Audit, Finance & Administration Committee
Report 13-011
9:30 a.m.
Monday, December 9, 2013
Council Chambers
Hamilton City Hall
71 Main Street West

Present:
Councillors M. Pearson (Chair), R. Powers (Vice Chair),
B. Clark, B. Johnson

Absent with
Regrets:
Councillor B. Morelli – Illness

Also Present:
Councillors C. Collins and R. Pasuta

The Audit, Finance & Administration Committee presents Report 13-011 and respectfully recommends:

1. Appointment of Chair, Vice Chair & Committee Member (Item A)
   (a) That Councillor Russ Powers be appointed as Chair of the Audit, Finance & Administration Committee for 2014;
   (b) That Councillor Brad Clark be appointed as Vice Chair of the Audit, Finance & Administration Committee for 2014;
   (c) That Councillor Chad Collins be appointed to the Audit, Finance & Administration Committee for the balance of the 2010 – 2014 term of Council.

2. Fair Wage Policy and Fair Wage Schedule Complaints - 2013 Annual Report (FCS13073) (City Wide) (Item 5.1)
   That Report FCS13073, respecting Fair Wage Policy and Fair Wage Schedule Complaints - 2013 Annual Report, be received.

Council – December 11, 2013
3. **Annual Tax Arrears Update, as of December 31, 2012 (FCS13067) (City Wide) (Item 5.2)**

That Report FCS13067, respecting the Annual Tax Arrears Update, as of December 31, 2012, be received.

4. **Restructured Master Asset Vehicle Notes and Asset Backed Commercial Paper Update (FCS11006(c)) (City Wide) (Item 5.3)**

That Report FCS11006(c), respecting the Restructured Master Asset Vehicle Notes and Asset Backed Commercial Paper Update, be received.

5. **2012 Audited Financial Statements for City of Hamilton Business Improvement Areas (FCS13095) (City Wide) (Item 5.4)**

That Report FCS13095, respecting the 2012 Audited Financial Statements for City of Hamilton Business Improvement Areas, be received.

6. **LGBTQ Space Needs Follow Up (FCS11104(f)) (City Wide) (Item 5.5)**

That Report FCS11104(f), respecting the LGBTQ Space Needs Follow Up, be received.

7. **Monthly Status Report of Tenders and Requests for Proposals for August 31, 2013 to October 4, 2013 (FCS13016(h)) (City Wide) (Item 5.6)**

That Report FCS13016(h), respecting the Monthly Status Report of Tenders and Requests for Proposals for August 31, 2013 to October 4, 2013, be received.

8. **2013 Third Quarter Non-compliance with the Procurement Policy Report (FCS13015(b)) (City Wide) (Item 5.7)**

That Report FCS13015(b), respecting the 2013 Third Quarter Non-compliance with the Procurement Policy Report, be received.
9. **Monthly Status Report of Tenders and Requests for Proposals for October 5, 2013 to November 1, 2013 (FCS13016(i)) (City Wide) (Item 5.8)**

That Report FCS13016(i), respecting the Monthly Status Report of Tenders and Requests for Proposals for October 5, 2013 to November 1, 2013, be received.

10. **2013 Third Quarter Emergency and Non-competitive Procurements Report (FCS13014(b)) (City Wide) (Item 5.9)**

That Report FCS13014(b), respecting the 2013 Third Quarter Emergency and Non-competitive Procurements Report, be received.

11. **Multi-Year Accessibility Plan Status Update (FCS12102(a)) (City Wide) (Item 5.10)**

That Report FCS12102(a), respecting the Multi-Year Accessibility Plan Status Update, be received.

12. **2012 City of Hamilton Municipal Performance Measurement Program (FCS13084) (City Wide) (Item 5.11)**

That Report FCS13084, respecting the 2012 City of Hamilton Municipal Performance Measurement Program, be received.

13. **CRTC – Fibre Optic Cable in Rural Areas (City Wide) (FCS13056) (Item 5.12)**

That Report FCS13056, respecting CRTC - Fibre Optic Cable in Rural Areas, be referred to the Agricultural and Rural Affairs Sub-Committee.

14. **Freedom of Information Quarterly Report (July 1 to September 30, 2013) (CL13001(b)) (City Wide) (Item 5.13)**

That Report CL13001(b), respecting the Freedom of Information Quarterly Report, be received.

15. **Update on DARTS Review (AUD13041) (City Wide) (Item 5.14)**

That Report AUD13041, respecting the Update on DARTS Review, be received.
16. **DARTS Review and the Evaluation of Value for Money Audit Program (AUD13039) (City Wide) (Item 5.15)**

That Report AUD13039, respecting the DARTS Review and the Evaluation of Value for Money Audit Program, be received.

17. **Follow-up of Audit Report 2012-03 – Construction Contracts Review (AUD13035) (City Wide) (Item 5.16)**

That Report AUD13035, respecting the Follow-up of Audit Report 2012-03 – Construction Contracts Review, be received.

18. **Employee Attendance Performance Measures – Q3 2013 (HUR13013) (City Wide) (Item 5.18)**

(a) That Report HUR13013, respecting Employee Attendance Performance Measures – Q3 2013, be received.

(b) That staff be directed to report to the General Issues Committee, respecting a more aggressive strategy to reduce the number of WSIB and sick day claims, which measures have been successful and which ones have not.

(c) That all the appropriate Managers be directed to ensure their attendance at the General Issues Committee meeting when the report respecting the more aggressive strategy to reduce the number of WSIB and sick day claims comes forward for discussion.

19. **Treasurer’s Apportionment of Land Taxes (FCS13001(g)) (Ward 15) (Item 5.19)**

(a) That the 2012 land taxes in the amount of $1,980 for 113 Sadielou Boulevard, Flamborough (Roll #2518 303 420 04789 0000), be apportioned and split amongst the four newly created parcels, as set out in Appendix “A” to Report 13-011.

(b) That the 2012 land taxes in the amount of $1,980 for 90 Bousfield Rise, Flamborough (Roll #2518 303 420 04825 0000), be apportioned and split amongst the four newly created parcels, as set out in Appendix “A” to 13-011.
(c) That the 2012 land taxes in the amount of $1,980 for 102 Bousfield Rise, Flamborough, (Roll #2518 303 420 04830 0000) be apportioned and split amongst the four newly created parcels, as set out in Appendix “A” to Report 13-011.

(d) That the 2012 land taxes in the amount of $2,004 for 39 Bousfield Court, Flamborough, (Roll #2518 303 420 04850 0000) be apportioned and split amongst the three newly created parcels, as set out in Appendix “B” to Report 13-011.

20. 2014 Interim Tax Levy and Temporary Borrowing By-Laws (FCS13087) (City Wide) (Item 5.20)

(a) That Appendix “A” attached to Report FCS13087, being a By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2014, be passed;

(b) That Appendix “B” attached to Report FCS13087, being a By-law to Authorize an Interim Tax Levy for 2014, be passed.

21. Tax Appeals under Sections 357 and 358 of the Municipal Act (2001) FCS13027(f) (City Wide) (Item 5.21)

(a) That Appendix “C” attached to Report 13-011, respecting the Tax Appeals processed under Section 357 of the Municipal Act, 2001, in the amount of $82,449, be approved;

(b) That Appendix “D” attached to Report 13-011, respecting the Tax Appeals due to a Gross or Manifest Clerical Error, pursuant to Section 358 of the Municipal Act, 2001, in the amount of $71,657, be approved.

22. 2012 Annual Energy Report on Commodity Price Hedging (FCS13046(a)/PW13034(a)) (City Wide) (Item 8.1)

(a) That the General Manager, Finance & Corporate Services or approved designate, be authorized and directed to retain Aegent Energy Advisors Inc., for on-going natural gas advisory services on a monthly retainer of $3,035 for a period of three (3) years with a mutual option to renew for an additional two (2) years, at the same monthly rate, to be funded from the Energy Reserve account (No. 112272);
(b) That the General Manager, Finance & Corporate Services or approved designate, be authorized and directed to retain En-Pro International Inc., for on-going petroleum management advisory services on a monthly retainer of $2,250 for a period of three (3) years with a mutual option to renew for an additional two (2) years, at the same or lower monthly amount, to be funded from the Energy Reserve account (No. 112272);

(c) That the General Manager, Finance & Corporate Services or approved designate, be authorized and directed to enter into an Energy Management Tool Services Agreement, with the Association of Municipalities of Ontario, Local Authority Services, for a term of five (5) years, with an option to renew for an additional term of two (2) years, at an average annual fee of $31,680, with the initial year being higher and remaining years slightly lower, in a form satisfactory to the City Solicitor, and to be funded from the Energy Reserve account (No. 112272).

23. Armoured Car Services – Authorization to Negotiate (FCS13078) (City Wide) (Item 8.2)

That the Acting General Manager of Finance & Corporate Services, or their designate, be authorized and directed to negotiate a five year contract with Brink’s Canada Limited to provide armoured car services to the City of Hamilton.

24. Governance Review Sub-Committee Report 13-002, October 22, 2013 (Item 8.3)

(a) Correspondence from Laura Ryan respecting her Resignation from the Accountability and Transparency Sub-Committee (Item 4.1)

(i) That the letter of resignation submitted by Laura Ryan, from the Accountability and Transparency Sub-Committee, be received;

(ii) That a letter be sent to Laura Ryan thanking her for her service on the Accountability and Transparency Sub-Committee.

(b) Dissolving of the Accountability and Transparency Sub-Committee

(i) That the Accountability and Transparency Sub-Committee be dissolved;
(ii) That any future issues relating to Accountability and Transparency be forwarded to the Governance Review Sub-Committee for consideration.

(c) City of Hamilton LGBTQ Advisory Committee – Secondary Logo (Item 4.4)

That the secondary logo, attached as Appendix “E” to Report 13-011, be approved for use by the City of Hamilton LGBTQ Advisory Committee.

(d) Housekeeping Procedural By-law Amendments (Item 4.5)

(a) That the Housekeeping Procedural By-law Amendments, attached as Appendix “F” to Report 13-011, be approved.

(b) That the By-law to Amend Procedural By-law 10-053, Governing the Proceedings of Council and Committees of Council, be passed.

25. Status of Women Committee, Report SWC13-001 – Transfer from Reserve (Item 8.4)

That $4,500 be transferred from the Status of Women Advisory Committee’s Volunteer Reserve account to fund the development of an Elect More Women Education Workshop on the Committee’s 2013 work plan.

26. HMRF/HWRF Pension Administration Sub-Committee Report 13-001, November 12, 2013 (Item 8.5)

(a) Quarterly Report – Performance Review and Investment Manager Evaluation – Master Trust, September 30, 2012 (Item 4.1)


(b) Master Trust Pension Investment Performance, December 31, 2012 (FCS12070(a)) (City Wide) (Item 4.2)

That Report FCS12010(a), respecting the Master Trust Pension Investment Performance, December 31, 2012, be received.

Council – December 11, 2013
(c) **Master Trust Pension Investment Performance, June 30, 2013 (FCS13083) (City Wide) (Item 4.3)**

That Report FCS13083, respecting the Master Trust Pension Investment Performance, June 30, 2013, be received.

(d) **Resignation of Mr. Wilf Heene from the HMRF/HWRF Pension Administration Sub-Committee (Added Item 5.1)**

That the resignation of Mr. Wilf Heene, from the HMRF/HWRF Pension Administration Sub-Committee, be received.

(e) **Appointment of a New Member of the HWRF Pension Group to the HMRF/HWRF Pension Administration Sub-Committee (Added 5.2)**

That Mr. Harvey Hicks, be appointed to the HMRF/HWRF Pension Administration Committee.

27. **Procurement Sub-Committee Report 13-001, November 25, 2013 (Item 8.6)**

(a) **2013 Procurement Policy Review and Proposed Amendments (FCS13097) (City Wide) (Item 6.1)**

(i) That the City of Hamilton Procurement Policy, attached hereto as Appendix “G” to Report 13-011, be approved;

(ii) That the By-law to Adopt and Maintain a Procurement Policy for the City of Hamilton, be enacted.

28. **Retention of Live Streamed Recordings of Council and Standing Committees (FCS13069) (City Wide) (Item 8.7)**

(a) That Schedule “A” of By-law 11-040 “Retention Periods for Records”, be amended to reflect the retention status of Council meeting video recordings as “temporarily suspended”; to not be deleted after the Term of Council, pending the Web Redevelopment review;

(b) That the By-law to amend Schedule “A” of By-law 11-040, Retention Periods for Records, be passed.
29. **2014 Advance Payments to External Boards and Agencies (FCS13099) (City Wide) (Item 8.8)**

   (a) That, effective January 1, 2014, an advancement of funds be provided to the external Boards and Agencies in the specified amount and on the specific dates, as shown on the attached Appendix “H” to Report 13-011;

   (b) That any outstanding arrears due to the City of Hamilton by any external Boards or Agencies (as shown on the attached Appendix “H” to Report 13-011) be first applied against the approved grant funding, including advances, until the debt is satisfied, prior to that Agency or Board receiving the balance of any approved payment.

30. **Hamilton Street Railway Pension Plan Text – Revised and Restated as of January 1, 2009 (FCS13085) (City Wide) (Item 8.9)**

   That the Treasurer be authorized to file the Hamilton Street Railway Pension Plan (1994), revised and restated as at January 1, 2009 (attached as Appendix ‘B’ to Report FSC13085), with the applicable authorities.

31. **Hamilton Street Railway Pension Plan, Pension Benefits Guarantee Fund Exemption (FCS13086) (City Wide) (Item 8.10)**

   That the Mayor and City Treasurer correspond with the Minister of Finance to request the Hamilton Street Railway (HSR) Pension Plan (1994) be included as an exempt plan under Section 47(1) of Regulation 909 to the Pension Benefit Act (PBA) RSO 1990, retroactive to January 1, 2009, as per the letter attached as Appendix “I” to Report 13-011.

32. **2013 City of Hamilton External Audit Plan (FCS13088) (City Wide) (Item 8.11)**

   That the 2013 City of Hamilton Audit Planning Report prepared by KPMG, attached as Appendix “J” to Report 13-011, be approved.

33. **2014 Budget Requests - Volunteer Advisory Committees (FCS13093) (City Wide) (Item 8.12)**

   That the Volunteer Advisory Committee 2014 base budget submissions (attached as Appendices “A” to “F” to Report FCS13093), be approved as follows and
forwarded to the 2014 budget process (General Issues Committee (GIC)) for consideration:

(a) Advisory Committee on Immigrants & Refugees in the amount of $3,500;
(b) Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Advisory Committee in the amount of $3,890;
(c) Aboriginal Advisory Committee in the amount of $3,500;
(d) Hamilton Mundialization Committee in the amount of $5,890;
(e) Hamilton Status of Women Committee in the amount of $3,500;
(f) Committee Against Racism in the amount of $3,890.

34. Rosedale Tennis Club Loan Request (FCS13100/CS13057) (City Wide) (Item 8.13)

(a) That the City of Hamilton provide an interest free loan to the Rosedale Tennis Club in an amount not to exceed $180,000 for the replacement of the tennis bubble at Gage Park, in accordance with the City’s External Loan Guidelines to be repaid in full within 15 years from the date of the loan advance;

(b) That the loan be repaid with annual payments on the anniversary dates of the loan advance, as reflected in the repayment schedule attached hereto as Appendix “B” to Report FCS13100/CS13057;

(c) That a Long Term Receivable account be established to record the Loan Receivable on the City’s books;

(d) That the City Solicitor and the Acting General Manager, Finance and Corporate Services be authorized and directed to draft the loan agreement for execution by the Mayor and City Clerk.


(a) That the Management Action Plans, as detailed in Appendix “K” of Report 13-011, be approved; and,

(b) That the Acting General Manager, Finance & Corporate Services be directed to instruct the appropriate staff to have the Management Action Plans (as indicated in attached Appendix “K” to Report 13-011) implemented.
36. **Audit Report 2013-08 – Public Works - Transit Overtime (AUD13037) (City Wide) (Item 8.15)**

   (a) That the Management Action Plans, as detailed in Appendix “L” of Report 13-011, be approved; and,

   (b) That the General Manager of Public Works be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix “L” to Report 13-011) implemented.

37. **Audit Report 2013-09 – Community & Emergency Services - Hamilton Fire Department – Overtime (AUD13038) (City Wide) (Item 8.16)**

   (a) That the Management Action Plans, as detailed in Appendix “M” of Report 13-011, be approved; and

   (b) That the Acting General Manager of Community and Emergency Services be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix “M” to Report 13-011) implemented.

38. **2014 Internal Audit Work Plan (AUD13040) (City Wide) (Item 8.17)**

   That Appendix “N” attached to Report 13-011, respecting the 2014 Internal Audit Work Plan, be approved.

39. **Provision of Information Technology Services to Global Spectrum (CM11013(f)) (City Wide) (Item 8.18)**

   That Section 3.8 – Information Technology Services (IT) of the Management Agreement between the City of Hamilton and Global Spectrum Facilities Management L.P., which was approved by Council on February 13, 2013, be extended for a three month period; from January 1, 2014 to March 31, 2014 as it expires on December 31, 2013, to allow staff to negotiate with Global Spectrum Facilities Management L.P. for the use of the City of Hamilton’s IT Services for a period beyond the Transition Year, specifically as it relates to Section 3.8 Information Technology Services (IT) only.
40. Corporate Culture, Values & Ethics for City Employees (CM13019) (City Wide) (Item 8.19)

(a) That Internal Audit Report 2013-02 Corporate Ethics Review and recommendations attached as Appendix “A” to Report CM13019 be received;

(b) That the City Manager and Senior Management Team be directed to implement the Ethics Audit Management Action Plan, attached as Appendix “0” to Report 13-011.

41. Tax Rebates for Eligible Charities and Similar Organizations (Item 9.1)

(a) That the City of Hamilton amend its existing Policy on Tax Rebates for Eligible Charities and Similar Organizations to allow for a 100% tax rebate to non-profit educational institutions, which are accredited by the Ministry of Education for Ontario, rent their property and would otherwise be tax exempt if they owned their property; and,

(b) That the Treasurer be authorized and directed to write-off all outstanding taxes owing by the Hamilton Academy of Performing Arts, in the amount of $85,382.96.

42. Resignations from LGBTQ Advisory Committee (Item 11.2)

That the resignation submitted by David Gunton from the LGBTQ Advisory Committee, be received.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

The agenda for the December 9, 2013 Audit, Finance & Administration Committee meeting was approved, as presented.
(b) DECLARATIONS OF INTEREST (Item 2)

Councillor Brenda Johnson declared an interest to Item 5.9, Report FCS13014(b) respecting 2013 Third Quarter Emergency and Non-Competitive Procurement Reports (FCS13014(b), as her husband works for Coca Cola.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) October 8, 2013 (Item 3.1)

The Minutes of the October 8, 2013 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(d) DELEGATION REQUESTS (Item 4)

(i) Gerry Campbell, Ironworkers Local 736, respecting a request to have the wages of the Ironworkers and Rodworkers added to the Wage Schedule of the Fair Wage Policy (Item 4.1)

The delegation request from Gerry Campbell, Ironworkers Local 736, respecting a request to have the wages of the Ironworkers and Rodworkers added to the Wage Schedule of the Fair Wage Policy, was approved.

(ii) John O’Toole, respecting a Denied Risk Management Claim for Damage to his Vehicle (Item 4.2)

The delegation request from John O’Toole, respecting a denied Risk Management Claim for Damage to his Vehicle, was approved.

(e) Minutes of Various Advisory Committees (Items 5.17(a) to 5.17(e))

The following Advisory Committee Minutes were received:

(a) Aboriginal Advisory Committee, June 6, 2013

(b) Hamilton Mundialization Committee, June 19, 2013

(c) Status of Women Committee, June 27, 2013

(d) Status of Women Committee, September 26, 2013
(e) Committee Against Racism, September 24, 2013

(f) Employee Attendance Performance Measures – Q3 2013 (HUR13013) (City Wide) (Item 5.18)

Staff was directed to report back to the Audit, Finance & Administration Committee semi-annually, rather than quarterly, respecting Employee Attendance Performance Measures.

(g) Provision of Information Technology Services to Global Spectrum (CM11013(f)) (City Wide) (Item 8.18)

Staff was directed to report back to the Audit, Finance & Administration Committee on the outcome of those negotiations, prior to the end of the three month period.

(h) Corporate Culture, Values & Ethics for City Employees (CM13019) (City Wide) (Item 8.19)

Staff was directed to report back to the Audit, Finance & Administration Committee on an annual basis, respecting the Ethics Audit Management Action Plan, attached as Appendix “O” to Report 13-011.

(i) Harassment and Discrimination Prevention Policies (HUR13014) (City Wide) (Item 8.20)

Staff was directed to amend the Personal Harassment Prevention Policy, the Harassment and Discrimination Prevention Policy and the Procedure for Resolving Harassment and Discrimination Issues, by:

(i) Adding further wording under the Policy Statement portion of each policy advising that the City of Hamilton has adopted a Zero Tolerance policy with respect to sexual harassment or any other form of harassment;

(ii) Amending the Compliance Section of each policy by adding the words “with cause (without severance)” after the word “employment”; and,
(ii) Amending the Manager/Supervisor section by deleting the word “immediate” and adding the words “within 24 hours” after the word action, to read as follows:

- take action **within 24 hours**, in the event of a real or potential threat to personal safety; and/or

Report HUR13014, respecting Harassment and Discrimination Prevention Policies, as amended, was tabled to the January 20, 2014 Audit, Finance & Administration Committee meeting.

(j) **Workplace Violence Prevention Policy (HUR13015) (City Wide) (Item 8.21)**

Staff was directed to amend the Workplace Violence Prevention Policy by:

(i) Adding further wording under the Policy Statement portion advising that the City of Hamilton has adopted a Zero Tolerance policy with respect to violence in the workplace; and,

(ii) Amending the Compliance Section of each policy by adding the words “with cause (without severance)” after the words “up to and including dismissal”.

Report HUR13015, respecting the Workplace Violence Prevention Policy, was tabled, as amended, to the January 20, 2014 Audit, Finance & Administration Committee meeting.

(k) **MOTIONS (Item 9)**

Councillor Powers introduced the following motion:

(i) **Tax Rebates for Eligible Charities and Similar Organizations (Item 9.1)**

WHEREAS, Section 361 of the Municipal Act requires municipalities to have a tax rebate program for eligible charities for the purpose of giving them relief from taxes or amounts paid on account of taxes on eligible property they occupy;

AND WHEREAS, the amount of tax rebate must be at least 40%;
AND WHEREAS, a charity is eligible if it is a registered charity as defined in sub-section 248(1) of the Income Tax Act (Canada);

AND WHEREAS, a property is eligible if it is in one of the commercial or industrial property classes;

AND WHEREAS, municipalities have the option to provide rebates to organizations that are similar to eligible charities, provide for rebates on properties in any property class, provide for rebates that are greater than 40% (to a maximum of 100%), and may provide for different rebate amounts for different eligible charities or similar organizations;

AND WHEREAS the City of Hamilton currently provides a 40% tax rebate for eligible charities and similar organizations;

AND WHEREAS, non-profit educational institutions, which own property, are currently exempt from property taxes, while non-profit educational institutions that rent property are currently eligible for the 40% tax rebate under the Charity Tax Rebate program;

AND WHEREAS, City of Hamilton Council supports the fact that non-profit educational institutions accredited by the Ministry of Education for Ontario should be treated equally with respect to property taxes;

AND WHEREAS, the Hamilton Academy of Performing Arts is a non-profit educational institution accredited by the Ministry of Education for Ontario;

AND WHEREAS, the Hamilton Academy of Performing Arts rents property and, as such, is currently not exempt from property taxes similar to other non-profit educational institutions that own property.

THEREFORE BE IT RESOLVED:

(a) That the City of Hamilton amend its existing Policy on Tax Rebates for Eligible Charities and Similar Organizations to allow for a 100% tax rebate to non-profit educational institutions, which are accredited by the Ministry of Education for Ontario, rent their property and would otherwise be tax exempt if they owned their property; and,

(b) That the Treasurer be authorized and directed to write-off all outstanding taxes owing by the Hamilton Academy of Performing Arts, in the amount of $85,382.96.

For disposition of this matter, refer to Item 41 above.
(I) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

(i) Amendments to the Outstanding Business List (Item 11.1)

1. That the following Items be considered complete and removed from the Audit, Finance & Administration Committee’s Outstanding Business List:

   (aa) Item “P” – LGBTQ Space Requirements (Item 5.5 on this agenda)

   (bb) Item “R” – 2012 Annual Energy Report on Commodity Price Hedging (Item 8.1 on this agenda)

   (cc) Item “S” – Inclusion of Hospital Growth Infrastructure under the Development Charges Act (Addressed at the October 8, 2013 meeting – FCS13044(a).)

   (dd) Item “T” – Retention of Live Streamed Recordings (Item 8.7 on this agenda)

   (ee) Item “AA” – Rosedale Tennis Club Request for $180,000 Loan (Item 8.13 on this agenda)

2. That the following proposed new due dates, be approved:

   (aa) Item “J” – Committee Against Racism – Resource Centre & Telephone Help Line
   Current Due Date: November 25, 2013
   Proposed New Due Date: March 24, 2014

   (bb) Item “L” – Stop Gap Ramp Initiative
   Current Due Date – November 25, 2013
   Proposed New Due Date: September 8, 2014

   (cc) Item “W” – City-Wide Cash Handling Guidelines
   Current Due Date: December 9, 2013
   Proposed New Due Date: January 20, 2014

   (dd) Item “Y” – Performance Audit Report 2013-13 – Employer Paid Parking (Value for Money Audit)
   Current Due Date: December 9, 2013
   Proposed New Due Date: February 24, 2014

Council – December 11, 2013
(m) ADJOURNMENT (Item 13)

There being no further business, the Audit, Finance & Administration Committee, was adjourned at 12:31 p.m.

