Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, February 21, 2007
Council Chambers
Hamilton City Hall
71 Main Street West, Hamilton

Present: Chair C. Collins
Vice-Chair M. Pearson
Councillors B. Bratina, B. Clark, B. Morelli, R. Powers,
T. Whitehead

Also Present: J. Rinaldo, General Manager, Finance and Corporate
Services
G. Peace, City Manager
C. Graham, General Manager, Human Resources
R. Male, J. Lee, M. Zegarac, A. Boakes, Finance and
Corporate Services
G. Lupton, K. Bainbridge, Public Works
I. Sturgeon, City Clerk’s

THE FOLLOWING ITEMS WERE REPORTED TO CITY COUNCIL FOR CONSIDERA-
TION:

1. Monthly Status Report of Tenders and Requests for Proposals for
December 1, 2006 – January 25, 2007 – (FCS06016(i)) – (City Wide) (Item
5.1)

(Powers/Clark)
That Report FCS06016(i) respecting Requests for Proposals for December 1,
2006 – January 25, 2007 be received.

CARRIED
2. FOI Quarterly Report (October 1 to December 31, 2006) (CL06006(c)) (City Wide) (Item 5.2)

(Powers/Clark)
That Report CL06006(c) respecting FOI Quarterly Report (October 1 to December 31, 2006) be received.

   CARRIED

3. 9-1-1 Advisory Board Seeks Assistance (HES07003/FCS07028) (City Wide)
    Referred from Council September, 2006 - Outstanding Business Item (M) (Item 5.3)

(Powers/Clark)
   a) That Report HES07003/FCS07028 regarding the request from the 9-1-1 Advisory Board for funding be received.
   b) That Outstanding Business Item (M) of the Audit and Administration Committee be identified as completed and removed from the Outstanding list.

   CARRIED

4. Proposed Purchasing Policy Amendments (FCS07017) (City Wide) (Item 7.1)

(Powers/Pearson)
   (a) That staff be directed to revise the current Purchasing Policy to incorporate the following items:

      (i) participation of elected officials in the procurement process;
      (ii) the award of Request for Proposals using a cost per point analysis;
      (iii) excess packaging;
      (iv) requirements of the Ontarians with Disabilities Act;
      (v) solicitation of vendors to sponsor City initiatives.
      (vi) That staff be requested to investigate and report back to Committee on the feasibility of hiring a Procurement Fairness Officer.

   (b) That the revised Purchasing Policy be presented to the Audit and Administration Committee for review and approval by the end of April.

   CARRIED
5. City of Hamilton Commodity Price Hedging Policy (FCS07024) (City Wide) (Item 7.2)

(Pearson/Morelli)

(a) That the Statement of Policies and Goals relating to the use of commodity price hedging agreements to address commodity pricing and costs attached as Appendix A to report FCS07024 be adopted; and

(b) That sub-sections (c) and (d) of Item 35 of Committee of the Whole Report 06-018, approved by Council on August 9, 2006, be deleted. 

CARRIED

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk noted a wording change had been made to Appendix A of Report FCS07024 (Item 7.2) and that a new copy of the Appendix A had been distributed to members of Committee.

Committee approved the agenda as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) PRESENTATIONS (Item 7)

(i) Proposed Purchasing Policy Amendments (FCS07017) (City Wide) (Item 7.1)

Rick Male, Director of Financial Services and Angela Boakes, Manager of Purchasing made a PowerPoint presentation to members of Committee regarding the City’s Purchasing Policy and reviewed the following items;

- Purchasing goals and objectives
- Recap of accomplishments
- Current Purchasing Policy
- Council’s role in the Purchasing Policy
- Current acquisition process
- Purchasing website
- Proposed changes to the current Purchasing Policy
- Going forward in 2007

