be rescheduled to the next Corporate Services Committee meeting.

**A G E N D A**  
**TAX ADJUSTMENT APPLICATIONS**  
(sorted by property street, then street number)

**Corporate Services Committee**  
**Tuesday, September 24, 2019, commencing at 12:45 PM**  
**Council Chambers, City Hall**

---

PROPERTY:	1400 Adelaide Street North	TAX YEAR: 2019
ROLL NUMBER:	3936.020.430.38200.0000	APPLICATION No.: 2019-47
ASSESSED PERSON(S):	City of London	
APPLICANT(S):	City of London - c/o Tony Staltari	
APPEAL REASON:	Section 357, Became Exempt - 357(1)(c)	
DECISION:	Cancel 365 days of 2019 realty taxes on an assessment of \$535,650 RT-Residential Full Taxable.	
TAX REDUCTION:	\$7,178.92	

---

PROPERTY:	1510 Commissioners Road West	TAX YEAR: 2019
ROLL NUMBER:	3936.040.640.31100.0000	APPLICATION No.: 2019-43
ASSESSED PERSON(S):	City of London	
APPLICANT(S):	City of London - c/o Tony Staltari	
APPEAL REASON:	Section 357, Became Exempt - 357(1)(c)	
DECISION:	Cancel 365 days of 2019 realty taxes on an assessment of \$268,900 RT-Residential Full Taxable.	
TAX REDUCTION:	\$3,603.87	

---

PROPERTY:	129 Dundas St.	TAX YEAR: 2019
ROLL NUMBER:	3936.060.030.01000.0000	APPLICATION No.: 2019-29
ASSESSED PERSON(S):	129 Dundas Developments Inc.	
APPLICANT(S):	129 Dundas Developments Inc. - c/o Stuart McCulloch	
APPEAL REASON:	Section 357, Damaged and substantially unusable - 357(1)(d)(ii)	
DECISION:	Cancel 331 days of 2019 realty taxes on an assessment of \$107,122 CT-Commercial Full Taxable. Cancel 331 days of 2019 realty taxes on an assessment of \$494,193 MT-Multi-Residential Full Taxable. Cancel Business Improvement Area (BIA) adjustment of \$219.54.	
TAX REDUCTION:	\$13,637.30	

---

PROPERTY:	167 Dundas St.	TAX YEAR: 2017
ROLL NUMBER:	3936.060.040.00200.0000	APPLICATION No.: 2017-177
ASSESSED PERSON(S):	Luxurs Inc.	
APPLICANT(S):	Luxurs Inc. - c/o Monika Spinney	
APPEAL REASON:	Section 358, Gross or manifest error, factual or clerical - 358(1)	

DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$147,485 CT–Commercial Full Taxable. Add 365 days of 2017 realty taxes on an assessment of \$147,496 RT–Residential Full Taxable. Cancel Business Improvement Area (BIA) adjustment of \$366.50.  
TAX REDUCTION: \$3,807.73

---

PROPERTY: 167 Dundas St. TAX YEAR: 2018  
ROLL NUMBER: 3936.060.040.00200.0000 APPLICATION No.: 2018-92  
ASSESSED PERSON(S): Luxurs Inc.  
APPLICANT(S): Luxurs Inc. - c/o Monika Spinney  
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)  
DECISION: Cancel 365 days of 2018 realty taxes on an assessment of \$174,557 CT–Commercial Full Taxable. Add 365 days of 2018 realty taxes on an assessment of \$174,564 RT–Residential Full Taxable. Cancel Business Improvement Area (BIA) adjustment of \$419.81.  
TAX REDUCTION: \$4,378.93