Respectfully submitted,

Councillor M. Pearson, Chair
Audit, Finance & Administration Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk
APPORTIONMENT OF TAXES

That the original land taxes recorded against:

(a) **Roll #2518 303 420 04789 0000** – (113 Sadielou Blvd., Flamborough) in the amount of $1,980 be split amongst the four newly created lots listed below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ADDRESS</th>
<th>ROLL NUMBER</th>
<th>APPORTIONED ASSESSMENT</th>
<th>TAX AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>113 Sadielou Blvd.</td>
<td>2518 303 420 04789 0000</td>
<td>41,335</td>
<td>$ 499</td>
</tr>
<tr>
<td>2012</td>
<td>111 Sadielou Blvd.</td>
<td>2518 303 420 04791 0000</td>
<td>40,666</td>
<td>491</td>
</tr>
<tr>
<td>2012</td>
<td>109 Sadielou Blvd.</td>
<td>2518 303 420 04792 0000</td>
<td>40,666</td>
<td>491</td>
</tr>
<tr>
<td>2012</td>
<td>107 Sadielou Blvd.</td>
<td>2518 303 420 04793 0000</td>
<td>41,333</td>
<td>499</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>164,000</strong></td>
<td><strong>$ 1,980</strong></td>
</tr>
</tbody>
</table>

(b) **Roll #2518 303 420 04825 0000** – (90 Bousfield Rise, Flamborough) in the amount of $1,980 be split amongst the four newly created lots listed below:

<table>
<thead>
<tr>
<th>YEAR</th>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>164,000</strong></td>
<td><strong>$ 1,980</strong></td>
</tr>
</tbody>
</table>

(c) **Roll #2518 303 420 04830 0000** – (102 Bousfield Rise, Flamborough) in the amount of $1,980 be split amongst the four newly created lots listed below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ADDRESS</th>
<th>ROLL NUMBER</th>
<th>APPORTIONED ASSESSMENT</th>
<th>TAX AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>102 Bousfield Rise</td>
<td>2518 303 420 04830 0000</td>
<td>41,335</td>
<td>$ 499</td>
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<tr>
<td>2012</td>
<td>104 Bousfield Rise</td>
<td>2518 303 420 04832 0000</td>
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<td>491</td>
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<td>2012</td>
<td>106 Bousfield Rise</td>
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<td>40,666</td>
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<td>2012</td>
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<td>41,333</td>
<td>499</td>
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<td><strong>Total</strong></td>
<td></td>
<td><strong>164,000</strong></td>
<td><strong>$ 1,980</strong></td>
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</table>
(d) Roll #2518 303 420 04850 0000 – (39 Bousfield Court, Flamborough) in the amount of $2,004 be split amongst the three newly created lots listed below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ADDRESS</th>
<th>ROLL NUMBER</th>
<th>APPORTIONED ASSESSMENT</th>
<th>TAX AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>39 Bousefield Court</td>
<td>2518 303 420 04850 0000</td>
<td>57,050</td>
<td>$ 688</td>
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<tr>
<td>2012</td>
<td>43 Bousefield Court</td>
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<td>54,475</td>
<td>658</td>
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<tr>
<td>2012</td>
<td>45 Bousefield Court</td>
<td>2518 303 420 04853 0000</td>
<td>54,475</td>
<td>658</td>
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<td>Total</td>
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<td>$ 2,004</td>
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Map identifying 90 Bousfield Rise, Flamborough;
Map identifying 113 Sadielou Boulevard, Flamborough;
Map identifying 102 Bousfield Rise, Flamborough;
<table>
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<tr>
<th>Appeal No.</th>
<th>Property Address</th>
<th>Roll Number</th>
<th>Explanation</th>
<th>YEAR</th>
<th>Amount</th>
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<tr>
<td>357-13-081</td>
<td>208 Barton St</td>
<td>003285016000000</td>
<td>Demolition of house</td>
<td>2013</td>
<td>-1,523.39</td>
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<tr>
<td>357-13-100</td>
<td>171 Britannia Ave</td>
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<td>Tax Class Conversion now all residential owner retired</td>
<td>2013</td>
<td>-445.27</td>
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<tr>
<td>357-13-058</td>
<td>38 Queenston Rd</td>
<td>003285134000000</td>
<td>Demolition of building</td>
<td>2013</td>
<td>-1,111.64</td>
</tr>
<tr>
<td>357-13-098</td>
<td>10 Woodside Dr</td>
<td>003285134000000</td>
<td>Demolition of building on site</td>
<td>2013</td>
<td>-10,355.92</td>
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<tr>
<td>357-13-083</td>
<td>2 Lawrence Ave</td>
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<td>Demolition of inground pool</td>
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<tr>
<td>357-13-084</td>
<td>150 Sanford Ave N</td>
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<tr>
<td>357-13-114</td>
<td>14 Kenilworth Ave N</td>
<td>003285134000000</td>
<td>Demolition of house and detached garage</td>
<td>2013</td>
<td>-369.20</td>
</tr>
<tr>
<td>357-13-078</td>
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<td>Fire in May house just a shell owners states going to be demolished</td>
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<td>-1,253.70</td>
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<tr>
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<tr>
<td>357-13-072</td>
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<td>Demolition of building on site</td>
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<tr>
<td>357-13-078</td>
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<td>-1,253.70</td>
</tr>
<tr>
<td>357-13-114</td>
<td>14 Kenilworth Ave N</td>
<td>003285134000000</td>
<td>Demolition of house and detached garage</td>
<td>2013</td>
<td>-369.20</td>
</tr>
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<td>-1,253.70</td>
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<td>2013</td>
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</tr>
<tr>
<td>357-13-078</td>
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<td>2013</td>
<td>-1,253.70</td>
</tr>
<tr>
<td>357-13-114</td>
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<td>003285134000000</td>
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<td>-369.20</td>
</tr>
<tr>
<td>357-13-078</td>
<td>47 London St N</td>
<td>003285134000000</td>
<td>Fire in May house just a shell owners states going to be demolished</td>
<td>2013</td>
<td>-1,253.70</td>
</tr>
<tr>
<td>357-13-114</td>
<td>14 Kenilworth Ave N</td>
<td>003285134000000</td>
<td>Demolition of house and detached garage</td>
<td>2013</td>
<td>-369.20</td>
</tr>
<tr>
<td>357-13-078</td>
<td>47 London St N</td>
<td>003285134000000</td>
<td>Fire in May house just a shell owners states going to be demolished</td>
<td>2013</td>
<td>-1,253.70</td>
</tr>
<tr>
<td>357-13-114</td>
<td>14 Kenilworth Ave N</td>
<td>003285134000000</td>
<td>Demolition of house and detached garage</td>
<td>2013</td>
<td>-369.20</td>
</tr>
<tr>
<td>357-13-078</td>
<td>47 London St N</td>
<td>003285134000000</td>
<td>Fire in May house just a shell owners states going to be demolished</td>
<td>2013</td>
<td>-1,253.70</td>
</tr>
<tr>
<td>357-13-114</td>
<td>14 Kenilworth Ave N</td>
<td>003285134000000</td>
<td>Demolition of house and detached garage</td>
<td>2013</td>
<td>-369.20</td>
</tr>
<tr>
<td>357-13-078</td>
<td>47 London St N</td>
<td>003285134000000</td>
<td>Fire in May house just a shell owners states going to be demolished</td>
<td>2013</td>
<td>-1,253.70</td>
</tr>
</tbody>
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Appendix "C" to Item 21 of AFA Report 13-011
Page 1 of 2
City of Hamilton
Corporate Services Department
Taxation Division
Section "357" Appeals of the Municipal Act, 2001
<table>
<thead>
<tr>
<th>Appeal No.</th>
<th>Property Address</th>
<th>Roll Number</th>
<th>Explanation</th>
<th>YEAR</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>357-13-071</td>
<td>1428 Highway 5 W</td>
<td>3012403200000000</td>
<td>Demolition of house and shed</td>
<td>2013</td>
<td>-1,002.27</td>
</tr>
<tr>
<td>357-13-072</td>
<td>1305 10th Con Rd W</td>
<td>3019107380000000</td>
<td>Tax Class Conversion business has closed</td>
<td>2013</td>
<td>-5,297.36</td>
</tr>
<tr>
<td>357-13-034</td>
<td>5 Haines Ave</td>
<td>3022105940000000</td>
<td>Major Renovations to house</td>
<td>2013</td>
<td>-1,086.60</td>
</tr>
<tr>
<td>357-13-034</td>
<td>5 Haines Ave</td>
<td>3022105940000000</td>
<td>Fire in May making house unlivable</td>
<td>2012</td>
<td>-1,050.76</td>
</tr>
<tr>
<td>357-13-095</td>
<td>1391 Brock Rd</td>
<td>3027100530000000</td>
<td>Tax Class Conversion now all residential</td>
<td>2013</td>
<td>-1,571.75</td>
</tr>
<tr>
<td>357-13-099</td>
<td>1470 Brock Rd</td>
<td>3027102140000000</td>
<td>Tax Class Conversion now all residential owner retired</td>
<td>2013</td>
<td>-1,112.63</td>
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<tr>
<td>357-11-257</td>
<td>392 Dundas St E</td>
<td>3033100280000000</td>
<td>Exempt lands deeded over to the City when plan M1157 was registered</td>
<td>2011</td>
<td>-17,384.95</td>
</tr>
<tr>
<td>357-13-074</td>
<td>273 Parkside Dr</td>
<td>3034102860000000</td>
<td>Demolition of house</td>
<td>2013</td>
<td>-1,064.08</td>
</tr>
<tr>
<td>357-13-132</td>
<td>332 Progreston Rd</td>
<td>3038101460000000</td>
<td>Demolition of old house during an ice storm now all farm land</td>
<td>2013</td>
<td>-1,456.70</td>
</tr>
<tr>
<td>357-13-050</td>
<td>71 11th Con Rd E</td>
<td>3039308280200000</td>
<td>Fire structure beyond repair</td>
<td>2013</td>
<td>-978.18</td>
</tr>
<tr>
<td>357-12-233</td>
<td>1260 Hwy 56</td>
<td>9012304120000000</td>
<td>Tax Class Conversion already processed on amended notice of assessment</td>
<td>2012</td>
<td>0.00</td>
</tr>
<tr>
<td>357-13-110</td>
<td>2367 Fletcher Rd</td>
<td>9013403600000000</td>
<td>Demolition denied- inground pool was never assessed</td>
<td>2013</td>
<td>0.00</td>
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<tr>
<td>357-13-077</td>
<td>125 Glancaster Rd</td>
<td>9021100100000000</td>
<td>Demolition of house and garage</td>
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<td>-314.10</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>-82,449.17</strong></td>
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### Appendix "D" to Item 21 of AFA Report 13-011

#### City of Hamilton
Corporate Services Department
Taxation Division

Section "358" Appeals of the Municipal Act, 2001
Realty Tax Applications for overcharges

**B- overcharge (Assessment Roll)**

- **B1** - overcharged-application denied
- **E** - Exempt

<table>
<thead>
<tr>
<th>Appeal No.</th>
<th>Property Address</th>
<th>Roll Number</th>
<th>Reason</th>
<th>Explanation</th>
<th>Year</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>358-13-036</td>
<td>208 Barton St</td>
<td>003285016000000</td>
<td>B</td>
<td>residential structure demolished in 2011 still on the roll</td>
<td>2012</td>
<td>-1537.41</td>
</tr>
<tr>
<td>358-13-047</td>
<td>10 Woodside Dr</td>
<td>060551034600000</td>
<td>B</td>
<td>owners business moved to new location he did not realize was to report the change</td>
<td>2012</td>
<td>-558.16</td>
</tr>
<tr>
<td>358-13-048</td>
<td>10 Woodside Dr</td>
<td>060551034600000</td>
<td>B</td>
<td>appeal denied there was no error or omission from the roll</td>
<td>2012</td>
<td>0.00</td>
</tr>
<tr>
<td>358-13-038</td>
<td>0 Arcade Cres</td>
<td>080911002600000</td>
<td>B1</td>
<td>appeal denied owner stating major renovations no building permit issued</td>
<td>2011</td>
<td>0.00</td>
</tr>
<tr>
<td>358-13-049</td>
<td>0 Arcade Cres</td>
<td>080911002600000</td>
<td>B</td>
<td>remove the value of the old structure from date of purchase</td>
<td>2010</td>
<td>0.00</td>
</tr>
<tr>
<td>358-12-093</td>
<td>387 Rymal Rd W</td>
<td>081101081530000</td>
<td>B1</td>
<td>original house demolished in 2007 never removed from the roll</td>
<td>2011</td>
<td>-2239.90</td>
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<tr>
<td>358-12-094</td>
<td>387 Rymal Rd W</td>
<td>081101081530000</td>
<td>B</td>
<td>a small strip of land deeded over to the Municipality</td>
<td>2011</td>
<td>-107.32</td>
</tr>
<tr>
<td>358-13-059</td>
<td>204 Woodview Cres</td>
<td>140230192000000</td>
<td>B</td>
<td>an error in the spit of the tax classes discovered, having the value re-addressed at the same time</td>
<td>2011</td>
<td>-1527.35</td>
</tr>
<tr>
<td>358-13-059</td>
<td>131 Lowden Ave</td>
<td>140250362000000</td>
<td>B</td>
<td>business ceased in 07 when Mr. passed away his wife unaware she should report the closure</td>
<td>2011</td>
<td>-1696.29</td>
</tr>
<tr>
<td>358-13-060</td>
<td>131 Lowden Ave</td>
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<td>-15014.96</td>
</tr>
<tr>
<td>358-12-081</td>
<td>0 Cayley St</td>
<td>260200349600000</td>
<td>E</td>
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<td>2011</td>
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</tr>
<tr>
<td>358-13-047</td>
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<tr>
<td>358-13-047</td>
<td>367 Highway 5 W</td>
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<td>B</td>
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<td>-15014.96</td>
</tr>
<tr>
<td>358-13-047</td>
<td>367 Highway 5 W</td>
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<td>business ceased in 07 when Mr. passed away his wife unaware she should report the closure</td>
<td>2011</td>
<td>-1696.29</td>
</tr>
</tbody>
</table>

**Total** | **-71,656.60**
CITY OF HAMILTON

BY-LAW NO. 10-053

A BY-LAW TO GOVERN THE PROCEEDINGS OF COUNCIL
AND COMMITTEES OF COUNCIL

(PROCEDURAL BY-LAW)

INDEX

<table>
<thead>
<tr>
<th>TITLE</th>
<th>SECTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions</td>
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<tr>
<td>Application</td>
<td>2</td>
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<td>Council Meetings</td>
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<td>First Council Meeting</td>
<td>3.1</td>
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<tr>
<td>Regular Meeting Times</td>
<td>3.2</td>
<td>4</td>
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<tr>
<td>Location of Meetings</td>
<td>3.3</td>
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<tr>
<td>Special Meetings of Council</td>
<td>3.4</td>
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<tr>
<td>Meetings of Council for Emergencies</td>
<td>3.5</td>
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<td>Quorum</td>
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<tr>
<td>Remedy for Lack of Quorum – Municipal Conflict of Interest Act</td>
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<td>6</td>
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<td>3.10 (8)</td>
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<td>Dispensing with Notice</td>
<td>3.11 (11)</td>
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<td>Motion to Withdraw</td>
<td>3.11 (12)</td>
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<td>Motion to Amend</td>
<td>3.11 (13)</td>
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<td>Motion to Refer</td>
<td>3.11 (15)</td>
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<td>Motion to Adjourn</td>
<td>3.11 (16)</td>
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<td>Motion to Call the Question</td>
<td>3.11 (17)</td>
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<tr>
<td>Motion Beyond Jurisdiction of Council</td>
<td>3.11 (21)</td>
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<td>3.12</td>
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<tr>
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<td><strong>General Issues Committee</strong></td>
<td>4 14</td>
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<td>5.1 14</td>
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<tr>
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<td>5.2 15</td>
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CITY OF HAMILTON

BY-LAW NO. 10-053

A BY-LAW TO GOVERN THE PROCEEDINGS OF COUNCIL
AND COMMITTEES OF COUNCIL

WHEREAS section 238 of the Municipal Act, 2001 requires that Council of the City of Hamilton adopt, by By-law, procedures governing the calling, place, and proceedings of meetings;

NOW THEREFORE, the Council of the City of Hamilton enacts as follows:

SECTION 1 - DEFINITIONS

1.1 In this By-law,

“Act” means the Municipal Act, 2001;

“amend” means to alter or vary the terms of a main motion without materially changing its purpose, and amendment has a corresponding meaning;

“Bill” means a proposed form of By-law;

“By-law” means a By-law, in a form approved by Council, passed for the purpose of giving general effect to a previous decision or proceedings of Council;

“City” means the geographical area of the City of Hamilton or the municipal corporation as the context requires;

“Chair” means the member presiding at any meeting of Council or Committee;

“challenge” means to appeal a ruling of the Chair;

“Clerk” means the City Clerk, or his or her designate;

“Closed Meeting” means a meeting, or part of a meeting, of Council or a Committee, which is closed to the public as permitted by the Act, also referred to as an “in-camera meeting”;

“Committee” means a Standing Committee, Licensing Tribunal, Selection Committee or an Advisory Committee or Task Force established by Council from time to time;

“Committee of the Whole” means all Members of Council present, sitting in committee of the whole;
“Council” means the City Council;

“defer/table” means to delay consideration of a matter by Council or a Committee until a specified time or event;

“Deputy Mayor” means a Member of Council who is appointed from amongst Council on a scheduled basis: (10-230)

(a) to assist the Mayor; and
(b) to act from time to time in the place of the Mayor, exercising:

(i) all the rights, powers and authority of the Mayor when the Mayor is absent from the City or the office of Mayor is vacant; and
(ii) subject to paragraph (i), those rights, powers and authority of the Mayor that:
   1. the Mayor is unable to exercise for the time being due to illness, incapacity or other reason, including acting in the place of the Mayor at any Council or Committee meeting when the Mayor is absent; or,
   2. the Mayor refuses to exercise;

“emergency” means a situation or 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 not;

“ex-officio” means by virtue of the office or position and the Mayor is an ex officio member of all Standing Committees who, when attending a Standing committee meeting, shall have full voting privileges and shall be counted for the purposes of the Standing Committee’s quorum as such quorum is set out in Section 5.4 of this By-law;

“majority” for the purposes of voting, means more than half the total of members of Council or Committee present and not prohibited by statute from voting;

“Mayor” means the Head of the Council and in this By-law means the Deputy Mayor when the Deputy Mayor is acting in place and stead of the Mayor;

“meeting” means any regular or special meeting of Council or Committee;

“Member of Council” means a member of Council, including the Mayor;
“motion” means a proposal by a member for the consideration of Council or a Committee that is moved by a member and seconded by another member;

“notice of motion” means a notice of motion received by the Clerk in writing, moved by a member for inclusion on a future agenda of a meeting of Council or Committee;

“point of order” means a question by a member with respect to any departure from the Procedural By-law or in the practised conduct of Council or Committee business;

“point of privilege” means a question by a member with respect to the rights of a member individually or Council or a Committee collectively hold, that ensure Council’s or a Committee’s ability to function freely;

“quorum” means the number of members required to be present at a meeting to validate the transactions of its business;

“recess” means a short intermission in a meeting’s proceedings which does not close the meeting, and after which business will immediately be resumed at exactly the point where it was stopped;

“refer” means to defer a matter seeking its consideration by any individual or body, including a Committee;

“recorded vote” means a written record of the name and vote of each member of Council or a Committee who votes on a question and of each member present who does not vote;

“rules of procedure” means the rules and procedures set out in this By-law, for the calling, place and proceedings of the meetings of Council and its Committees;

“Senior Management Team” means the City Manager and General Managers appointed by Council and the Medical Officer of Health appointed by the Board of Health;

“Standing Committee” means a Committee established by Council, comprised entirely of Members of Council, to carry out duties on an ongoing basis, as specified by Council;

“table” means to introduce an item for discussion at a meeting

“website” means the official City internet website.
SECTION 2 - APPLICATION

2.1 The rules of procedure shall be observed in all proceedings of Council and shall be the rules for the order and dispatch of business in Council and unless specifically provided, with necessary modifications, apply to all Committees.

2.2 All matters relating to the proceedings of Council and Committees for which rules have not been provided for in this By-law and its Appendices shall be decided, as far as is reasonably practicable, with reference to the parliamentary rules as contained in the most recent edition of Bourinot’s Rules of Order.

SECTION 3 – COUNCIL MEETINGS

3.1 First Council Meeting

The First Meeting of Council shall be held on the first Wednesday of December in an election year at 7:00 p.m.

The Proceedings of the First Meeting of Council shall include:

(a) Ceremonial - special address by guests;
(b) Filing of Declarations of Office in accordance with the provisions of the Act;
(c) Council appointments to Standing Committees, Boards and Agencies; and
(d) Confirming By-law.

3.2 Regular Meeting Times

(1) Unless otherwise decided by Council, regular meetings of Council shall be held:

(a) every second and fourth Wednesday of each month, commencing at 7:00 p.m., unless such day is a public or civic holiday, in which case Council shall set an alternate day and time; or

(b) in accordance with the schedule approved by Council.

(2) Advance notice of meetings for the public’s information may be found by accessing the City’s website at www.hamilton.ca (Select Public Meetings and Consultations.)
3.3 Location of Meetings

Meetings of Council shall be held in the Council Chambers at City Hall in the City of Hamilton or at such other place within the City of Hamilton as Council may from time to time determine.

3.4 Special Meetings of Council

(1) In addition to regular meetings, the Mayor may at any time summon a special meeting of Council by giving written direction to the Clerk stating the date, time, and purpose of the special meeting.

(2) The Clerk shall also summon a special meeting of Council when requested to do so in writing by a majority of Members of Council.

(3) The Clerk shall give each Member of Council, or his or her designated staff, notice of a special meeting of Council at least 48 hours before the time appointed for such meeting by:
   (a) delivering a written notice personally;
   (b) delivering such notice at his or her residence or place of business; or
   (c) facsimile transmission or electronic mail to such residence or place of business.

(4) The written notice to be given under subsection (3) shall state the nature of the business to be considered at the special meeting of Council and no other business other than that which is stated in the notice shall be considered at such meeting except with at least two-thirds of the Members of Council present and voting in the affirmative.

3.5 Meetings of Council for Emergencies

(1) Despite any other provisions of this By-law, a meeting of Council for an emergency may be called by the Mayor, without written notice, to deal with an emergency, provided that an attempt has been made by the Clerk to notify Members of Council about the meeting as soon as possible and in the most expedient manner available.

(2) The only business to be dealt with at a meeting of Council for an emergency shall be business dealing directly with the emergency.

(3) The lack of receipt of a notice of, or an agenda for, a meeting of Council for an emergency by any Member of Council shall not affect the validity of the meeting or any action taken at such meeting.
3.6 Quorum

(1) As soon as there is a quorum after the time set for the meeting, the Mayor shall take the chair and call the meeting to order.

(2) A majority of Members of Council is necessary to constitute a quorum of Council.

(3) In case the Mayor does not attend within 15 minutes of the time a quorum is to be present for a meeting of the Council, the Clerk shall call the Members of Council to order and an acting Chair shall be appointed from amongst the Members of Council present and he or she will preside until the arrival of the Mayor.

(4) If a quorum is not achieved within 30 minutes after the time appointed for a meeting of Council, the Clerk shall record the names of the Members of Council present and the meeting shall stand adjourned until the date of the next regular meeting or other meeting called in accordance with the provisions of this By-law.

(5) If Quorum cannot be maintained during a meeting, the Clerk will advise the Chair that quorum is lost and the decision to continue the meeting will rest with the Chair. During the absence of quorum, no decisions may be approved.

3.7 Remedy for Lack of Quorum – Municipal Conflict of Interest Act

Where the number of Members of Council who, by reason of provisions of the Municipal Conflict of Interest Act, are disabled from participating in a meeting is such that at that meeting the remaining Members of Council are not of sufficient number to constitute a quorum, then, the remaining number of Members of Council shall be deemed to constitute a quorum, provided such number is not less than 2.

3.8 Delegations

Delegations are not permitted at meetings of Council.

3.9 Order of Business

The Order of Business for the regular meetings of Council, unless changed by Council in the course of the meeting, shall be as follows: (10-230)

(a) Approval of Agenda
(b) Declarations of Interest
(c) Ceremonial Activities
(d) Approval of Minutes of Previous Meeting
(e) Communications
(f) Committee Reports
(g) Motions
(h) Notice of Motions
(i) Statement by Members (non-debatable)
(j) Private and Confidential
(k) By-laws and Confirming By-law
(l) Adjournment

3.10 Rules of Debate

(1) No Member of Council shall be deemed to have precedence or seniority over any other Member of Council.

(2) Before speaking to a question or motion, a Member of Council shall be recognized by the Mayor and be placed on the speakers' list.

(3) When a Member of Council is speaking, no other Member of Council shall pass between that Member of Council and the Mayor or interrupt that Member of Council except to raise a point of order or privilege.