A copy of the presentation was circulated to members of Committee.
Committee discussed the proposed changes to the Purchasing Policy and provided the following questions, comments and/or concerns; how can local businesses become a vendor with the City, consideration in holding open workshops for the community, review of the fair wage policy, conflict of interest parameters, employing local businesses vs out of Town suppliers, breaking down contracts in order to allow smaller businesses the opportunity to participate, the City should not openly solicit vendors - it should be done in a public and generic fashion, concern regarding the evaluation criteria, what is the vendor resolution process, do we have an independent Fairness Officer, cost over runs need to be addressed – do we keep track of how often this happens, need to be clear on what our expectations are when using a cost per point analysis, consideration of a generic policy when initiating partnerships, clarification regarding the staff procedure when they initiate the use of the emergency purchasing policy, the need to reduce the number of emergency purchases, the need to tighten up on single/sole sourcing.

Staff were requested to provide the Committee with additional information regarding the following issues;

- Advise how often the Fair Wage Policy & Appendices is reviewed
- Conflict of Interest – Is there a provision to stop vendors from working on similar projects?
- Contract to clean up properties and then place the charges on the tax bill – has this particular contract been re-tendered yet?
- Committee would like to see examples from other municipalities regarding Council involvement in the procurement process
- Expired contracts – how often do we provide extensions?
- Information on how we currently solicit for donations
- More clarification and the need for specific detail in the policy on cost per point analysis
- Information on how the vendor data base is used – is personal information ever released to third parties?

On a motion moved by Councillor Clark and seconded by Councillor Morelli, the Committee amended section (a) of the staff recommendation by adding the following as sub-section (vi);

(vi) That staff be requested to investigate and report back to Committee on the feasibility of hiring a Procurement Fairness Officer.

AMENDMENT CARRIED
Committee continued their discussions on this matter and Joe Rinaldo explained that the staff analysis required to address the issues raised by Committee would take several months.

On a motion moved by Councillor Clark and seconded by Councillor Morrelli, Committee amended section (b) of the staff recommendation and asked staff to report back to Committee with the revised Purchasing Policy by the end of April.

**AMENDMENT CARRIED**

Committee approved the staff recommendation as amended.

(ii) **City of Hamilton Commodity Price Hedging Policy (FCS07024) (City Wide) (Item 7.2)**

Mike Zegarac, Manager of Policy & Projects and Geoff Lupton, Manager of Energy Initiatives, provided Committee with an overview of the regulations which allow municipalities to enter into Commodity Price Hedging Agreements. A copy of the PowerPoint presentation was circulated to members of Committee.

Committee discussed the issue and requested further clarification regarding the delegation of authority, the frequency of reporting back to Committee, confirmation that the purchasing would expand to other areas and not be limited to electricity, fuel etc.

Councillor Pearson asked staff to consider expanding this initiative to other City facilities including those which house our stakeholders.

Committee approved the staff recommendation as presented.

(d) **MOTIONS (Item 9)**

Chair Collins relinquished the Chair to Vice-Chair Pearson in order to introduce a motion regarding an Energy Initiative update.

9.1 **Energy Initiatives Update**

**(Collins/Whitehead)**

That staff be directed to report back to the Audit and Administration Committee with options and alternatives related to short, medium and long term financial and environmental goals and objectives in the Energy Initiatives Office.

**CARRIED**

Chair Collins resumed the Chair.
(e) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

(i) Purchasing Vendor List

Councillor Clark asked for further clarification regarding the use of the vendor database.

Joe Rinaldo confirmed that he would speak with staff regarding their procedures in this matter and provide a written response back to members of Committee.

(ii) Interval Metering on Street Lights

Councillor Powers questioned if it might be possible to get interval metering on our street lights.

A brief discussion ensued and Councillor Powers agreed to meet with staff to discuss energy procurement and possible involvement with A.M.O.

(f) ADJOURNMENT

On a motion, the Audit and Administration Committee adjourned at 12:45 p.m.

Respectfully submitted

Councillor C. Collins
Chair
Audit and Administration Committee

Irene Sturgeon
Legislative Assistant
February 21, 2007