---

PROPERTY: 167 Dundas St. TAX YEAR: 2019  
ROLL NUMBER: 3936.060.040.00200.0000 APPLICATION No.: 2019-31  
ASSESSED PERSON(S): Luxurs Inc.  
APPLICANT(S): Luxurs Inc. - c/o Monika Spinney  
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)  
DECISION: Cancel 365 days of 2019 realty taxes on an assessment of \$201,628 CT–Commercial Full Taxable. Add 365 days of 2019 realty taxes on an assessment of \$201,632 RT–Residential Full Taxable. Cancel Business Improvement Area (BIA) adjustment of \$455.68.  
TAX REDUCTION: \$4,919.46

---

PROPERTY: 2192 Evans Blvd. TAX YEAR: 2019  
ROLL NUMBER: 3936.040.640.52765.0000 APPLICATION No.: 2019-36  
ASSESSED PERSON(S): City of London  
APPLICANT(S): City of London - c/o Yasmin Jiwani  
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)  
DECISION: Cancel 289 days of 2019 realty taxes on an assessment of \$272,297 RT–Residential Full Taxable.  
TAX REDUCTION: \$2,889.52

---

PROPERTY: 943-945 Hamilton Rd TAX YEAR: 2018  
ROLL NUMBER: 3936.040.500.03415.0000 APPLICATION No.: 2018-77  
ASSESSED PERSON(S): BASLAUGH PETER WOODSIDE  
APPLICANT(S): Mirian Mamaril-Padilla - RioCan Management Inc

APPEAL REASON: Section 357/359, Repairs or renovations preventing normal use greater than 3 months 357(1)(g) and Section 359, Gross or manifest errors.  
DECISION: Cancel 123 days of 2018 realty taxes at a rate of 30% on an assessment of \$84,454 CT–Commercial Full Taxable.  
TAX REDUCTION: \$ 308.98

---

PROPERTY: 567 King St. TAX YEAR: 2019  
ROLL NUMBER: 3936.050.030.08500.0000 APPLICATION No.: 2019-24  
ASSESSED PERSON(S): Joseph Edward O'Neil & Kathleen Anne O'Neil  
APPLICANT(S): Joseph E. O'Neil  
APPEAL REASON: Section 357, Damaged and substantially unusable - 357(1)(d)(ii)  
DECISION: Cancel 222 days of 2019 realty taxes on an assessment of \$61,295 CT–Commercial Full Taxable. Cancel 222 days of 2019 realty taxes on an assessment of \$34,688 RT–Residential Full Taxable.  
TAX REDUCTION: \$1,042.24

---

PROPERTY: 0 Lawson Rd. TAX YEAR: 2019  
ROLL NUMBER: 3936.090.460.27968.0000 APPLICATION No.: 2019-42  
ASSESSED PERSON(S): City of London  
APPLICANT(S): City of London - c/o Yasmin Jiwani  
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)  
DECISION: Cancel 264 days of 2019 realty taxes on an assessment of \$81,591 RT–Residential Full Taxable.  
TAX REDUCTION: \$ 790.92

---

PROPERTY: 94 Oxford St. W TAX YEAR: 2019  
ROLL NUMBER: 3936.010.190.04200.0000 APPLICATION No.: 2019-45  
ASSESSED PERSON(S): City of London  
APPLICANT(S): City of London - c/o Tony Staltari  
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)  
DECISION: Cancel 365 days of 2019 realty taxes on an assessment of \$191,750 RT–Residential Full Taxable.  
TAX REDUCTION: \$2,569.88

---

PROPERTY: 6664 Pack Rd. TAX YEAR: 2019  
ROLL NUMBER: 3936.080.050.30540.0000 APPLICATION No.: 2019-39  
ASSESSED PERSON(S): City of London  
APPLICANT(S): City of London - c/o Yasmin Jiwani  
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)  
DECISION: Cancel 173 days of 2019 realty taxes on an assessment of \$78,500 RT–Residential Full Taxable.