(4) If a Member of Council disagrees with the announcement of the Mayor that a question is Carried or Lost, he or she may immediately after the declaration by the Mayor, object to the Mayor's declaration and require that a recorded vote be taken.

(5) A Member of Council may require the question or motion under discussion to be read at any time during the debate but not so as to interrupt a Member of Council who is speaking.

(6) The following matters may be introduced orally without written notice and without leave:

   (a) a point of order
   (b) a point of privilege
   (c) a motion to adjourn
   (d) a motion to call the question
   (e) a motion to go into committee of the whole
   (f) a motion to recess.

(7) The following motions may be introduced without notice and without leave, but shall be in writing and signed by the Mover and Seconder:
(a) to amend
(b) to suspend the rules of procedure
(c) to refer (see section 3.11(14))
(d) to defer/table
(e) to go into a closed meeting.

(8) **Relinquishing the Chair**

The Mayor may designate another Member of Council as acting Chair during any part of a meeting of the Council and while presiding, such Member of Council shall have all the powers of the Mayor with respect to chairing the meeting and shall be entitled to vote as a Member of Council.

3.11 **Voting Procedures**

(1) Every Member of Council present at a meeting of Council or Committee when a question is put shall vote unless prohibited by statute, in which case, the Clerk shall record the name of the Member of Council and the reason that he or she is prohibited from voting.

(2) When a vote is taken and a tie results, a question is deemed to be lost.

(3) If any Member of Council at a meeting of Council does not vote when a question is put and a recorded vote is taken, he or she shall be deemed to have voted in the negative except where prohibited from voting by statute.

(4) When a recorded vote is requested by a Member of Council immediately before or after a question is put, the Clerk shall record the name and vote of every Member of Council on the question.

(5) When the Mayor calls for a vote on a question, each Member of Council shall occupy his or her seat and shall remain in his or her seat until the result of the vote has been declared by the Mayor, and during such time no Member of Council shall walk across the room or speak to any other Member of Council or make any noise or disturbance.

(6) After a question is put by the Mayor, no Member of Council shall speak to the question nor shall any other motion be made until after the vote is taken and the result has been declared.

(7) No vote shall be taken by ballot or by any other method of secret voting and every vote so taken is of no effect, except where permitted by statute.

(8) Despite subsection (7), a meeting may be closed to the public during a vote if:
(a) the vote relates to an issue permitting the meeting to be closed to the public in accordance with section 8 (Closed Meetings) of this By-law; and

(b) the vote is for a procedural matter or for giving directions or instructions to officers, employees or agents of the City or persons retained by or under a contract with the City.

(9) The Mayor shall, upon request of a Member of Council, divide a question and the vote upon each proposal shall be taken separately.

(10) **Notice of Motion**

(a) Notice of all new motions, except motions listed in subsections 3.10(6) and 3.10(7), shall be given in writing:

(i) at a meeting of Council, but shall not be debated until the next regular meeting of Council; or

(ii) delivered to the Clerk at any time prior to noon of the last business day preceding the date of the meeting at which the notice of motion is to be introduced.

(b) Where a Member of Council’s notice of motion has been called by the Mayor at the subsequent meeting and not proceeded with, it shall be dropped from the agenda unless Council decides otherwise.

(c) Where Council has determined not to drop a notice of motion from the agenda, and at the second meeting such notice of motion is called by the Mayor and not proceeded with, it shall be deemed to have been withdrawn.

(11) **Dispensing with Notice**

A motion may be introduced without notice if Council, without debate, dispenses with notice on the affirmative vote of the majority of the Members of Council present and voting.

(12) **Motion to Withdraw**

After a motion is read or stated by the Mayor it shall be deemed to be in possession of Council, but may, by the majority vote of Council, be withdrawn at any time before decision or amendment.

(13) **Motion to Amend**

A motion to amend:

(a) shall be presented in writing, duly moved and seconded;
(b) shall be made only to a previous question or to amend an amendment to the question;
(c) shall be relevant to the question to be decided;
(d) shall not be received if in essence it constitutes a rejection of the main question;
(e) shall be put in the reverse order to that which it is moved.

(14) **Motion to Defer/Table**

A motion to defer/table a question:

(a) shall be duly moved and seconded
(b) is debatable
(c) when discussion of the item is to resume, requires a motion to lift from the table

(15) **Motion to Refer**

(a) A motion to refer the question:
   (i) shall include the name of the individual or body to whom the question is to be referred.
   (ii) may include instructions respecting the terms upon which the question is to be referred.

(b) A motion to refer a question is not debatable except where instructions are included, in which case, only the instructions shall be debatable.

(c) A motion to refer a question may be amended in accordance with subsection 3.11(13).

(d) When a motion to refer a question to Council is defeated by a Standing Committee, the Chair of the Standing Committee shall call the question on the matter. 

(16) **Motion to Adjourn**

A motion to adjourn a Council meeting shall always be in order except:

(a) when a Member of Council is speaking or during the taking of a vote;
(b) immediately following the affirmative resolution of a motion that a vote on the question now be taken;
(c) when a Member of Council has already indicated to the Mayor, that he or she desires to speak on the question;
(d) when resolved in the negative, cannot be made again until Council has conducted further proceedings.

(17) **Motion to Call the Question**

A motion to call the question shall be in order except when a Member of Council is speaking or before the first-time speakers' list is exhausted.

(18) **Motion to Reconsider**

(a) At any regular Council Meeting, after a matter has been decided by Council, a Member of Council who voted in the majority, may present a Notice of Motion to reconsider the matter. The Chair may ask the Member of Council to confirm that he or she voted with the majority on the issue in question. Such Notice of Motion shall be referred to the next available meeting of Council and shall be included on the agenda under "Motions".

(b) No decided matter shall be reconsidered more than once during the term of Council.

(c) A motion to reconsider a decided matter shall require the approval of at least two-thirds of Council present.

(d) Actions of Council that cannot be reversed or suspended cannot be reconsidered.

(e) No motion to reconsider may, itself, be the subject of a motion to reconsider.

(f) Debate on a motion to reconsider shall be confined to reasons for or against the reconsideration.

(g) Sub-sections (a) to (f) do not apply when a motion pertains to a decision of a previous Council.

(19) The following motions are procedurally in order in the following sequence:

(a) to adjourn
(b) to recess
(c) to request information
(d) to call the question
(e) to defer/table (to introduce an item for discussion at a meeting)
(f) to refer
(g) to amend

(20) The following motions are not debatable:

(a) a motion to adjourn
(b) a motion to refer (except on the advisability or appropriateness of referring the question), close, limit or extend debate

(c) a motion to lay on the table (except on the appropriateness of laying the question on the table)

(d) a motion to suspend the rules

(e) a point of privilege

(f) a motion to lift from the table

(21) Motions Beyond Jurisdiction of Council

A motion in respect of a matter which is beyond the jurisdiction of Council shall not be in order.

3.12 Bills and By-laws

(1) All Bills coming before Council shall be in typewritten form and shall contain no blanks except as may be required to conform to accepted procedure or to comply with provisions of any statute or regulation and shall be complete with the exception of the number and date.

(2) All Bills coming before Council shall receive one reading, unless otherwise requiring more than one reading, pursuant to a Provincial or Federal statute or regulation.

(3) Every Bill shall be introduced upon motion by a Member of Council, and any number of Bills may be introduced together in one motion, but Council may at the request of a Member of Council, deal separately with any Bill. If Council deals separately with a Bill:

(a) all amendments or debate on the content of the Bill shall be held in committee of the whole;

(b) Council will move into committee of the whole for discussion on any Bill following a successful verbal motion to go into committee of the whole;

(c) all amendments made in committee of the whole shall be reported by the Mayor to Council, which shall receive the same forthwith, and after the report has been received, a vote on the motion to pass the Bill shall be taken;

(d) every By-law passed by Council shall be numbered and dated and shall be sealed with the seal of the municipality and signed by the Mayor and Clerk.

(4) No Bill or By-law may be defeated on the floor of Council without reconsideration of the original motion which gave rise to the consideration of the Bill or By-law.
3.13 Editorial and Other Changes

(1) The Clerk may make the following changes to By-laws or resolutions to:

(a) Correct spelling, punctuation or grammatical errors, or errors that are of a clerical, typographical or similar nature.

(b) Alter the style or presentation of text or graphics to improve electronic or print presentation.

(c) Replace a description of a date or time with the actual date or time.

(d) If a provision provides that it is contingent on the occurrence of a future event and the event occurs, remove text referring to the contingency and make any other changes that are required as a result.

(e) When the name, title, location or address of a body, office, person, place or thing has been altered, change any reference to the name, title, location or address to reflect any alteration in name, title, location or address.

(f) Correct errors in the numbering of provisions or other portions of a By-law and make any changes in cross-references that are required as a result.

(g) If a provision of a transitional nature is contained in a By-law, make any changes that are required as a result.

(h) Make a correction, if it is patent both that an error has been made and what the correction should be.

(2) (a) The Clerk may provide notice of the changes made under paragraphs (1)(a) to (c) inclusive in the manner that he or she considers appropriate.

(b) The Clerk shall provide notice of the changes made under paragraphs (1)(d) to (h) inclusive in the manner that he or she considers appropriate.

(c) In determining whether to provide notice under subsection 2(a), the Clerk shall consider:

(i) the nature of the change; and

(ii) the extent to which notice, and the information provided in it, would provide assistance in understanding the relevant legislative history.

(d) In providing notice under subsection 2(a) or 2(b), the Clerk shall state the change or the nature of the change.

(3) No legal significance shall be inferred from the timing of the exercise of a power under this section.
(4) Regardless of when a change is made to a By-law under this section, the change may be read into the By-law as of the date it was enacted if it is appropriate to do so.

3.14 Shareholder and Board of Director Meetings

Where Council acts as the Shareholder or the Board of Directors, or both, of a corporation:

(a) Council shall meet as the Shareholder or the Board of Directors as necessary to complete such business as would normally be completed by the Shareholder or Board of Directors and as required by the corporation’s by-laws and resolutions and any laws that govern the corporation; and

(b) the Mayor and Clerk are authorized, upon approval by Council, to sign any necessary resolutions.

SECTION 4 - GENERAL ISSUES COMMITTEE

4.1 Council may, by resolution:

(a) move into General Issues Committee to consider, including debate, Committee reports on the Council meeting agenda; and

(b) move out of General Issues to report to Council.

SECTION 5 – STANDING COMMITTEES MEETINGS

5.1 Standing Committees

The Standing Committees reporting to Council shall be as follows:

(a) General Issue Committee (10-230)
(b) Board of Health
(c) Public Works Committee
(d) Planning Committee (10-230)
(e) Emergency & Community Services Committee
(f) Audit, Finance & Administration Committee (10-230)

5.2 Appointment of Standing Committee Chairs and Vice Chairs

(1) Each Standing Committee shall recommend to Council the appointment of a Chair, Vice-Chair and, where applicable, 2nd Vice-Chair for the required term.

(a) The term of the Chair, Vice-Chair and 2nd Vice-Chair shall be for a calendar year, or part of a calendar year in an election year.
(b) No Member of Council may serve as Chair, Vice-Chair or 2nd Vice-Chair of the same Standing Committee for more than one year in a Council term.

(c) The role of the Chair of the General Issues Committee shall be rotated amongst the Deputy Mayors. *(10-230)*

(2) Despite paragraphs (1)(a) and (b), the Mayor shall stand as Chair for the term of Council for the following Committees:

(a) Board of Health

5.3 Standing Committee Membership

(1) General Issues Committee and Board of Health shall be comprised of all Members of Council. *(10-230)*

(2) The Public Works Committee and Planning Committee shall be comprised of a minimum of 8 Members of Council. *(10-230)*

(3) The Emergency & Community Services Committee shall be comprised of a minimum of 5 and a maximum of 8 members of Council and the Audit, Finance & Administration Committee shall be comprised of a minimum of 5 and maximum of 7 members of Council. *(11-074)*

(4) Each Member of Council shall sit on a minimum of 2 Standing Committees.

(5) Membership on Standing Committees shall be for the duration of the term of Council.

5.4 Quorum

The quorum for all Standing Committees shall be a half of the membership rounded up to the nearest whole number. *(10-230)*
5.5 Regular Meeting Times of Standing Committees

(1) Unless otherwise decided by Council, regular meetings of the Standing Committees shall be as follows:

(a)(i) General Issues Committee shall meet on the second Monday of every month commencing at 9:30 a.m.;

(ii) Board of Health shall meet on the fourth Monday of every month commencing at 9:30 a.m.;

(iii) Public Works Committee shall meet on the first and third Monday of every month commencing at 9:30 a.m.;

(iv) Planning Committee shall meet on the first and third Tuesday of every month commencing at 9:30 a.m.;

(v) Emergency & Community Services Committee shall meet on the first and third Wednesday of every month commencing at 1:30 p.m.;

(vi) Audit, Finance & Administration Committee shall meet on the first and third Wednesday of every month commencing at 9:30 a.m.; unless such a day is a public or civic holiday, in which case an alternate date and time will be selected; or

(b) in accordance with the schedule approved by Council.

(2) In addition to regular meetings, a special meeting of a Standing Committee may be scheduled, when required, at locations and times to permit convenient access for members of the public most affected by such a matter.

(3) Advance notice of meetings for the public’s information may be found by accessing the City’s website at www.hamilton.ca (Select Public Meetings and Consultations.)

5.6 Committee Reports

(1) Each Standing Committee shall make recommendations to Council.

(2) A minimum of 48 hours shall pass before a Standing Committee Report is presented to Council.

At the request of the Ward Councillor, every effort will be made for reports to be released at an earlier date to provide adequate opportunity for review.
5.7 Rules of Procedure

(1) The rules governing the procedure of the Council and conduct of Members of Council at Council meetings shall be observed in Standing Committees, so far as they are applicable.

(2) No member of Council shall speak more than once, until every member of a Standing Committee, followed by every Member of Council who is not a member of the Standing Committee, has spoken, and then only to provide information or seek clarification from the Chair, other Members of Council or staff. A Member of Council who is not a member of a Standing Committee may speak before members of the Standing Committee when the subject matter directly affects is or her Ward.

(3) A Member of Council may place an item on a future agenda of a Standing Committee meeting by delivering a Notice of Motion (see Section 3.11(10)) to the Chair of the Standing Committee and to the Committee Legislative Assistant.

(4) A member of Council who is not a member of a Standing Committee is entitled to attend such Standing Committee meetings and to participate, provided that the Member of Council shall:

   (a) not be counted for quorum purposes, and;
   (b) not move any motion or vote on any matter.

5.8 Duties of Standing Committees

The duties of the Standing Committees shall be as set out in Appendices A to F inclusive.

5.9 Provisional Governance Committee

(1) The Provisional Governance Committee may carry out the duties and responsibilities of the Council only at such times when, to the satisfaction of at least 5 members of Council attending a properly scheduled meeting of Council, at least 8 members of Council are not able to attend such meeting due to death, illness or circumstances attributable to an emergency which has been declared by the Mayor or his or her designate in accordance with the City’s Emergency Plan.

(2) The Provisional Governance Committee shall be comprised of eight Members of Council, and shall elect its own Chair from amongst the attending Members.

(3) The Provisional Governance Committee shall have all the powers and duties that may legally be delegated to the Committee pursuant to the Act, or any
other applicable Provincial or Federal legislation, subject to the following conditions and restrictions:

(a) the delegation shall be effective only during the times specified; and

(b) the Committee shall conduct its meetings in accordance with this By-law, providing that the quorum for the constitution of a valid meeting of the Committee shall be 5 Members of Council.

5.10 Order of Business

The general Order of Business for the regular meetings of Standing Committees, unless changed by the Standing Committee in the course of the meeting, shall be as follows: (10-230)

(a) Changes to the Agenda

(b) Declarations of Interest

(c) Approval of Minutes of Previous Meeting

(d) Delegation Requests

(e) Consent Items

(f) Public Hearings/Delegations

(g) Staff Presentations

(h) Discussion Items

(i) Motions

(j) Notice of Motions

(k) General Information/Other Business

(l) Private and Confidential

(m) Adjournment
5.11 Delegations

(1) Persons who wish to attend as a delegation to address a Standing Committee on a matter that:

(a) is not listed on a Standing Committee agenda, may make a request in writing to be listed as a delegation, such request to be received by the Clerk, no later than 12 noon on the day before the Standing Committee meeting. If the Standing Committee is meeting on a Monday, the deadline will be 12 noon on Friday.

(b) is listed on the agenda for a Standing Committee meeting, may make a request in writing to be listed as a delegation, such request to be received by the Clerk no later than 4:30 p.m. the day before the Standing Committee meeting. If the Standing Committee is meeting on a Monday, the deadline will be 12 noon on Friday.

(c) provided that a person may attend as a delegation in the absence of a request under paragraphs (a) or (b) where prescribed by applicable legislation or allowed by the Standing Committee. (10-230)

The request forms are available at www.hamilton.ca (Select Request to Speak to a Committee)

(2) A request to attend as a delegation shall include the person’s name, address, telephone number, reasons for the delegation, and if applicable the name, address and telephone number of any person, corporations or organizations which he or she represents.

(3) Upon receipt of a request to attend as a delegation, the Clerk shall list the delegation request on the next appropriate agenda for the relevant Standing Committee and the decision whether or not to entertain the delegation will be made by the Standing Committee.

(4) A delegation granted permission to appear before the Standing Committee is encouraged to provide the Clerk with a brief of his or her presentation, which in turn will be provided by the Clerk to the Members of the Standing Committee in advance of the meeting.

(5) When a person is listed as a delegation on a Standing Committee agenda and such person, without notification to the Clerk, does not attend said meeting, that person must make a new request to be considered as a delegation and must re-apply in accordance with subsections (1) and (2).

(6) A delegation shall be limited to a presentation of not more than five minutes, except as otherwise prescribed for a public meeting by applicable legislation.

**Delegations can be two or more people; however, the presentation is still limited to five minutes. (10-230)**
(7) A delegation making a request to address a Standing Committee in accordance with applicable legislation shall be heard without the request being received in writing and in advance, if not required by such legislation.

5.12 Public Hearings

General

(1) Public Hearings shall be held at Standing Committee meetings, as required by applicable legislation, or by Council, or when considered desirable by staff.

(2) Appropriate advertising shall be undertaken as required by applicable legislation, by-law, or according to City policy, to advise interested persons.

Procedure

(3) A delegation shall be in accordance with section 5.11.

(4) Public Hearings shall commence with:

   (a) an introduction of the subject matter by the Chair or by staff;
   
   (b) the staff presentation, if any and if not waived by the members of the Standing Committee;
   
   (c) the signing in of all delegations on a sheet, provided by staff, with their name, address, including postal code, phone number and e-mail address (optional).

Written information

(5) A delegation may provide additional written material regarding the subject matter, for the public record. Where a delegation wishes copies of the information to be provided to all members of a Standing Committee, either 1 copy of the material shall be provided to the Clerk at least 2 weeks ahead of the meeting date, for inclusion in the agenda or 25 copies shall be provided to the Clerk for distribution at the meeting.

SECTION 6 – ESTABLISHMENT OF ADVISORY COMMITTEES OR TASK FORCES

6.1 Council may from time to time, as needed, establish Advisory Committees or Task Forces in response to specific matters requiring immediate or long term attention.
6.2 When Council or a Standing Committee approves of the formation of the Advisory Committee or Task Force the following procedures, if applicable, will be followed:

(a) the Clerk may invite citizens to serve as members and such invitations shall include the Advisory Committee or Task Force’s mandate including any membership expertise requirements and the time needed to complete the mandate;

(b) applications received for membership shall be forwarded by the Clerk to the Selection Committee;

(c) the Selection Committee shall consider balanced geographical representation in selecting the members;

(d) the rules of procedure shall be observed so far as they are applicable;

(e) all minutes and reports shall be submitted to the Standing Committee to which the Advisory Committee or Task Force reports; and

(f) staff may act as resource persons in a non-voting capacity.

6.3 When an Advisory Committee or Task Force has completed its mandate, the Standing Committee to which the Advisory Committee or Task Force reports shall dissolve it by motion.

SECTION 7 - CONDUCT OF MEMBERS - ORDER AND DECORUM

7.1 No member of Council or a Committee shall:

(a) speak disrespectfully of any vote of Council or a Committee;

(b) use offensive words or unparliamentary language in or against Council or a Committee or against any member, or any officer or employee of the City;

(c) disobey the rules of Council or a Committee or a decision of the Mayor or a Chair of a Committee on questions of order or practice or upon the interpretation of the rules and should a member persist in such disobedience after having been called to order by the Mayor or a Chair of a Committee, the Mayor or a Chair may forthwith order him or her to vacate the place the meeting is being held. If the member apologizes, he or she may, by vote of a majority of the members, be permitted to take his or her seat;

(d) speak in a manner that is discriminatory in nature based on an individual's race, ancestry, place of origin, ethnic origin, citizenship, creed, gender, sexual orientation, age, colour, marital status, family status or disability;

(e) in the case of Council only, bring food or beverages, water excepted, into the place the meeting is being held;
(f) speak on any matter other than the matter being debated; or
(g) speak on a matter longer than a 5 minute period, without leave of Council or a Committee, except as otherwise prescribed by applicable legislation.

7.2 No person except members of Council or a Committee, the Clerk, and officials authorized by the Clerk:

(a) shall be allowed on the floor of the place a meeting is being held while Council or a Committee is sitting;
(b) shall, before or during a meeting of the Council or a Committee, place on the desks of members or otherwise distribute any material whatsoever unless such person is so acting with the approval of the Clerk.

7.3 No person shall display signs or placards, applaud participants in debate or engage in conversation or other behaviour which may disrupt the proceedings of Council or a Committee.

7.4 Electronic devices at Meetings:

(a) Every person shall have cellular telephones, pagers, blackberries, portable computers and any similar electronic devices switched to a non-audible function during Council and Committee meetings.
(b) Staff from the Office of the City Clerk are exempted from subsection (a) when using electronic devices for record-keeping purposes.

SECTION 8 – MEETINGS CLOSED TO THE PUBLIC

For the purposes of this section, “Committee” means any advisory or other committee, subcommittee or similar entity of which at least 50% of the members are also members of Council.

8.1 No meeting of Council or a Committee or part thereof shall be closed to the public unless the subject matter being considered is:

(a) the security of the property of the City;
(b) personal matters about an identifiable individual, including City employees;
(c) a proposed or pending acquisition or disposition of land for City purposes;
(d) labour relations or employee negotiations;
(e) litigation or potential litigation, including matters before administrative tribunals, affecting the City;
(f) the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; or

(g) a matter in respect of which Council or a Committee may hold a closed meeting under an Act other than the Municipal Act, 2001.

8.2 A meeting of Council shall be closed to the public if the subject matter relates to the consideration of a request under the Municipal Freedom of Information and Protection of Privacy Act if Council is designated as head of the institution for the purposes of that Act;

8.3 A meeting of Council or a Committee may be closed to the public if:

(a) it is held for the purposes of educating or training members; and

(b) at the meeting, no member discusses or otherwise deals with any matter in a way that materially advances the business or decision-making of Council or the Committee.

8.4 Before holding a meeting or part of a meeting that is to be closed to the public, a Council or Committee shall state specifically by resolution the fact of the holding of the closed meeting and the general nature of the matter to be considered at the closed meeting.

SECTION 9 - ROLE OF CLERK

9.1 The Clerk shall distribute the regular agendas of Council and Standing Committee meetings to members of Council and Senior Management Team at least 5 days prior to the scheduled meetings.

9.2 The Clerk shall make the regular agendas of Council and Standing Committee meetings, available to the media and general public, at least 24 hours following the distribution set out in subsection 9.1.

9.3 The Clerk may make the regular agendas of Council and Standing Committee meetings available on the City website.

9.4 The Clerk shall advise the Mayor or Chair when items are required to be added to or removed from an agenda.

9.5 The Clerk shall submit for confirmation the minutes of the previous regular Council or Standing Committee meeting. Upon approval of the majority of the members of Council or Standing Committee, the Mayor or Chair and Clerk shall sign the minutes as confirmed or as amended.

9.6 The Clerk shall advise the Mayor or Chair, if in his or her opinion, a matter or portion of a matter being discussed in a meeting that is closed to the public is not procedurally appropriate in accordance with section 239 of the Act and section 8 of this By-law.
9.7 All matters not covered by this By-law shall be decided by the Mayor or Chair. The Mayor or Chair may call upon the Clerk to provide advice regarding procedure. The Clerk shall provide this advice following which the Mayor or Chair will announce his or her ruling.

9.8 The Clerk shall assume the role of the Mayor or Chair as the chair of Council or a Standing Committee, when a ruling of the Mayor or Chair is challenged by a Member of Council on a decision. The Clerk shall take a vote of the challenge for Members of Council in favour or opposed to the ruling. The ruling fails when there is a majority vote in favour to the challenge.
SECTION 10 – GENERAL

10.1 This By-law shall not be amended or repealed except by a majority vote of all Members of Council.

10.2 No amendments or repeal of this By-law shall be considered at any meeting of Council unless notice of Council’s intention to amend or repeal is provided to the public.

10.3 General guidelines describing the respective roles and responsibilities of Council, the Mayor and the Chair of a Committee are set out in Appendix G to this By-law.

10.4 A Code of Conduct, setting out general standards for acceptable conduct by Members of Council in the performance of their public duties, is set out in Appendix H to this By-law.

10.5 This By-law comes into force on ___________________________, 2013.

10.6 The short title of this By-law is the Procedural By-law or the Council Procedural By-law.

10.7 By-law No. 03-301, governing the rules and procedures of Council of the City of Hamilton is repealed.

PASSED this day of 2013.

Bob Bratina
Mayor

Rose Caterini
City Clerk
Appendix A

GENERAL ISSUES COMMITTEE (10-230)

Composition: General Issues Committee shall be comprised of all 16 members of Council:
- Mayor
- Chair of General Issues Committee to be rotated amongst the Deputy Mayors
- All Members of Council

Mandate:
General: To report and make recommendations to Council on matters relating to:
- Council Strategic Plan
- Corporate Strategic Plan
- MPMP, OMBI
- Annual Operating and Capital Budgets
- Economic Development matters
- Portfolio Management Strategy – Real Estate Acquisitions/Disposals
- Hamilton International Airport matters
- G.R.I.D.S.
- Vision 20/20
- Department Work Programs: Planning and Economic Development
- Legal Services – litigation matters
- Human Resources – labour negotiations
- Boards and Agencies
- Hamilton Utilities Corporation
- Culture and Tourism Division - One Year Trial Period
- Arts Advisory Committee (12-072)
- any and all other matters which Council chooses to refer to the General Issues Committee for consideration

Specific duties shall include:
- To review and monitor the City’s and Council’s Strategic Plan
- To review corporate and program objectives and performance measures and make recommendations to Council
- To consider and recommend to Council on matters relating to budgets, budget monitoring, re-assessment and related tax policies
To consider and recommend to Council on matters relating to Business Development, the Small Business Enterprise Centre, Incentive Loans/Grants programs and approvals, BIA initiatives, the Hamilton Incubator of Technology and Tourism

To consider and recommend to Council on matters relating to G.R.I.D.S.

To receive briefings on legal matters involving the City and give direction to the City Solicitor on litigation matters

To receive information on labour negotiations and provide direction to the Director of Labour Relations

To consider and make recommendations to Council on matters regarding Boards and Agencies

To meet as Shareholders and/or Board of Directors of a corporation when required

To receive delegations from the public and conduct public hearings as required by statute and Council specific to the mandate of this committee on matters under the Standing Committee

Comment [425]: Delete section – Shareholders do not report as General Issues Committee
Appendix D

PLANNING COMMITTEE (10-230)

Composition: The Planning Committee shall be comprised of a minimum of 9 Members of Council.

Mandate:

General: To report and make recommendations to Council on matters relating to:

- Long Range Planning, land use management, development planning and engineering, and downtown planning and implementation
- Parking Operations and Enforcement, School Crossing Guards
- By-law Enforcement, Municipal Licensing, Lottery Licensing, Building Code issues
- Culture and Tourism, museums and heritage preservation matters
- Hamilton Historical Board

Specific duties shall include:

- To consider and recommend to Council on:
  - the administration and enforcement of the Ontario Building Code, Zoning By-laws, the Property Standards By-laws, Licensing By-law, Animal Control By-law, Sign By-law and other relevant By-laws
  - all matters related to the Planning Act, the Ontario Heritage Act, the Municipal Act, 2001, the Niagara Escarpment Act and other applicable legislation regarding planning, development engineering, by-law enforcement and licensing and downtown planning issues
  - the City's Official Plan and Zoning By-laws and amendments thereto, pursuant to the Planning Act, and to conduct such related public meetings as may be required
  - applications for subdivision and condominium approval pursuant to the Planning Act and Condominium Act, as applicable
  - matters such as community planning, urban design guidelines, heritage policy and related housing policy and programs in accordance with the directions contained in the Official Plan
  - matters relating to Parking Operations and Enforcement
  - To advise and assist Council in any matters arising from the work of the Committee of Adjustment in considering applications for consent and minor variance under the Planning Act, including possible City participation at any Ontario Municipal Board Hearings to consider the appeal of Committee of Adjustment decisions
• To consider recommendations of any Sub-Committees and/or Task Forces established by Committee and Council which report directly to the Planning Committee

• To receive delegations for the public and conduct public hearings as required by statute and Council, specific to the mandate of this committee on matters under the Standing Committee
PLEASE NOTE AS THERE ARE NO AMENDMENTS TO THE FOLLOWING APPENDICES THEY HAVE NOT BEEN INCLUDED WITH THIS OFFICE CONSOLIDATION AT THIS TIME:

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Procurement Policy

City of Hamilton

By-Law No. 13-

Procurement Section • Financial Services
Corporate Services

Procurement Policy for the City of Hamilton
Approved By City Council On: December X, 2013
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Procurement Policy for the City of Hamilton

Approved By City Council On: December X, 2013
PROCUREMENT MISSION AND VISION

Mission

To ensure that the procurement function meets the current and future needs of the corporation, provides an economical and efficient service and is considered a value-added partner in the securing of Goods and/or Services for the corporation.

Vision

A team of resourceful skilled professionals, working in partnership with their customers to procure the best Goods and/or Services in the most efficient manner.
PROCUREMENT GOALS & OBJECTIVES

SECTION 1

(1) Procure the necessary quality and quantity of Goods and/or Services in an efficient, timely and cost effective manner, while maintaining the controls necessary for a public agency, in accordance with the Procurement Policy as approved by Council.

(2) Encourage an open and competitive bidding process for the acquisition and disposal of Goods and/or Services, and the objective and equitable treatment of all vendors.

(3) Ensure the best value of an acquisition is obtained. This may include, but not be limited to, the determination of the total cost of performing the intended function over the lifetime of the task, acquisition cost, installation, disposal value, disposal cost, training cost, maintenance cost, quality of performance and environmental impact.

(4) Procure Goods and/or Services with due regard to the preservation of the natural environment and to encourage the use of “environmentally friendly” products and services, as supported by Vision 2020 goals and strategies.

Procurement Policy for the City of Hamilton
Approved By City Council On: December X, 2013
RESPONSIBILITIES & PROHIBITIONS OF PROCURING GOODS AND/OR SERVICES

SECTION 2

(1) General Responsibilities

(a) All City of Hamilton elected officials and staff delegated with the authority to procure shall comply with the Procurement Policy for the City of Hamilton. Without limiting the foregoing, such elected officials and staff shall follow the Statement of Ethics for Public Procurement attached as Schedule A to the Procurement Policy, the City’s Code of Conduct for Employees Policy and Policy # 17 – Conflicts of Interest.

(b) Procurement activities shall be subject to all applicable City of Hamilton policies and by-laws, any specific provisions of the Municipal Act, 2001 and all other relevant Federal and Provincial legislation, as may be in effect from time to time.

(2) Procurement Section Responsibilities

The City’s General Manager of Finance and Corporate Services shall operate a Centralized Procurement unit on behalf of the City of Hamilton in accordance with the requirements of the Procurement Policy. In carrying out this responsibility the General Manager of Finance and Corporate Services may appoint certain City staff to act on behalf of the City in entering into Contracts with third parties. The General Manager of Finance and Corporate Services may limit the authority to procure of that City staff, as deemed appropriate. The Procurement Section will therefore have the following specific responsibilities:

(a) Be responsible for the administration of the Procurement Policy and will continually review the procurement of Goods and/or Services to ensure the City is receiving the best value.

(b) Ensure that procurement transactions are conducted ethically and professionally in accordance with Schedule A – Statement of Ethics for Public Procurement.

(c) Advise on the practicability of Specifications to ensure a maximum number of competitive Bids.

(d) Notify vendors who have expressed an interest in doing business with the City of the availability of the procurement documents.

(e) Prepare necessary procurement documents and process Purchase Orders.

(f) Advise and assist in the preparation of Contracts when requested.

(g) Provide training and documentation on how to use the procurement module to users of the City’s financial software application. Make available copies of the Procurement Policy and Procurement Procedures and Guidelines to all relevant City staff.

(h) Maintain records of procurement transactions as required.
(3) General Manager Responsibilities

(a) Ensure all purchases are performed in accordance with the Procurement Policy and make required reports to the Council or any other interested party explaining why purchases are not in compliance with the Procurement Policy. The Procurement Section will offer advice and assistance in assuring that the Procurement Policy is adhered to upon request.

(b) Delegate Approval Authority to the appropriate levels and maintain the responsibility for such actions including answering questions raised by such delegation.

(c) Ensure appropriate action is taken on internal Audit Services recommendations.

(4) Internal Audit Responsibilities

Internal Audit Services shall conduct selected audits to ascertain adherence to the Procurement Policy. The Procurement Section and Council shall receive a copy of the audit results.

(5) Prohibitions

The following activities are prohibited, unless specifically approved by Council:

(a) Any attempt to evade or circumvent the requirements of the Procurement Policy including, but not limited to, the division of purchases to avoid the requirements of the Procurement Policy by any method, which includes purchases made using procurement cards.

(b) Purchase by the City of any Goods and/or Services for personal use by or on behalf of any member of Council, employees of the City and their immediate families.

(c) The acceptance of gifts, benefits, money, discounts, favours or other assistance by any member of Council, employees of the City, and their families contrary to the City of Hamilton Code of Conduct for Members of Council (Appendix H to the City’s Procedural By-law No. 10-053, as amended, repealed or replaced from time to time), the City’s Code of Conduct for Employees Policy or such other similar policy currently in force. The image and integrity of the employee and the City of Hamilton must be preserved at all times.

(d) Purchase by the City from any member of Council or employee of the City, their family members or from any other source, that would result in a conflict of interest, unless that interest has been declared pursuant to the Municipal Conflict of Interest Act or pursuant to the City’s Code of Conduct for Employees Policy or such other similar policy currently in force.

(6) Exemptions

Those items listed in Schedule B - Exemptions, are exempt from the requirements of the Procurement Policy, save and except for Policy # 2 - Approval Authority.
DEFINITIONS AND INTERPRETATION

SECTION 3

Words and phrases used in the Procurement Policy for the City of Hamilton have the following meanings, unless expressly stated otherwise:

“Acquisition Method” means the process by which Goods or Services are procured.

“Approval Authority” means the authority to approve and award procurements, as well as any assignment or corporate change requests related to such procurements, up to the procurement values for the respective body or person(s) set out in Policy # 2 - Approval Authority.

“Approved Products Listing” means the listing of approved Goods for use with road, watermain, sewer, lighting and traffic signal work as maintained by the City’s Standard and Approved Products Committee.

“Authorized Delegate” means the person who has been delegated by Council an Approval Authority and includes any other person further sub-delegated such Approval Authority in accordance with the Procurement Policy.

“Bid” means an offer or submission from a vendor in response to a Request for Quotations, Request for Tenders, Request for Proposals, Request for Rostered Candidates or Request for Prequalifications issued by the City.

“Centralized Procurement” refers to the activities conducted by the Procurement Section of the City’s Corporate Services Department, which facilitates the purchase of all Goods and/or Services in accordance with the requirements of the Procurement Policy.

“Child” means any person under the age of 15, unless local minimum age law stipulates a higher age for work or mandatory schooling, or under the age of 14 if minimum age law is set at that age in accordance with exceptions set out for developing countries under International Labour Organization (“ILO”) Convention 138.

“City” means the City of Hamilton.

“City Event” means an event organized and hosted by the City.

“City Manager” means the City Manager of the City of Hamilton.

“Client Department” means the City department initiating the acquisition of the Goods and/or Services.

“Consulting and Professional Services” means services rendered by members of a recognized profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training or direct assistance.

“Contract” means a legal agreement between two or more parties, usually written, or a Purchase Order.

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“Cooperative Procurement” means coordination of City purchases with purchases of other government bodies, public authorities, conservation authorities, municipalities, academia, schools and hospitals (MASH) sector.

“Council” means the Council of the City of Hamilton.

“Designate” means a person authorized to act on the behalf of an Authorized Delegate on a temporary basis.

“Emergency” means a situation, or the threat of an impending situation, which may affect the environment, life, safety, health and/or welfare of the general public, or the property of the residents of the City, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level.

“Energy Commodities” means electricity, Green Power, natural gas, methane and all other petroleum based fuel products such as: diesel, bio-diesel, unleaded, fuel oil, propane and any other bulk commodity primarily used by the City for the purpose of heating and cooling of buildings and other structures, electricity generation, cogeneration and the fuelling of City fleets, as determined by the City’s Manager of Energy Initiatives.

“General Manager” means the head of a City department or Designate, and includes the Medical Officer of Health and the City Manager.

“Goods” includes supplies, equipment, materials, products, structures and fixtures to be delivered, installed or constructed.

“Green Power” means electricity generated from renewable energy sources, such as certified water power, solar, biogas, biomass and wind. Other terms for Green Power include: Green Power certificates, tradable renewable certificates or "Green Tags". These attributes, embodied in a certificate, may be bought and sold either bundled or unbundled with commodity electricity.

“Low Dollar Value Procurements” means the process of procuring Goods and/or Services with an estimated annual procurement cost of up to but not including $10,000.

“Lowest Compliant Bid” means a Bid with the lowest price meeting all requirements of a RFQ, RFP or RFT, subject to any rights or privileges reserved by the City contained in the respective procurement document, or unless otherwise approved by Council.

“Mixed Revenue Contracts” means a combination of various types of Revenue Generating Contracts.

“Procurement Manager” means the Procurement Manager for the City of Hamilton or a person authorized to act on behalf of the Procurement Manager on a temporary basis.

“Procurement Policy” means the procurement policies approved by Council, as amended from time to time.

“Procurement Procedures and Guidelines” means the procurement procedures and guidelines approved by the City’s Director of Financial Services & Corporate Controller, as amended from time to time.
“Profit Sharing Contracts” means contracts whereby the City receives a portion of revenues, sales or profits earned by a third party under contract with the City.

“Purchase Order” means a written offer to procure Goods and/or Services or a written acceptance of an offer, in a form acceptable to the City Solicitor.

“Purchase Requisition” means an internal online request by a Client Department to the Procurement Section for procurement of Goods and/or Services.

“Request for Information” or “RFI” means a process where information is requested from vendors regarding their interest in, or the feasibility and availability of, specific Goods and/or Services in the marketplace and to determine if there are enough vendors to justify a Request for Proposals or Request for Tenders.

“Request for Prequalifications” means a process where information is requested from vendors to determine whether or not the vendor has the capability in all respects to perform the contract requirements. The Request for Prequalification process is initiated before a RFP or RFT is issued and only prequalified vendors are eligible to submit a Bid on such procurements.

“Request for Proposals” or “RFP” means a formal request for prices and details on Goods and/or Services from vendors, where the Goods and/or Services may not be able to be fully defined or specified or when alternate methods are being sought to perform a certain function or service, at the time of the request.

“Request for Quotations” or “RFQ” means an informal request for prices on Goods and/or Services with an estimated procurement cost between $10,000 and up to but not including $100,000, and where comprehensive technical Specifications can be developed. Request for Quotations may be processed by the Client Department.

“Request for Roster Candidates” or “RFRC” means a procurement document issued by the City requesting pricing and details with respect to category specific consulting services from vendors, with the intent of creating an approved list of vendors known as rostered candidates, and whereby work assignments under a specific cost limit will be offered by the City to said rostered candidates on an as-needed basis over a two-year period.

“Request for Tenders” or “RFT” means a formal request for prices on Goods and/or Services from vendors, where the Goods and/or Services are able to be fully defined or specified at the time of the request.

“Revenue Generating Contracts” means a legal agreement between the City and a third party that yields a financial return for the City. Revenue Generating Contracts include, but are not limited to:

(a) Service Revenue Contracts; and

(b) Profit Sharing Contracts; and

(c) Mixed Revenue Contracts; and
(d) advertising Contracts.

“Services” means all professional, consulting, construction or maintenance services, as well as any other services described in a Contract or in a RFQ, RFT or RFP.

“Service Revenue Contracts” means the sale of Goods and Services by the City to a third party.

“Specifications” means the detailed description of, and written requirements and standards for, Goods and/or Services contained in a RFQ, RFP or RFT to the extent known or available to the Client Department, and also includes any drawings, designs and models.

“Sponsorship” means a financial contribution or in-kind contribution of goods or services provided to the City in return for recognition, and includes advertising sold in support of a City Event.

“Standardization” is a management decision-making process that examines a specific common need or requirement and then selects a Good and/or Service that best fills that need to become the standard.

“Sweatshop” means a facility where individuals manufacture, assemble or produce consumer goods in working conditions that constitute Sweatshop Conditions.

“Sweatshop Conditions” means working conditions that include any of the following:

(a) employees are not provided with working conditions that: meet or exceed the International Labour Organization (“ILO”) Conventions' standards governing forced labour (ILO Convention 29 – Forced Labour Convention, 1930) and (ILO Convention 105 - Abolition of Forced Labour Convention, 1957), child labour (ILO Convention 138 – Convention concerning Minimum Age for Admission to Employment – the “Minimum Age Convention, 1973” and United Nations Convention On The Rights Of The Child – November 20, 1989, Article 32), payment of wages (ILO Convention 95 - Protection of Wages Convention, 1949), hours of work, occupational health, occupational safety, and non-discrimination (ILO Convention 111 – Discrimination (Employment and Occupation, 1958)); and are in compliance with all applicable federal, state, provincial and local laws of the locality of manufacture; and

(b) employees are compensated by their employer at an hourly rate below the poverty threshold; and

(c) employees are subject to forced labour practices, whether in the form of involuntary prison labour, indentured labour, bonded labour or otherwise; and

(d) employees are under the age of 18 are exposed to situations, in or outside the workplace, that are hazardous, unsafe or unhealthy; and

(e) employees are not provided with a minimum of one day off for every seven-day period; and

(f) employees are subject to physical, sexual, psychological abuse or harassment, verbal abuse, or any other form of abuse, including corporal punishment; and

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(g) employees are not provided with a safe and hygienic workplace, including access to clean toilet facilities and safe drinking water.

"Time-Sensitive" means a situation for which the timing to complete the procurement is paramount, but the time available to follow normal procedures is insufficient.
POLICY # 1 - Vendor Eligibility

SECTION 4.1

(1) The City will make reasonable efforts to maintain an electronic vendor database of those vendors who have expressed an interest in doing business with the City and who have completed an online registration form.

(2) Without limiting or restricting any other right or privilege of the City and regardless of whether or not a Bid otherwise satisfies the requirements of a Request for Prequalifications, RFP or RFT, the City may reject any Bid from a vendor where,

(a) in the opinion of the City, the commercial relationship between the City and the vendor has been impaired by the act(s) or omission(s) of such vendor including but not limited to any one or more of the following having occurred within the five year period immediately preceding either the date on which the RFP or RFT is awarded or the date on which the vendor has been shortlisted pursuant to a Request for Prequalifications:

(i) the vendor being involved in litigation with the City;
(ii) act(s) or omission(s) resulting in a claim by the City under any security submitted by the vendor on a RFP or RFT, including but not limited to a bid bond, a performance bond, or warranty bond;
(iii) the failure of the vendor to pay, in full, all outstanding payments (and, where applicable, interest and costs) owing to the City by such vendor, after the City has made demand for payment of same;
(iv) the vendor’s refusal to follow reasonable directions of the City or to cure a default under any Contract with the City as and when required by the City;
(v) the vendor’s refusal to enter into a Contract with the City after the vendor’s Bid has been accepted by the City;
(vi) documented poor performance of a vendor as per Policy # 8 – Vendor Performance Evaluation, including the vendor’s refusal to perform or to complete performance of a Contract with the City;
(vii) the vendor having unlawfully or unreasonably threatened, intimidated, harassed, or otherwise interfered with an attempt by any other prospective vendor to bid for a City Contract or to perform any Contract awarded by the City to that vendor;
(viii) the vendor having discussed or communicated, directly or indirectly, with any other vendor or their agent or representative about the preparation of the vendor’s Bid including, but not limited to, any connection, comparison of figures or arrangements with, or knowledge of any other vendor making a Bid for the same work;
(ix) the vendor having unlawfully or unreasonably threatened, intimidated, harassed, assaulted or committed battery against, or otherwise interfered with an official, employee, representative, agent or independent consultant or contractor of the City in the performance of his or her duties or in any way attempted to influence such persons;
the vendor has on one or more occasions, in the performance of a Contract with the City, deliberately, with wilful blindness or negligently, save and except an inadvertent error corrected to the satisfaction of the City within a reasonable time, as determined by the City,

1. over-billed, double-billed and/or retained a known over-payment, or has failed to notify the City of an over-payment or duplicate payment;
2. billed for items not supplied;
3. billed for items of one grade, while supplying items of an inferior grade;
4. made a misrepresentation as to the quality or origin of Goods, their functionality or suitability for a purpose, or their performance characteristics;
5. submitted false or misleading information to the City;
6. acted in conflict with the City’s interests;
7. misappropriated any property or right of the City, in any form; or
8. committed any other form of sharp or deceptive practice;

(x) any other act or omission by the vendor that the City deems to impair the commercial relationship between the City and the vendor.

(b) in the opinion of City there are reasonable grounds to believe that it would not be in the best interests of the City to enter into a Contract with the vendor, including but not limited to:

(i) the conviction of that vendor or any person with whom that vendor is not at arm’s length within the meaning of the Income Tax Act (Canada) of an offence under any taxation statute in Canada;
(ii) the conviction or finding of liability of that vendor under the Criminal Code or other legislation or law, whether in Canada or elsewhere and whether of a civil, quasi-criminal or criminal nature, of moral turpitude including but not limited to fraud, theft, extortion, threatening, influence peddling and fraudulent misrepresentation;
(iii) the conviction or finding of liability of that vendor under any environmental legislation, whether of Canada or elsewhere, where the circumstances of that conviction evidence a gross disregard on the part of that vendor for the environmental well-being of the communities in which it carries on business;
(iv) the conviction or finding of liability of that vendor relating to product liability or occupational health or safety, whether of Canada or elsewhere, where the circumstances of that conviction evidence a gross disregard on the part of that vendor for the health and safety of its workers or customers;
(v) the conviction or finding of liability of that vendor under the financial securities legislation whether of Canada or elsewhere, where the circumstances of that conviction evidence a gross disregard on the part of that vendor for its stakeholders.
(3) For the purposes of subsections (2), (4), (5), (6)(d), (7) and (8) of this Policy #1, a reference to a vendor shall also include: an officer, a director, a majority or controlling shareholder, or a member of the vendor, if a corporation; a partner of the vendor, if a partnership; any corporation to which the vendor is an affiliate of or successor to, or an officer, a director or a majority or controlling shareholder of such corporation; and any person with whom that the vendor is not at arm’s length within the meaning of the Income Tax Act (Canada).

(4) In the circumstances described in subsections (2) and (8), the City may, in addition or in the alternative to rejecting a Bid from a vendor, ban a vendor from competing for or being awarded any City Contract for a period of up to ten years.

(5) Without limiting or restricting any other right or privilege of the City, the City may refuse to enter into a Contract with a vendor where any of the circumstances described in (2)(a), (2)(b) or (8) of this Policy #1 have occurred within the five year period preceding the date on which the refusal to enter into the Contract is approved by Council. In addition or in the alternative to refusing to enter into the Contract, the City may ban a vendor from competing for or being awarded any City Contract for a period of up to ten years.

(6) Where the Contract is awarded to a vendor who has made an unauthorized amendment to the City’s pre-printed forms (e.g. Form of Proposal or Form of Tender) or other documents submitted as part of the vendor’s Bid, then within a reasonable time of the City discovering that unauthorized amendment, the City may,

(a) permit the vendor to withdraw an unauthorized amendment to the City’s Form of Proposal or Form of Tender, at no cost to the City; or
(b) cancel or terminate the Contract without any compensation whatsoever to the vendor by giving written notice to that effect to the vendor; or
(c) recover from such vendor any amounts the City paid to the vendor and all costs, expenses, damages and losses incurred or accrued by the City as a result of the unauthorized amendment; or
(d) ban such vendor from competing for or being awarded any City Contract for a period of up to ten years where, in the opinion of Council, the change was made by the vendor as part of a deliberate attempt to deceive and such deception has resulted in an impairment of the commercial relationship between the City and such vendor, or any combination of the foregoing.

(7) Where a vendor has the Lowest Compliant Bid to a RFT or RFP or has the successful Bid in accordance with the evaluation methodology set out in a RFP, which Bid has been rejected due to the vendor’s failure to initial a legible change such as an erasure, strike out, white out, cross out or overwriting, within one business day of the City’s request, the vendor shall also be banned from competing for or being awarded any City Contract for a period of one year. Only the ban, and not the rejection of the Bid, may be challenged by the vendor in accordance with Policy #18 – Vendor Complaint Resolution.

(8) No Lobbying and Single Point of Contact

(a) A vendor and its representatives shall not,

(i) make any public comment, respond to questions in a public forum, or carry out any activities to publicly promote or advertise their qualifications, their
service or product, or their interest in a RFQ/RFP/RFT/RFRC/Request for Prequalifications.

(ii) communicate with the City regarding a RFQ/RFP/RFT/RFRC/Request for Prequalifications except through the Procurement Manager or designate identified in the RFQ/RFP/RFT/RFRC/Request for Prequalifications, who shall be the single point of contact for that procurement document.

Having a single point of contact for the RFQ/RFP/RFT/RFRC/Request for Prequalifications is intended to allow all other persons involved with the RFQ/RFP/RFT/RFRC/Request for Prequalifications on behalf of the City to avoid any perception of a conflict of interest and to conduct the procurement set out in the RFQ/RFP/RFT/RFRC/Request for Prequalifications in as fair and objective a manner as possible.