TAX REDUCTION: \$ 498.66

---

PROPERTY: 1226 Sandbar St. TAX YEAR: 2019  
ROLL NUMBER: 3936.090.460.49682.0000 APPLICATION No.: 2019-40  
ASSESSED PERSON(S): City of London  
APPLICANT(S): City of London - c/o Yasmin Jiwani  
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)  
DECISION: Cancel 264 days of 2019 realty taxes on an assessment of \$9,375 RT–Residential Full Taxable.  
TAX REDUCTION: \$ 90.87

---

PROPERTY: 1232 Sandbar St. TAX YEAR: 2019  
ROLL NUMBER: 3936.090.460.49683.0000 APPLICATION No.: 2019-41  
ASSESSED PERSON(S): City of London  
APPLICANT(S): City of London - c/o Yasmin Jiwani  
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)  
DECISION: Cancel 264 days of 2019 realty taxes on an assessment of \$4,075 RT–Residential Full Taxable.  
TAX REDUCTION: \$ 39.50

---

PROPERTY: 1236 Sandbar St. TAX YEAR: 2019  
ROLL NUMBER: 3936.090.460.27967.0000 APPLICATION No.: 2019-38  
ASSESSED PERSON(S): City of London  
APPLICANT(S): City of London - c/o Yasmin Jiwani  
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)  
DECISION: Cancel 309 days of 2019 realty taxes on an assessment of \$116,980 RT–Residential Full Taxable.  
TAX REDUCTION: \$1,327.26

---

PROPERTY: 1105 Wellington Rd TAX YEAR: 2018  
ROLL NUMBER: 3936.060.580.41100.0000 APPLICATION No.: 2018-69  
ASSESSED PERSON(S): WHITE OAKS MALL HOLDINGS LTD C/O BENTALL KENNEDY (CANADA)  
APPLICANT(S): Altus Group  
APPEAL REASON: Section 357/359, Repairs or renovations preventing normal use greater than 3 months 357(1)(g) and Section 359, Gross or manifest errors.  
DECISION: Cancel 98 days of 2018 realty taxes at a rate of 30% on an assessment of \$160,382 CT–Commercial Full Taxable. Cancel 98 days of 2018 realty taxes at a rate of 30% on an assessment of \$4,289,779 ST–Shopping Center Full Taxable.  
TAX REDUCTION: \$12,972.29

---



PROPERTY: 784 Wharncliffe Rd S TAX YEAR: 2018  
ROLL NUMBER: 3936.060.570.51100.0000 APPLICATION No.: 2018-73  
ASSESSED PERSON(S): MAPLEROSE HOLDINGS (CANADA) INC  
APPLICANT(S): Neil Kepp - Paramount Properties Inc  
APPEAL REASON: Section 357/359, Repairs or renovations preventing normal use greater than 3 months 357(1)(g) and Section 359, Gross or manifest errors.  
DECISION: Cancel 116 days of 2018 realty taxes at a rate of 30% on an assessment of \$1,714,454 CT–Commercial Full Taxable.  
TAX REDUCTION: \$5,915.59

---

PROPERTY: 820 Wharncliffe Rd S TAX YEAR: 2018  
ROLL NUMBER: 3936.060.570.50500.0000 APPLICATION No.: 2018-72  
ASSESSED PERSON(S): MAPLEROSE HOLDINGS (CANADA) INC  
APPLICANT(S): Neil Kepp - Paramount Properties Inc  
APPEAL REASON: Section 357/359, Repairs or renovations preventing normal use greater than 3 months 357(1)(g) and Section 359, Gross or manifest errors.  
DECISION: Cancel 92 days of 2018 realty taxes at a rate of 30% on an assessment of \$177,281 CT–Commercial Full Taxable. Cancel 92 days of 2018 realty taxes at a rate of 30% on an assessment of \$313,528 ST–Shopping Center Full Taxable.  
TAX REDUCTION: \$1,343.11