(iii) make any attempt to contact, directly or indirectly, any of the following persons, with respect to a RFQ/RFP/RFT/RFRC/Request for Prequalifications,
   1. any member of an evaluation team;
   2. any member of a costing team;
   3. any expert, independent consultant or other advisor assisting the City;
   4. any elected City official;
   5. any staff of the City of Hamilton or its advisors; or
   6. any other persons connected in any way with the procurement document.

(b) The only exception to the above for a vendor or its representatives as set out at Policy # 18 – Vendor Complaint Resolution if the vendor has a complaint related to the evaluation of its Bid and/or recommendation of award with respect the procurement document.

(c) A vendor who has been awarded a Contract shall not engage in any contact or activities in an attempt to influence any elected City official or City staff with respect to the purchase of additional enhancements, requirements, options, or modules. A vendor may communicate with the City and City staff for the purposes of administration of the Contract during the term of the Contract.

The determination of what constitutes an attempt to influence shall be at the sole discretion of the City, acting reasonably, and is not subject to challenge under Policy # 18 - Vendor Complaint Resolution.
POLICY # 2 - Approval Authority

SECTION 4.2

(1) Any person delegated Approval Authority pursuant to this Policy # 2 shall ensure that an approved budget 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 requirements of the City.

(2) The following body and persons shall have the respective Approval Authority as set out below:

(a) **Council** must approve budgetary funding for any procurement of a value of $250,000 or greater.

(b) **City Manager** must approve any procurement of a value of $100,000 up to but not including $250,000. The City Manager may sub-delegate such Approval Authority to his/her staff, who are referred to as an Authorized Delegate in the table below, at the procurement values he/she deems appropriate. Staff who have been further delegated Approval Authority from the City Manager to approve procurements **shall have no authority to** delegate this Approval Authority to any other person. The City Manager may also exercise the Approval Authority of a General Manager.

(c) **General Managers** are authorized to approve procurements of a value up to but not including $100,000, save and except in an Emergency wherein Policy # 10 shall apply. **Only** General Managers may sub-delegate such Approval Authority to their staff, who are referred to as an Authorized Delegate in the table below, at the procurement values they deem appropriate. Staff who have been further delegated Approval Authority from their General Manager to approve procurements **shall have no authority to** delegate this Approval Authority to any other person.
(d) **Approval Authorities for various Procurement Policies.**

<table>
<thead>
<tr>
<th>ESTIMATED PROCUREMENT VALUE ($, Canadian Funds, exclusive of applicable taxes)</th>
<th>APPROVAL AUTHORITY</th>
<th>PROCUREMENT POLICY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to but not including $10,000</td>
<td>General Manager or Authorized Delegate</td>
<td>Policy # 5.1 – Low Dollar Value Procurements</td>
</tr>
<tr>
<td>$10,000 or greater</td>
<td>General Manager</td>
<td>Policy # 10 – Emergency Procurements</td>
</tr>
<tr>
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<td>Policy # 7 – Construction Contracts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Policy # 11 – Non-competitive Procurements (not including single source procurements of $250,000 or greater).</td>
</tr>
<tr>
<td>$10,000 – $99,999</td>
<td>General Manager or Authorized Delegate</td>
<td>Policy # 5.2 – Request for Quotations</td>
</tr>
<tr>
<td>$10,000 – $99,999</td>
<td>General Manager or Authorized Delegate unless any of the conditions in subsection (3) of this Policy #2 apply, then Council approval is required.</td>
<td>Policy # 5.4 – Request for Proposals</td>
</tr>
<tr>
<td>$100,000 – $249,999</td>
<td>City Manager or Authorized Delegate unless any of the conditions in subsection (3) of this Policy #2 apply, then Council approval is required.</td>
<td>Policy # 5.3 – Request for Tenders</td>
</tr>
<tr>
<td></td>
<td>For linear construction Contracts issued in conjunction with the Public Works Department, the General Manager of Public Works or Authorized Delegate unless any of the conditions in subsection (3) of this Policy #2 apply, then Council approval is required.</td>
<td>Policy # 5.4 – Request for Proposals</td>
</tr>
</tbody>
</table>

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Approved By City Council On: December X, 2013
<table>
<thead>
<tr>
<th>ESTIMATED PROCUREMENT VALUE ($, Canadian Funds, exclusive of applicable taxes)</th>
<th>APPROVAL AUTHORITY POLICY # 2</th>
<th>PROCUREMENT POLICY</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250,000 or greater</td>
<td>Council – previously approved budget for the procurement. For linear construction Contracts issued in conjunction with the Public Works Department, the General Manager of Public Works or Authorized Delegate unless any of the conditions in subsection (3) of this Policy # 2 apply, then Council approval is required. For all other Contracts, the City Manager or Authorized Delegates unless any of the conditions in subsections (3) and (4) of this Policy # 2 apply, then Council approval is required.</td>
<td>Policy # 5.3 – Request for Tenders Policy # 5.4 – Request for Proposals</td>
</tr>
<tr>
<td>$250,000 or greater</td>
<td>Council</td>
<td>Policy # 11 – Non-competitive Procurements (single source)</td>
</tr>
</tbody>
</table>
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(3) The Client Department in conjunction with the Procurement Section shall submit a report to Council and the appropriate standing committee recommending award of a RFT or RFP if ANY of the following conditions apply:

(a) the value of the Bid being recommended for award and any contingency allowance are in excess of the Council approved budget including any contingency allowance, or

(b) for capital projects, when the final cost of the proposed project exceeds the amount provided in the Council approved capital budget for that project by more than 10 percent or $250,000, whichever is less, or

(c) for RFTs, the award is not being made for the Lowest Compliant Bid, or

(d) for RFPs, the award is not being made in accordance with evaluation methodology set out in the RFP, or

(e) where in the opinion of the City Manager, the Client Department’s award recommendation is not in the best interest of the City, or

(f) there are Provincial or Federal government requirements for Council approval.

(4) The Client Department shall submit a report to Council and the appropriate standing committee recommending a single source procurement of $250,000 or greater in accordance with Policy #11 – Non-competitive Procurements.

(5) Council may delegate further Approval Authority as it considers necessary from time to time, including but not limited to, any extended time periods during which Council does not meet.

(6) The City’s Director of Financial Services & Corporate Controller shall prepare a quarterly status report to Council on Request for Tenders and Request for Proposals which shall identify those procurements:

(a) which have been issued, but not yet closed,

(b) which have closed and are under review, and

(c) which have been awarded or cancelled,

since the previous status report.

(7) The issuance and approval of award of a Revenue Generating Contract of any value requires the approval of the General Manager of the Client Department. It will be at the discretion of the General Manager of the Client Department whether to also seek Council approval on the issuance and/or approval of award of a Revenue Generating Contract.

(8) Acceptance of a Sponsorship of any value requires the approval of the General Manager of the Client Department. It will be at the discretion of the General Manager of the Client Department whether to also seek Council approval on the City’s acceptance of a Sponsorship.
POLICY # 3 - Specifications

SECTION 4.3

(1) The following requirements shall be followed in the preparation of the Specifications:

(a) Specifications are to be detailed but not brand specific, unless standardized in accordance with Policy # 14 – Standardization to maintain a competitive procurement process.

(b) Where the Specification requirements of the Client Department will result in a single source purchase, the Client Department shall follow Policy # 11 – Non-competitive Procurements.

(c) Where the Specifications relate to matters that are addressed under the Corporate Energy Policy, they shall be approved by the City’s Manager of Energy Initiatives to ensure that they meet the requirements of said policy.

(d) Client Departments shall advise the Information Technology Division of procurements that relate to new software purchases and shall comply with the Corporate Computer and Technology Acceptable Use Policy and Security Policies. Specifications shall be approved by Director of Information Technology or Authorized Delegate to ensure that they meet the requirements of said policies.

(e) Vendors or potential vendors shall not be requested to expend time, money or effort on design or in developing Specifications or otherwise to help define a requirement beyond the normal level of service expected from vendors. Where such services are required,

(i) the Procurement Manager must be advised;

(ii) the contracted vendor will be considered a consultant and will not be allowed to make an offer of the supply of the Goods and/or Services;

(iii) a fee shall be paid, the amount of which shall be determined and agreed upon by the vendor before the services commence; and

(iv) the detailed Specifications shall become the property of the City, and can be used in obtaining Bids.

(f) Notwithstanding any assistance in the preparation of the Specifications by a consultant, the Specifications shall be and remain the property of the City.

(g) Where it is not possible to prepare precise Specifications to issue a Request for Tenders, a Request for Proposals shall be issued. The Client Department, in cooperation with the Procurement Section, shall prepare evaluation criteria and weightings for the criteria. The RFP shall clearly distinguish those requirements that are deemed mandatory and non-mandatory and shall clearly outline how these items will be evaluated.

(h) When preparing the Specifications, the Client Department shall be knowledgeable of the Ontarians with Disabilities Act, 2001, the Accessibility for Ontarians with Disabilities Act, 2005 and their regulations thereunder, as amended, re-enacted or replaced from time to time, and the City’s Barrier Free Design Guidelines 2006 or the most recent version and apply those requirements with respect to procuring Goods and/or Services and in the development of the Specifications.
(i) When preparing the Specifications, the Client Department shall consider the amount of packaging that would be associated with the procurement of a Good. If the required level of packaging is felt to be too excessive, then the Specifications for those Goods will require the vendor to be responsible for and bear the cost for the removal and disposal of the packaging materials.

(2) The preparation of the Specifications for Request for Quotations, Request for Proposals or Request for Tenders shall be the responsibility of the Client Department. Specifications shall be approved by the Client Department Authorized Delegate and shall be forwarded directly to the Procurement Section with approval attached.

(3) The Procurement Section shall have the authority to review and recommend improvements to the Specifications when deemed necessary. The Client Department shall cooperate with the Procurement Section in the finalization of the Specifications. Should the Procurement Section and the Client Department not be able to reach agreement on Specifications within the allotted timeline, the General Managers of the Client Department and of Finance and Corporate Services Department will attempt to resolve the matter.

(4) The City may issue a Request for Information or RFI through Centralized Procurement. A RFI can be used to determine if there is sufficient vendor interest to justify proceeding with a competitive procurement process and/or to gain additional information on the Good and/or Service from the vendor community. Any resulting competitive procurement process will be issued in accordance with Policy # 5 – Determining the Procurement Process.
POLICY # 4 - Prequalification of Vendors

SECTION 4.4

(1) The purpose for prequalification of vendors is to ensure that each vendor intending to perform work on a City Contract can demonstrate its ability to provide the necessary expertise and resources to satisfactorily complete the work required.

(2) Prequalification of vendors shall be issued through Centralized Procurement and will only be considered in the following circumstances:
   
   (a) the work will require substantial project management by the City if the vendor is not appropriately experienced and could result in a substantial cost to the City;
   
   (b) the Goods and/or Services to be purchased must meet national safety standards;
   
   (c) the work involves complex, multi-disciplinary activities, specialized expertise, equipment, materials, or financial requirements;
   
   (d) there could be a substantial impact on City operations if the work is not satisfactorily performed the first time;
   
   (e) where time requirements necessitate efficient use of time and expertise;
   
   (f) any other circumstances deemed appropriate by the Procurement Manager.

(3) Prequalification requires vendors to provide such information as requested by the City to determine that the vendor has the capability in all respects to perform the contract requirements. This information may include such things as:
   
   (a) previous experience on similar work (firm and staff assigned);
   
   (b) capacity to fulfill the contract requirements; and
   
   (c) the facilities and/or equipment to perform the work.

(4) Vendor submissions will be evaluated, ranked, and a list of prequalified vendors will be established.
POLICY # 5 - Determining the Procurement Process

SECTION 4.5

(1) Sales taxes, excise taxes, value added taxes, duties and shipping shall be excluded in determining the procurement limit of Authorized Delegates and the type of procurement process to be followed.

(2) The dollar values identified in this Procurement Policy represent the annual estimated procurement value for a Good and/or Service to be procured. The annual estimated procurement value is the cumulative value of a particular Good and/or Service in one calendar year. For multi-year Contracts, the estimated total procurement value over the term of the Contract shall be used as the basis for determining which procurement process applies.

(3) It should be the intent of the Client Department to procure Goods and/or Services of like nature as a combined effort.

(4) Where Provincial and/or Federal Governments impose unique requirements in order to qualify for funding, the City’s procurement documents will be amended to include those provisions.

(5) Where there is an incumbent vendor on a corporate City Contract which is of a highly sensitive nature due to the risk associated with financial loss, confidentiality or the handling of sensitive information, a report shall be forwarded to the applicable standing committee of Council and Council to seek direction on the type of procurement process to be followed for the acquisition of the Good and/or Service.

(6) Where the estimated gross revenue for a Revenue Generating Contract is $10,000 or greater, the Revenue Generating Contract shall follow the RFP or RFT process through Centralized Procurement.

Service Revenue Contracts of any value shall be exempt from the public procurement processes outlined in the Procurement Policy, save and except Policy # 2 – Approval Authority and Policy # 13 – Authority to Execute Contracts. Mixed Revenue Contracts are not exempt.

In the event that a Revenue Generating Contract falls under more than one City Policy, both Policies must be adhered to unless that Contract and/or the other City Policy is specifically exempted from the Procurement Policy.
POLICY # 5.1 - Low Dollar Value Procurements
(up to but not including $10,000)

SECTION 4.5.1

(1) All Low Dollar Value Procurements shall utilize all applicable City Contracts and shall otherwise be in accordance with the Procurement Policy.

(2) The General Managers may delegate Approval Authority to their staff for Low Dollar Value Procurements. This procurement function has been de-centralized and therefore, it is the responsibility of the respective General Manager to ensure that the Procurement Policy is adhered to.

(3) Neither a RFQ, RFP nor RFT is required for Low Dollar Value Procurements.
POLICY # 5.2 - Request for Quotations
($10,000 – up to but not including $100,000)

SECTION 4.5.2

(1) All Request for Quotations shall utilize all applicable City Contracts and shall otherwise be in accordance with the Procurement Policy.

(2) For procurements where there are no applicable City Contracts, a Request for Quotations process is used by the Client Department in the following manner:

(a) a minimum of three compliant Bids shall be obtained by any method of written communication unless otherwise approved by the Procurement Section;

(b) in seeking the vendors for Request for Quotations, staff shall also use the electronic vendor database;

(c) Bids must be received from a minimum of three separate vendors;

(d) a “No Bid” response shall not be considered a valid Bid;

(e) all vendors shall receive the same Request for Quotations written information;

(f) the Request for Quotations shall be awarded to the Lowest Compliant Bid; and

(g) all written Bids shall be retained in the Client Department files in accordance with City By-law No. 11-040 (To Establish Retention Periods for Records of the City of Hamilton), as amended, re-enacted or replaced from time to time.

The Procurement Manager may waive the requirement for three Bids, but will only do so where the Client Department has demonstrated to the satisfaction of the Procurement Manager that a minimum of three Bids cannot be obtained.

(3) Staff are encouraged to seek more than the minimum three written Bids to ensure a more competitive process and to utilize any Request for Quotations template provided by the Procurement Section.

(4) In the event that two or more identical Bids are received and are the Lowest Compliant Bids, best and final offers will be solicited from each of these vendors in order to break the tie. If this effort is unsuccessful, then a draw will be held to determine the successful vendor.

(5) The Procurement Section shall assist when requested by the Client Department, or when deemed necessary, with the Request for Quotations process.

(6) An authorized online Purchase Requisition shall be utilized to initiate a Purchase Order and/or formal Contract process.

(7) When a Client Department would like to issue a RFP in lieu of a Request for Quotations, the RFP shall be issued by Centralized Procurement in the same manner as for Requests for Proposals in Policy # 5.4 of the Procurement Policy.
POLICY # 5.3 - Request for Tenders ($100,000 and greater)

SECTION 4.5.3

(1) Client Departments shall utilize all applicable City Contracts and shall otherwise be in accordance with the Procurement Policy.

(2) for Tenders shall be awarded based on the Lowest Compliant Bid. In the event that two or more identical Bids are received and are the Lowest Compliant Bids, best and final offers will be solicited from each of these vendors in order to break the tie. If this For procurements where there are no applicable City Contracts,

(a) the Request for Tenders process is to be used for Goods and/or Services with an estimated procurement value of $100,000 or greater and where comprehensive technical Specifications can be developed;

(b) the Request for Tenders process shall be carried out by Centralized Procurement;

(c) all Requests for Tenders shall be issued and awarded in accordance with the tendering procedures as determined by the City’s Director of Financial Services & Corporate Controller;

(d) the Request effort is unsuccessful, then a draw will be held to determine the successful vendor.

(3) When no compliant Bids are received in response to a Request for Tenders, and

(a) where time permits in the opinion of the General Manager of the Client Department, the Request for Tenders shall be re-issued with the appropriate revisions; or

(b) where only one Bid has been received, the Procurement Manager in conjunction with the Client Department may proceed to negotiate the changes required to achieve an acceptable Bid, provided that such changes will not alter the general nature of the procurement described in the Request for Tenders; or

(c) where time does not permit the re-issuance of the Request for Tenders in the opinion of the General Manager of the Client Department, and the Request for Tenders is not otherwise being revised, all vendors who submitted a Bid or secured the original Request for Tenders shall be given the opportunity to submit a new Bid. The Procurement Section will communicate to each vendor who previously submitted a Bid, any deficiencies that resulted in its Bid being deemed non-compliant. This process may utilize a post-closing addendum; or

(d) where time does not permit the re-issuance of the Request for Tenders, and the Request for Tenders is being revised, all vendors who submitted a Bid or secured the Request for Tenders, shall be given the opportunity to submit a new Bid. The Procurement Section will communicate to each vendor who previously submitted a Bid, any deficiencies that resulted in its Bid being deemed non-compliant. This process may utilize a post-closing addendum. The General Manager of the Client Department shall approve this process prior to implementation.

(4) Where one or more Bids have been received and are in excess of budgeted funds, the General Manager of the Client Department in consultation with the Procurement Manager may enter into negotiations with the vendor submitting the Lowest Compliant Bid, where it is

Procurement Policy for the City of Hamilton
Approved By City Council On: December X, 2013
agreed that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the RFT.

(5) The Goods and/or Services shall be procured through a Purchase Order, Contract process and/or any other process as approved by the Director of Financial Services & Corporate Controller. Where a formal Contract is necessary, such Contract shall be in a form satisfactory to the City Solicitor.

(6) Where a Time-Sensitive situation occurs, the Procurement Manager may authorize the Client Department to utilize the Policy # 5.2 - Request for Quotations in lieu of the Request for Tenders process.

Procurement Policy for the City of Hamilton
Approved By City Council On: December X, 2013
POLICY # 5.4 - Request for Proposals ($10,000 and greater)

SECTION 4.5.4

(1) The Client Departments shall utilize all applicable City Contracts and shall otherwise be in accordance with the Procurement Policy.

(2) For procurements where there are no applicable City Contracts,

(a) the Request for Proposals process is to be used for Goods and/or Services with an estimated procurement value of $10,000 or greater and where comprehensive technical Specifications cannot be fully defined or specified, or when alternate methods are being sought to perform a certain function or service, at the time of the request;

(b) the Request for Proposals process must be implemented through Centralized Procurement;

(c) the Request for Proposals shall be issued and awarded in accordance with the RFP procedures as determined by the City's Director of Financial Services & Corporate Controller;

(d) the Request for Proposals shall clearly set out the evaluation criteria and weightings upon which an award of the Request for Proposals may be made. The evaluation methodologies that may be employed, unless specific Council approval is obtained for a particular procurement, are:

(i) **FIXED PRICE.** The City establishes a fixed dollar value for the award, and the Bids consist of only a technical Bid for that fixed dollar value. The City evaluates the technical Bids received against the evaluation criteria and weightings set out in the RFP. The award shall be made to the highest scoring vendor; or

(ii) **PRICE PER POINT.** The evaluation of the RFP will utilize a two step evaluation process. The City evaluates the technical Bids received against the evaluation criteria and weightings set out in the RFP. For those technical Bids that successfully meet the benchmark score stipulated in RFP, the City will open the price Bid received. The City will then calculate the price per point for each Bid meeting the technical benchmark score and the award will be made to the vendor with the lowest price per point; or

(iii) **COMBINATION OF TECHNICAL AND PRICE SCORES.** The RFP will utilize a two step evaluation process. The City evaluates the technical Bids received against the evaluation criteria and weightings set out in the RFP. For those technical Bids that successfully meet the benchmark score stipulated in RFP, the City will open the price Bid received and score the price based on a predetermined calculation set out in the RFP. The price weighting must be a minimum of 25 percent of the technical weighting. Only the General Manager of the Client Department may approve a price weighting of less than 25 percent of the technical weighting. A total evaluation score will be determined by adding the technical score and the price score. The award shall be made to the highest scoring vendor; or
(iv) **LOWEST PRICED BID MEETING TECHNICAL BENCHMARK SCORE.** The RFP will utilize a two step evaluation process. The City evaluates the technical Bids received against the evaluation criteria and weightings set out in the RFP. For those technical Bids that successfully meet the benchmark score stipulated in the RFP, the City will open the price Bid received. The award shall be made to the vendor who has successfully met the technical benchmark score and has the lowest priced Bid.

(3) the Procurement Section will facilitate the RFP evaluation process. An evaluation committee will be formed with a minimum of three evaluators and be comprised of at least one representative from the Client Department. The evaluators shall review all compliant Bids 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 Procurement Section representative shall not participate in the scoring of the Bid;

(4) all Bids that meet the required terms, conditions and Specifications outlined in the Request for Proposals document shall be evaluated based on the evaluation criteria and weightings, subject to any rights or privileges reserved by the City;

(5) any award shall be made in accordance with the evaluation criteria and weightings contained in the Request for Proposals document, subject to any rights or privileges reserved by the City or as otherwise approved by Council; and

(6) When no compliant Bids are received in response to a Request for Proposals, and

   (a) where time permits in the opinion of the General Manager of the Client Department, the Request for Proposals shall be re-issued with the appropriate revisions; or

   (b) only one Bid has been received or has successfully passed the technical proposal requirements, the Procurement Manager in conjunction with the Client Department may proceed to negotiate the changes required to achieve an acceptable Bid, provided that such changes will not alter the general nature of the requirement described in the Request for Proposals; or

   (c) where time does not permit the re-issuance of the Request for Proposals in the opinion of the General Manager of the Client Department, the Request for Proposals is not otherwise being revised, and the non-compliance is associated with the pricing portion of the two step evaluation process, all vendors who have successfully passed the technical proposal requirements of the Request for Proposals shall be given the opportunity to submit a new price Bid only. The Procurement Section will communicate to each of these vendors, any Bid deficiencies that resulted in its Bid being deemed non-compliant. This process may utilize a post-closing addendum.

(7) Where one or more Bids have been received and are in excess of budgeted funds, the General Manager of the Client Department in consultation with the Procurement Manager may enter into negotiations with the vendor submitting being recommended for award, where it is agreed that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the RFP.

(8) Except where another process is approved by the Director of Financial Services & Corporate

**Procurement Policy for the City of Hamilton**

Approved By City Council On: December X, 2013
Controller, the Goods and/or Services shall be procured through a Purchase Order and/or Contract process. Where a formal Contract is necessary, such Contract shall be in a form satisfactory to the City Solicitor.
POLICY # 6 - Unsolicited Proposals

SECTION 4.6

(1) If it is determined that there is a legitimate need for the Goods and/or Services offered by way of an unsolicited proposal, then an acquisition process shall be conducted in accordance with the Procurement Policy.
POLICY # 7 - Construction Contracts

SECTION 4.7

(1) Where the procurement of Goods and/or Services involves construction, such construction Contracts must also meet the requirements of the Procurement Policy. However, construction Contracts of $100,000 or greater also require both a Purchase Order and a written legal agreement, in a form satisfactory to the City Solicitor.

(2) Construction Contracts are subject to the City’s Fair Wage Policy and Fair Wage Schedule. The Fair Wage Policy and Fair Wage Schedule can be accessed on the City of Hamilton website under the Procurement Section.

(3) For an approved construction Contract in which an unexpected circumstance arises during construction resulting in additional work, the General Manager of the Client Department shall authorize the payment for such work and approve any required purchase acquisition documents, including a completed Construction Contracts Form. The Construction Contracts Form shall detail what additional work was required to address the unexpected circumstance. Such additional work shall not expand the scope of the work but shall be necessary in order to deliver the original approved work.
POLICY # 8 - Vendor Performance Evaluation

SECTION 4.8

(1) At the completion of every Contract for Goods and/or Services of $100,000 or greater, the Client Department shall complete a Vendor Performance Evaluation Form. The General Manager of the Client Department shall ensure this performance evaluation is completed for these Contracts. Such evaluation shall be completed and a copy will be forwarded to the Procurement Section.

(2) In the event of poor performance or non-performance of a vendor at any time during the term of any City Contract, the General Manager of the Client Department shall complete and forward a copy of the Vendor Performance – Incident Reporting Form as soon as reasonably possible after the occurrence.

(3) Documented poor performance or non-performance on any City Contract will be used to determine the eligibility of a vendor to continue to provide Goods and/or Services to the City on a current Contract and to determine their ability to participate on future City Contracts. Any vendor may be excluded from a bidding process due to documented poor or non-performance, where in the opinion of the City, the commercial relationship between the City and such vendor has been detrimentally affected.

(4) The City’s Public Works Department shall be responsible for the vendor performance evaluation process with respect to linear construction Contracts issued by that department under Policy # 7 – Construction Contracts in a format which includes feedback from area residents and elected officials.

(5) In the event of a vendor’s breach of a multi-year City Contract, the Procurement Manager in consultation with the Client Department shall have the discretion to either:

(a) re-issue the RFQ, RFT or RFP; or

(b) negotiate and enter into a new Contract for the remaining years of the Contract with the second lowest bidder of the original RFT or RFP, whichever is in the best interests of the City.
POLICY # 9 - Consulting and Professional Services

SECTION 4.9

(1) Unless otherwise provided, Consulting and Professional Services shall be acquired in accordance with the Procurement Policy.

(2) A Consulting and Professional Services roster will be established every two years through a formal Request for Rostered Candidates process. Work assignments presented to vendors on an approved list (rostered candidates) will be distributed on a rotational basis as well as a "best fit" basis and having an estimated procurement cost of less than $100,000. The General Manager of the Client Department shall award such works by direct appointment through the applicable roster captain. The applicable roster captain shall ensure that there is a reasonably equitable distribution of the works, based on the total dollar value of the work. This method allows the City to employ a number of different consultants while matching the particular talents of a consultant to the project needs.

(a) The General Manager of the Client Departments and the Procurement Manager, shall approve the appointment of rostered candidates and any acceptable subsequent change in any rostered candidate for their respective roster categories in accordance with the Request for Rostered Candidate document.

(b) The General Managers of the Client Departments shall be responsible to prepare a joint annual information report to Council on all assignments awarded including consultants used and a breakdown of the total cost utilized by each roster category.
POLICY # 10 – Emergency Procurements

SECTION 4.10

(1) Where in the opinion of the General Manager of the Client Department, an Emergency exists, Goods and/or Services shall be acquired by the most expedient and economical means. The Procurement Section will provide cooperative assistance when requested to expedite any procurement documents necessary to deal with the Emergency. The General Manager of the Client Department shall provide the reasons for his or her opinion that an Emergency exists and shall approve any purchase acquisition document issued under such conditions. For amounts exceeding $250,000, the General Manager shall issue an information update to the City Manager and to Council.

(2) Subsequent to the resolution of the Emergency, all transactions require a Purchase Requisition to be entered to complete the procurement process. The Client Department shall complete the Emergency Procurement Form and forward it to the Procurement Manager for informational purposes.
POLICY # 11 - Non-competitive Procurements

SECTION 4.11

(1) Subject to Policy # 2 - Approval Authority, the General Manager of the Client Department will approve the Non-competitive Procurement Form, justifying the need to use this Policy # 11 prior to City staff entering into any discussions with any vendor regarding the purchase of the Goods and/or Services. This process may be adopted when any of the following conditions apply:

(a) when Goods and/or Services are judged to be in short supply due to market conditions (short supply);

(b) when a single source for the supply of a particular Good and/or Service is being recommended because it is more cost effective or beneficial for the City (single source);

(c) where a City Contract has expired or will very shortly expire and unforeseeable circumstances have caused a delay in issuing a new RFP or RFT so that a Contract extension is required (contract extension).

(2) Council must approve any requests for negotiations with a single source as set out in subsection (1)(b) of this Policy # 11, where the value of the proposed procurement is $250,000 or greater.

(3) All approved forms shall be forwarded to the Procurement Manager. The Procurement Manager will be responsible for reporting the use to Council on a quarterly basis.

<table>
<thead>
<tr>
<th>ESTIMATED PROCUREMENT VALUE ($, Canadian)</th>
<th>APPROVAL TO INITIATE POLICY # 11 PROCESS</th>
<th>APPROVAL TO ENTER INTO CONTRACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000 or greater</td>
<td>General Manager</td>
<td>Policy # 2 – Approval Authority</td>
</tr>
<tr>
<td>$250,000 or greater for single source type purchases</td>
<td>Council</td>
<td>Council as per Policy # 2 – Approval Authority</td>
</tr>
</tbody>
</table>

Procurement Policy for the City of Hamilton
Approved By City Council On: December X, 2013
POLICY # 12 - Cooperative Procurements

SECTION 4.12

(1) The City may participate with other government bodies, public authorities, conservation authorities, municipalities, academia, schools and hospitals (MASH sector) in cooperative acquisition ventures for Goods and/or Services when it is in the best interests of the City to do so. Such cooperative procurements shall require the prior written approval of the Procurement Manager.

(2) The procurement procedures and policies of the entity initiating the procurement process will be followed.

(3) The City will issue its own purchase order or contract for their respective Goods and/or Services to the successful vendor for all of cooperative procurements.

(4) In the absence of an applicable City Contract and with the approval of the Procurement Manager, the Client Department may purchase Goods and/or Services using established contracts issued by other government bodies, public authorities, conservation authorities, municipalities, academia, schools and hospitals (MASH sector). For these contracts, the selection of the vendor must have been made through a competitive procurement process and the resulting contract must permit the City to purchase from that vendor under the same terms and conditions.

(5) Where the Province of Ontario requires the City to meet a provincial standard for any Goods and/or Services, and has established a prequalified vendor of record list for such Goods and/or Services, the City may invite only those prequalified vendors to participate in the RFQ, RFT or RFP.
POLICY # 13 - Authority to Execute Contracts

SECTION 4.13

(1) The General Manager of the Client Department and the City Manager, or their respective Designates, shall execute acquisition Contracts and all necessary associated documents on behalf of the City for all RFT and RFP awards approved in accordance with Policy # 2 – Approval Authority. The applicable General Manager shall be the General Manager of Finance & Corporate Services in the case of a corporate-wide Contract.

(2) Where a Contract is required for a procurement which was not initiated by a RFT or RFP, but was otherwise authorized and approved in accordance with Policy # 2 – Approval Authority, the person having the applicable Approval Authority for the procurement, or Designate shall also have the authority to execute the Contract and all necessary associated documents on behalf of the City.

(3) For all other Contracts that received Council approval, the City officials named in the Council resolution shall execute such Contracts on behalf of the City. Where City officials have not been named in the Council resolution, the Mayor and Clerk shall execute such Contract.

(4) The person(s) who have executed a Contract on behalf of the City in accordance this Policy # 13 shall also have the authority to execute any documents for an assignment or corporate change request related to such Contract.

(5) All Contracts shall be in a form satisfactory to the City Solicitor and shall contain content which is acceptable to the Client Department.

(6) All Authorized Delegates will complete the Notification of Signing Authority Form, which shall not be effective until approved and executed by the General Manager or City Manager, as the case may be, and forwarded to the City’s Finance, Administration & Revenue Generation Division for reference.
POLICY # 14 - Standardization

SECTION 4.14

(1) The Procurement Manager shall have the authority to negotiate with the original equipment manufacturers and licensed distributors of approved standardized products.

(2) The Standards and Approved Products Committee shall be responsible to prepare an annual information report to Council outlining the rationale for any Standardization of Goods added to the City’s Approved Products Listing, the number of Goods standardized and any standardized Good resulting in a single source purchase.

(3) Standardization Approval Summary Table

<table>
<thead>
<tr>
<th>Standardization Type</th>
<th>Value ($)</th>
<th>Duration of the Standard</th>
<th>Approval Required</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardization does not result in a single source purchase.</td>
<td>Less than $100,000</td>
<td>Up to one year</td>
<td>Procurement Manager or The Standards and Approved Products Committee*</td>
<td>December 31 of the applicable calendar year.</td>
</tr>
<tr>
<td>Standardization does not result in a single source purchase.</td>
<td>Less than $100,000</td>
<td>Multi-year</td>
<td>Procurement Manager or The Standards and Approved Products Committee*</td>
<td>At the conclusion of the contract term.</td>
</tr>
<tr>
<td>Standardization does not result in a single source purchase.</td>
<td>$100,000 or greater</td>
<td>Any</td>
<td>Council or The Standards and Approved Products Committee*</td>
<td>As approved by Council or The Standards and Approved Products Committee.</td>
</tr>
<tr>
<td>Standard results in a single source purchase.</td>
<td>$10,000 or greater</td>
<td>Any</td>
<td>Council or The Standards and Approved Products Committee*</td>
<td>As approved by Council or The Standards and Approved Products Committee.</td>
</tr>
</tbody>
</table>

*Approvals made by The Standards and Approved Products Committee shall only be within the committee’s mandate as approved by Council.

Procurement Policy for the City of Hamilton

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POLICY # 15 - Participation of Elected City Officials in the Procurement Process

SECTION 4.15

(1) Elected City officials may participate in the procurement process in the narrowly defined circumstances described in this Policy # 23 for those specific procurement projects identified by Council.

(2) Elected City officials may participate as members of a steering committee for significant procurement projects identified by Council.

When Council identifies a significant procurement project for which elected City officials are to participate as members of a steering committee, Council will also address the following issues:

(a) the extent of the elected City officials’ involvement in the procurement process to ensure that they are able to provide input prior to the issuance of the procurement documents and to oversee the procurement process, but not function in a decision-making capacity;

(b) the selection of elected City officials who are able to comply with Policy # 17 - Conflicts of Interest and who do not otherwise have a perceived or actual conflict of interest that would impair their ability to be impartial; and

(c) the number of elected City officials to participate.

(3) Elected City officials may not participate in the procurement process where they are required to be in an evaluation capacity. Their involvement in the approval capacity of the procurement process is limited to what is stipulated in Policy # 2 - Approval Authority.
POLICY # 16 - Disposal of Surplus Goods

SECTION 4.16

(1) A Director of the Client Department shall:

(a) declare a good as surplus to the needs of the City before the good may be disposed of in accordance with this Policy # 16; and

(b) approve the appropriate disposal methods, which are cost effective and in the best interest of the City, for the declared surplus good.

(2) The Procurement Manager, in conjunction with the City’s Director of Financial Services & Corporate Controller, shall have the authority to sell, exchange, or otherwise dispose of goods declared as surplus to the needs of the City by any of the following disposal methods:

(a) by sale to other City departments,

(b) by sale to public or private sector entities; or

(c) by external advertisement, formal request, auction or public sale (where it is deemed appropriate, a reserve price may be established); or

(d) by donation to a non-profit agency; or

(e) by recycling; or

(f) in the event that all efforts to dispose of the goods by sale are unsuccessful, by scrapping or destroying if recycling is unavailable.

(3) No disposition of such good(s) shall be made to employees of the City, members of Council, or their family members unless such good(s) are sold through external advertisement, formal request, auction or public sale and no conflict of interest exists. Prior to any such disposition, the employee shall declare their interest in writing to their General Manager, who will confirm whether any conflict of interest exists. In the case of an elected official, the elected official shall declare their interest in writing to the City Manager. Family members include those defined by the City’s Code of Conduct for Employees Policy, Code of Conduct for Members of Council or such other similar policy currently in force.

(4) The Procurement Manager shall submit an annual report to the General Manager of Finance and Corporate Services summarizing the disposal of all surplus goods pursuant to this Policy # 16.

(5) The value of any declared surplus good cannot be used to offset the value of a procurement when determining the procurement process. For example, any trade-in value or salvage value recoverable from a project cannot be used to offset, reduce or change the value of the procurement for purposes of determining the appropriate procurement process to be followed under the Procurement Policy.

(6) The disposal of artifacts is exempt from the requirements of the Procurement Policy.

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Approved By City Council On: December X, 2013
POLICY # 17 - Conflicts of Interest

SECTION 4.17

(1) Employees of the City shall not have a pecuniary interest, either directly or indirectly, in any City Contract or with any person acting for the City in any Contract for the supply of Goods and/or Services for which the City pays or is liable, directly or indirectly to pay unless such interest has been declared pursuant to the Code of Conduct for Employees Policy, as amended or replaced from time to time, and the employee otherwise complies with such policy.

(2) In addition to complying with the Code of Conduct for Employees Policy as set out under subsection 4.17(1), employees of the City are required to declare any pecuniary interest, either direct or indirect, in writing to their General Manager with a copy to the Procurement Manager indicating the specific nature of the conflict.

(3) Members of Council are required to declare any pecuniary interest direct or indirect, and its general nature, which may result in a conflict of interest pursuant to the Municipal Conflict of Interest Act and the member of Council shall otherwise comply with that Act.

(4) Any Contract with the City may be voided in which a member of Council or any employee of the City has an undeclared direct or indirect pecuniary interest.

(5) All City employees and others participating in the development of the Specifications and/or evaluation for any Request for Tenders, Request for Prequalifications and Request for Proposals will be required to complete and sign a Conflict of Interest Form.
POLICY # 18 - Vendor Complaint Resolution

SECTION 4.18

(1) The City of Hamilton encourages the most open, competitive procurement processes and the objective and equitable treatment of all vendors.

(2) The City, however, recognizes that mistakes and misunderstandings may occur; vendors may feel aggrieved and may seek to dispute the recommendation of an award of a Contract. To maintain the integrity of the process, vendors who believe they have been treated unfairly may take the following steps, prior to the award of the Contract:

(a) Request a meeting with the Procurement Manager within five business days after the earlier of the following dates set out below has occurred:

(i) the date the vendor is notified that its Bid is non-compliant; and

(ii) the date the vendor is notified of the status of all Bids received.

The vendor’s request shall be in writing and shall provide a detailed statement of the grounds of the complaint, including copies of relevant documents, and identify the form of relief requested; and

(b) If no resolution satisfactory to both parties has been achieved, the vendor will have three business days from the date of the meeting with the Procurement Manager to make a formal written request to meet with the General Managers of the Client Department and of Finance and Corporate Services regarding the vendor’s complaint. The General Managers will make the final decision regarding the vendor’s complaint, which decision may be made orally or in writing. If the General Managers’ decision means that the City can proceed with the award of the Contract, then the award may occur at any time after such decision is made.

(3) Where a vendor has been banned from competing for or being awarded any City Contract for a period of one year in accordance with subsection 4.1(7) of Policy # 1 - Policy for Vendor Eligibility:

(a) the vendor may challenge the one year ban to the appropriate standing committee of Council where there are extenuating circumstances respecting why the initialling was not done within one business day of the City’s request; and

(b) the appropriate standing committee will provide to Council a recommendation with respect to the vendor’s complaint.
POLICY # 19 – Non-compliance with the Procurement Policy

SECTION 4.19

(1) Subject to Policy # 2 - Approval Authority, the General Manager of the Client Department in consultation with the Procurement Manager will authorize the use of a Non-Compliance with the Procurement Policy Form which outlines the circumstances behind the non-compliance issue. This process is to be used when there is a violation of the Procurement Policy consisting of one or more of the following:

a) the contracting of a vendor to provide Goods and/or Services, not in accordance with the requirements of the Procurement Policy;

b) the receipt of an invoice by the City from a vendor, for Goods and/or Services previously acquired outside the procurement process required under the Procurement Policy;

c) where it can be proven that the actions of an employee, or employee group results in the requirement to initiate a procurement process pursuant to Policy # 10 – Emergency Procurements or Policy # 11 – Non-competitive Procurements;

d) splitting of purchases contrary to the Procurement Policy requirements;

e) any and all other violations of the Procurement Policy.

(2) Notwithstanding subsection (1) of this Policy # 19, an employee who fails to act in accordance with the provisions of the Procurement Policy, will be subject to appropriate disciplinary action up to and including termination of employment.

The General Manager of the Client Department will review such violations (through the Non-Compliance with the Procurement Policy Form) and shall consult with the Director of Employee & Labour Relations for consideration of any disciplinary action to be taken as appropriate.

(3) The Director of Financial Services & Corporate Controller will be responsible for reporting the use of all Procurement Policy Non-Compliance Forms to Council on a quarterly basis.
POLICY # 20 – Review of the Procurement Policy

SECTION 4.20

(1) The Procurement Manager shall submit to the appropriate standing committee of Council a biennial report recommending any changes to the Procurement Policy to meet the needs and requirements of the City to operate in an efficient and cost effective manner and in accordance with all applicable laws.

(2) All changes to the Procurement Policy require the approval of Council.

(3) Changes to Procurement Procedures and Guidelines require the approval of the City’s Director of Financial Services & Corporate Controller.

(4) On a periodic basis the City’s Internal Auditor will review the Procurement Policy to assess its effectiveness.
POLICY # 21 – Anti-Sweatshop Procurement

SECTION 4.21

(1) The City of Hamilton does not encourage the use of consumer goods or products manufactured, assembled or produced in factories where persons and, in particular, children are used as slave or forced labour or in other exploitive manners which restricts the person’s freedom or impedes the child’s development. The City will consider the supply of consumer goods or products manufactured under such exploitive manners as a negative practice of the vendor.

(2) The City will not knowingly accept consumer goods or products manufactured, assembled or produced in a Sweatshop or under Sweatshop Conditions.

(3) The determination of compliance with this Policy # 21 shall be in the absolute discretion of the Procurement Manager. The Procurement Manager may, but is not obligated to, request further information and documentation from the vendor to confirm compliance; and may base his or her determination on information provided by Canadian or international certification or compliance agencies or groups, workers or labour unions or organizations, manufacturers, consumer groups, international organizations, ILO or United Nations sources and other parties.

(4) If any consumer goods or products supplied under a RFQ/RFP/RFT are determined by the Procurement Manager to be manufactured, assembled or produced in contravention to this Policy # 21 and/or the certificate required hereunder, the City reserves the right, at its absolute discretion, to:

(a) return all the goods to the vendor and require the vendor to replace, within 30 days from the date of notification by the City, the non-compliant goods or products with goods or products, of at least equal value, complying with this Policy # 21 and all other requirements and specifications of the RFQ/RFP/RFT, all at no cost to the City; or

(b) require the vendor, within 30 days from the date of notification by the City, to provide the City with conclusive evidence that the consumer goods or products have not been manufactured, assembled or produced in contravention of this Policy # 21, failing which the City may terminate the Contract without any compensation and without notice to the vendor.

(5) If the City terminates a Contract with a vendor as a result of a breach of this Policy # 21, the City shall cease to be liable to the vendor or to any other person for any unpaid amounts that would otherwise have been payable under the terms of the Contract and shall not be under any obligation to return to the vendor any product supplied by the vendor under the Contract.

(6) Child Labour Produced Goods Unacceptable

The City fully subscribes to the United Nations Convention on the Rights of the Child and, in particular, Article 32 of the Convention that requires that a Child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education,
or to be harmful to the Child's health or physical, mental, spiritual, moral or social development. The City reserves the right to terminate any Contract unconditionally and without liability or compensation whatsoever to the City in the event that consumer goods received from a vendor are discovered to have been manufactured, produced or assembled in a Sweatshop or in non-compliance with the national labour laws and regulations with respect to child employment and/or non-compliance with the United Nations Convention on the Rights of the Child.

(7) A vendor shall certify the following on the Form of Quotation/Form of Proposal/Form of Tender to be included in an RFQ/RFP/RFT, as the case may be:

“We hereby represent and certify the foregoing:

(a) all goods or products supplied under this RFQ/RFT/RFP have not been manufactured, assembled or produced, either wholly or in part, in a Sweatshop, as defined in the City of Hamilton’s Procurement Policy or by child labour;

(b) that any goods or products found to be supplied in contravention of the City’s Anti-Sweatshop Policy will be returned to us, at our cost and at no cost whatsoever to the City, and that the City has the option to have the goods or products replaced by us with product of at least equal value, meeting specifications of the RFQ/RFT/RFP, or the City may terminate the Contract without any compensation whatsoever to us.

We hereby acknowledge that the City has been induced to consider this RFQ/RFT/RFP on the basis of this representation and certification.

We further acknowledge that the City shall have the right to reject our Quotation, Bid, or Proposal, terminate any Contract made, and collect any of its losses or damages arising out of our breach of the City of Hamilton’s Procurement Policy.”

Procurement Policy for the City of Hamilton
Approved By City Council On: December X, 2013
POLICY # 22 – In-House Bid Submissions

SECTION 4.22

(1) In-house Bid submissions will be considered when contemplating a transfer of services from internal services to external services or vice versa.

(2) The General Manager of the Client Department submitting an in-house Bid shall obtain Council approval prior to submitting such a Bid. The Client Department’s report to Council seeking such approval shall include as a minimum:

(a) the members of the in-house Bid submission team;
(b) which costs will be included in the Bid and how costs will be determined; and
(c) the rationale for submitting an in-house Bid.

(3) The RFP or RFT documents to be utilized, as applicable, shall clearly indicate:

(a) an in-house Bid is being considered for the RFP/RFT; and
(b) any advantages that the in-house Bid will have over other bidders by virtue of it being an in-house Bid.

(4) The integrity of the evaluation process will be maintained when evaluating an in-house Bid as follows:

(a) no member of the in-house Bid submission team nor any employee whose employment is affected by the transfer of services shall have any communications with a member of the evaluation team or an elected official concerning the subject RFP or RFT, as the case may be, except in accordance with the communication and any interview provisions contained in the applicable RFP/RFT;

(b) no member of the evaluation team or an elected official shall have any communications with a member of the in-house Bid submission team nor any employee whose employment is affected by the transfer of services, except in accordance with the communication and any interview provisions contained in the applicable RFP/RFT;

(c) no member of the in-house Bid submission team nor any employee whose employment is affected by the transfer of services shall participate in the development of the subject RFP/RFT nor shall such persons have any communications with any person participating in the development of the subject RFP/RFT;

(d) the same rules shall govern the submission of the in-house Bid as will apply to any other bidder, unless expressly provided otherwise in the RFP/RFT document; and

(e) the evaluation of Bids shall be objective and the process shall avoid any unfair bias towards either the in-house or external Bids.
SCHEDULE A – Statement of Ethics for Public Procurement

The following ethical principles should govern the conduct of every City employee delegated with the authority to procure.

- Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant.
- Is governed by the highest ideals on honour and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.

Responsibility to the City:
- Follow the lawful instructions or laws of the employer.
- Understand the authority granted by the employer.
- Avoid activities which would compromise or give the perception of compromising the best interest of the employer.
- Reduce the potential for any chances of preferential treatment by actively promoting the concept of competition.
- Obtain the maximum benefit for funds spent as agents for the City.

Relationship with vendors:
- Maintain and practice, to the highest degree possible, business ethics, professional courtesy and competence in all transactions.
- Purchase without prejudice, striving to obtain the maximum value for each dollar of expenditure.
- Preclude from showing favouritism or be influenced by vendors through the acceptance of gifts, gratuities, loans or favours.
- Adhere to and protect the suppliers business and legal rights to confidentiality for trade secrets, and other proprietary information.

Relationship with the City:
- Remain free of any and all interests and activities, which are or could be detrimental or in conflict with the best interests of the employer.
- Refrain from engaging in activities where a City employee has a significant personal or indirect financial interest.
- Exercise discretionary authority on behalf of the employer.
- Avoid acquiring interest or incurring obligations that could conflict with the interests of the City.

Procurement Policy for the City of Hamilton

Approved By City Council On: December X, 2013
SCHEDULE B – Exemptions

Items listed below are exempt from the requirements of the Procurement Policy, save and except for Policy # 2 - Approval Authority.

(1) **Employer’s General Expenses**
(a) Insurance premiums.
(b) Debt payments.
(c) Purchase of investments. This exemption does not include any ancillary services.
(d) Grants, loans and levies.
(e) Licenses (for example, vehicle, elevators, radios).
(f) Real property payments including land, buildings, leasehold interests, easements, encroachments and licenses, or the like.
(g) Insurance claims, legal settlements and grievance settlements. This exemption does not apply to the procurement for Goods to be replaced.
(h) Adjusting services for the investigation of liability and property claims.
(i) Binding orders, judgments or decisions of an arbitrator, tribunal or court. Given that these payments are mandatory, approval from the General Manager of the Client Department which is funding the payment is required instead of the approvals set out in Policy # 2 – Approval Authority.
(j) Refundable travel expenses.
(k) Temporary staffing agencies and services.
(l) Assessments and tools where positions and/or individuals are assessed for recruitment and selection purposes, including tools and assessments which would assist in the accommodation of individuals.
(m) Payments required by Council approved compassionate programs.
(n) Other City and employee related expenses, such as: memberships in professional organizations (professional dues), staff attendance at seminars, testing or examination fees, workshops, courses, training, trade shows or conferences. This shall not include any training specifically designed for the City.

(2) **Professional Services**
(a) Medical Professional Services.
(b) Experts retained for the purposes of, or in contemplation of, litigation.
(c) Confidential Items (for example Forensic Audits).
(d) Outside Legal Counsel where retained by the City Solicitor or the Director of Employee & Labour Relations.
   An annual report shall be issued to Council by the City Solicitor and by the Director of Employee & Labour Relations detailing outside legal counsel pursuant to (2)(d).
(e) Mediators and Arbitrators.

(3) **Special Services**
(a) Providers of community services (including counselling, individual assessments, training, community support services, licensed child care centres, early years centres, transportation of children identified with special needs or having a therapeutic need to
attend a licensed child care centre, Domiciliary Hostels Program, Long Term Care Facilities nursing, homemakers, funeral services, planned parenthood and prenatal care and education, as part of City-approved programs and projects).

(b) Accommodations provided as part of City-approved programs and projects for the homeless and others living in poverty.

(c) Vouchers provided by Community Services and Public Health Services as part of City-approved programs and projects.

(d) Financial reviews conducted on a contingency basis for the purposes of recovering amounts paid and/or owed, such as tax recovery services.

(e) Public/guest speakers, individuals or ensembles that offer creative content for presentation to others.

(4) Utility Billing

(a) Electricity.

(b) Postal services, postage

(c) Water and Wastewater.