---

PROPERTY: 5725 White Oak Road TAX YEAR: 2019  
ROLL NUMBER: 3936.080.020.17110.0000 APPLICATION No.: 2019-44  
ASSESSED PERSON(S): City of London  
APPLICANT(S): City of London - c/o Tony Staltari  
APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)  
DECISION: Cancel 365 days of 2019 realty taxes on an assessment of \$116,000 RT–Residential Full Taxable.  
TAX REDUCTION: \$1,554.66

---

**TAX ADJUSTMENT APPLICATIONS  
INDEX BY ASSESSED PERSON (APPLICANT)**

<b>Assessed Person (Applicant)</b>	<b>App'tn No.</b>	<b>Property</b>
<b>129 Dundas Developments Inc.</b> <i>(129 Dundas Developments Inc. - c/o Stuart McCulloch)</i>	2019-29	129 Dundas St. 3936.060.030.01000.0000
<b>BASLAUGH PETER WOODSIDE</b> <i>(Mirian Mamaril-Padilla - RioCan Management Inc)</i>	2018-77	943-945 Hamilton Rd 3936.040.500.03415.0000
<b>City of London</b> <i>(City of London - c/o Tony Staltari)</i>	2019-45	94 Oxford St. W 3936.010.190.04200.0000
<b>City of London</b> <i>(City of London - c/o Tony Staltari)</i>	2019-47	1400 Adelaide Street North 3936.020.430.38200.0000
<b>City of London</b> <i>(City of London - c/o Tony Staltari)</i>	2019-43	1510 Commissioners Road West 3936.040.640.31100.0000
<b>City of London</b> <i>(City of London - c/o Yasmin Jiwani)</i>	2019-36	2192 Evans Blvd. 3936.040.640.52765.0000
<b>City of London</b> <i>(City of London - c/o Tony Staltari)</i>	2019-44	5725 White Oak Road 3936.080.020.17110.0000
<b>City of London</b> <i>(City of London - c/o Yasmin Jiwani)</i>	2019-39	6664 Pack Rd. 3936.080.050.30540.0000
<b>City of London</b> <i>(City of London - c/o Yasmin Jiwani)</i>	2019-38	1236 Sandbar St. 3936.090.460.27967.0000
<b>City of London</b> <i>(City of London - c/o Yasmin Jiwani)</i>	2019-42	0 Lawson Rd. 3936.090.460.27968.0000
<b>City of London</b> <i>(City of London - c/o Yasmin Jiwani)</i>	2019-40	1226 Sandbar St. 3936.090.460.49682.0000
<b>City of London</b> <i>(City of London - c/o Yasmin Jiwani)</i>	2019-41	1232 Sandbar St. 3936.090.460.49683.0000
<b>Joseph Edward O'Neil &amp; Kathleen Anne O'Neil</b> <i>(Joseph E. O'Neil)</i>	2019-24	567 King St. 3936.050.030.08500.0000
<b>Luxurs Inc.</b> <i>(Luxurs Inc. - c/o Monika Spinney)</i>	2017-177	167 Dundas St. 3936.060.040.00200.0000
<b>Luxurs Inc.</b> <i>(Luxurs Inc. - c/o Monika Spinney)</i>	2018-92	167 Dundas St. 3936.060.040.00200.0000
<b>Luxurs Inc.</b> <i>(Luxurs Inc. - c/o Monika Spinney)</i>	2019-31	167 Dundas St. 3936.060.040.00200.0000
<b>MAPLEROSE HOLDINGS (CANADA) INC</b> <i>(Neil Kepp - Paramount Properties Inc)</i>	2018-72	820 Wharncliffe Rd S 3936.060.570.50500.0000
<b>MAPLEROSE HOLDINGS (CANADA) INC</b> <i>(Neil Kepp - Paramount Properties Inc)</i>	2018-73	784 Wharncliffe Rd S 3936.060.570.51100.0000
<b>WHITE OAKS MALL HOLDINGS LTD C/O BENTALL KENNEDY (CANADA)</b> <i>(Altus Group)</i>	2018-69	1105 Wellington Rd 3936.060.580.41100.0000