(d) Natural gas.

(e) Communications, for example: voice and data network communications.

(f) The removal, relocation, identification or engineering related to utility infrastructure that exists on road allowances, right of ways and other City properties. This includes sub-surface and above-surface infrastructure.

(g) Railway companies related to removal, relocation, construction supervision (flagging) and maintenance.

(h) The purchase, sale, delivery and storage of Energy Commodities and the consideration of price hedging for Energy Commodities shall be in accordance with the City’s Energy Commodity Policy as amended, repealed or replaced from time to time.

(5) Government Agencies, regulatory bodies, licensing agencies and other public authorities to which the City is required to remit to or pay a fee.

(6) Other

(a) Antiques and artifacts (shops, sales, repairs, but not including restoration).

(b) Acquisition of art.

(c) Publications (including newspapers, periodicals, magazines or books), CDs, DVDs and all copyrighted material.

(d) Maintenance fees for software and computer hardware for information systems previously acquired. This exemption does not apply to new modules nor to new or additional licenses.

(e) Goods for the purpose of retail sales (re-sale) by the City (not including items that bear the City of Hamilton logo or insignia). This exemption does not include food and beverage items.

(f) Media advertising, including trade shows.

(g) Commodity purchases using a commodity price hedging agreement in accordance with the City’s Commodity Price Hedging Policy.
(h) Venues (including food and beverage where off site catering is not permitted) for banquets, meetings, events, receptions and training.

(i) Hosting, sponsorship and/or rights fees for conventions or sports events incurred by Tourism Hamilton Inc.

(j) Admission to tourism attractions and destinations for recreational day camps for children and youth.

(k) Real estate sale transactions.

(l) Alcoholic beverage purchases by the golf courses.

(7) Sponsorships solicited by the City shall be in accordance with the City’s Policy for Commercial Advertising and Sponsorship as amended, repealed or replaced from time to time.
# Boards and Agencies Requiring Advance Payments in 2014

<table>
<thead>
<tr>
<th>Board or Agency</th>
<th>Advance Payment Schedule for 2014</th>
<th>Number of Payments per Year</th>
<th>2013 Approved Annual Budget</th>
<th>2014 Advance Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamilton Conservation Authority</td>
<td>Feb 28 &amp; April 30</td>
<td>4</td>
<td>$3,569,320</td>
<td>$1,784,660</td>
</tr>
<tr>
<td>Niagara Peninsula Conservation Authority</td>
<td>March 17</td>
<td>4</td>
<td>$513,470</td>
<td>$128,368</td>
</tr>
<tr>
<td>Grand River Conservation Authority</td>
<td>April 30</td>
<td>3</td>
<td>$243,110</td>
<td>$81,037</td>
</tr>
<tr>
<td>Halton Region Conservation Authority</td>
<td>April 30</td>
<td>3</td>
<td>$183,700</td>
<td>$61,233</td>
</tr>
<tr>
<td>Royal Botanical Gardens</td>
<td>1st of each month</td>
<td>12</td>
<td>$599,210</td>
<td>$199,737</td>
</tr>
<tr>
<td>Hamilton Beach Rescue Unit</td>
<td>Feb 2</td>
<td>3</td>
<td>$126,810</td>
<td>$10,000</td>
</tr>
<tr>
<td>Art Gallery of Hamilton</td>
<td>1st of each month</td>
<td>12</td>
<td>$910,110</td>
<td>$303,370</td>
</tr>
<tr>
<td>HWCA - Festival of Friends</td>
<td>1st of each month</td>
<td>12</td>
<td>$85,270</td>
<td>$28,423</td>
</tr>
<tr>
<td>Hamilton Philharmonic Orchestra</td>
<td>1st of each month</td>
<td>12</td>
<td>$113,700</td>
<td>$37,900</td>
</tr>
<tr>
<td>Opera Hamilton</td>
<td>1st of each month</td>
<td>12</td>
<td>$126,930</td>
<td>$42,310</td>
</tr>
<tr>
<td>Westfield Village</td>
<td>Feb 28 &amp; April 30</td>
<td>4</td>
<td>$546,560</td>
<td>$273,280</td>
</tr>
</tbody>
</table>

**TOTAL**                                                                                      | $7,018,190       | $2,950,318                |

**NOTES:**

1. Assumed that the 2014 budget is approved by April 30, 2014. The proposed pro rata payments are based on the gross amounts of grants approved in 2013.

2. Payments to Royal Botanical Gardens is based on the approved funding formula with the Region of Halton.

3. Historically, Hamilton Beach Rescue Unit has requested an ad hoc advance payment of $10,000 in February.

4. The proposed payments for Westfield Village are made to the Hamilton Conservation Authority.
December 12, 2013

The Honourable Charles Sousa
Minister of Finance
7 Queen’s Park Crescent
7th Floor
Toronto, ON M7A 1Y7

Dear Minister Sousa:

Re: Request by the City of Hamilton to include the City’s Closed “Hamilton Street Railway Pension Plan (1994)” as an exempt plan under Section 47(1) of General Regulation R.R.O 1990, Regulation 909 Retroactive to January 1, 2009

The purpose of this letter is to request your assistance in obtaining the necessary amendment to Section 47(1) of Regulation 909 of R.R.O. 1990, pursuant to the Pension Benefits Act, R.S.O 1990 c.P. 8 Section 115(1)(x) to add the City’s closed Hamilton Street Railway Pension Plan (1994) to the List. Section 47(1) of Regulation 909 under the Pension Benefits Act exempts a number of public defined-benefit pension plans from certain reporting requirements under Section 18(7) of Regulation 909, certain winding up responsibilities under Section 30 of the Regulation and the payment of annual assessments to the Provincial Pension Benefits Guarantee Fund under Section 37 of the Regulation.

You will see that the Plans listed in Section 47(1) are plans that are in essence publicly guaranteed by the municipalities concerned. Indeed, the City already has two other closed Plans exempted; being the Corporation of the City of Hamilton Municipal Retirement Fund and the Hamilton-Wentworth Retirement Fund. The reason for requesting the City’s Hamilton Street Railway Pension Plan (1994) to be exempt is as a result of a recently-completed “Class Action Proceeding” in the courts. That Court Action resulted in the closed Hamilton Street Railway Pension Plan, retroactive to January 1, 2009, becoming administered by the City and the City designated as the Plan Administrator and an employer of that plan. That essentially put the City in the position of the guarantor as the City is for the other two; i.e. the Corporation of the City of Hamilton Municipal Retirement Fund and the Hamilton-Wentworth Retirement Fund.

Prior to 2009, the Hamilton Street Railway Pension Plan was independent of the City, but now is the responsibility of the City.

In addition to seeking the necessary amending Regulation, pursuant to Section 115(1)(x) to exempt the Plan going forward, and requesting the exemption be made
retroactive to the January 1, 2009 date, the City is also requesting that a retroactive payment be made to the City in the amount of $657,584.00 for the assessments paid to the Pension Benefits Guarantee Fund for 2009, 2010, 2011, 2012 and 2013, as per the Chart below:

<table>
<thead>
<tr>
<th>Assessment Year</th>
<th>Year Paid</th>
<th>PBGF Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2009</td>
<td>$119,340.00</td>
</tr>
<tr>
<td>2009</td>
<td>2010</td>
<td>$117,396.00</td>
</tr>
<tr>
<td>2010</td>
<td>2011</td>
<td>$116,640.00</td>
</tr>
<tr>
<td>2011</td>
<td>2012</td>
<td>$152,131.24</td>
</tr>
<tr>
<td>2012</td>
<td>2013</td>
<td>$152,077.24</td>
</tr>
</tbody>
</table>

The reason for the request for the return of the assessments to the City back to 2009 is that the assessments were, in essence, a duplication of the public responsibility for guaranteeing the benefits under that defined-benefit pension plan, which “fell to the City” as of January 1 2009.

City Council on December 11, 2013 authorized this request to you and the City would be grateful if this request could be accommodated in terms of the exemption being made retroactive for the years 2009-2013 and then onward and as well there be a payment for the years 2009 through 2013 as per the Chart above.

Attached is a copy of the Restated Plan Text showing the City as the Administrator and employer of the Plan and its retroactivity to January 1, 2009. If you require any further information, the City would be happy to provide that to you so that the necessary Regulation could be processed.

Yours very truly,

_______________________________________
R. Bratina
Mayor

_______________________________________
Mike Zegarac, Acting General Manager/Treasurer
Finance & Corporate Services

Attachment: Restated Plan Text
AUDIT

The Corporation of the City of Hamilton

Audit Planning Report
For the year ending December 31, 2013

KPMG LLP
Licensed Public Accountants

December 9, 2013

kpmg.ca
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  Work performed on components of the group entity (subsidiaries, joint ventures,
  divisions, equity method investees) ........................................................................ 4
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This Audit Planning Report should not be used for any other purpose or by anyone other than the
Audit, Finance and Administration Committee. KPMG shall have no responsibility or liability for loss
or damages or claims, if any, to or by any third party as this Audit Planning Report has not been
prepared for, and is not intended for, and should not be used by, any third party or for any other
purpose.

For KPMG’s audit committee resources,
please visit kpmg.ca/auditcommittee
Considerations in developing our Audit Plan

We have prepared this Audit Plan to inform you of the planned scope and timing of the audit for the purpose of carrying out and discharging your responsibilities and exercising oversight over our audit of the consolidated financial statements.

We have set out below a summary of changes that have been taken into consideration in planning the audit for the current period:

**Your organization**
- There were no specific changes to the operations of the Corporation of the City of Hamilton (the “City”) that would have a significant impact that have been brought to our attention.

**Accounting standards**
- The following previously discussed standards become effective this year:
  - **PS3410 Government transfers**
    - Transferring governments recognize an expense when the transfer has been authorized and all eligibility criteria have been met by the recipient.
    - Recipient governments recognize revenue when the transfer is authorized and all eligibility criteria have been met, except when a transfer gives rise to a liability.
    - This standard could affect the timing of revenue recognition for certain government transfers.
  - **PS3510 Taxation revenue**
    - Taxation revenue is to be recorded by the government that imposes the tax, except in a purely flow through arrangement.
    - This standard is not expected to impact the City.
- Upcoming changes with effective dates ranging from December 31, 2014 to December 31, 2016 include Financial Instruments, Foreign Currency Translation and Liability for Contaminated Sites.
- Refer to the Appendices for further discussion on this matter.

**Auditing and other professional standards**
- No significant changes with respect to auditing standards have occurred that will impact the 2013 audit plan.
Our timetable

To assist with your responsibilities as an Audit, Finance and Administration Committee member, we have planned the following interactions with you during the regular and in-camera sessions of your committee meetings:

<table>
<thead>
<tr>
<th>Audit, Finance and Administration Committee Interactions</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present the Audit Planning Report and obtain comments</td>
<td>December 9, 2013</td>
</tr>
<tr>
<td>Make annual inquiries of the Audit, Finance and Administration Committee (see below)</td>
<td>December 9, 2013</td>
</tr>
<tr>
<td>Present our year-end Audit Findings Report, including independence communications</td>
<td>June 2014</td>
</tr>
<tr>
<td>Provide audit opinion on the consolidated financial statements</td>
<td>June 2014</td>
</tr>
</tbody>
</table>

Refer to the Appendices for KPMG’s and management’s responsibilities.

**Annual inquiries of the Audit, Finance and Administration Committee**

Professional standards require that during the planning of our audit we obtain your views on the risk of fraud. We make similar inquiries to management as part of our planning process; responses to these questions will assist us in planning our overall audit strategy and audit approach accordingly.

- Are you aware of, or have you identified any instances of, actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- What are your views about fraud risks in the entity?
- How do you provide effective oversight of programs and controls to prevent, detect and deter fraud, including oversight over internal controls management has established to mitigate fraud risks?
- Is the audit, finance, and administration committee aware of tips or complaints regarding the entity’s financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what are the responses to such tips and complaints?
Areas of audit emphasis

We design an overall audit strategy and an audit approach to address the significant risks identified during the planning process.

Materiality

We determine materiality in order to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The determination of materiality requires judgment and is based on a combination of quantitative and qualitative assessments, including the nature of account balances and financial statement disclosures.

We determine performance materiality (from materiality) in order to assess risks of material misstatement and to determine the nature, timing and extent of audit procedures.

We determine an audit misstatement posting threshold (from materiality) in order to accumulate misstatements identified during the audit.

For the current period, the following amounts have been determined:

<table>
<thead>
<tr>
<th>City Materiality</th>
<th>City Performance Materiality</th>
<th>City Audit Misstatement Posting Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36,000,000</td>
<td>$27,000,000, which has been set at 75% of materiality</td>
<td>$1,350,000, which has been set at 5% of materiality</td>
</tr>
</tbody>
</table>

We will reassess materiality based on year-end results or new information to confirm whether it remains appropriate for evaluating the effects of uncorrected misstatements on the financial statements.

Identification of significant risks

As part of our audit planning, we identify the significant financial reporting risks that, by their nature, require special audit consideration. By focusing on these risks, we establish an overall audit strategy and effectively target our audit procedures.

No significant financial reporting risks have been identified during our audit planning. Our audit work will continue to focus on the following significant accounts and disclosures:

- Portfolio investments and related income
- Tangible capital assets
- Taxation revenue
- User charges revenue
- Government grants and contributions
- Expenditures and payables
- Employee future benefits (pension obligation; retirement benefits; long-term disability; sick leave and WSIB)
- Solid waste landfill liabilities
Risk of management override of controls

Although the level of risk of management override of controls will vary from entity to entity, professional standards presume the risk of management override of controls is nevertheless present in all entities and requires the performance of specific procedures to address this presumed risk.

<table>
<thead>
<tr>
<th>Identified risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presumed risk of management override of control – Risk of fraud</td>
</tr>
<tr>
<td>Significant risk: Required to be identified as a significant risk per professional standards</td>
</tr>
</tbody>
</table>

Summary of planned audit approach

We plan on performing the required procedures under professional standards, which include testing journal entries and performing a retrospective review of estimates.

Work performed on components of the group entity (subsidiaries, joint ventures, divisions, equity method investees)

Professional standards require that we obtain an understanding of the Corporation of the City of Hamilton’s organizational structure, including its components and their environments, that is sufficient to identify those components that are financially significant or that contain specific risks that must be addressed during our audit. Where component auditors will perform work on the financial information of such components, we are required to evaluate the extent to which we, as group auditors, will be involved in the work of those component auditors to the extent necessary to obtain sufficient appropriate audit evidence for our group audit opinion.

The components upon which we will plan to perform audit procedures are listed below:

Significant components

<table>
<thead>
<tr>
<th>Identification of significant component</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hamilton Utilities Corporation</td>
</tr>
</tbody>
</table>

Involvement of KPMG member firms/other auditors ("component auditor")

Group auditor; KPMG is the component auditor.

Type of work to be performed on component financial information / Planned role and responsibilities

Statutory audit of component financial statements
Other components

<table>
<thead>
<tr>
<th>Identification of other component</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Hamilton Public Library Board</td>
</tr>
<tr>
<td>• City Housing Hamilton Corporation</td>
</tr>
<tr>
<td>• Hamilton Business Improvement Areas</td>
</tr>
</tbody>
</table>

Involvement of KPMG member firms/other auditors ("component auditor")

<table>
<thead>
<tr>
<th>Group auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of work to be performed on component information / Planned role and responsibilities</td>
</tr>
<tr>
<td>Statutory audit of component financial statements</td>
</tr>
</tbody>
</table>

Use of the work of others

Our planned audit approach includes the use of the following:

• Use of management’s expert – Actuary
Fees and timing

Fees and assumptions

In determining the fees for our services, we have considered the nature, extent and timing of our planned audit procedures as described above. Our fees are based upon our most recent proposal.

Timing of the audit

We have discussed the key audit deliverables with management and the expected dates indicated below have been agreed upon:

<table>
<thead>
<tr>
<th>Key deliverables and expected dates</th>
<th>Expected dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct interim audit field work</td>
<td>October 21 to November 1, 2013</td>
</tr>
<tr>
<td>Conduct year-end audit field work</td>
<td>March 24 to April 25, 2014</td>
</tr>
<tr>
<td>Provide audit opinion on financial statements</td>
<td>June 2014</td>
</tr>
</tbody>
</table>
Recommended improvements

During the course of our audit, we may become aware of opportunities for improvements in financial or operational processes or controls. We will discuss any such opportunities with management and provide our recommendations for performance improvement. We will also include a synopsis of these issues and our recommendations in our discussions with you at the completion of the audit.
Appendices

KPMG's Audit Quality Framework
KPMG’s Audit Quality Framework

Audit quality, and the respective roles of the auditor and audit committee, is fundamental to the integrity of financial reporting in our capital markets.

This is why audit quality is at the core of everything we do at KPMG. And we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To help ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

The framework comprises seven key drivers of audit quality.

The seven key drivers of audit quality

<table>
<thead>
<tr>
<th>Driver</th>
<th>What it does</th>
<th>What it means to you</th>
</tr>
</thead>
</table>
| Tone at the top | Audit quality is part of our culture and our values and therefore non-negotiable | Assures you that:  
- Our culture supports our promise to you of excellent service and a high quality audit—consistently  
- You’re receiving an independent, transparent, audit opinion  
- You’re receiving an effective and high quality audit that will help you maintain investor confidence in your financial statements. |
| Association with the right entities | Ethics above all | Provides you with:  
- An engagement team handpicked for your business needs – a team with relevant professional and industry experience  
- An audit engagement team whose qualifications evolve as your business grows and changes  
- An audit opinion that continues to meet your needs as a participant in the |
<table>
<thead>
<tr>
<th>Driver</th>
<th>What it does</th>
<th>What it means to you</th>
</tr>
</thead>
<tbody>
<tr>
<td>excellence and quality service delivery</td>
<td>Promotes technical excellence and quality service delivery through training and accreditation, developing business understanding and industry knowledge, investment in technical support, development of specialist networks, and effective consultation processes.</td>
<td>Assists you with:&lt;br&gt;- Assessing the effectiveness and efficiency of the audit&lt;br&gt;- Performing your governance role with confidence.</td>
</tr>
<tr>
<td>Performance of effective audits</td>
<td><strong>We understand that how an audit is conducted is as important as the final result.</strong>&lt;br&gt;A code of conduct, audit delivery tools, and internal policies and procedures that help ensure the work performed by engagement personnel meets applicable professional standards, regulatory requirements, and our standards of quality.</td>
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<tr>
<td>Commitment to continuous improvement</td>
<td><strong>Comprehensive and effective monitoring</strong>&lt;br&gt;We regularly solicit feedback from the audit committees of the entities we audit. Our robust internal quality review program ensures the work of each partner is reviewed every three years. Additionally, our procedures and a sample of our audits of listed entities are reviewed by the Canadian Public Accountability Board (CPAB), the independent regulator of the accountancy profession in Canada. The Public Company Accounting Oversight Board (PCAOB) in the US also conducts an annual inspection of a sample of our audits of SEC registrants. Finally, a sample of other audits and reviews is undertaken annually by the various provincial institutes in Canada. We consider the recommendations that come from these reviews and implement actions to strengthen our policies and procedures, as appropriate.</td>
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</table>
The regulatory landscape is changing

Uncertain economic forecasts and a changing regulatory environment define today’s world; reliable financial information and high-quality audits have never been more essential.

We believe that high quality audits contribute directly to market confidence and we share your objectives of credible and transparent financial reporting.

Our Audit Quality Framework is particularly relevant to Audit Committees, and we see our role in being transparent to you as a key mechanism to support you in the execution of your responsibilities.

Our commitment to quality

The independence, judgment and professional skepticism of your auditors add value to your financial statements, and we believe it is important to be transparent about the processes we follow to develop a KPMG audit report. We want you to have absolute confidence in us and in the quality of your audit.

Our own professional standards dictate technical requirements for reaching and communicating an audit opinion. And we live and abide by these requirements. We invest heavily in our quality, and the Audit Quality Framework helps ensure these investments are the right ones—that they help us continuously drive and maximize our quality improvements. But we feel it is also important that we communicate to you how we view and implement audit quality. The seven key drivers outlined here, combined with the commitment of each individual in KPMG, are meant to do just that.

KPMG member firms across the world use this audit quality framework to describe, focus on and enhance audit quality for the benefit of the entities we audit and in support of the efficacy of our capital markets.

It is our hope that sharing our vision of what audit quality means is a significant step in building confidence in the value of our audits.

Audit quality is fundamental to the way we work.
INTRODUCTION

Vendors who conduct business with the City and negotiate transactions in Canadian dollars have the option of being paid by cheque or electronic funds transfer (EFT). Vendors who carry out transactions in US dollars are paid by cheque only. The PeopleSoft Finance System is used to capture the majority of vendor invoices and issue related cheque and EFT payments.

The following chart was compiled from the PeopleSoft Finance System and summarizes the number and value of Canadian and US dollar cheque and EFT payments from January 1 – December 31, 2012 and January 1 – September 30, 2013 (excluding CityHousing Hamilton, Ontario Works, HECFI and long term care homes).

<table>
<thead>
<tr>
<th>Payment Type</th>
<th>Canadian</th>
<th>American (US)</th>
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<tr>
<td></td>
<td>2012</td>
<td>2013 (Jan-Sept)</td>
</tr>
<tr>
<td>Cheques</td>
<td>$587 million</td>
<td>$400 million</td>
</tr>
<tr>
<td></td>
<td>38,869</td>
<td>27,541</td>
</tr>
<tr>
<td>EFTs</td>
<td>$524 million</td>
<td>$364 million</td>
</tr>
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<td></td>
<td>22,881</td>
<td>17,360</td>
</tr>
<tr>
<td>Total</td>
<td>$1,111 million</td>
<td>$764 million</td>
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<td>61,750</td>
<td>44,901</td>
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In the 2012 calendar year, the City distributed 61,750 payments amounting to more than $1.1 billion Canadian. Approximately 63% of these payments were dispersed using cheques. Due to the manual processes associated with cheque payments, it is reasonable to assume that it costs the City more to issue a cheque as compared to an EFT payment. Cost savings may be realized if more payments were made using EFTs rather than cheques.

AUDIT OBJECTIVES AND SCOPE

The purpose of this audit was to calculate how much it costs the City to prepare, distribute and account for a cheque and an EFT payment, analyze a cheque listing to identify opportunities where it may be more efficient to issue EFT payments and calculate the related cost savings.

The audit included all Canadian cheques issued from the PeopleSoft Finance System for the payment period from January 1 – September 30, 2013. All operational areas, except CityHousing Hamilton, Ontario Works and HECFI, were included in the analysis.
A cheque may be accompanied by a payment advice which lists all vendor invoices paid by the one cheque. Printing costs are incurred to generate these payment advices. In addition, cheques with payment advices are folded and stuffed into envelopes by City mail staff rather than the City’s contracted service provider. Staff do not track the number of payment advices generated nor is this information readily available from the PeopleSoft Finance System. As a result, the costs associated with payment advices have been excluded from the calculated cost per cheque. They would further increase the difference in the cost of payments made by cheque and those made by EFT.

Cheques assigned a special handling code are picked up or sent back to their respective operational areas before being distributed to vendors. Departments use their discretion as to whether these cheques are couriered, hand delivered, mailed or accompanied and paid at the bank. Employee labour costs and/or courier fees incurred to distribute special handling cheques are absorbed by the department. Due to the varied treatment of special handling cheques across the City, these costs cannot be reasonably estimated and have also been excluded from the calculated cost per cheque. They would further increase the difference in the cost of payments made by cheque and those made by EFT.

**METHODOLOGY**

The work performed by Audit Services involved:

A. **Documenting cheque and EFT payment processes** based on employee interviews and observations. Process descriptions include main activities such as initiating the payment cycle, preparing and disbursing payments, resolving exceptions, reconciling bank activity and reissuing payments, where necessary.

B. **Identifying and quantifying costs associated with cheque and EFT payment processes** by examining documentary evidence, observing processes and corroborating statements with other employees (where possible).

C. **Calculating the cost per cheque and per EFT payment.**

D. **Generating a list of cheques issued** from the PeopleSoft Finance System for the sample payment period from January 1 – September 30, 2013.

E. **Creating and analyzing the following data sets from the information collected in step D. above to identify opportunities where it may be more efficient and economical to issue EFT payments:**

   - **Number of cheques issued by payment amount** – quantifies how many cheques were issued for low and high value payment amounts;

   - **Number of vendors by number of cheque payments** – quantifies how many vendors received low and high volumes of cheque payments;
• **Cheques to vendors with corporate contracts** – quantifies how many vendors on the corporate contract list received a cheque payment; and

• **Cheques with special handling** – quantifies the number of cheques issued using a special handling code.

Audit Services conducted this audit in conformity with the *International Standards for the Professional Practice of Internal Auditing*. Those standards require that Audit Services plan and perform the audit to obtain sufficient, appropriate evidence to support the findings and conclusions based on the audit objectives. Audit Services believes that the work performed provides a reasonable basis for the audit findings and conclusions.

**FINDINGS**

It costs the City $1.41 per cheque and $0.55 per EFT to disburse payments to vendors. Savings of $0.86 per payment may be achieved by replacing a cheque with an EFT.

Cost savings realized through the adoption of more EFT payments will not be significant. If all 27,541 cheque payments from January 1 – September 30, 2013 were replaced with EFTs, maximum cost savings would amount to approximately $23,685. However, it is not reasonable to assume that all cheque payments can be eliminated. Circumstances exist where vendors do not accept EFTs or departments require a cheque to generate physical documentation that a vendor received payment. As a result, actual costs savings may be much less than the $23,685 maximum calculated above.

Although significant cost savings are not likely, the City should strive to reduce the number of cheque payments in order to achieve efficiencies in the following areas:

• **Timing** – Vendors may receive a City cheque 3–6 days after the cheque is printed as compared to 1–2 days for an EFT. More timely payments may improve vendor satisfaction, reduce late fees, increase vendor discounts and decrease the number of payment inquiries posed to Accounts Payable by vendors and operating departments.

• **Cash flow** – EFTs enable predictable cash flow as funds are taken out of the City’s bank account immediately. It is more difficult to determine when a cheque will clear the bank as the City cannot control the vendor’s actions upon receiving the cheque.

• **Fraud** – Cheque fraud is a common form of financial crime where individuals alter or duplicate printed cheques with the intent of misappropriating funds from the City. Despite preventive controls that are in place, the risk of cheque fraud still exists. Decreasing the number of cheques generated by the City may further reduce the risk of such fraudulent activity.

Based on analyses of cheques distributed to vendors from January 1 – September 30, 2013, Audit Services identified the following areas where opportunities may exist to achieve efficiencies in the City’s payment process:
• Low value cheques – Fifteen cheques were written for amounts less than $1.41, the cost to write a cheque. An additional 121 cheques were written for amounts between $1.42 and $10.00. It is not cost efficient to write low dollar-value cheques. Functionality exists in the PeopleSoft Finance System to set a minimum payment amount. Invoices falling below this minimum are held, grouped and paid once the accumulated amount surpasses the minimum payment threshold.

• High value cheques – Eighty-one cheques were written to ten vendors for individual amounts greater than $1 million. Eleven of these cheques were mailed to vendors using normal postal service. Sending such large-value cheques through the mail presents a significant risk due to the possibility of cheque fraud or cheque loss.

• Low cheque volumes – Single cheque payments were made to 5,010 vendors. The use of corporate procurement cards (Pcards) is a more efficient method to pay single one-time vendors and more Pcard use would increase the City's annual rebate. Although management agrees with Audit Services that Pcards are a viable payment option, the amount of Pcard use has declined steadily over recent years.

• High cheque volumes – Nine vendors received more than 100 cheques payments each from January 1 – September 30, 2013. It is more efficient and timely for vendors who receive a large volume of cheque payments to be paid via EFT.

Audit Services identified three vendors who received 676 cheques payments in total for insurance claim adjustment and collision repair services. The department manually enters payment details from the cheque into a claims tracking system in Risk Management. Although divisional management agrees that these vendors may and should be paid by EFT, testing is needed to ensure payment information downloaded from PeopleSoft into the claims tracking system is accurate before cheque payments can be eliminated.

• Corporate contract payments – Vendors with a corporate contract are paid by EFT unless the vendor receives a single lump sum or the City cannot release the EFT payment. Audit Services identified 38 vendors from the corporate contract listing who received at least one cheque payment from January 1 – September 30, 2013. Eleven vendors received cheques despite having EFT banking information entered into PeopleSoft. The following reasons were provided by management that may explain why these vendors were not paid by EFT:
  - The Accounts Payable Clerk entering an invoice into PeopleSoft has the ability to override the payment method to cheque if requested by the operating department;
  - Banking information may not have been carried over to new address locations set up in the vendor's profile; and
  - Banking information is not always obtained for new vendors in a timely manner before the first invoice is received and payment is due.
Special handling cheques – 6,471 cheque payments disbursed from January 1 – September 30, 2013 involved special handling. The majority of special handling requests came from Dental Services, Risk Management, Payroll and Finance and Councillors’ Offices. Additional costs related to employee labour and/or courier fees are incurred by departments to handle, deliver and/or accompany such cheques to the bank. Although special handling costs could not be quantified, efforts should be made to reduce the number of special handling cheques in order to reduce added costs incurred at the department level. Fewer special handling requests may also contribute to timelier vendor payments and reduce the risk that cheques are mishandled or lost.

RECOMMENDATIONS

The implementation of the following five recommendations may result in opportunities to make City payment processes more efficient by reducing costs, making timelier payments, controlling cash flow and reducing the risk of cheque fraud.

1. That Accounts Payable set a minimum payment threshold in the PeopleSoft Finance System to reduce the quantity of low dollar value cheques. This payment process change should be communicated to vendors.

   Management Action Plan:
   Agreed. A communication to vendors regarding the new Accounts Payable process of receiving invoices is scheduled for Q2 – 2014. This communication will incorporate a message regarding the minimum payments threshold.

2. That Accounts Payable contact vendors who received individual cheques greater than $1 million or more than 100 cheque payments each in the audit period selected in order to investigate whether EFTs or other forms of electronic payments are available in lieu of cheques.

   Management Action Plan:
   Agreed. Vendors are currently being contacted.

3. That Accounts Payable develop a strategy to encourage use of corporate procurement cards to reduce the quantity of vendors with single cheque payments.

   Management Action Plan:
   Agreed. A project to enhance the Pcard program will be undertaken in Q4 – 2014.

4. That Accounts Payable develop a process with Procurement to proactively obtain EFT banking information for vendors who sign a corporate contract on a go-forward basis. Accounts Payable should obtain EFT banking information for existing corporate contract vendors who receive cheque payments and ensure this data is correctly entered in the PeopleSoft Finance System.

   Management Action Plan:
   Agreed. Discussion has taken place and additional meetings will take place in order to develop a process by Q1 – 2014.
5. That Accounts Payable approach departmental management in areas with high special handling requests to understand issues driving special handling and help develop amicable solutions to reduce the number of special handling cheques.

   Management Action Plan:
   Agreed. Discussions will be held in Q1 – 2014 during the implementation of the Accounts Payable Automated Workflow with the goal of reducing special handling.

Audit Services’ findings were based on extracting and analyzing cheque data available from the PeopleSoft Finance System. Analyses were focused on low and high value cheques, low and high cheque volumes, corporate contract payments and special handling cheques in order to identify areas where vendor payment distribution efficiencies could be realized.

6. That Accounts Payable analyze cheque population data on an annual basis to proactively identify opportunities to work with departments and vendors to streamline the City’s payment processes.

   Management Action Plan:
   Agreed. This task will be included in the Accounts Payable year end schedule.

CONCLUSION

It costs the City $1.41 and $0.55 to issue a cheque and EFT payment, respectively. Savings of $0.86 per payment may be achieved by replacing a cheque with an EFT. Audit Services identified a number of opportunities to reduce the number of cheque payments and realize efficiencies within the City’s payment process. Additional investigations and actions are required by Accounts Payable and departments/divisions before the merits of these opportunities can be measured.
### ATTENDANCE MANAGEMENT

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<th>OBSERVATIONS OF EXISTING SYSTEM</th>
<th>RECOMMENDATION FOR STRENGTHENING SYSTEM</th>
<th>MANAGEMENT ACTION PLAN</th>
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<tbody>
<tr>
<td>1.</td>
<td><strong>Attendance Management</strong></td>
<td>That Transit management focus on the attendance management process and utilize all available tools in the Attendance Support Program to try to reduce the average number of sick/STD days for Transit Operators down to the corporate-wide target and to manage the usage of Emergency Leave days.</td>
<td>Agreed. Transit currently utilizes all aspects of the ASP program, with zero meetings outstanding each month. In addition, all players meetings are held for those employees who reach level 4 in the program. The meetings are attended by the Director, Union Executive, Labour Relations and Return to Work. The nature of the work, Bus Operator, makes it difficult to return employees quickly as the safety of the employee as well as the public must be ensured.</td>
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Two factors that influence the amount of overtime costs incurred is sick/short term disability (STD) absences and Emergency Leave days.

Transit Operators took an average of 12.59 sick days (based on a 7-hour day) in 2012. Additionally in 2012, Transit Operators took an average of 2.07 Emergency Leave days.

The corporate-wide reduction target of average sick days per employee is 9.47 sick days (based on a 7-hour day).

If Transit Operator sick days were brought down to the corporate-wide target, the potential savings to the organization would be approximately $255,000 from lost productivity and a range of approximately $320,000 to $380,000 in additional staffing costs (including overtime).

These figures would be higher if Emergency Leave days were also considered as part of the calculations.
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<tbody>
<tr>
<td>2.</td>
<td>No Management Review of Operator Payroll</td>
<td>That a procedure documenting the Transit Operators’ payroll calculations be written, approved and implemented to ensure the consistency of this process and of the documentation that is maintained.</td>
<td>Agreed. Documentation of the payroll calculations is underway and is expected to be complete by March 2014.</td>
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<td>Payroll for Transit Operators is prepared by Transit Payroll Clerks. No management review occurs to verify the integrity and reasonability of the payroll data prior to its submission for processing to Corporate Payroll. There are no written business procedures for the processing of payroll for Transit Operators.</td>
<td>That, once the payroll process has been reviewed and updated, management develop and implement a management review process for the Transit Operators' payroll.</td>
<td>Agreed. Management review process will be documented and implemented by January 2014.</td>
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<td></td>
<td>The current process for preparing the Transit Operators payroll contains a high volume of manual overtime calculations with an insufficient amount of supporting documentation retained to support these amounts.</td>
<td>That management review the underlying programming/configuration in Trapeze (Transit computer application) and automate as many payroll calculations as possible to reduce the volume of manual calculations that are performed by Transit Payroll Clerks.</td>
<td>Agreed. Programming changes are currently underway, with the majority being implemented November 2013. Further changes will be implemented by mid-December 2013.</td>
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<td>This process has the potential for errors to occur and go undetected due to the insufficient supporting documentation and the complexity of the heavily manual process.</td>
<td>That sufficient supporting documentation be maintained to support manual payroll calculations.</td>
<td>Agreed. Items that remain outstanding from above will be documented by November 2013.</td>
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<td>The current state of payroll documentation that is maintained would not currently permit effective management review to occur even if such a review was already taking place.</td>
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# OBSERVATIONS OF EXISTING SYSTEM | RECOMMENDATION FOR STRENGTHENING SYSTEM | MANAGEMENT ACTION PLAN
---|---|---
3. Assignment of work (including overtime) to Operators by Transit management has been the subject of several grievances. | That management digitize and/or automate the documentation of the work assignment process, either in a spreadsheet or in Trapeze. | Agreed. A process that will allow for work assignments to be consistently documented is being developed. To be completed by January 2014. |
| | That management revise the documentation maintained for filling unplanned absences (which contribute to overtime) so that the rationale for such management decisions is clearly evident. | Agreed. Documentation to be completed by January 2014. |
### OBSERVATIONS OF EXISTING SYSTEM

4. **Business Procedures**

There are no written business procedures for workflows related to Transit overtime.

Without defined guidelines, workflows, goals and expectations, it is difficult for management to effectively evaluate Payroll and Dispatch staff performance.

If there is staff turnover, new staff does not have consistent, written procedures for reference. Training time can take longer than necessary due to the lack of such information.

By not documenting business procedures, management is choosing not to emphasize internal controls in writing. Staff are not aware of existing controls and how they relate to their job duties. Management needs to stress the importance of internal controls and their execution to staff.

### RECOMMENDATION FOR STRENGTHENING SYSTEM

That management develop, approve and implement business procedures for workflows related to Transit overtime costs. These documents should be reviewed on a regular basis (annually) and be revised, as required.

Key areas that need to be addressed include:

- Payroll calculation and processing, including overtime costs;
- Schedule optimization;
- Assignment of work by Dispatch for unplanned absences to minimize overtime costs; and
- Shift trades and their potential impact on overtime.

### MANAGEMENT ACTION PLAN

Agreed. Documentation will be completed for all areas mentioned. As part of the documentation the review period will be incorporated.

<table>
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<th>To be completed by:</th>
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<tr>
<td>March 2014</td>
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<td>June 2014</td>
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<td>January 2014</td>
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<td>December 2014</td>
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| 5. | Operator Hours Worked Reported to Corporate Payroll  
   The current method of reporting Operator hours and earnings does not reflect the actual type of hours that were worked. This information is also reported inconsistently in the Budget Variance Reports that are prepared.  
   There is no direct financial impact to the organization from this current reporting method. However, the number of regular hours worked and regular earnings is overstated and the number of overtime hours worked and overtime earnings are understated. This can have an impact on Employment Insurance (EI) and Canada Pension Plan (CPP) earnings. | That the actual regular hours and overtime hours worked by Transit Operators be reported to Corporate Payroll. | Agreed. Software changes that will report hours in the corporate format are in the process of being developed. To be completed November 2013. |
| 6. | Tracking Overtime Usage  
   Overtime usage is not specifically tracked by the Workforce Planning/Dispatch team at Transit. Overtime costs are not considered on a daily basis when unplanned absences are being filled. This information is important to collect because not all unplanned absences trigger overtime costs due to the fact that spare operators are included in the daily workforce planning schedule and should be effectively utilized. | That the forms maintained by Workforce Planning/Dispatch be revised to include information as to whether or not an absence triggers overtime costs.  
   That analysis of information such as spare operator utilization vs. overtime incurred be performed on a quarterly basis in order to determine any root causes of overtime costs that can be controlled by management. | Agreed. New assignment lists which show who is working unplanned overtime have already been created. This information is now available daily.  
   Agreed. Staff will work with the software provider to develop the necessary reports. June 2014. |
### Observations of Existing System

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<tr>
<th>#</th>
<th>Observations of Existing System</th>
<th>Recommendation for Strengthening System</th>
<th>Management Action Plan</th>
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</table>
| 7. | Documentation of Shift Trades  
Shift trades (also known as “Switch and Trades”) occur when an Operator requests to trade a shift with another Operator. A form is completed and submitted to the Superintendent of Workforce Planning for approval.  
Shift trades are not recorded in Trapeze to accurately reflect the actual shift and hours that employees worked. The implication is that the total hours worked in a week is not necessarily accurate and an employee could actually be working greater than 60 hours per week. This has potential compliance implications with the Employment Standards Act (ESA). | That the actual shifts worked by employees be recorded in Trapeze. | Agreed. Staff will work with the software provider to determine a method for recording shift trades. Completion is expected by June 2014. |
## OBSERVATIONS OF EXISTING SYSTEM

### Overtime Tracking – Records

Overtime incurred when maintaining minimum staffing levels is approved and tracked using handwritten notes recorded by the Platoon Chiefs (PCs) in their supporting logs. Similar information is recorded in other manually updated logs maintained by the District Chiefs (DCs) and Captains. Overtime incurred for working beyond the end of a shift is tracked with handwritten notes of the District Chiefs on the back of Personnel Cards. All of these records are manual, sometimes making the information illegible, cumbersome to review, and reported in an inconsistent manner. Records that are electronically linked and provide detailed information suitable for approval would go a long way in improving the accuracy and efficiency of the process.

### Overtime Logs and Slips

The supporting logs used by the PCs, DCs and Captains should identify the employee that worked the overtime, including the employee’s rank and when the overtime started and ended.

The PCs supporting log sampled for overtime worked over a two week period did not:
- identify two of the 44 firefighters and officers that worked overtime;
- identify the rank of one of the eight Captains that worked overtime;
- identify the start time for 14 of the 44 firefighters and officers that worked overtime; and
- identify the end time for 20 of the 44 firefighters and officers that worked overtime.

### RECOMMENDATION FOR STRENGTHENING SYSTEM

That HFD management implement an automated timekeeping system for tracking and approving regular hours and overtime incurred.

### MANAGEMENT ACTION PLAN

Agreed. HFD will implement the necessary internal controls in the current manual process starting January 1, 2014 for the tracking and approving of regular and overtime hours.

The Department will also begin working on the development and implementation of an automated timekeeping system that will be operational by January 1, 2015.
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<th>#</th>
<th>OBSERVATIONS OF EXISTING SYSTEM</th>
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<th>MANAGEMENT ACTION PLAN</th>
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<tbody>
<tr>
<td></td>
<td>officers that worked overtime.</td>
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2. Overtime Logs and Slips (continued)
The DCs supporting logs over the same two week period did not:

- identify the rank of one of the eight Captains that worked overtime;
- identify the start time for one of the 44 firefighters and Officers that worked overtime; and
- identify the end time for six of the 44 firefighters and Officers that worked overtime.

The PCs also prepare and approve the overtime slips to ensure that the employees that worked overtime are paid for the hours worked. The information on the overtime slips is supported by the various logs. The following inconsistencies were noted between the overtime slips and the logs:

- Hours worked reported on the PCs supporting logs differ from those reported on the overtime slips in 22 of the 44 overtime cases reviewed;
- Hours worked reported on the District Chiefs’ supporting logs differ from those reported on the Overtime Slip in eight of 44 overtime cases reviewed; and
- Employees that worked overtime in two of the 44 cases reviewed were not identified in the Captain’s log.

That HFD management develop a system to ensure that the information on all overtime slips is supported by the overtime recorded in the different logs. This information should be verified for consistency by performing spot checks each month.

Agreed. HFD will update the current manual process starting January 1, 2014 to ensure that the information on all the overtime slips is supported by the personnel logs.

HFD will ensure that the development of the automated time keeping system to be operational by January 1, 2015 will include the relevant overtime information identified in this recommendation.

Monthly spot checks will be performed by F&A staff.
### Observations of Existing System

3. **Overtime Tracking and Approval – Overtime Incurred Beyond the end of the Shift**  
   Firefighters combating a fire at the end of their shift, they are relieved at the scene. The firefighters that are relieved return to the station prior to going home. They are allowed overtime for this period. However, there is no process used to confirm the overtime hours claimed in these situations.

   Firefighters waiting for their replacements to arrive for the next shift are entitled to overtime if their scheduled end time has passed. This is identified as “Waiting for Relief”. Firefighters claiming overtime for “Waiting for Relief” inform their DCs by telephone or e-mail. The DCs record the times on the backs of personnel cards which accumulate such time for payment. The DCs do not verify the accuracy of the time claimed.

   Overtime is also claimed by firefighters for miscellaneous reasons (i.e. writing reports or meeting with Crown attorneys). However, staff do not present documentation (i.e. the reference to the report being written or the reason for meeting with the Crown) to support the amount of overtime claimed in such cases.

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<tr>
<th>#</th>
<th>Observations of Existing System</th>
<th>Recommendation for Strengthening System</th>
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<tbody>
<tr>
<td>3.</td>
<td>Overtime Tracking and Approval – Overtime Incurred Beyond the end of the Shift</td>
<td>That HFD management consider a means to evaluate the time claimed by firefighters who return to their station after they are relieved of their duties at the scene of an emergency.</td>
<td>Agreed. HFD will update the current manual process starting January 1, 2014 to ensure that the overtime claimed by firefighters who return to the station after emergency scene relief has been properly recorded and validated.</td>
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<td></td>
<td>Firefighters waiting for their replacements to arrive for the next shift are entitled to overtime if their scheduled end time has passed. This is identified as “Waiting for Relief”. Firefighters claiming overtime for “Waiting for Relief” inform their DCs by telephone or e-mail. The DCs record the times on the backs of personnel cards which accumulate such time for payment. The DCs do not verify the accuracy of the time claimed.</td>
<td>That HFD management verify the amount of overtime claimed by firefighters “Waiting for Relief” by comparing the overtime hours on the personnel cards to the time that their relief workers reported to work (noted in the District Chief’s log).</td>
<td>Agreed. HFD will update the current manual process starting January 1, 2014 to capture and verify documentation to support overtime for relief.</td>
</tr>
<tr>
<td></td>
<td>Overtime is also claimed by firefighters for miscellaneous reasons (i.e. writing reports or meeting with Crown attorneys). However, staff do not present documentation (i.e. the reference to the report being written or the reason for meeting with the Crown) to support the amount of overtime claimed in such cases.</td>
<td>That, when overtime is claimed for miscellaneous reasons, supporting documentation be provided by staff and retained by management.</td>
<td>Agreed. HFD will update the current manual process starting January 1, 2014 to record supporting rationale for all overtime.</td>
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HFD will ensure that the development of the automated timekeeping system to be operational by January 1, 2015 will include the relevant overtime information identified in these
## OBSERVATIONS OF EXISTING SYSTEM

### Staffing Model

The current staffing model of the HFD uses a minimum complement of 87 firefighters and officers per shift plus one staff per major apparatus (for example, a fire truck) and additional staffing for specialty stations (i.e. Hazmat, High Angle Rope Rescue and Enclosed Spaces). Management has indicated that these levels are based on a “rule of thumb” and has not developed a formal analysis to validate the accuracy of this staffing model. The determination of the number of man days that must be covered for staff vacations, for work on statutory holidays, for days lost due to illness/injury and for retirements is not calculated and thus, not reviewed each year to reflect changes in the HFD’s work force. With a current platoon strength of 117 staff, it cannot be confirmed that this staffing level is adequate to meet its requirements.

### Vacation Scheduling

Management has developed a Holiday/Lieu Day Draw Policy to ensure that staff have an opportunity to take holidays during the prime vacation period and service delivery is maintained consistently throughout the year. This policy maximizes the number of officers and firefighters that may be on holidays for any given shift at five and 13 respectively with the combined total not exceeding 18. In the audit sample selected, the number of holidays and lieu days granted to firefighters exceeded their maximum number on eight of the 14 days reviewed and thus, overtime was required on four of the days. The number of holidays and lieu days granted to officers exceeded the maximum allowed on

## RECOMMENDATION FOR STRENGTHENING SYSTEM

### Staffing Model

That management develop and use a set model to justify staffing requirements each year based on determining factors such as the number of days that must be covered for staff vacations, for work on statutory holidays, for estimated days lost due to illness/injury and for retirements.

### Vacation Scheduling

That management ensure the Holiday/Lieu Day Draw Policy is adhered to so that no more than the maximum number of staff allowed under this policy are on holidays on any given day and this cause of overtime is minimized.

## MANAGEMENT ACTION PLAN

### Staffing Model

Agreed. HFD will develop a staffing model that will be used to justify the annual staffing requirements. This model will be developed and implemented by August 1, 2014.

### Vacation Scheduling

Agreed. HFD will provide education to all senior officers (PC’s and DC’s) to ensure that policy is followed. This will be completed by December 31, 2013. HFD will include in the development of the automated time keeping system (by January 1, 2015), a real time audit system for the logging of vacation to help ensure that policy is followed.
three of the 14 days and overtime was required on two of those days.

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| 6.  | **Procedures**
HFD management has not developed written procedures to guide staff in tracking and approving overtime (whether it arises from maintaining minimum staffing levels or for working beyond the end of the shift). When written procedures do not exist, the officers currently carrying out these overtime duties rely on personal understanding and experience which could result in incorrect, incomplete or inconsistent application. It would also be problematic and inefficient for a successor to commence his/her duties within a short period of time. | That the HFD management develop, approve and implement comprehensive procedures for the tracking and approval of overtime. | Agreed. HFD will develop, approve and implement procedures for the tracking and approval of overtime by April 30, 2014. |
ADDENDUM

The following items were noted during the course of the audit. Although they do not present internal control deficiencies, they are indicated in this Addendum so management is aware of the issues and can address them appropriately.

1. **Budgeting for Overtime**
   The Fire Suppression Unit’s overtime budget (PeopleSoft Account 51006 DeptID 740010) has only been updated once in the past six years. It was increased from $560,000 in 2010 to $605,770 in 2011 and has remained at this level since then. Neither, management nor Finance and Administration (F&A) could provide an explanation as to how the budget amounts were calculated.

   **It is recommended:**
   That HFD management and F&A update the Fire Suppression Unit’s overtime budget each year to reflect the anticipated overtime arising from maintaining minimum staffing levels and for working beyond the end of their shifts.

   **Management Response:**
   Agreed. As part of the annual budget process, management will review the anticipated overtime requirements and make the necessary changes to reflect findings.

2. **24 Hour Shift Schedule – Program Evaluation**
   The agreement between the City of Hamilton and the Professional Firefighters Association Local 288 states that the two parties agree that the 24-hour Shift Schedule Trial for the Suppression Division will be evaluated throughout the trial period (identified as January 3, 2011 to December 31, 2013) against the applicable performance numbers from the previous five (5) years. These performance numbers include overtime frequency and costs. Management has not completed such an evaluation to date.

   **It is recommended:**
   That HFD management prepare an evaluation of the 24 hour Shift Schedule Trial, comparing overtime frequency and costs for the period since this schedule was implemented (January 3, 2011 to present) against the previous five year period as per the agreement.

   **Management Response:**
   Agreed. Management will be presenting this report to Committee and Council prior to the end of 2013.
3. Deviation from Existing Procedure
The procedure developed by Budgets and Finance states that the overtime slips for Platoon Chiefs (PCs) must be forwarded to the Deputy for authorization. The current actual practice has the overtime slips being authorized by the incoming shift’s PC. This is not a control issue as other compensating procedures are performed with reports reviewed by the Deputy Chief that make him aware of any overtime incurred by the PCs. However, the procedure is not reflective of the current practice.

It is recommended:
That the procedure for the approval of the Platoon Chiefs’ overtime slips be updated to reflect the current practice.

Management Response:
No change required. Management will review the current practice with F&A and the Platoon Chiefs/Acting Platoon Chiefs and ensure that all overtime slips for the Platoon Chiefs/Acting Platoon Chiefs are being authorized by the Deputy Chief prior to processing.
CITY OF HAMILTON
PROPOSED 2014 INTERNAL AUDIT WORK PLAN PROJECTS

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The following audits/reviews were included in the 2013 Work Plan. Due to resourcing issues, they will be carried over and completed in 2014.

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